

REDEFINING

ASEAN FOR YOU

We hope you enjoyed the play on words on our 2011 Annual Report cover. Here at CIMB we are proud of our red corporate colour and we are also focused on 'Redefining ASEAN For You'.

The nations of ASEAN are CIMB's home space, where we have extensive local knowledge and a competitive advantage. 'ASEAN For You' is our new corporate tagline, reflecting our confidence in operating across borders and our expansion into eight of the 10 ASEAN countries.

When we talk about 'Redefining ASEAN For You', we are talking about opening up opportunities in the region. We are enabling ASEAN customers to look cross border, to invest wider and to trade more with each other. We are also positioning ourselves to be the first port of call for investors considering a business proposition in the region.

We have a network of over 1,000 branches and more than 40,000 staff in ASEAN to facilitate this connectivity, to expand business opportunities and to catalyse economic integration and we look forward to reaching our Vision 2015 to be The Leading ASEAN Franchise.

Core Philosophies of the Group

CREATING
VALUE

ENABLING OUR
PEOPLE

ACTING WITH
INTEGRITY

FINANCIAL CALENDAR 2011

FRIDAY

25 FEBRUARY 2011

Announcement of the unaudited consolidated financial results for the fourth quarter and financial year ended 31 December 2010

FRIDAY

25 FEBRUARY 2011

Notice of book closure for single tier interim dividend of 8 sen per share for the financial year ended 31 December 2010

TUESDAY

15 MARCH 2011

Date of entitlement for the single tier interim dividend of 8 sen per share for the financial year ended 31 December 2010

WEDNESDAY

30 MARCH 2011

Payment of the single tier interim dividend of 8 sen per share for the financial year ended 31 December 2010

WEDNESDAY

30 MARCH 2011

Notice of 54th Annual General Meeting (AGM) and issuance of Annual Report for the financial year ended 31 December 2010

FRIDAY

22 APRIL 2011

54th Annual General Meeting of CIMB Group Holdings Berhad

WEDNESDAY

25 MAY 2011

Announcement of the unaudited consolidated financial results for the first quarter ended 31 March 2011

TUESDAY

23 AUGUST 2011

Announcement of the unaudited consolidated financial results for the second quarter and half year ended 30 June 2011

TUESDAY

23 AUGUST 2011

Notice of book closure for the single tier interim dividend of 12.0 sen per share for the financial year ended 31 December 2011

MONDAY

12 SEPTEMBER 2011

Date of entitlement for the single tier interim dividend of 12.0 sen per share for the financial year ended 31 December 2011

FRIDAY

30 SEPTEMBER 2011

Payment of the single tier interim dividend of 12.0 sen per share for the financial year ended 31 December 2011

TUESDAY

15 NOVEMBER 2011

Announcement of the unaudited consolidated financial results for the third quarter ended 30 September 2011

55th

Annual General Meeting of CIMB Group Holdings Berhad

Grand Ballroom, Level 1
Sime Darby Convention Centre
1A Jalan Bukit Kiara 1
60000 Kuala Lumpur
Tuesday, 17 April 2012
at 9.30 a.m.

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 55th Annual General Meeting of CIMB Group Holdings Berhad (“CIMB” or “the Company”) will be held at the Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 17 April 2012 at 9.30 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2011 and the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To re-elect the following Directors who retire pursuant to Article 76 of the Company's Articles of Association:
 - 2.1 Dato' Hamzah Bakar **Resolution 2**
 - 2.2 Dato' Zainal Abidin Putih **Resolution 3**
 - 2.3 Datuk Dr. Syed Muhamad Syed Abdul Kadir **Resolution 4**
3. To re-elect Mr. Katsumi Hatao who retires pursuant to Article 83 of the Company's Articles of Association. **Resolution 5**
4. To approve the payment of Directors' fees amounting to RM829,299 for the financial year ended 31 December 2011. **Resolution 6**
5. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:

6. 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 8**

7. 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 RM1,282 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 2011 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 2013 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.” **Resolution 9**

Notice of **Annual General Meeting**

8. 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
26 March 2012

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 55th 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 11 April 2012. Only a depositor whose name appears on the Record of Depositors as at 11 April 2012 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 54th Annual General Meeting held on 22 April 2011, which will lapse upon the conclusion of the forthcoming 55th Annual General Meeting to be held on 17 April 2012.

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 2011 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 Director pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The profile of the Director who is standing for election under Ordinary Resolution 5 is set out on page 119 of this Annual Report.

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 22 April 2011, 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 RM1,264 million and/or share premium account of approximately RM4,193 million based on the Audited Financial Statements of the Company for the financial year ended 31 December 2010.

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 55th Annual General Meeting to be held on 17 April 2012, unless renewed by an ordinary resolution.

On 23 February 2012, the Company announced its intention to seek shareholders' approval at the forthcoming 55th 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 55th 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 23 February 2012 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 2013 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 2011 was RM1,282 million whilst the audited share premium account of the Company as at 31 December 2011 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	60.11 ¹	50.11 ²

Notes:

¹ As at 23 February 2012

² Based on the assumption that:

- (i) the Proposed Shares Buy-Back involves the aggregate purchase of 743,277,464 CIMB Shares (being 10% of issued and paid-up share capital of the Company as at 23 February 2012) 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 person 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) Allow the Company to take preventive measures against excessive speculation, in particular when the Company's shares are undervalued;
- (ii) Allow 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 23 February 2012 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 23 February 2012 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 2011		As at 23 February 2012	After share purchase and cancellation
Issued and paid-up share capital (RM)	7,432,774,646		7,432,774,646	6,689,497,182 ¹

Note:

¹ 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 23 February 2012 are as follows.

Substantial Shareholders	No. of CIMB Shares Held							
	Before the Proposed Shares Buy-Back ¹				After the Proposed Shares Buy-Back ²			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Khazanah Nasional Berhad	2,154,940,767 ³	28.99	–	–	2,154,940,767	32.21	–	–
Employees Provident Fund Board	921,904,632 ⁴	12.40	–	–	921,904,632	13.78	–	–
Mitsubishi UFJ Financial Group, Inc	–	–	753,731,523 ⁵	10.14	–	–	753,731,523	11.27

Notes:

¹ Adjusted for the number of treasury shares held as at 23 February 2012.

² Assuming that 10% of the issued and paid-up share capital is purchased and retained as treasury shares.

³ 2,114,940,767 CIMB Shares are held directly and the remaining 40,000,000 CIMB Shares are held through a nominee.

⁴ 2,996,000 CIMB Shares are held directly and the remaining 918,908,632 CIMB Shares are held through nominees.

⁵ 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 ^{*1}		After the Proposed Shares Buy-Back ^{*2}	
	No. of CIMB Shares Held	%	No. of CIMB Shares Held	%
Tan Sri Dato' Md Nor Yusof	400,000	– ^{*3}	400,000	– ^{*3}
Dato' Sri Nazir Razak ^{*4}	55,395,875	0.75	55,395,875	0.83
Dato' Zainal Abidin Putih ^{*5}	110,000	– ^{*3}	110,000	– ^{*3}
Dato' Robert Chem Dau Meng	115,592	– ^{*3}	115,592	– ^{*3}

Notes:^{*1} Adjusted for the number of treasury shares held as at 23 February 2012.^{*2} Assuming 10% of the issued and paid-up share capital is purchased and retained as treasury shares.^{*3} Less than 0.1%.^{*4} Includes the shareholdings of his spouse.^{*5} 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 55th 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 2011 to February 2012 are as follows:

2011	High (RM)	Low (RM)
March	8.21	7.82
April	8.42	8.09
May	8.40	8.11
June	9.01	8.20
July	8.98	8.25
August	8.45	6.95
September	7.44	6.56
October	7.58	6.76
November	7.50	6.64
December	7.44	6.81
2012	High (RM)	Low (RM)
January	7.35	6.85
February	7.33	6.88

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)

8. PURCHASES, RESALE AND CANCELLATION OF TREASURY SHARES MADE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

During the financial year ended 31 December 2011, the Company purchased a total of 1,004 CIMB shares from the open market at an average price of RM8.60 per share or a total consideration of RM8,630.43. All the shares purchased were retained as treasury shares.

Information on shares purchased during the financial year ended 31 December 2011 is set out in "Additional Compliance Information".

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 shareholder 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 having considered all aspects of the Proposed Shares Buy-Back, 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 55th Annual General Meeting.

Key Facts

TOTAL ASSETS:

RM300.2 BILLION

TOTAL SHAREHOLDERS' FUNDS:

RM25.9 BILLION

TOTAL FUNDS UNDER MANAGEMENT:

RM33.2 BILLION

NET PROFIT:

RM4,031 MILLION

EARNINGS PER SHARE:

54.2 SEN

STAFF STRENGTH:

OVER **40,000**

OUR ASEAN MARKETS:

MALAYSIA
INDONESIA
SINGAPORE
THAILAND
BRUNEI
CAMBODIA
MYANMAR
VIETNAM

OTHER MARKETS:

BAHRAIN
CHINA
HONG KONG
INDIA
SRI LANKA
UK
USA

Vision 2015

TO BE THE
LEADING ASEAN
FRANCHISE

MESSAGE FROM THE
CHAIRMAN

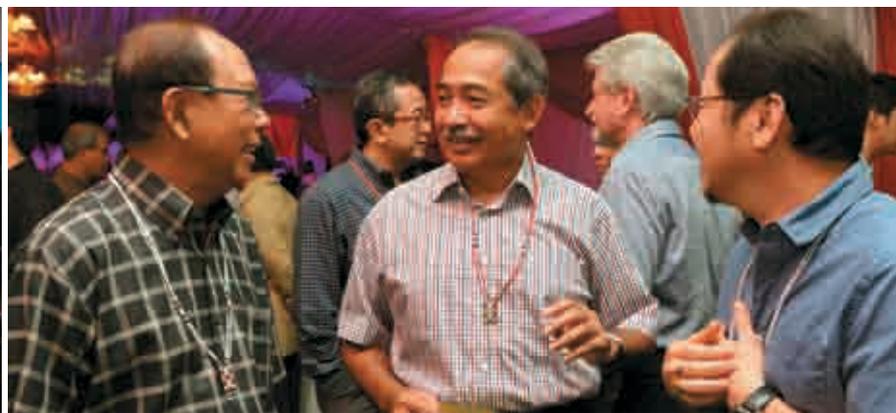


➤ CIMB Group reached a confidence threshold in 2011. We passed the mark from having feasible plans to having doable plans. I am extremely encouraged by this position.

Message from the **Chairman**



At the 2011 Annual Management Dialogue dinner with our very own CIMB staff ASEAN Cultural Dance Troupe



At the International Advisory Panel (IAP) meeting in Kota Kinabalu, Malaysia with IAP Chairman Tun Musa Hitam and panel member Datuk Tong Kooi Ong

Dear Shareholders,

In recent years, CIMB Group has embarked on a remarkable journey of transformation and expansion. In 2011, we again grew in size and geography across Asia, with record profits and our largest regional footprint to date. Most importantly, CIMB Group passed a confidence threshold. We set a new target, our Vision 2015 to become The Leading ASEAN Franchise, and we changed our tagline to 'ASEAN For You' reflecting our regional credentials.

To put that another way, we passed the mark from having feasible plans to having doable plans. While we ourselves have always believed in our ambitious projections for growth as a universal bank in ASEAN, we now have the proof that our plans are working. By staying on track over the past six years and continuing to perform well, we have accumulated significant mileage and momentum. I am extremely encouraged by this position.

Back in 2005 we had a staff of 12,000 and our Group assets were RM117 billion. At the end of 2011, our assets were RM300 billion and we had over 40,000 staff.

These figures are impressive. We have come a long way. But we still have ambitious plans for our future, and we will need more capacity building and structure building to get us where we want to be – The Leading ASEAN Franchise. To work towards this, our corporate theme for 2012 is 'CIMB 2.0:

Towards Vision 2015'. We have borrowed this '2.0' terminology from computer software development to show that we are going to further upgrade all areas of our organisation.

In the here and now, we already have a strong universal banking presence in Malaysia, Indonesia, Singapore and Thailand, a growing presence in Cambodia and offices in Myanmar, Brunei and Vietnam. That covers eight of the 10 ASEAN nations. Further afield, we have representation in Mumbai, Hong Kong, Bahrain, Colombo, Shanghai, London and New York.

We will build on our leadership position in Investment Banking in ASEAN and Islamic Banking in general and we will continue to build on the excellent momentum we have in all other areas. In the longer term, we may venture further afield, always keeping in mind that our core competency and home base is here in ASEAN.

In early February 2012, I took part in a business exploration trip to Myanmar with the ASEAN Business Club. We traveled to Yangon and Nay Pyi Taw and met with business people, government officials and Nobel Laureate Aung San Suu Kyi.

It struck me how easily we engaged with the people we met in Myanmar. Despite the differences in language and development, we found we related well, and our shared histories resonated with each other. On account of the Spice Trade, the peoples of Myanmar and Malaysia (and indeed all the peoples of ASEAN) have a very long history of marine trade and exchange.

We at CIMB are a regional facilitator of trade and investment and we are comfortable operating across the region. Even though Myanmar is in the early stages of opening up, CIMB has had a representative office there since 1994. Through thick and thin, we kept that office open and this is an indication of our commitment and belief in Myanmar in particular and in ASEAN in general.

Message from the **Chairman**



A courtesy call on Nobel Laureate Aung San Suu Kyi during a visit to Myanmar by the ASEAN Business Club

I hope you have got the clear message that ASEAN is core, and will remain core, to CIMB. We have a tenacious belief in the scale, diversity and opportunities of this region and we won external recognition for this with the ASEAN Business Award 2011 for the most admired ASEAN enterprise for employment.

Our biggest national market at present is Malaysia, the country of our roots, and 51 percent of our workforce is in Malaysia. However, we have already gone through a mindset change to ensure that we think about ASEAN in all we do. We currently have 35 percent of our workforce in Indonesia and 10 percent in Thailand and we expect those regional figures to grow.

You will, no doubt, have noted the very striking red colour of the cover of our Annual Report. Of course, the colour red is in all of the national flags of ASEAN members and has deeply positive symbolism across Asia. Red is also the corporate colour we have chosen to unify all CIMB brands across the region. It is worth mentioning here that this rebranding has set a new level of consistency across the Group and it is now hard to remember back to the days when some of our branding was blue, some was red and some was green.

We have a clearer message now, and this is born out in the consistent red of our 2011 Annual Report. I hope you enjoyed the play on words on the cover – we are proud of our red corporate colour and we are focused on ‘Redefining ASEAN For You’.

When we say ‘Redefining ASEAN For You’ we are talking about opening up opportunities in the region. We are enabling ASEAN customers to look cross border, to invest wider and to trade more with each other. We are also positioning ourselves to be the first port of call for investors considering a business proposition in the region.

Throughout our Group’s expansion and consolidation we have stuck close to our three core CIMB philosophies of creating value, enabling people and acting with integrity. The three key dividers in this Annual Report follow these core philosophies.

On my personal travels around ASEAN this year, I have seen a great number of CIMB offices and staff, and it is exhilarating to see so many people working towards the same corporate goal. Our CIMB customers also really stand out for me. They are of course our lifeblood, and there is great diversity and potential in our customer base. One particular image that has stayed in my mind’s eye is of some customers in Indonesia. This couple had stopped outside a new CIMB Niaga branch in a strip of shophots in Sumatra.

They had drawn up in a beautifully decorated horse and cart, and sandwiched between a car and a motorbike, were ready to leapfrog from the 19th to the 21st century with the help of CIMB.

➤ We are enabling ASEAN customers to look cross border, to invest wider and to trade more with each other. We are also positioning ourselves to be the first port of call for investors considering a business proposition in the region.



I snapped this scene outside our new CIMB Niaga branch and feel it is an interesting contrast of old and new. CIMB Group is ideally positioned to bridge this gap



At the CIMB Asia Pacific Classic with our staff volunteers from across the region

Message from the **Chairman**

Across the 10 nations of ASEAN, there are 600 million people, making up almost nine percent of the world's population. The region's combined nominal GDP for 2010 was USD1.8 trillion, which, if counted as one entity, would make ASEAN the ninth largest economy in the world. We believe in the potential of ASEAN and that the synergies that could be released by forging an integrated economic community within ASEAN are immense.

In order to play our part in integrating this ASEAN economic community, we have established the CIMB ASEAN Research Institute (CARI) and our Group Chief Executive Dato' Sri Nazir Razak was one of 10 founding members of the ASEAN Business Club. We use these two vehicles to engage with our stakeholders in government, business and academia.

This year, we have consolidated many aspects of our corporate responsibility into a new Sustainability Report booklet, enclosed in this Annual Report pack. This deals with our initiatives in our workplace, marketplace, environment and community. Our CIMB Foundation manages most of our community involvement. Key projects in 2011 covered our three focus areas of community development, sports and education.

CIMB Group is also proud to have sponsored several events this year, which leverage our branding across the region. We were the title sponsor for the CIMB Asia Pacific Classic golfing tournament and we held our inaugural CIMB ASEAN Conference for regional fund managers.

I am also proud to say that our staff across the region raised RM257,875 to help CIMB Thai colleagues affected by the great floods of 2011.

➤ I would like to personally thank each person for their dedication and commitment to CIMB and their flexibility in continually striving to improve and move forward with the Group.



With our Group Chief Executive at CIMB Group's Hari Raya Open House

Message from the **Chairman**



At the farewell dinner for our retiring Executive Director Dato' Shukri

In terms of leadership and governance, I am confident that the diversity of the Board of Directors, which now includes one-third non Malaysians, enhances our stature as a regional franchise. Our board discussions are very lively and we have the benefit of many different perspectives across ASEAN and beyond. In this regard I was pleased that we received the 2011 Corporate Governance Asia Award for Asia's Best Company for Corporate Governance (Malaysia). We also got a Distinction Award (A+) for best practices in corporate governance from Malaysia's Minority Shareholder Watchdog Group.

We reached a landmark in 2011 with the retirement of our Executive Director Dato' Mohd Shukri Hussin, who spent 26 years at CIMB Group. He had extensive experience on both sides of the universal banking equation, which stood him in good stead as he oversaw the birth of CIMB as a universal bank in 2006 and the merger between Bank Niaga and Bank Lippo in 2008 in his capacity as President Commissioner of CIMB Niaga. We will miss his wise counsel and down-to-earth manner.

We have a second board change this year, with Katsumi Hatao replacing Hiroyuki Kudo as Non-Independent Non-Executive Director. Kudo-san will remain in his present role as Executive Advisor to CIMB Investment Bank and Head of the Group's Regional Japanese Corporates Unit.

I would like to thank my fellow directors on the CIMB Board for their contribution, services and guidance to the Group. In addition, the members of the International Advisory Panel continue to be of great assistance in formulating CIMB Group's roadmap for its ASEAN journey. On the corporate responsibility front, my fellow trustees on the Board of the CIMB Foundation have done much to support grassroots community projects in the region.

We now have more than 40,000 employees Group-wide and I would like to personally thank each person for their dedication and commitment to CIMB and their flexibility in continually striving to improve and move forward with the Group. We are on an exciting journey and I hope you will continue to work together towards achieving our corporate vision of being The Leading ASEAN Franchise by 2015.

Our employees are led by Dato' Sri Nazir, who won the FinanceAsia Best CEO (Malaysia) in 2011. I would like to congratulate him on this award and the completion of his Chevening Fellowship at the Oxford Centre for Islamic Studies last year. I am happy to report that Dato' Sri Nazir successfully remote-managed CIMB Group during his travels to Oxford. This is testament to the strong senior management structure we have in place and the clear vision of the Group Management Committee.

Before I sign off for this year, I would like to extend a particular thank you to our shareholders. Many of you have invested in our Group for several decades. Likewise many of our stakeholders, including regulators, policy makers and non-governmental organisations have shown long-term confidence in our Group. Thank you for your support.

Md Nor Yusof

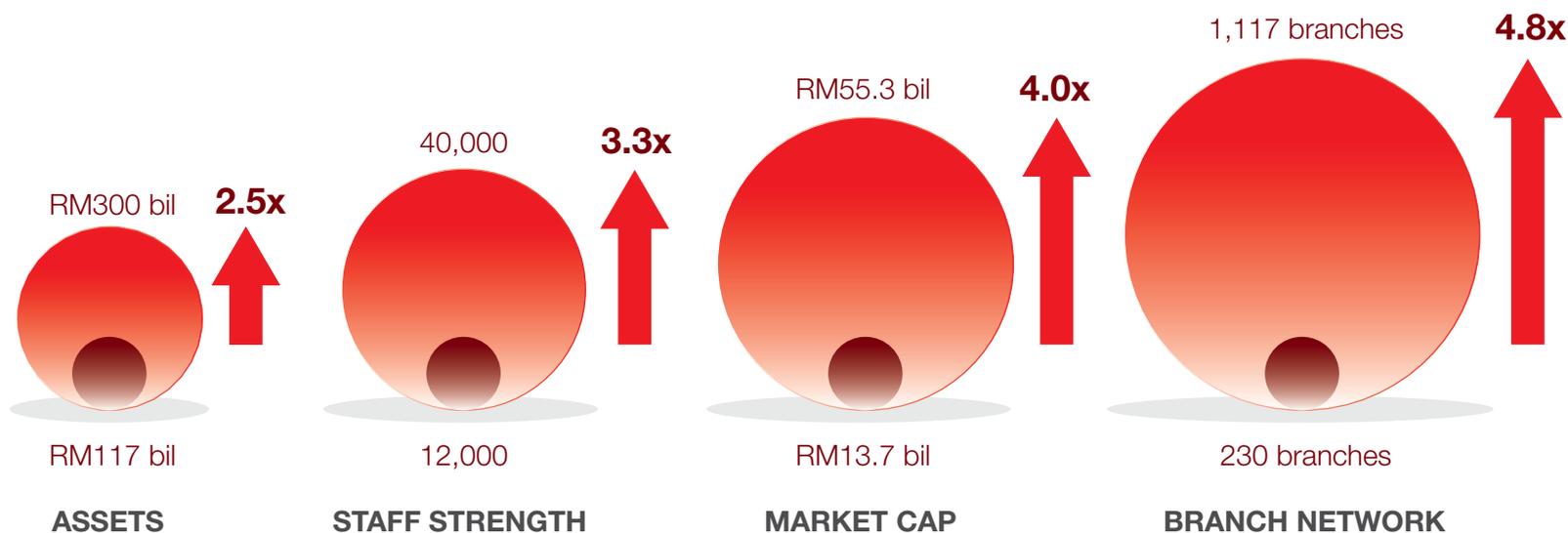
PERFORMANCE REVIEW BY **GROUP CHIEF
EXECUTIVE**



- CIMB Group registered its best ever financial performance, with a record net profit of RM4.03 billion, representing a 15.1% year-on-year growth.

Performance Review by **Group Chief Executive**

CIMB Group's Growth Story from 2005 to 2011



Dear Shareholders,

Here in ASEAN, we started 2011 on a positive note. There were some question marks over the sustainability of economic recovery in the US and Europe and worries about the potential knock on effects in Asia, but the general mood was that the worst of the Global Financial Crisis was behind us. How different it turned out to be.

I doubt anyone predicted, let alone prepared themselves for, the watershed events that would come to define the year. There was a wave of demonstrations and protests in Northern Africa and the Middle East, leading to regime change in Tunisia, Egypt, Libya and the Yemen. Japan was hit by a major earthquake and tsunami prompting fears of nuclear emergency. A sovereign debt crisis hit the Eurozone and the general political impasse in the US and Europe added to prevailing global uncertainty.

This string of largely unconnected developments impacted global investor sentiment and overall business confidence. Asia in general and ASEAN in particular were fortunate to be quite well insulated from the financial, economic and political turmoil. However, we were not immune, and depressed global macroeconomics and the general decline in capital market activities made it a difficult year.

At CIMB Group, we found the downside risks very hard to assess and became more conservative in our approach to lending and business growth in general. As the year progressed it became clear that we would not be able to reach our revenue targets, so we recalibrated our strategies and focused more on costs, credit charge and liabilities.

CIMB Group showed its corporate agility by registering its best ever financial performance, with a record net profit of RM4.03 billion, representing a 15.1% year-on-year growth. We compensated for almost flat revenue growth with no increase in our overheads and much improved overall credit charge. As always, we set ourselves optimistic targets for the year: Our three key internal measures of success for 2011 were a 17.0% return on equity (ROE), a 40-60% dividend payout and share outperformance relative to the FBM-KLCI. While our share price performed poorly, we met our dividend target and came close for ROE, with our highest achievement to date of 16.4%.

In strategic terms, 2011 was the year when CIMB Group firmly cemented its credentials as a truly ASEAN franchise. Our corporate theme for 2011 was 'Think ASEAN', and we focused on strengthening our regional identity amongst our staff, optimising our regional platform to bring ASEAN closer to our customers, and positioning ourselves as an ASEAN champion in the regional markets we serve. We also 'became red' across ASEAN following a broad refresh exercise, dispensing with the blue and green colours used previously to differentiate investment and Islamic banking.

The Group has certainly come a long way since we became a regional universal bank in 2005. But we still have ambitious plans for the future and I have always stood by the adage 'What Got Us Here Will Not Get Us There'. So, in 2011, we started laying the foundations to prepare CIMB Group for its next growth phase.

Performance Review by **Group Chief Executive****CIMB Group vs KLCI and KLFIN from 1 January 2011 to 31 December 2011****Long Term Value Creation (Total Shareholder Return)****Achievements vs Targets for 2011**

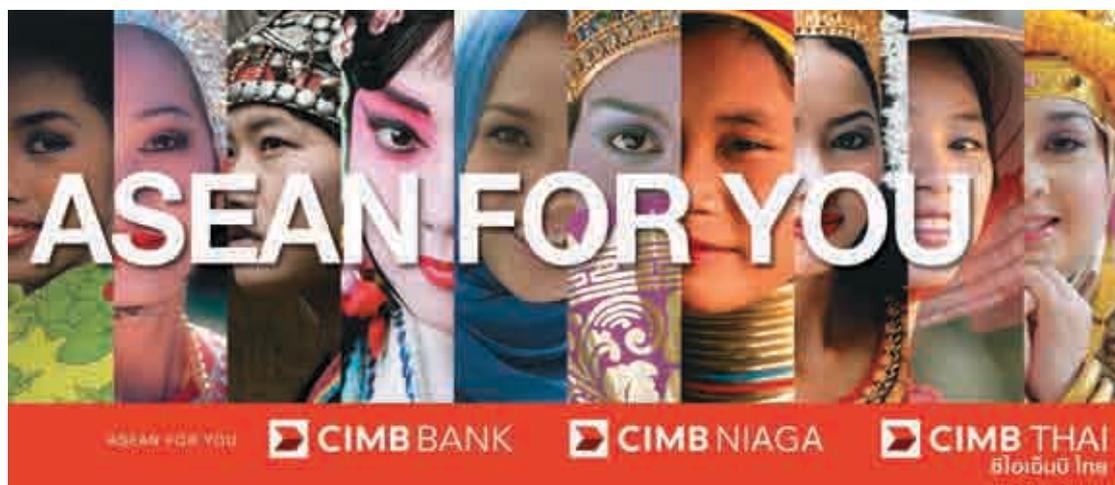
	2011 Targets	FY2011
ROE	17.0%	16.4%
Total Shareholder Return	> KLCI	14.6% < KLCI
Dividend	40-60%	40.6%

First, we laid down our Vision 2015, or V15. This is our medium-term aspiration of becoming The Leading ASEAN Franchise by 2015. We also initiated a major revamp of the Group's organisational structure to better align our business lines, allowing for greater operational synergies, better customer focus, improved cross-selling, and faster decision making. In addition, we made the bold move of staking an early claim on the ASEAN 'space' by changing our tagline to 'ASEAN For You', reflecting our regional identity and our collective ability to deliver the best of ASEAN to our customers. We have set 'CIMB 2.0' as the corporate theme for 2012 and we can expect many more changes as we strive for our V15.

SHARE PRICE PERFORMANCE AND SHAREHOLDER RETURN

It has been a disappointing year for CIMB Group in terms of shareholder returns. In 2011, CIMB Group's share price declined by 12.5% from RM8.50 on 1 January 2011 to RM7.44 on 31 December 2011, underperforming the FBM-KLCI and KL Financial Index (KLFIN) by 13.25% and 11.36% respectively. However, the Group met its dividend payout targets for 2011 with total 2011 dividends amounting to RM1.64 billion, or 22.0 sen per share. This was split into two interim dividend payouts of 12.0 sen and 10.0 sen which were declared in August 2011, and February 2012 respectively.

Performance Review by **Group Chief Executive**



CIMB Group's new corporate tagline is 'ASEAN For You'

In my view, there are several reasons for CIMB Group's share price underperformance. Firstly, we set aggressive growth targets at the start of the year, and the market assumed we would meet them easily, based on our consistent track record of outperformance in recent years. Secondly, CIMB Group was deemed most affected by the proposal by Bank Indonesia to set limits on foreign ownership on banks in Indonesia. Thirdly, we surprised the market with our decision to turn cautious in mid-2011; although few would disagree with our view today in hindsight.

From a longer term perspective, CIMB Group remains one of the region's best performers in terms of shareholder value creation. From June 2005, when we became a universal bank, until end-2011, the Group has delivered a total shareholder return of 290%, representing an average annual return of 52.7%.

2011 HIGHLIGHTS

In the following pages, I describe some of the key highlights of 2011 for CIMB Group. Further details on initiatives by specific divisions of the Group can be found in the Business Review section.

Notable Deals

In 2011, we did not see the mega-sized initial public offerings (IPOs) which defined 2010, because of weak capital market sentiment. However, we built on our position as ASEAN's number one indigenous investment bank by leading several of the year's most important deals in ASEAN. We led the largest ever sukuk issuance in the world, for the Malaysian highway concessionaire PLUS Bhd. We also led the world's first offshore Reminbi sukuk, for Khazanah Nasional Bhd., the strategic investment fund of the Malaysian government. We were involved in pioneering two secondary listings on the Singapore Exchange (SGX); one from Bursa Malaysia and the other from the Stock Exchange of Thailand (SET). We also led Malaysia's three largest IPOs for 2011 – oil & gas services provider Bumi Armada Bhd., sugar refiner MSM Malaysia Holdings, and property developer UOA Development Bhd.

Malaysia & Singapore Consumer Bank Outperformance

Our Consumer Bank in Malaysia & Singapore recorded its best ever financial contribution to the Group in 2011 with a 86% year-on-year jump in profits before tax. Revenues increased by 8% while we reduced costs and loan provisions by 3% and 95% respectively. We achieved exceptional retail deposit growth of 25%, driven by our Preferred banking service for affluent customers, and continued to grow our mortgages, credit cards and micro-lending strongly.

Business Reorganisation

In September 2011, we initiated our most significant business reorganisation since we became a universal bank in 2005. We merged Corporate Banking with Treasury & Markets to optimise alignment between product and business lines for large corporates. We consolidated all advisory services and asset management businesses under the Investment Banking division, and we established Group Strategy & Strategic Investments to better manage existing investments, and to capitalise on new investment opportunities especially in private equity. The management platform for our Malaysia & Singapore consumer bank was also revamped. We believe these changes will improve internal efficiencies, make us more customer-centric and facilitate greater teamwork and product cross-selling.

ASEAN For You Rebranding

From a branding perspective, 2011 was the year CIMB Group truly became ASEAN. We launched our 'ASEAN For You' tagline as a clear declaration of the Group's regional capabilities, and an unequivocal testament to our ASEAN identity. 'ASEAN For You' articulates CIMB Group's intent to draw from its regional strengths to deliver the best of ASEAN to its customers.

Shareholders will remember our previous tagline of 'Forward Banking', which was launched shortly after we became a universal bank in 2005. The change to 'ASEAN For You' is reflective of CIMB Group's enlarged platform, unique range of cross-border capabilities and commitment to ASEAN economic integration.

CIMB ASEAN Conference

Our inaugural CIMB ASEAN Conference gathered over 400 regional fund managers from fixed income and equity capital markets in Kuala Lumpur in October 2011. We also hosted more than 20 regional corporates from a wide range of industries. We were delighted that our first conference drew such strong interest from both investors and corporates and hope to run an annual event moving forwards. The 2011 conference theme was 'Corporate ASEAN in the New World Order', and the conference featured discussions on East-West decoupling, the role of ASEAN corporates in catalysing regional economic integration and the readiness of Asia for the next financial crisis.

Performance Review by **Group Chief Executive**



American golfer Bo Van Pelt, winner of the CIMB Asia Pacific Classic 2011 in Kuala Lumpur

CIMB Asia Pacific Classic

In 2011, we sponsored world-class golf for the second time. With a prize purse of USD6.1 million, the CIMB Asia Pacific Classic in Kuala Lumpur attracted a stellar field, including Vijay Singh, Stewart Cink, Angel Cabrera and others. In order to make the tournament more accessible to ASEAN players, we made the decision to increase the field size from 40 to 48 players. We were delighted that many of our clients from across the region found it to be a valuable networking platform. The event was also broadcast to over 400 million homes in 70 countries.

Expanded Reach Beyond ASEAN

CIMB Group made its maiden foray into two new markets in 2011 – India and Sri Lanka. We hope that our ventures here will catalyse greater flows of trade and investment between the two countries and ASEAN.

In India, we launched our representative office in Mumbai to provide support to the large community of ASEAN companies which have existing Indian business interests or are aspiring to do so. We also entered into a business cooperation agreement with Kotak Mahindra Bank Ltd., a leading Indian universal bank. We see great synergies in this collaboration, in view of Kotak's formidable presence in India and CIMB's unparalleled ASEAN network.

In Colombo, CIMB Group formed a joint venture with two well-known Sri Lankan individuals to establish an investment banking and corporate advisory presence. We are encouraged by Sri Lanka's tremendous progress in recent years and are excited about the opportunity to play a pioneering role in the development of its financial markets.

Corporate Responsibility (CR) Repositioned

In 2011 we reorganised our CR function, recognising the need to venture beyond areas where we are strong such as community building and workplace. We are putting greater emphasis on our marketplace and environment initiatives. We also placed CR under the purview of Group Corporate Resources, to better harness the capabilities of our 40,000 strong staff force in our

CR efforts. In addition, we published our inaugural Sustainability Report in 2012 to reflect our broader commitments in this field.

CIMB Niaga

CIMB Niaga continues to be a major growth driver for CIMB Group, and had a good year, with a 29.6% surge in profit before tax in IDR terms from 2010 to 2011.

CIMB Niaga had strong loan growth of 20% led by corporate banking and mortgages. This mitigated a significant contraction in net interest margins driven by the highly competitive market for deposits. Key other highlights of the year were the launch of several services including CIMB Niaga Go Mobile and CIMB Niaga Phone Banking, to introduce fast, simple and convenient phone-based banking access for our customers. We also accelerated growth in high margin products: Direct two-wheeler financing started in 16 outlets, and 55 more outlets offered Rahn, a Shariah-compliant collateral-based micro financing product. The number of outlets offering business start-up financing or Mikro Laju rose from 128 to 233.

CIMB Thai

CIMB Thai's profit before tax increased by 93.7% year-on-year although we enjoyed a substantial one-off gain of THB1.0 billion. This was primarily used to mitigate the impact of the national flood disaster. Overall we are making steady progress in building our business.

CIMB Thai achieved record loans growth, particularly in corporate and business loans, and preserved its asset quality ratios. This is especially commendable given the challenging operating environment faced by Thai businesses as a result of the floods and the distractions of the General Elections.

The floods did not affect the execution timeline for 1Platform, an all-new core-banking system. This is the single most ambitious Information Technology (IT) investment for CIMB Group to date, and CIMB Thai is pioneering its development and implementation. We expect that once 1Platform is in place, the bank can make much greater headway in the Thai consumer market.



A colourful welcome at Kotak Mahindra Bank in Mumbai



My wife, Azlina, and I have a keen personal interest in our corporate responsibility activities and were delighted to attend CIMB Foundation's Sports Appreciation Dinner

Performance Review by **Group Chief Executive**

Leveraging Social Media

CIMB Group's engagement strategy with social media has been a resounding success. The social media revolution has allowed us to redefine our relationship with our customers by providing instant updates on our latest product campaigns, and an alternate channel for two-way interaction.

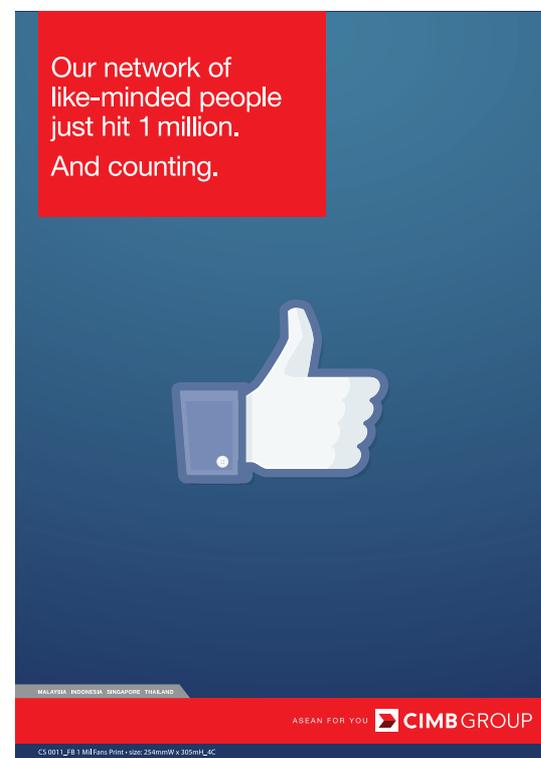
We hit the milestone of the 1 millionth Facebook 'fan' in February 2012, making us the largest bank by far in Asia on Facebook. The Asian Banker awarded us the accolade of Best Social Media Engagement among all banks in Asia, Africa and the Gulf. We are also finding new and innovative ways of engaging customers such as the Twitter channel @CIMB_Assists for retail customers to enquire about our products and services or to lodge complaints, all from the convenience of their smart phone, or personal computer.

Notable Awards

We received quite a deluge of awards in 2011, winning Euromoney's accolades for Best Bank in Malaysia (2nd year running) and Best Investment Bank in Malaysia (5th year running). We dominated the corporate and investment banking awards from FinanceAsia with: Best Investment Bank (11th year running), Best Bond House, Best Equity House, Best Broker, Best Private Bank, and Best Cash Management Bank in Malaysia. Global Finance awarded us Best Consumer Internet Bank in Malaysia. The Edge-Lipper Malaysia Fund Awards hailed us as Best Overall Fund Group, while Asiamoney awarded us Best Domestic Bank in Malaysia and Best Islamic Bank in Asia. We got the Best Investment Bank in ASEAN award from Alpha Southeast Asia and the best Asset Management Company of the Year in Southeast Asia from The Asset. At the ASEAN Business Awards, we won the Most Admired ASEAN Enterprise for Employment.

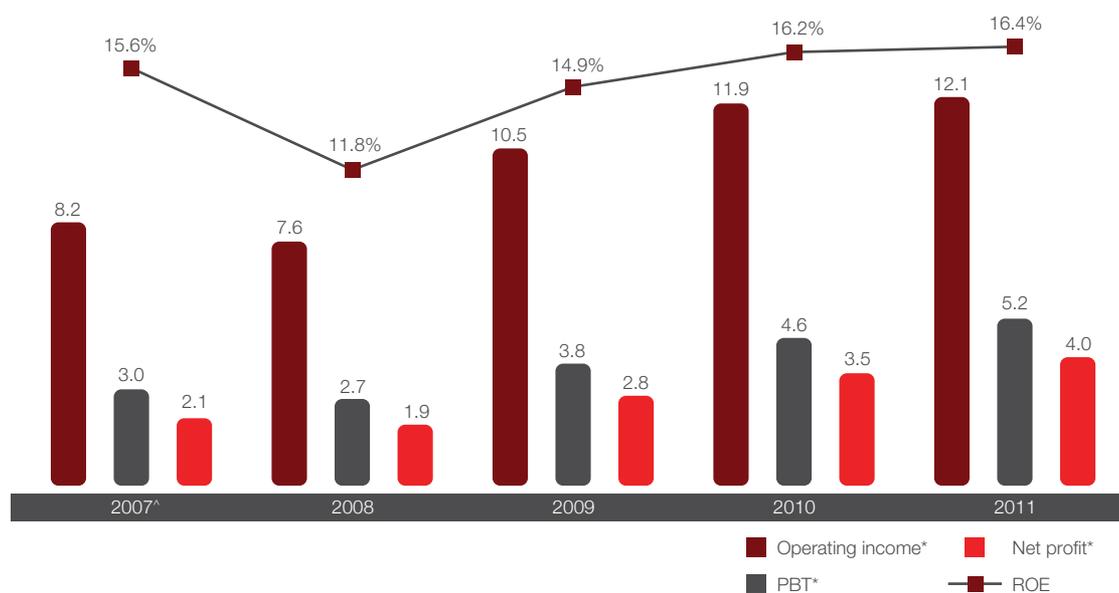
KEY BOARD AND MANAGEMENT CHANGES

- On 31 December 2011, Dato' Mohd Shukri Hussin retired as Executive Director of CIMB Group after a 26-year career with the organisation. Dato' Mohd Shukri will step down as President Commissioner of CIMB Niaga and I will assume this position myself subject to approval from Indonesian regulators.
- Tan Sri Dato' Seri Haidar Mohamed Nor retired from the Board of CIMB Group and as Chairman of CIMB Bank in April 2011. He was succeeded by Dato' Zainal Abidin Putih as Chairman of CIMB Bank.
- Mr. Katsumi Hatao was appointed as Non-Independent Non-Executive Director of CIMB Group, replacing Mr. Hiroyuki Kudo who will remain as Head of the Group's Regional Japanese Corporates Unit.
- Bp. Glenn Yusuf was appointed as Vice President Commissioner of CIMB Niaga.
- Pn. Rosnah Dato' Kamarul Zaman was appointed as Independent Non-Executive Director of CIMB Bank.
- Mr. Joseph Dominic Silva was appointed as Non-Independent Non-Executive Director of CIMB Bank.
- Dato' Dr. Mohamad Zawawi Ismail stepped down as Independent Non-Executive Director of CIMB Bank.
- Cik Habibah Abdul was appointed as Independent Non-Executive Director of CIMB Islamic.
- Dato' Charon Wardini Mokhzani was appointed as CEO of CIMB Investment Bank.
- Ms. Kong Sooi Lin was appointed as Deputy CEO of CIMB Investment Bank.
- En. Abdul Karim Md. Lassim was appointed as CEO of Touch 'n Go.
- Raja Noorma Raja Othman was appointed as CEO of CIMB Foundation, pending approval from Malaysian regulators.
- Ibu Reita Farianti was appointed as President Director of PT CIMB-Principal Asset Management, Indonesia.
- Khun Suchai Sutasthukul was appointed as CEO of CIMB Securities (Thailand) Co. Ltd.
- Mr. Robbert Johannes Voogt was appointed as Head of Regional Private Banking.
- En. Shafiq Abdul Jabbar was appointed as CFO for Malaysia.



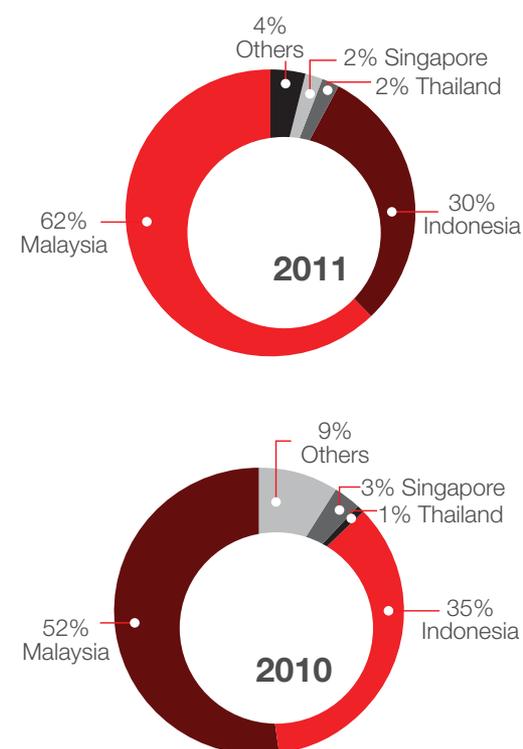
Performance Review by **Group Chief Executive**

CIMB Group – Five Year Earnings History



Notes: * Amounts denoted in RM'bil
[^] Based on core figures

Contribution by Geography



Earnings Summary

(RM'mil)	FY11	FY10 [^]	Y-o-Y
Net interest income	7,947	7,714	3.0%
Non interest income	4,175	4,164	0.3%
Operating income	12,122	11,878	2.1%
Loan impairment	(487)	(607)	(19.8%)
Other provisions	47	(127)	n.a.
Overhead expenses	(6,630)	(6,613)	0.3%
Share of JV/Associates	151	96	57.3%
PBT	5,203	4,627	12.4%
Net profit	4,031	3,501	15.1%
EPS (sen)	54.2	48.7	11.3%
ROE (Annualised)	16.4%	16.2%	20bps

Note: [^] Restatement of RM20 mil in share-based payment expense in FY10 due to adoption of the Amendment to FRS 2 Group Cash-Settled Share-based Payment Transactions which was applied retrospectively

Estimated PBT By Segment

PBT (after HOCA)* (RM'mil)	FY11	FY10 [^]	Y-o-Y
Consumer Banking**			
– Good Bank	1,094	603	81.4%
– Bad Bank (including SEASAM) ^{^^}	233	110	111.8%
	1,327	713	86.1%
Corporate & Investments	751	1,123	(33.1%)
Treasury & Investment	1,393	1,092	27.6%
GAM & Insurance	92	87	5.7%
CIMB Niaga	1,530	1,565	(2.7%)
CIMB Thai (after GAAP adjustment)	110	47	134.0%
PBT***	5,203	4,627	12.4%
Net profit	4,031	3,501	15.1%

Notes: * HOCA refers to Head Office Cost Allocation
 ** Includes Malaysia and Singapore
 *** Includes share of results of associates & jointly controlled entities
[^] Restatement of RM20 mil in share-based payment expense in FY10 due to adoption of the Amendment to FRS 2 Group Cash-Settled Share-based Payment Transactions which was applied retrospectively
^{^^} Southeast Asia Special Asset Management

Performance Review by **Group Chief Executive****Gross Loans Growth**

Divisions/Products	31 Dec 11 (RM'bil)	31 Dec 10 (RM'bil)	Y-o-Y
Consumer Banking (44.4%) *	85.1	76.2	11.7%
Mortgages	38.6	33.8	14.5%
HP	10.6	10.6	–
OD and TL	17.1	15.2	12.6%
Credit cards	4.6	4.3	9.0%
CIMB Xpress	3.2	1.8	78.9%
Commercial	10.3	9.8	4.5%
Others	0.7	0.7	–
Corporate & Investment (23.1%)	44.3	39.2	12.8%
CIMB Niaga (23.6%)	45.2	36.6	23.4%
CIMB Thai (6.4%)	12.2	9.9	23.4%
Bad Bank (2.4%)	4.5	5.6	(18.5%)
Total	191.4	167.5	14.3%

Notes: * Includes Malaysia and Singapore

Key Ratios

(%)	FY11	FY10
ROE*	16.4	16.2
NIM*	3.12	3.34
Non-interest income/total income	34.4	35.1
Cost/income	54.7	55.7
Allowance coverage	81.1	81.1
Allowance coverage after regulatory reserves #	86.1	82.3
Loan loss charge*	0.25	0.36
Gross impaired loans ratio	5.1	6.1
Gross impaired loans ratio (excluding SEASAM)	4.1	4.7
Net impaired loans ratio (Net of IA and PA)	1.0	1.2
Average shareholders' funds (RM'mil)	24,583	21,617
ROA*	1.4	1.4
Book value per share (RM)	3.49	3.13
CASA ratio	34.5	33.1

Notes: * Annualised

Regulatory reserve maintained in equity as an additional credit risk absorbent in accordance with BNM requirement. This is to ensure robustness on the loan/financing loss estimates methodology with the adoption of FRS 139 beginning 1 January 2010

Deposits Growth

Divisions/Products	31 Dec 11 (RM'bil)	31 Dec 10 (RM'bil)	Y-o-Y
Retail (32.2%) *	71.2	56.6	25.8%
– Current	20.8	15.2	36.8%
– Savings	13.3	11.5	15.7%
– Fixed & structured deposits	37.1	29.9	24.1%
Commercial (7.5%)	16.7	17.6	(5.0%)
Corporate & Treasury (35.0%)	77.7	75.7	2.8%
CIMB Niaga (20.7%)	46.0	40.3	14.0%
CIMB Thai (4.6%)	10.3	9.7	6.2%
Total	221.9	199.9	11.1%

Notes: * Includes Malaysia and Singapore

CIMB Group's Credit Ratings

Rating Agency	Issuer Rating
Domestic	
RAM	
CIMB Group Holdings	AA1
CIMB Bank	AAA
CIMB Investment Bank	AAA
MARC	
CIMB Bank	AAA
Fitch	
CIMB Niaga	AAA
CIMB Thai	AA-
International	
S&P	
CIMB Group Holdings	BBB-
CIMB Bank	A-
CIMB Investment Bank	A-
Fitch	
CIMB Niaga	BBB+
CIMB Investment Bank	BBB+
Moody's	
CIMB Bank	A3
CIMB Investment Bank	A3
Dagong	
CIMB Bank	AA-

As at 12 March 2012

Performance Review by **Group Chief Executive**

FINANCIAL PERFORMANCE

CIMB Group had a solid 2011, despite global uncertainties and subdued capital market activity. We registered our best ever financial performance with a record net profit of RM4.03 billion, representing a 15.1% year-on-year (Y-o-Y) growth and our highest ever ROE of 16.4%.

Revenues increased by only 2.1% with net interest income slightly higher by 3.0% due to lower than expected loans growth and declining net interest margins. Non interest income increased by 0.3% due to the high 2010 base (with several mega IPO deals and a substantial gain from sale of ex-Lippo Bank bonds). Overheads were however managed to be flat Y-o-Y while loan provisioning dropped 19.8%. PBT was thus up 12.4% to RM5.20 billion.

A major highlight was the outperformance of the Group's consumer bank in Malaysia and Singapore where PBT surged 86.1% Y-o-Y to RM1.33 billion, primarily driven by sharply lower credit charges and lower overhead costs. PBT at Treasury & Investments improved 27.6% Y-o-Y to RM1.39 billion but Corporate & Investment Banking was 33.1% lower Y-o-Y at RM751 million due to the absence of 'bumper deals' that we saw in 2010.

CIMB Niaga's PBT declined 2.7% Y-o-Y to RM1.53 billion due to the absence of gains arising from the sale of ex-Lippo Bank bonds which occurred in 2010. Excluding this one-off gain in 2010, CIMB Niaga's PBT grew 27.3% Y-o-Y, driven by strong loans and deposits growth and much improved non-interest income and lower provisions. PBT at CIMB Thai increased 134% Y-o-Y to RM110 million although this was somewhat inflated by a large 'windfall' gain from NPLs sold to the Thai Asset Management Company. Group Asset Management & Insurance PBT rose 5.7% Y-o-Y to RM92 million.

Total non-Malaysian PBT in 2011 declined to 38% of the Group's total PBT compared to 48% the year before. This was largely attributable to the absence of gains from the sale of ex-Lippo Bank bonds in 2010. As a result, CIMB Niaga's PBT contribution in 2011 fell to 29% compared to 34% in 2010. Malaysia and Singapore Consumer Bank's PBT contribution was significantly higher at 26% versus 15% in 2010. Treasury & Investments contributed 27%, Corporate & Investment Banking accounted for 14% while Group Asset Management & Insurance and CIMB Thai each contributed 2%.

The segmentation of these financial results do not reflect the Group's business reorganisation which took place in September 2011. The Group is currently reviewing its financial reporting format and will present financial statements which are more aligned with the way the Group is managed from 2012 onwards.

The Group's total gross loans expanded 14.3% Y-o-Y, underpinned by a 23.4% surge in loans growth (in RM terms) at CIMB Niaga, as well as a 11.7% increase in Malaysian consumer loans. Mortgages, credit cards and the Group's micro credit lending grew by 14.5%, 9.0% and 78.9% respectively Y-o-Y. Commercial banking loans were 4.5% higher Y-o-Y while hire purchase loans were unchanged. Corporate loans expanded 12.8% Y-o-Y. The Group's overall net interest margins eased to 3.12% from 3.34% the year before.

Total loan impairment for the Group declined by 19.8% Y-o-Y to RM487 million in 2011 compared to RM607 million in 2010. The Group's gross impairment ratio continued to improve to 5.1% for 2011 from 6.1% as at end-2010, with an impairment allowance coverage of 81.1%. We are pleased that the Group's cost to income ratio improved to 54.7%, from 55.7% the year before, reflecting our increased emphasis on cost management initiatives.

CIMB Bank's risk weighted capital ratio stood at 16.8% while its Tier 1 capital ratio stood at 14.5% as at end-2011 (after inclusion of 2011 net profits and the proposed second interim dividend). CIMB Group's double leverage and gearing stood at 119.1% and 21.8% respectively as at end-2011.

PROSPECTS FOR 2012

Global Economy

The year 2012 has started on a mildly positive note, with an unexpected turnaround in global market sentiment as well as some encouraging macro data. Early indications of positive US economic growth have dulled fears of global recession, at least for the time being. However, vulnerabilities remain in Europe, as the Eurozone looks certain to enter into a mild recession. As for emerging economies, the pace of growth will likely be slower, dragged down by weak exports but buffered by more resilient domestic demand.

Regional Economies

Against the slowing global environment, regional economies are taking diverging growth paths. Singapore's economy is forecast to grow at a much slower pace of 2.8% in 2012 (2011: 4.9%) given its substantial exposure to external trade and global financial services. Indonesia will sustain its economic expansion and is forecast to grow by 6.2% (2011: 6.5%) as domestic demand insulates it against external shocks. The Thai economy is slated to stage a strong growth rebound of 6.0% (2011: 0.1%) based on flood reconstruction efforts and resurgent consumer demand. Malaysia's GDP growth is forecast to ease to 3.8% (2011: 5.1%), with domestic demand underpinning moderate expansion.

STRATEGIES AND PRIORITIES

In 2011 we articulated our mid-term aspiration, Vision 2015, following the successful conclusion of Vision 2010, our preceding five-year transformation plan. Our Vision 2015 is to be The Leading ASEAN Franchise. This is certainly an ambitious plan and we are fully aware that we must look beyond our past achievements, our current growth trajectory, and our existing strengths and capabilities if we are to achieve our ambitions.

This quest for continuous improvement is reflected in the Group's corporate theme for 2012, 'CIMB 2.0: Towards Vision 2015'. The terminology '2.0' is borrowed from the software development industry to show that we are looking to further upgrade all areas of our organisation. We acknowledge the importance of evolving our business model to prepare ourselves for the next phase of transformative growth and will draw from the vast competencies of the regional platform that we have built over the past six years. We will optimise our existing franchise, seek out new growth areas and enhance our execution capabilities.

We are already '2.0' in some areas. In 2011 we changed our tagline to 'ASEAN For You', to embody our commitment to the region, and our promise to deliver the best of ASEAN to our stakeholders. We have also embarked on a business reorganisation which has strengthened our competitive edge.

Performance Review by **Group Chief Executive**

We will continue with more '2.0' changes in 2012. We can certainly leverage more on our fantastic infrastructure, in-country and across the region. And we believe we have much to gain from improving cohesion between the many facets of CIMB Group.

We also recognise that the demands of the 21st century customer are rapidly changing as they become better connected, more informed, and more empowered. We will initiate a programme to transform our retail sales force and to equip our bankers with the skills and tools needed to anticipate and fulfil these new expectations.

We will defend our leadership where we are strong, particularly in investment banking in ASEAN and Islamic banking in general. At the same time, we will continue to build on the excellent momentum we have achieved at CIMB Niaga and our Malaysian consumer bank. We will strategise for higher growth in our relatively new markets of Singapore and Thailand, and explore opportunities beyond our core operating markets: Our most obvious next moves are to enter the Philippines and Laos, our last two remaining ASEAN frontiers, but we remain open to possibilities of enlarging our presence in markets with significant trade and investment flow with ASEAN.

2012 is set to be the year we recast the foundations that will underpin CIMB Group's future growth ambitions. We are living in a period of great transformation; global economic rebalancing, Asia's accession and regional integration. Our response, if we are to sustain our track record of outperformance, must be correspondingly transformative.

TARGETS FOR 2012

We are cautiously optimistic about 2012 as most of the perceived downside risks are already quite visible and the competitive landscape has become more rational. We believe that recent changes to our business model, and the progress we will make in this area in 2012, put us in a strong position for the year ahead.

Our internal targets reflect our sentiments for the year; however I want to assure shareholders that we will continuously assess these targets to safeguard our overriding long-term agenda of sustained value creation.

ACKNOWLEDGEMENTS

On behalf of the management of CIMB Group, I sincerely thank all our stakeholders – customers, investors, governments in ASEAN and beyond, regulators, partners and friends. You have given invaluable support through 2011. I also thank our Board, and the members of our International Advisory Panel for their leadership and guidance in setting the strategic direction of the Group.

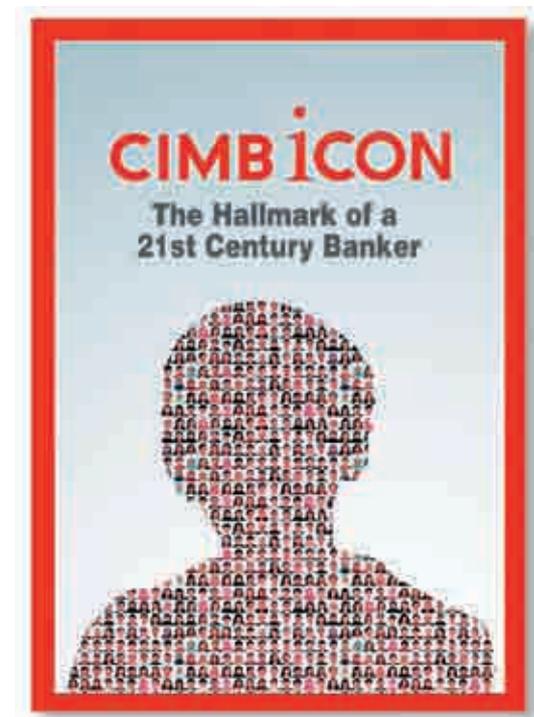
As for my 40,000 colleagues in CIMB Group, I give you my heartfelt thanks for a year of unwavering professionalism, commitment and enthusiasm and for demonstrating admirable flexibility and clear thinking to grow and improve our Group.



Nazir Razak
26 March 2012

Targets for 2012

	2012 Targets
ROE	16.4%
TSR	> FBM KLCI
Dividend	40% - 60%
Group loans growth	16%
Group deposits growth	16%
Loan loss charge	0.31%
Core Capital Ratio (at CIMB Bank) (Basel II)	>10%
RWCR (at CIMB Bank) (Basel II)	>12%



Our new 21st Century Banker programme will help prepare our employees to respond to the changing needs of the 21st century customer

Business Review

030 Consumer Banking

- Malaysia
- Indonesia
- Singapore
- Thailand
- Regionally
- Insurance

034 Wholesale Banking

- Investment Banking
- Corporate Banking, Treasury & Markets

037 Group Strategy & Strategic Investments

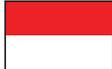
039 CIMB Islamic

040 Support Divisions

- Group Chief Executive's Office
- Group Corporate Resources
- Group Finance
- Group Risk
- Group Information & Operations
- Group Marketing & Communications



Business **Review****CIMB Group's Regional Universal Banking Capabilities**

				
Investment Banking	✓	✓	✓	✓
Treasury	✓	✓	✓	✓
Retail Banking	✓	✓	✓	✓
Credit Cards	✓	✓	✓	2013
Business Banking	✓	✓	✓	✓
Islamic Banking	✓	✓	✓ <small>limited</small>	✗
Private Banking	✓	✓	2012	✓
Insurance	✓	✓	✓	✓

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 core markets of Malaysia, Indonesia, Singapore and Thailand are organised primarily across the following areas: Consumer Banking, Wholesale Banking, comprising Investment Banking and Corporate Banking, Treasury & Markets, and Group Strategy & Strategic Investments.

CIMB Islamic operates in parallel, following CIMB Group's dual banking model. We have a separate section in this review to highlight the achievements of CIMB Islamic.

In 2011, we began laying the foundations for a new transformative growth phase in line with our Vision 2015 of becoming The Leading ASEAN Franchise. In particular, we reorganised our businesses and consolidated all advisory functions, including asset management, under our Investment Banking division. Concurrently, we combined corporate banking and transaction banking with our treasury functions in our Corporate Banking, Treasury & Markets division. We also created a new division, Group Strategy and Strategic Investments, to oversee the Group's private equity business and strategic investments.

Business **Review**Consumer **Banking**

CIMB Group has well-established consumer banking services across our main operating markets of Malaysia, Indonesia, Singapore and Thailand. The divisions which make up our consumer banking services are Consumer Sales & Distribution, Retail Financial Services, Commercial Banking and Group Cards & Personal Financing.

Consumer Sales & Distribution oversees our sales network including branches and mobile sales teams, and Retail Financial Services is responsible for the needs of most of our retail banking as well as enterprise banking products. Commercial Banking is responsible for needs of Small and Medium Enterprises (SME) and mid-sized corporates whilst Group Cards & Personal Financing is responsible for our credit cards business and personal loans portfolio.

At the start of 2011, we embarked on a 'refresh' of our Malaysian consumer banking franchise. This involved the reorganisation of our consumer bank's management platform. In the short period since, we have seen tangible results.

In Malaysia, we excelled in retail deposits accumulation across all customer segments, especially with CIMB Preferred, our priority banking

service for affluent customers. We won the inaugural Best Internet Bank in Malaysia award from Global Finance Magazine in recognition of CIMB Clicks, our online banking portal.

In Indonesia, whilst growing our retail deposits and loan products, we did particularly well in our high margin business, personal loans and in Mikro Laju, our business startup financing product.

In Singapore, our deposit and loan products continued to show good growth. We also deployed a new Singapore core banking system to enhance our infrastructure and operations.

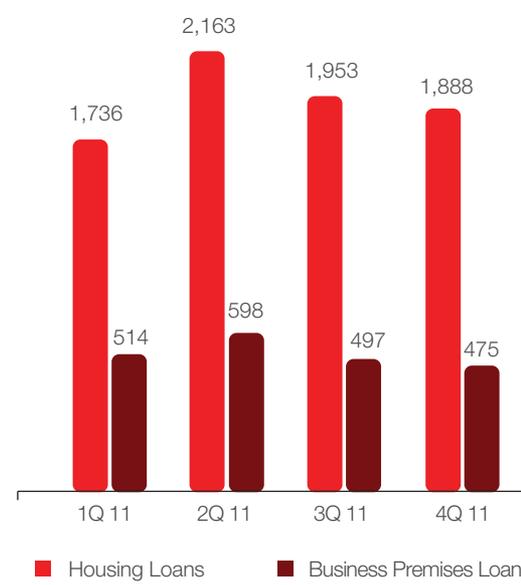
Despite the challenging operating environment in Thailand, we managed to achieve record loans growth, particularly in loans to SMEs, and preserve asset quality ratios. We are also on schedule to launch 1Platform, our new regional core banking system, in early 2012.

 **Malaysia**

Our consumer banking franchise in Malaysia had an excellent year in 2011 despite facing challenges from increased competition and the introduction of various regulatory measures to cool consumer lending. Aside from healthy growth in mortgages, wealth management and personal loans, we benefitted from much improved asset quality, particularly in our commercial banking portfolio. We were also delighted with the exceptional retail deposit growth we achieved.

We enhanced sales capabilities at our branches and call centres in 2011 by extending the footprint of our front-end sales and service platform, 1View. By consolidating our customers' telephone and email interaction, we were able to synchronise our call centres with our branches. This allows all service channels to complement each other more effectively so as to serve our customers better.

We achieved phenomenal success in retail deposits across all customer segments, with CIMB Preferred being the major contributor. Our continued improvements in customer service at branches and CIMB Clicks, supported by new products such as our gold deposit account and debit card, drove customer acquisition and income. Our ongoing focus on strengthening credit processes as well as

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

Malaysian Consumer Banking Market Shares

	End-2010	End-2011	Rank
Mortgages			
Residential	13.9%	13.5%	2*
Non-Residential	12.7%	11.2%	2*
Hire Purchase	8.1%	7.4%	6*
Credit Cards	12.9%	12.6%	4
Retail Deposits	10.1%	11.0%	4*
SME Loans	8.4%	6.9%	5

Notes:

1. Excludes Overseas Branches
2. Excludes Southeast Asia Special Asset Management base
3. The market share calculations are restated per the restated industry statistics in the revised BNM Monthly Bulletin
4. Industry figures for retail deposits include Repo, NQID and FCY in the market share calculation

* Market position as at Sep 2011

Business Review

our strong emphasis on collections and recoveries ensured that impaired loans ratios in our retail business improved across the board.

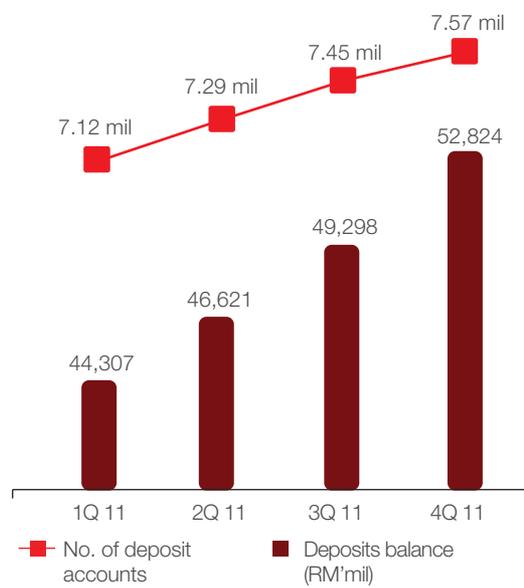
In 2011 we refocused our mortgage acquisition strategies toward more mass affluent segments. Although we saw a decline on our loans growth from 17% in 2010 to 10% in 2011, we maintained our market position of No.2 in retail mortgages.

The 2010 reorganisation of our SME business into the two segments of Enterprise Banking and Commercial Banking started to bear fruit. As a result of better internal focus and enhanced customer coverage, we achieved enterprise banking loan sales of over RM1 billion in 2011.

The Group's Malaysian commercial banking loans portfolio grew 4.5% from the year before. This positive growth reflected our renewed confidence in this segment, after spending the past few years focusing on asset quality.

Our credit card base decreased by approximately 8%, but we saw a 7% increase in card spending primarily due to our various campaigns to promote ours as the preferred card. We continued to perform well in personal financing, growing our loan base by 79% from the year before.

Malaysian Retail Deposits Growth



Indonesia

Riding on the strong growth of the Indonesian domestic economy, our retail and business loan portfolios expanded 14% and 20% respectively from the year before.

Our total mortgage portfolio grew 15% to IDR17.8 trillion. We introduced Solusi X-tra, our mortgage business service which provides a choice of landed residential locations to our customers and faster mortgage application and approval processes.

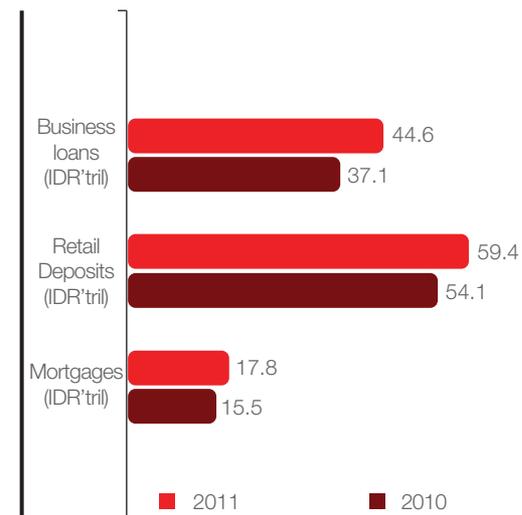
Our current and savings account deposits grew by 14% to IDR58.4 trillion. We continued to roll out products such as Tabungan Junior, Tabungan Pendidikan and Tabungan X-tra targeting our customers across all ages.

Our cards business recorded healthy growth, with our loan base expanding 34% from 2010. We strengthened our position to 5th among card issuing banks in Indonesia, by number of cards in circulation.

We continued our efforts to grow our high margin business in Indonesia. We launched direct two-wheeler financing in August 2011 under the brand Motor Laju. We had originated IDR104.4 billion in loans from our 16 Motor Laju outlets by the end of 2011.

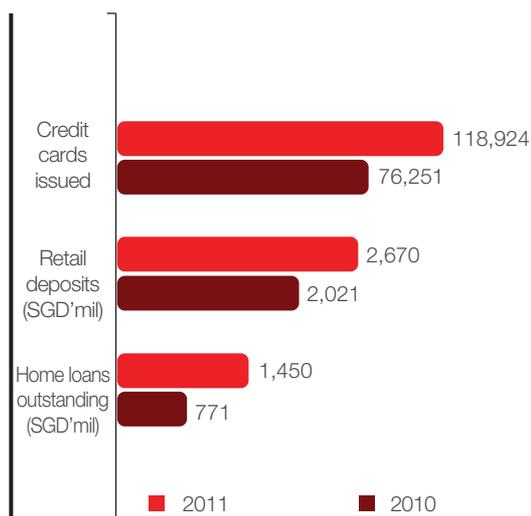
In May 2011, we relaunched our personal loan proposition and grew the portfolio to IDR400.8 billion. Our business start-up financing product or Mikro Laju was very well received in 2011, growing its loan base to IDR1.2 trillion from IDR272 billion the year before. We also made very good progress in Rahn, our Shariah-compliant collateral-based micro financing product, and expanded its network from 12 to 67 outlets.

Indonesia Consumer Banking Indicators



Business Review

Singapore Consumer Banking Indicators



Singapore

We have a different approach to consumer banking in Singapore due to our limitation of having only two branches. We translate cost savings from reduced overheads into pricing advantages for our customers, and employ a very effective mobile sales force. In 2011, we performed commendably with strong growth in deposits and loans.

We focused on growing our various product lines, new customer acquisitions and cross-selling initiatives. We deployed a new core banking system for deposits and loans, and improved our Internet banking and ATM services.

CIMB Preferred improved its value proposition in Singapore by expanding its wealth advisory services and investment product suite.

Our credit card base continued to grow strongly in 2011 and reached 118,000 customers, with a year-on-year growth of 56%. Our loan base grew 47% and card spending increased by 77% from 2010.

In commercial banking, we launched our Business Interest Current Account (BICA), a current account that pays interest to our SME customers. Going forwards, we are confident that BICA will contribute significantly to customer acquisition and the cross-selling of multiple products.

We made good progress in our Bureau de Change (BDC) operations in Singapore in 2011, recording a 15% increase in currency volume from the year before.

Thailand

The operating environment in Thailand was challenging in 2011, with severe flooding nationwide and lingering political uncertainty. Nevertheless, we remained focused on our transformation plans and did relatively well in consumer banking with retail and commercial loans growing 16% and 48% year-on-year respectively.

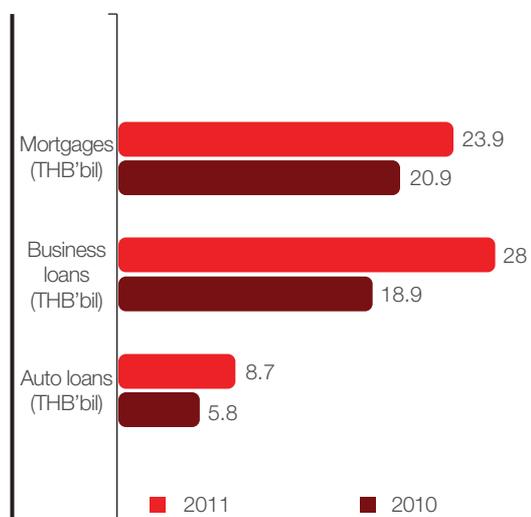
In 2011 we focused on enhancing our product suite to cater to various customer segments, and strengthening our salesforce and distribution channels. We also introduced CIMB Clicks, our Internet banking portal, in August 2011, bringing the convenience of online transactions to all our customers in Thailand.

We launched a number of life stage products which included Extra Savings, a high interest rate savings account, CIMB Preferred Current Plus, an interest bearing current account targeted at our priority banking customers, and various other investment products where we collaborated with CIMB-Principal. In January 2011, we also launched CIMB Junior, a savings account for children, following its success in Malaysia.

We introduced several products to cater for the diversified needs of the SME segment. They include the Micro SME Business Line, which offers our business customers a flexible credit facility and improved access via our entire branch network. We also launched the Floor Plan Financing Programme for Car Dealers, reflecting our increased emphasis in this sector.

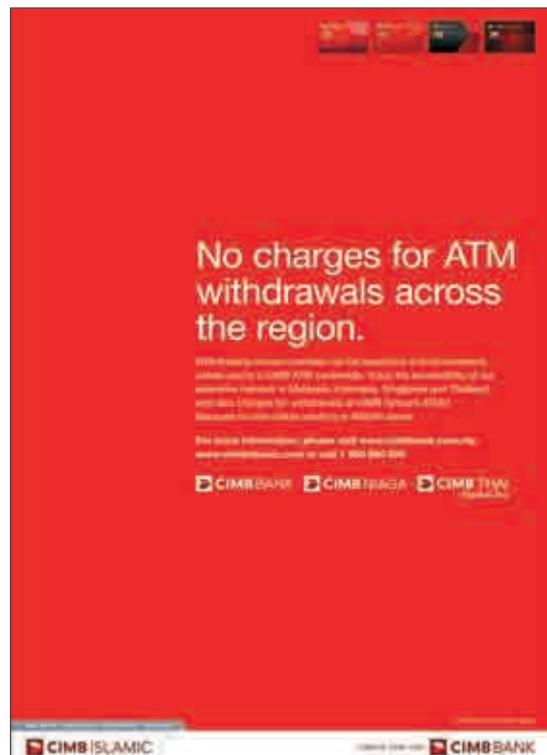
Aside from the addition of eight branches we also established two new Preferred centres and 11 Bureau de Change outlets.

Thailand Consumer Banking Indicators



CIMB Thai ran a series of advertisements on 'ASEAN For You' on the back of 'Tuk-Tuk' taxis

Business **Review**



 **Regionally**

In line with the Group's Vision 2015 of becoming The Leading ASEAN Franchise, we intensified efforts to bring our ASEAN expertise and network closer to our regional consumer banking customers in 2011.

We made changes to increase consistency in the 'look and feel' of our regional products, and launched new ones. Building on our successes in Malaysia, Indonesia and Thailand, we rolled out our CIMB Junior product in Singapore in June 2011. We also enhanced the consistency of our CIMB Preferred offerings across the region.

During the year, CIMB Bank in Cambodia expanded its network to seven branches in three cities. We opened a new Preferred centre in Cambodia, and consequently, we are now able to link our services across Malaysia, Indonesia, Singapore, Thailand and Cambodia, and deliver our regional value propositions to our Preferred customers across a wider geographical footprint.

Our regional cards proposition continued to grow in strength across the region. We implemented various promotion programmes such as the regional World MasterCard spend campaign, regional golf privileges, regional dining privileges and a regional duty free shopping campaign. All of these programmes contributed strongly to our card usage, card acquisition and profitability across the region.

 **Insurance**

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

CIMB Aviva's continued transformation exercise further improved its contribution to the Group for the year. Embedded value (EV), the present value of expected future profits from existing policies plus market-adjusted net asset value, grew by 22% to RM563 million, compared to RM460 million the year before.

In Malaysia, we started 2011 with renewed vigor, following the launch of Bijak Malaysia. We recorded sales of RM16.9 million of new business and ranked second in the latest National Insurance Association of Malaysia sponsored Bijak Malaysia contest. Our distribution partnership with Allianz on non-life fire retail insurance did well, growing fee income by 16% from the year before.

In Indonesia, 2011 proved to be another good year for bancassurance, recording a 62% growth in fee-based income. CIMB Sun Life, in its third full year of operations, is on track to achieve greater economic scale with EV growing significantly from IDR133 billion in 2010 to IDR206 billion in 2011.

Our insurance business in Singapore continued to show encouraging growth with a 68% increase in fee income year-on-year, and a substantially widened product suite and segment focus.

Thailand's distribution partnerships with Thai Life and Sri Ayudhaya General Insurance, both of which commenced in 2010, have done well, with a 37% growth in overall fee income compared to the previous year, despite the flood impact in 2011. On the product front, CIMB Thai launched its 'Insurance-in-a-Box' proposition for the mass consumer market.

Business **Review**Wholesale **Banking**

The Wholesale Bank was created under a Group-wide internal reorganisation in 2011. The newly formed business franchise now comprises two business divisions which are Investment Banking (IB) and Corporate Banking, Treasury & Markets (CBTM).

Notable Investment Banking Transactions**Bumi Armada Berhad**

RM2.7 billion IPO on Bursa Malaysia

**PT Indomobil Sukses Internasional Tbk**

IDR2.8 trillion placement of rights shares

**Sri Trang Agro-Industry PCL**

SGD336 million dual listing on Singapore Exchange

**PLUS Malaysia Sdn. Bhd., a jointly-owned entity of UEM Group Berhad and Employees Provident Fund Board**

RM23.0 billion acquisition of the entire assets and liabilities of PLUS Expressways Berhad

**Hong Leong Bank Berhad**

RM5.1 billion acquisition of the entire assets and liabilities of EON Capital Berhad

INVESTMENT BANKING

Following our 2011 business reorganisation, we combined all client coverage, advisory and equities businesses as well as our asset management business under this division. Consequently, Investment Banking today comprises Corporate Client Solutions (CCS), which covers our institutional and corporate clients and the newly created Sector Specialists in real estate and agribusiness; the Advisory business unit, which consists of Corporate Finance and Project Advisory; the Group Equities business unit which encompasses Equity Capital Markets (ECM), Institutional Sales, Research, Retail Equities, Futures Broking and Securities Services; and the Group Asset Management business unit, our retail and institutional fund management arm.

2011 was a challenging year for our investment banking franchise. After a strong start to the year, Asian equity markets weakened considerably in the second half of 2011, following the Eurozone crisis and the US credit downgrade, which precipitated fears of a global recession. Correspondingly, equities trading and advisory income fell as our clients pulled back from markets and deferred capital market transactions.

Despite the difficult operating environment, we were able to maintain our market dominance in Malaysia and improve in our rankings in Singapore and Thailand. In Malaysia we were No.1 in stockbroking, initial public offerings (IPOs), ECM, mergers and acquisitions (M&A), syndications and bonds. In Thailand, we increased our ECM market share and improved our stockbroking ranking while in Singapore we rose to No.2, No.5 and No.7 in stockbroking, IPOs and ECM respectively.

We were pleased to have led some of the region's most important transactions. We pioneered two secondary listings on the Singapore Stock Exchange (SGX) – from Bursa Malaysia and the Stock Exchange of Thailand (SET) respectively. We led the three largest IPOs in Malaysia, namely Bumi

Armada Berhad (RM2.7 billion), UOA Development Berhad (RM1.1 billion) and MSM Malaysia Holdings Berhad (RM891 million). We were also involved in the the RM710 million IPO of Pavilion REIT, the largest REIT listed on Bursa Malaysia to date and the THB2.0 billion IPO of LH Financial Group PCL, the largest IPO in Thailand in 2011.

In the M&A space, our notable deals included the RM23 billion acquisition of PLUS Expressways Berhad by UEM Group Berhad and EPF, the RM5.1 billion acquisition of EON Capital Berhad by Hong Leong Bank Berhad and the RM3.3 billion acquisition of up to 30% equity interest of Integrated Healthcare Holdings Sdn. Bhd. by Mitsui & Co., Ltd.

In retail broking, we continued to recruit more dealers and commission-based remisiers as part of our strategy to increase our retail broking distribution in Malaysia, Indonesia, Singapore and Thailand. Nine new retail broking branches were opened during the year – four in Malaysia, two in Thailand and three in Indonesia. We also acquired Sicc Securities in Thailand, in line with our agenda of further improving our stockbroking market share and positioning in the nation.

Securities Services launched an online will/wasiat writing service via CIMB Clicks, making us the first bank in Malaysia to offer conventional and Islamic will writing services online. We also introduced Islamic Securities Services, enabling our customers to access to a wider suite of Shariah-compliant services for Trustee, Custodian, Fund Accounting and Corporate Agency services.

We continued to dominate investment banking awards in 2011. Highlights include the Best Investment Bank in ASEAN by Alpha Southeast Asia as well as the Best Investment Bank in Malaysia by Euromoney and FinanceAsia, The Asset's award Best Malaysian Equity House for the ninth year in a row and Asiamoney's Best Domestic Equity House Award.

Business Review

We also emerged as the top rated Malaysian firm in Overall Research and Sales in the Asiamoney Brokers Polls. In the same polls, our Indonesian and Thai research teams improved on their rankings for Best Overall Country Research. The Singapore research team emerged No.3 for the most award-winning broker, No.4 for Overall Stock Picker Pan-Asia, No.1 for recommendations on Consumer Goods and Services stocks and No.3 for Real Estate, Bank Industry and Telecommunications, as ranked by Starmine.

Group Asset Management performed relatively well in 2011. CIMB-Principal launched two new funds, namely the CIMB-Principal Strategic Bond Fund and the CIMB-Principal Asia Pacific Dynamic Income Fund to capitalise on Asia's growth prospects. CIMB-Principal also recorded another milestone by being the first asset management company in Malaysia to achieve compliance with Global Investment Performance Standards (GIPS), demonstrating our commitment to ethical practices and to provide our clients with greater confidence in the integrity of our fund performance presentations.

We were delighted with our haul of awards in asset management in 2011. They included Best Asset Manager in Southeast Asia from Alpha Southeast Asia, and ETF Manager of The Year (Malaysia) from Asia Asset Management for CIMB-Principal; and Best Islamic Asset Management Company and Best Islamic Asset Management House UCITS from Islamic Finance News, and the Islamic Finance Award from The Asset for CIMB-Principal Islamic.

CORPORATE BANKING, TREASURY & MARKETS

In the 2011 business reorganisation, we consolidated all corporate lending and deposit taking, transaction banking, treasury and markets activities, and derivative activities under this division. Consequently, Corporate Banking, Treasury & Markets (CBTM) is presently responsible for corporate banking; transaction banking; the Group's markets, sales and trading businesses in interest rates, credit, foreign exchange, commodities, equities and their derivatives; debt capital markets; fixed income investments; and treasury and funding operations for the Group.

Corporate and Regional Banking

Malaysia

In 2011, our corporate loan book in Malaysia grew 10% from 2010 on the back of a favourable operating environment. We realised significant synergies between our corporate banking, investment banking and treasury capabilities by providing customised solutions which bundle corporate advisory, financing and various treasury products such as foreign exchange (FX) services. Our corporate loans growth in 2011 was largely driven by bridging loans that we provided to companies undergoing corporate exercises.

Indonesia

Our Indonesian corporate loans grew 19% from the year before, underpinned by strong economic growth. In 2011, we embarked on strategic initiatives to sharpen our focus on customer segmentation. We established industry specialist units to capitalise on opportunities in high growth sectors.

Singapore

Our Singapore corporate loan portfolio continued to grow well, up 28% from the previous year. We built on the strong momentum we had established in recent years by expanding our client coverage and targeting new customers. During the year, we segregated our corporate banking teams by industry with the objective of cultivating deeper industry knowledge amongst our staff.

Thailand

In Thailand, our corporate loans grew 27% from the year before, reflecting our improved relationship with Thai mid-sized corporates. We are pleased with this record loan growth which was achieved despite facing challenges from a business environment affected by nation-wide floods. We are focused on growing our corporate loans portfolio in Thailand by increasing our emphasis on cross-selling, and by targeting specific market segments.

Regional Transaction Banking continued to expand with 15 new product offerings in 2011. The launch of BizChannel in Indonesia and Singapore provides business users direct access to our regional network, and a uniform level of services via a regional Internet banking platform. The popularity of BizChannel is evidenced by a 12% increase in new users in the region. Our cash management transaction count and trade finance transaction value across the region grew 19% and 9% respectively from the year before. We also launched Bizloyalty in Malaysia, the first of its kind loyalty programme for the SME segment.

Notable Debt Transactions



Projek Lebuhraya Usahasama Berhad

RM34.35 billion Islamic Medium Term Notes Programmes



Government of Malaysia

USD1.2 billion Trust Certificates due 2016 and USD0.8 billion Trust Certificates due 2021 issued via Wakala Global Sukuk Berhad



Khazanah Nasional Berhad

RMB500 million Trust Certificates due 2014 issued via Danga Capital Berhad



PT Adira Dinamika Multi Finance Tbk

IDR2.5 trillion Conventional Senior Bond

We were recognised as the Best Local Cash Management Bank in Malaysia by Small, Medium-sized and Large Corporates and Best Local Currency Cash Management Services in Malaysia by our peers in the Asiamoney Cash Management Poll 2011. Additionally, we also won the Best Cash Management Bank in Malaysia award from FinanceAsia and Alpha Southeast Asia. In Indonesia, we were recognised as the Rising Star Cash Management Bank and the Rising Star Trade Finance Bank by The Asian Banker and The Asset respectively.

Business Review

Credit Markets

CIMB Group led a number of the region's most celebrated transactions in 2011, particularly in sukuk markets. Key examples include the world's longest tenure sukuk issuance by a sovereign, and the world's first Reminbi sukuk issuance.

We successfully defended our leadership in regional and global sukuk market rankings in 2011. Bloomberg ranked CIMB Group as No.1 in ASEAN domestic bonds, with a market share of 16.7%. We were also No.1 in global sukuk markets in 2011, marking our fifth consecutive year at the top of the Islamic Bonds League Table.

We were delighted with our share of awards and accolades in 2011, and notable ones include Bond House of the Year in Malaysia by Finance Asia, Asiamoney and Alpha Southeast Asia. The Asset also recognised CIMB Bank as the Top Bank in Secondary Markets for Corporate Bonds in Malaysia.

We leveraged on synergies within wholesale banking to provide bespoke funding solutions to our corporate clients for several M&A transactions. A key highlight was the RM13.6 billion loan facility to PLUS Malaysia Sdn. Bhd. which was the second largest privatisation ever in Malaysia and ASEAN's largest loan syndication deal for 2011.

We also funded the first marginal oil field project awarded by Petronas, and played a primary role in arranging funding needs for the Mass Rapid Transit (MRT) project in Greater Kuala Lumpur.

Other notable deals included the RM1.0 billion Syndicated Facilities for Pavillion REIT, the RM691 million Syndicated Facilities for Urusharta Cemerlang (KL) Sdn. Bhd., and a RM450 million Syndicated Term Loan for BR Properties Holdings Sdn. Bhd.

We were delighted that the Group was ranked No.1 in Bloomberg's mandated lead arranger (MLA) and book runner league tables in Malaysia and No.1 in Dealogic's book runner league table in ASEAN in 2011. CIMB was also awarded Syndicated Loan House of the Year (Malaysia) by the Asia Pacific Loan Market Association (APLMA).

CIMB Group lead-managed the longest ever sukuk issued by a sovereign and the world's first Renminbi sukuk issuance. These were the Government of Malaysia (via Wakala Global Sukuk Berhad) issue of a USD1.2 billion Sukuk Wakala, due 2016, and a USD800 million Sukuk Wakala, due 2021; and

the Khazanah Nasional Berhad (via Danga Capital Berhad) RMB500 million sukuk, due 2014, which is also the first Renminbi offering by an ASEAN quasi-sovereign issuer.

CIMB also lead-managed Projek Lebuhraya Usahasama Berhad's RM30.6 billion issuance for their RM23.35 billion AAA programme and RM11.0 billion government guaranteed programme. To date, this is the single largest RM denominated sukuk issuance and the largest sukuk issued globally.

Treasury Markets

Our foreign exchange (FX) business performed well in 2011. Overall FX income increased by 35% from 2010, reflecting our efforts in developing our FX customer franchise in the region. We recorded more than an 80% increase in FX income in Indonesia and Thailand, while Singapore grew 93%. Leveraging on our strong relationships with clients and competitive FX offerings, the corresponding FX volume registered a remarkable 233% growth.

The Group's success in establishing its FX customer franchise led us to be voted the Best Domestic Provider of FX Services in Malaysia in the Asiamoney FX polls for the fourth consecutive year, as well as the Best FX Bank awards by FinanceAsia and Alpha Southeast Asia.

Our commodity franchise had a good year in 2011 and we are increasingly recognised as a provider of choice for commodity hedging by clients, covering energy, agriculture and base metals. In Malaysia, we introduced the first steel billet commodity swap and gold commodity option as hedging tools to assist our clients in minimising their exposure to fluctuations in steel and gold prices.

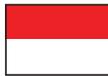
CIMB Group was also recognised as Best in Malaysia at the Structured Products Asia Awards and House of the Year, Malaysia by Asia Risk, for the fifth and sixth consecutive years respectively. CIMB Group is also the first to introduce the Triple Currency Investment (TCI) product in Malaysia which built on the momentum of its successful Dual Currency Investment (DCI) product introduced in 2007.

Our Global Institutional Sales team clinched the overall award for Best for Credit and Interest Rates at the inaugural Asiamoney Fixed Income Poll 2011. In addition we also took home three out of the top five accolades at The Asset's Best Sell Side Individuals in Asia awards.

Equity Derivatives Group

CIMB Group maintained our position as the top structured warrants issuer in Malaysia in 2011. We issued 149 structured warrants, of which 15 are callable bull/bear certificates (CBBC). As at end-2011, CIMB Group is the only issuer of CBBC in Malaysia.

CIMB Group's Rankings Across Regional Capital Markets

	Countries	Rank
	MALAYSIA	
	Stockbroking	1
	IPO	1
	ECM	1
	M&A	1
	Syndication^	1
	Bonds	1
	INDONESIA	
	Stockbroking	2
	IPO	-
	ECM	9
	M&A	14
	Syndication^	12
	THAILAND	
	Stockbroking	26
	IPO	3
	ECM	8
	Bonds	8
	SINGAPORE	
	Stockbroking	2
	IPO	5
	ECM	7
	M&A*	18
	Bonds	6
	ASEAN	
	IPO	4
	ECM	4
	M&A	2
	Syndication^	7
	Bonds – Domestic currency	1

Sources: Dealogic, Bloomberg, Thomson Reuters, Local Stock Exchanges and internal data

Notes: * Undisclosed Values & values up to USD500 million
^ Mandated lead arranger

Business Review

Group Strategy & Strategic Investments

Group Strategy & Strategic Investments (GSSI) was created as a result of the Group's business reorganisation in 2011. GSSI consists of Group Strategy, Private Equity and Strategic Investments. This consolidation of the Group's strategic functions with our investment arms will allow us to enhance our focus on large scale transformations, and better capitalise on investment opportunities.

Although the Group's core focus is on ASEAN, we undertake strategic initiatives to ensure that we are well connected in important regional markets. In 2011 we established footholds in India and Sri Lanka to tap into their rapidly growing economic prospects, and the expanding trade and investment flows between the two countries and ASEAN.

In August 2011, we announced our entry into the Indian market via the opening of our Mumbai representative office as well as the signing of a Business Cooperation Arrangement with Kotak Mahindra Bank Ltd. In the same month we also entered into a joint venture with local partners to establish an investment banking and corporate advisory presence in Sri Lanka.

Our 19.99% strategic investment in Bank of Yingkou (BoY), which was made in 2008, is doing remarkably well. Aside from giving the Group a stake in a fast-growing provincial bank in China, our partnership with BoY allows us to make cross-



Top: We established a joint venture with local partners to create an investment banking and corporate advisory presence in Sri Lanka

Bottom: Winners of the 2011 Blue Ocean Challenge

border referrals for our ASEAN customers who have, or are seeking business opportunities in the province of Liaoning.

In Malaysia, we initiated a multi-year transformation master plan at Touch 'n Go (TnG) which focused on building core competencies, optimising synergies and expanding TnG's penetration in core segments. While we will only realise the benefits of the majority of these initiatives in coming years, we are pleased that immediate improvements have been made to upgrade card readers and to increase the number of reload locations.

GSSI also drives important internal strategic efforts such as our annual Blue Ocean Strategy (BOS) competition. The Blue Ocean Challenge continues to be an innovative channel to encourage 'out of the box' thinking amongst all of our staff and we have received very encouraging responses from across the region. In 2011, we extended the competition to Cambodia.

Business Review

GSSI's major fund management subsidiaries:

- 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 Sdn. Bhd. (CapAsia)***
 Wholly-owned private equity firm specialising in mid-cap infrastructure investments in ASEAN and Central Asia.
- CIMB-Mapletree Management Sdn. Bhd. (CIMB-Mapletree)**
 A 60:40 fund management joint venture between CIMB Group and Singapore Mapletree Investments Pte. Ltd. which focuses on Malaysian real estate.
- CIMB-TrustCapital Advisors Singapore Pte. Ltd. (CIMB-TCA)**
 A 70:30 fund management joint venture between CIMB Real Estate Sdn. Bhd. and TrustCapital Advisors Pte. Ltd. which specialises in selected Australian real estate markets.

Note: * In February 2012, The Rohatyn Group (TRG) announced a proposed acquisition of a 60% interest in CapAsia to form a 40:60 private equity joint venture firm between CIMB Group and TRG

We are pleased that a number of funds under GSSI were recognised for their achievements in 2011. We won Pakistan Deal of the Year 2011 from Islamic Finance News for CapAsia's renewable power transactions in the country. We also emerged with the Best Villa Development in Malaysia accolade from the inaugural South East Asia Property Awards 2011 which recognised CIMB Mapletree's joint venture with E&O Property Development Bhd. for the Martinique Villas By-the-Sea project in Penang, Malaysia.

In 2011, CIMB Private Equity focused on turning around the operational performance of investee companies and on maximising its portfolio value. The financial year saw significant improvement in the results of the majority of its investee companies across all funds. Several investments were successfully exited during the year and we expect the upward trend to continue with ongoing monitoring of investee companies' performance. Several disposals are already in various stages of negotiation.

CIMB Group acquired Standard Bank's 40% interest in Capital Advisors Partners Asia (CapAsia) and in CapAsia Islamic Infrastructure Fund (General Partner) Limited (IIF) in 2011. We also took over

Standard Bank's limited partnership interest in The Islamic Infrastructure Fund Limited Partnership, representing USD5 million in total commitments. We continued to grow CapAsia and went on to close a renewable energy project in Thailand and two transactions in greenfield wind power parks in Pakistan. CapAsia distributed USD9.3 million to its investors in dividend income and in the process achieved a net cash yield on total capital invested (at year end) of 9%, and on average capital invested of 11.3%.

CIMB-Mapletree successfully launched its second fund, CMREF 2, in 2011 which will invest primarily in development projects. CMREF 1 made a profit distribution of RM8.04 million and a capital distribution of RM22.11 million. In addition, CIMB-Mapletree made a gross interim dividend payout amounting to RM2.0 million in 2011.

CIMB-TrustCapital's Australian Office Fund No.1 (AOF1) is in the advanced stages of completing its third property investment, which will be carried out on a co-investment basis. Upon completion of this investment, CIMB-TCA's assets under management will grow to approximately AUD425 million.

Business **Review**

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.

Over the last nine years, CIMB Islamic has emerged as the leading mid-sized, full-service universal Islamic banking franchise in ASEAN. We have a dual banking leverage model, developed in-house, that offers our clients a comprehensive set of Islamic financial solutions using the full infrastructure and regional resources of CIMB Group.

In 2011, we successfully maintained our leadership position in the global sukuk market and enhanced our position in Islamic consumer banking in Malaysia, Indonesia and Singapore. Our Group’s total Islamic assets rose 20% to RM47.9 billion and Islamic deposits grew 27% to RM31.6 billion. Significant growth in total revenue for 2011 was primarily the result of an increase in net profit income, prompted by core deposit growth and continued financing growth at the franchise’s core Islamic operating entity in Malaysia, CIMB Islamic Bank Berhad.

Our Malaysian operation remains the single largest contributor to the franchise’s overall performance. We further entrenched our position as the second largest Islamic bank in Malaysia and increased our market share (in terms of total banking assets) to about 15% in 2011.

In 2011, our Malaysian deposits grew to a record RM29.2 billion, up 29% from the year before. We were very focused on growing our current and savings account deposits, which showed respectable growth of 27% to RM6.9 billion. Our financing portfolio reached RM28.4 billion, up 25% from 2010.

CIMB Islamic also experienced growth in Indonesia under our Islamic sub-brand, CIMB Niaga Syariah. We increased year-on-year earnings, substantially grew deposits and significantly expanded our financing portfolio, elevating our position to the fifth largest Islamic financial institution in Indonesia out of more than 30 peers.

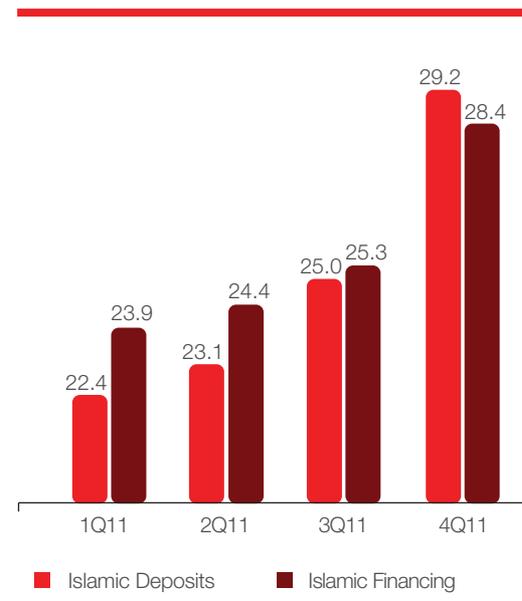
CIMB Islamic also saw good traction in our business in Singapore where we launched a limited Islamic commercial banking offering in late 2011. We hope to grow this business further to complement our existing Islamic wholesale banking activities. We will also introduced a number of our signature Islamic retail banking products to complete our universal Islamic banking offering in Singapore.

We maintained our global leadership in sukuk issuance in 2011, contributing approximately 21% of the global sukuk market share for the year. In the RM sukuk market, CIMB Islamic took almost a third of the market share.

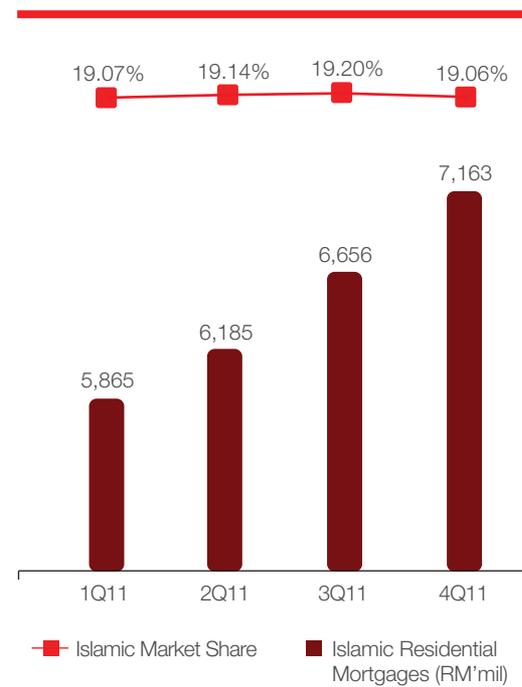
During 2011, we were again involved in some of the region’s most innovative sukuk transactions including the RMB500 million Trust Certificates by Khazanah Nasional Berhad (via Danga Capital Berhad) and the USD2.0 billion Trust Certificates by the Government of Malaysia (via Wakala Global Sukuk Berhad) which garnered a number of awards including the Best Islamic Financing Deal for 2011 from FinanceAsia and Asian Islamic Deal of the Year from IFR Asia. We also won the Alpha Southeast Asia award for the Best Islamic/Most Innovative Islamic Finance Deal of the Year 2011. In a recent poll, Islamic Finance News awarded us Sovereign Deal of the Year 2011 and Best Country Deal (Malaysia) 2011.

CIMB Islamic was recognised as the Best Islamic Bank in Asia by Euromoney, The Asset Triple A Islamic Finance Awards 2011 also named CIMB Islamic as the Best Islamic Bank of the Year and Best Islamic Bank in Malaysia. In April 2011, CIMB Islamic was recognised by London-based Global Finance Magazine as the Best Islamic Financial Institution in Asia, Best Islamic Financial Institution in Malaysia and Best Sukuk Bank (globally).

CIMB Islamic Bank Financing/Deposits (RM’bil)



Islamic Residential Mortgages & Market Share



Business Review

Support Divisions

GROUP CHIEF EXECUTIVE'S OFFICE

The Group Chief Executive's Office oversees Capital and Balance Sheet Management (CBSM), the CIMB ASEAN Research Institute (CARI), Group Secretarial Services, and our International Offices outside our core markets of Malaysia, Indonesia, Singapore, and Thailand.

Capital and Balance Sheet Management

Capital and Balance Sheet Management (CBSM) is responsible for management of CIMB Group's capital and balance sheet. As part of the reorganisation of CIMB Group in 2011, CBSM was established as a new unit under the Group Chief Executive's Office. CBSM centralises the capital and balance sheet management functions of the Group in a single unit which is independent of the Group's businesses, hence enhancing governance and overall coordination.

With respect to balance sheet management, in 2011 we continued to focus on Net Interest Income (NII) and Net Interest Margin (NIM) management, leveraging on our capabilities in modeling and projecting risk-sensitive returns that were rolled out across the region last year. Despite this, the Group saw its NIM decrease to 3.12% in 2011 from 3.34% in 2010, due to intense competition, especially in Indonesia. Going forward we will add further rigour to managing NIMs across the region; with growth of our asset base, NIMs will grow in importance to the Group.

In capital management, a number of steps were undertaken to strengthen the capital position of CIMB Group. CIMB Bank ended the year with a Tier-1 capital ratio and RWCR of 14.5% and 16.8% respectively. The Tier-1 ratio and RWCR for CIMB Niaga as at end-2011 were 10.2% and 13.1% respectively and for CIMB Thai, 7.7% and 13.0% respectively. Key capital exercises in 2011 included the issuance of RM1.5 billion subordinated debt by CIMB Bank, the issuance of RM250 million subordinated debt and a RM250 million rights issue by CIMB Islamic, the issuance of THB3 billion subordinated debt by CIMB Thai and the issuance of IDR1.5 trillion senior debt by CIMB Niaga. Double leverage and gearing of CIMB Group were maintained within our target range, at 119.1% and 21.8% respectively.

CIMB ASEAN Research Institute

CIMB ASEAN Research Institute (CARI) was officially launched in 2010 in support of ASEAN's programme of economic integration. With the objective of increasing public understanding

and ownership of ASEAN and improving public knowledge about the ASEAN Economic Community planned for 2015, CARI has conducted three 'ASEAN 101' workshops. CARI also engages academics, policymakers, government officials, and business leaders in a dialogue on topics of ASEAN economic integration through 'CARI Conversations'. Two CARI Conversations were held in 2011, in Kuala Lumpur and in Jakarta.

CARI also serves as the secretariat to the ASEAN Business Club (ABC), an association of the chief executives of some of ASEAN's most prominent business enterprises. It is a forum for ASEAN's top business leaders to network, collaborate and play a leading role in the process of ASEAN economic integration. With its motto 'ASEAN: Open for business', the ABC is a private sector voice for ASEAN economic integration. As the secretariat of the ABC, CARI was involved in the ABC's incorporation and its Official Launch and Inaugural Gala Dinner in 2011.



The Launch of the ASEAN Business Club with its Founding Members and ASEAN Secretary General Surin Pitsuwan

Business Review

GROUP CORPORATE RESOURCES

At Group Corporate Resources (GCR) we are focused on driving and sustaining the transformational changes needed for the Group to achieve our Vision 2015 of becoming The Leading ASEAN Franchise.

In 2011, our priorities were focused on optimising the Group's Key Performance Indicator (KPI) framework, and articulating the Group's commitment to its 40,000 employees. We also built on the strong momentum we have achieved in succession planning, our human resource development partnerships, and regional mobility initiatives.

We set joint KPIs across divisions and countries in 2011 in order to encourage cross-selling of products and services and effective product bundling in-country and across the region. Driving a culture of looking cross-border and cross-department is essential for CIMB Group to embrace and fully harness the diversity which is so evident across our ASEAN platform.

We also formalised our Employee Value Proposition (EVP) in 2011 with six key commitments to reinforce our promise to our employees on what they get in return for choosing a career with CIMB Group. Building on our strengths as an employer of choice is essential to becoming The Leading ASEAN Franchise.

Succession planning is another strategic focus at GCR. We take the development of tomorrow's leaders very seriously and we are building a pool of leadership talent across ASEAN through formal training, coaching and mentoring, and stretch assignments that enrich on-the-job training.

With this in mind, GCR initiated a series of partnerships with higher learning institutions to acquire the skills needed to develop our people at all levels of leadership. At the senior-most level, INSEAD, a leading global business school, continues to be one of our foremost partners. In 2011 we were pleased that two cohorts of future leaders 'graduated'. We also collaborated with Singapore's Nanyang Technological University to develop our inaugural 'Accelerated Universal Banker Programme' for middle managers.

In 2011 we established the CIMB-Executive Assessment Centre in partnership with SHL and certified a pool of internal assessors to conduct in-depth assessments on our leadership competencies. These assessments of our leaders' capabilities are essential in creating individual development plans to enable them to succeed in the long term.

In terms of mentoring, we continuously encourage and nurture our Group culture of senior leaders giving back to our people. Almost 200 employees completed a customised in-house coaching certification programme in 2011 for our middle and first-line managers in order to sustain our coaching culture.

We announced the adoption of the Global Employee Mobility (GEM) programme to place greater emphasis on regional mobility in order to give our employees better exposure, new challenges and to prepare them for bigger roles.

The 'graduation' of Cohort 2 of the CIMB-INSEAD Leadership Programme in Putrajaya, Malaysia in September 2011



Business Review

GROUP FINANCE

Group Finance (GF) is responsible for planning and managing all finance, accounting, tax and reporting matters of CIMB Group. Pursuant to the business reorganisation of the Group, GF now operates as a separate division.

This year, Group Finance achieved a significant milestone when we became the first bank in Malaysia to implement the Regional REVAL System for hedge accounting (REVAL) across our regional subsidiaries. REVAL provides solutions to our hedging activities for complex products such as structured products in accordance with regulatory requirements.

We have made good progress in our Group Finance Management System (GFMS) which was one of our transformation initiatives implemented in 2010 to build a platform for our regional financial management system. After rolling out four releases within Malaysia and fully achieving our target business benefits, we are now able to enhance and streamline the standardised financial and management reporting processes across our subsidiaries in the region.

After successfully implementing Financial Reporting Standard (FRS) 139 throughout the region, 2011 saw the Group working towards ensuring that the framework accurately assesses the Group's asset quality and provision requirements. While the change in the methodology for impairment and provisioning arising from FRS 139 brought expected volatility to the financial results, Group Finance constantly engages with all relevant businesses to ensure that all loans are adequately provided for.

GROUP RISK

Group Risk Division (GRD) is responsible for identifying, monitoring, analysing and reporting the principal risks to which the Group is exposed. In facilitating the Group's achievement of its objectives whilst operating in a sound business environment, teams from Group Risk Division are engaged from an early stage in the risk process for independent inputs and risk assessments.

Heightened uncertainties over the pace of recovery in the global economy, higher positive growth in the ASEAN economies and regulatory tightening in the local environment in 2011 presented an intricate set of conditions for finding a balance in risk and opportunity.

These economic conditions were considered in stress tests conducted in 2011, allowing the Group to assess and manage the potential impact on capital, business and liquidity positions.

The Group also segmented the framework and systems to manage its Interest Rate Risk in Banking Book as part of its on-going efforts towards a comprehensive internal capital adequacy assessment under Basel II.

The Group took cognisance of the changing landscape in the financial industry and the need for process reengineering so as to benefit from available opportunities. In facilitating the changes, risk committees and processes were restructured to enable faster decision making, but without compromising on analysis and checks and balances.

In 2011 we further established our regional credit platform with greater acceptance of the aligned credit assessment standards and increased volume of proposals processed under the Regional Credit Management team.

The approach adopted by Group Risk in maintaining effective oversight on day-to-day risk taking activities while continuously enhancing its infrastructure to provide a more holistic view of its risk exposures and positions has enabled the Group to better manage the challenges arising from the uncertainties and market volatility in 2011.

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

Our 1Platform core banking project is on schedule. We are preparing deployment at CIMB Thai by the 1st quarter of 2012 and we have recently completed the pre-implementation phase in Malaysia. We made good progress in Singapore in replacing its banking platform in November 2011.

2011 also saw 1View, our new sales and service platform, deployed to call centres and consolidated with self-service phone banking in Malaysia. All customer feedback and enquiries across branches, call centres and email channels are now centrally managed via 1View.

We are actively pursuing digitalisation in line with growing consumer preference for e-banking convenience. CIMB Bank launched CIMB Clicks Transaction Protection in January 2011, an online security solution that provides CIMB Clicks users with added protection from fraudulent transactions. We were the first bank in Malaysia to implement this advanced security solution. We also launched a lightweight mobile offering with easy to use 'banking on the go' services in November 2011. In Indonesia, a multi stage journey to launch advanced mobile banking and payments completed its first phase.

We continued to drive adoption of operations management principles under DOME (Development Operations Management Excellence). This is our operations management framework which combines industry best practices and continuous improvements to drive productivity and cost efficiencies across the region. Over a three-year period, we have seen significant reductions in staff and operation costs across Malaysia, Indonesia, Singapore and Thailand.

Business Review

GROUP MARKETING & COMMUNICATIONS

Group Marketing & Communications (GMCD) was a newly formalised division in 2011. Comprising Group Corporate Communications and all the marketing units of our businesses, GMCD now drives the enlarged marketing and communications agenda of the Group with the view to ensure better consistency, heightened performance and enhanced governance across our businesses and across the region.

2011 was a year spent on solidifying CIMB Group's position as a truly ASEAN franchise. We strengthened all aspects of brand alignment across the region, firstly by harmonising the colour identity of all CIMB franchises to red. Whilst the multi-colour strategy had worked well in the past, the time had come for a refresh in view of the Group's ambitions, to have a unified CIMB brand identity across ASEAN. Following this, the Group also launched a new tagline, 'ASEAN For You'. This tagline has now been cascaded widely – internally and externally – representing a promise we bring to all our stakeholders in all we do.

CIMB Group is one of the first regional banks to put in place a concise strategy with regard to social media and its potential. Since its launch in 2010, our Facebook page fan base has remained by far the largest among regional banks, hitting 1 million fans in February 2012. Leveraging Facebook as an engagement channel, we have established Facebook pages for the Group and all our core markets, namely Malaysia, Indonesia, Singapore and Thailand.

Going forward, we will fully capitalise on social media and build it as a key communication channel. We were recognised for Best Social Media Engagement across Asia, Africa and the Gulf region in The Asian Banker International Excellence in Retail Financial Services Awards 2012 – a clear validation for our social media strategies.

Building on our success with the inaugural CIMB Asia Pacific Classic in 2010, the Group hosted the second edition of the PGA TOUR sanctioned event in 2011. The tournament featured a stellar field of 48 players competing for the USD6.1 million prize purse, with USD1.3 million going to the winner –



CIMB Group's branding at branches across the region

making this the biggest and richest golf tournament for an officially sanctioned event, not just in ASEAN but also in Asia Pacific.

The tournament drew a larger crowd of spectators in 2011, with 31,000 spectators over the four-day event, compared with 20,000 in 2010. It also elevated CIMB Group, as the title sponsor, onto the global stage, with broadcast media coverage reaching 400 million homes in over 70 countries. The prestigious tournament provided a good opportunity for the Group to build closer relations with clients and for employees from across ASEAN to work together to make the tournament a success. We also continued to leverage our

relationship with PGA TOUR to conduct the CIMB Junior Golf Development Programme, which aims to nurture young talents in ASEAN and provide a roadmap for them to achieve the highest levels of professional golf.

During the year, we organised activities, primarily to drive greater cohesion amongst staff, encourage more collaboration, and cross-border identity building. Numerous efforts were put in place, ranging from the 'American Idol' styled 'CIMB Star' to the internal Blue Ocean Challenge. Internal web communications platforms were also streamlined, resulting in a new intranet which will be rolled out across the region in 2012.



RED

EFINING

ASEAN FOR YOU **by**

CREATING

VALUE

International **Advisory Panel**



International Advisory Panel meeting in session in Kota Kinabalu, Malaysia

➤ “We are seeing encouraging signs of greater liberalisation within ASEAN, and CIMB Group must make full use of its local presence in ASEAN markets to understand domestic concerns, and to help stakeholders prepare for the change that is to come.”

Tun Musa Hitam
IAP Chairman

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.

The IAP is chaired by Tun Musa Hitam, a regional statesman and former deputy prime minister of Malaysia. The collective experience of Tun Musa and the other 11 IAP members spans a broad spectrum of nations, markets and industries in various leadership capacities, including policy formulation and academia.

In 2011 the Group welcomed Ms. Watanan Petersik as the newest member to join the IAP. Ms. Petersik is currently a member of CIMB Group's Board of Directors and brings considerable experience from an illustrious 25-year career in the financial services industry including 10 years at Goldman Sachs and three years as an advisor to Texas Pacific Group. She and fellow CIMB Group board member Bp. Glenn Yusuf are the only members of the IAP to have a direct connection with the Group.

The IAP meets every year before the Group's Annual Management Dialogue to allow the views and opinions of its members to be incorporated into the Group's business plans and strategies for the following year. Meetings are held in the Group's core operating markets, and in previous years have been hosted in Kuala Lumpur, Singapore, Jakarta and Bangkok.

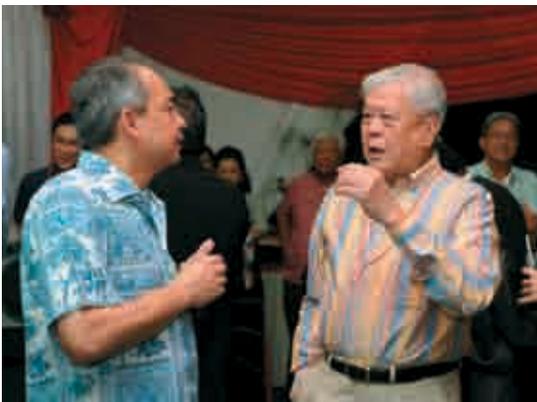
In 2011, the IAP meeting was held in Kota Kinabalu, Sabah, marking its return to Malaysia for the first time since its inception in 2006. In addition to participating in the meeting, the IAP and the Group's senior management also hosted the Group's customers and clients at a dinner reception.

The IAP discussed a broad range of subjects at the 2011 meeting; they included global and regional political developments, CIMB Group's progress in ASEAN, its branding strategies, and the Group's most recent forays beyond its core operating markets.

International **Advisory Panel**



Above: IAP member Tan Sri Rainer Althoff talking with John Pang, CEO of the CIMB ASEAN Research Institute



Below: Group Chief Executive Dato' Sri Nazir Razak talking with IAP member GK Goh



IAP members Glenn Yusuf, Tun Musa Hitam and Tira Wannamethee

The panel members commented on the political tension seen across the West and the Middle East in 2011, and how the phenomenon of 'digital democracy' has facilitated the Occupy Wall Street movement and to some extent, the Arab Spring. They advised CIMB Group not to underestimate the implications of the social media revolution, and to fully consider associated political and industry risks in the Group's overall business strategy.

The IAP members reiterated their support for CIMB Group's ASEAN agenda and agreed that regional economic integration needed to be driven by business as well as governments. In addition, they emphasised the need for CIMB to engage with local stakeholders i.e. investors, businesses and the general population to understand and cater for the intricacies of economic integration.

The IAP also complimented the Group on its regional branding initiatives and were particularly pleased with the visibility of its new 'ASEAN For You' tagline. They advised the Group to continue to cement its regional identity in ASEAN markets and

made suggestions such as greater regionalisation of its products and services, and more collaboration with existing cross-border brands.

The IAP members agreed with the Group's focus on technology to drive product and service improvements, and advised a careful and considered approach, as improper implementation could make the bank appear distant and impersonal. They also underscored the importance of evolving from a product-centric banking model towards a more customer-focused approach.

CIMB Group's recent efforts to establish footholds in India and Sri Lanka met with the approval of the IAP members and they voiced their optimism for the economic prospects of both countries. They advised the Group to fully leverage on its position as an ASEAN gateway to drive greater trade and investment flows between the two countries and ASEAN, the Group's core operating market.

Investor Relations

➤ The year 2011 proved to be extremely challenging for the Group's Investor Relations (IR) unit with regional and global economic events dampening overall investor confidence. This came with a greater level of scrutiny of the Group's strategies, operational direction and financials. Given these heightened concerns, Group IR stepped up stakeholder engagement to fully communicate the views and opinions of CIMB's leadership on various internal and external developments, as well as initiatives undertaken to address the changing operating environment.



CIMB Group took home four honours at the inaugural Malaysia Investor Relations Awards

Maintaining a high level of corporate governance and transparency of information continues to be the primary objective of IR. The establishment in 2010 of our regional IR platform came into full effect this year, enabling the Group's IR message to be clearly coordinated and communicated. As part of the Group's internal reorganisation, the Group IR unit found a new home under the Group Finance umbrella (previously under Group Strategy), whilst maintaining the direct reporting line to the Group Chief Financial Officer and Chief Executive. This has better streamlined information flow and the transparency of our financial information across the region, in line with the regional messaging initiative.

In view of CIMB Group's relatively high profile and strong institutional shareholder base, face time with top management is crucial to convincingly deliver our message and views. IR activities continue to be

led by the Group Chief Executive and his deputy, supported by the Head of Investor Relations. They are in turn supported by other senior members of management including the Group CFO, the CIMB Niaga CEO, CFO and Head of Strategy, CIMB Thai CEO and CFO, and various other heads of operating divisions. To maximise senior management's time utility and efficiency, these IR initiatives focused on one-on-one meetings with pertinent shareholders combined with larger group meetings for sell-side analysts.

With the institutional investment community as the primary IR focus, regular analyst briefings and conference calls were conducted during the announcement of quarterly financial results. These events were presided by the Group Chief Executive, who outlined the operating details for each quarterly financial result and benchmarked these

against the Group's key performance indicators and annual targets. For 2011, we also used these events as a platform to outline the Group's cautious operating stance during the year. We clarified the strategy behind our internal reorganisation and the positioning of CIMB's new 'ASEAN For You' tagline, as well as various accounting-related changes.

Excluding the briefings, the Group conducted 127 in-house one-on-one and teleconference meetings during the year, marginally higher than the 123 in the previous year. However, the number of sell-side analysts and fund managers met increased to 399 from 256 in 2010, a significant 56% jump. This was a continuation of efforts to better utilise senior management's time while improving our depth of penetration into the investment community.

Investor Relations



Group Chief Executive Dato' Sri Nazir Razak at the Nomura Investment & Global Real Estate Forum 2011

With external developments continually volatile, we took it upon ourselves to reach out further and more frequently to ensure that stakeholders were constantly kept informed of the Group's strategic approach.

For 2011, CIMB Group participated in six investor conferences outside Malaysia – the Macquarie Asia-Pacific Financials Conference in Singapore (January), the JP Morgan Asia Financial Conference in Hong Kong (March), the CIMB/Credit Suisse Malaysia Corporate Day in London (May), the Invest Malaysia Conference in New York (May), the Credit Suisse ASEAN Conference in London (June) and the Nomura Investment Forum in Tokyo (November). In addition, CIMB Group conducted two non-deal roadshows in September 2011, the first to Singapore facilitated by JP Morgan and the second to the United States facilitated by Goldman Sachs. Domestically, IR participated in the CIMB Malaysia Corporate Day (January), the Invest Malaysia Conference (April) and the inaugural CIMB ASEAN Conference in October. Collectively, management engaged with 209 targeted fund managers and sell-side analysts on the road, a 32% increase from the last year.

Shareholder analysis became a more pertinent tool for the IR division to customise the right mix of investor meetings to address as wide a range of



Research analysts at CIMB Group's 2011 Financial Year-End Results

stakeholders as possible, from strategic to existing, former and prospective shareholders. With the jittery market and uncertainties over the course of 2011, the Group's foreign shareholding declined to 38.9% as at end-2011 from 42.6% a year ago, after hitting a high of 42.9% in June. CIMB continues to be amongst the best covered stocks in Malaysia with consistent coverage by 28 equity research analysts.

The retail shareholder base was engaged at the Group's 54th Annual General Meeting (AGM) in April 2011, where senior management and leaders took the opportunity to respond to queries as well as to better understand the needs and demands of the non-institutional shareholder. The IR webpage continues to see a rising number of contacts, while social media channels, particularly Facebook, are becoming an increasingly useful avenue for the Group to connect with both retail shareholders and customers.

The Group IR unit is humbled that our efforts were widely recognised by the investment community in 2011. We came out tops for Best Investor Relations in Malaysia from Finance Asia Magazine (third consecutive year), IR Magazine South East Asia (second consecutive year) and Alpha South East Asia Magazine. CIMB Group also took home four honours at the inaugural Malaysia Investor Relations Awards for the large-cap category.

Our internal initiatives to continually improve individual skill sets and knowledge were enhanced as two members of our three-man Group IR team passed professional exams, namely the Certificate in Investor Relations, UK.

The Group's Investor Relations unit is headed by Steven Tan Chek Chye. Investor queries may be addressed to the unit through the following contact:

Steven Tan Chek Chye
Head of Investor Relations

Tel : 603 2084 9696
Email : steven.tan@cimb.com

Steven obtained his bachelor's degree in business, majoring in accountancy, from RMIT University, 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.

Our **Alliances**

CIMB Group's geographical reach and its products and services are complemented by smart partnerships. In 2011, we joined forces with new partners and expanded existing partnerships:



THAI LIFE INSURANCE

Thai Life Insurance Co., Ltd. is the second largest and first Thai-operated life insurance company in Thailand. On December, 2010 CIMB Thai bank and Thai Life Insurance signed a 10-year strategic bancassurance alliance to offer life insurance services and policies through the bank's branches.



SRI AYUDHYA GENERAL INSURANCE

Sri Ayudhya General Insurance Public Company Limited is one of Thailand's leading non-life insurance companies, reputed for its outstanding financial stability, innovative products and service excellence. CIMB Thai and Sri Ayudhya formed a strategic partnership in November 2010 to offer motor, property, and marine insurance products to CIMB Thai customers via the bank's multi-channel banking services.



KOTAK MAHINDRA GROUP

Established in 1985, the Kotak Mahindra group is one of India's leading financial institutions, offering complete universal banking solutions that include consumer banking, corporate banking, investment banking, life insurance, broking, asset management, and so forth. CIMB's partnership in India with Kotak is in the form of a Business Cooperation Arrangement. The agreement will see both parties cooperate and explore opportunities arising from cross border investments and trade flows, with a focus on selected countries in the India-ASEAN corridor. The cooperation would cover areas of mutual interest including M&A advisory, trade finance and remittance.

Our **Alliances**

Other Alliances



CIMB Foundation gives RM200,000 to Huazong's building fund

KUALA LUMPUR: CIMB Foundation donated RM200,000 to the Federation of Chinese in Malaysia (FCM), also known as Huazong, to help fund the building of a new gymnasium.

CIMB Group chief executive officer Datuk Sri Raziq Aziz said the donation was part of CIMB's commitment to work with the Chinese community.

"We are glad to see Huazong in an effort to better serve its members and the community," he said during the event at the FCM's new building in Jalan Malakoff, Kuala Lumpur.

FCM president Datuk Sri Raziq Aziz said the donation was part of CIMB's commitment to work with the Chinese community.

CIMB Tingkatkan Share Syariah

Pembelian akan dipantau dengan ketat

DWT

CIMB has increased its share of Shariah-compliant investments, according to a report by DWT.

首領：連續6年獲世界第一 妮科大馬最成功運動員



妮科大馬最成功運動員，連續六年獲世界第一。

Giant CIMB Clicks Octo invades the city skyline!

KUALA LUMPUR: CIMB Clicks Octo, the new mobile banking app, has been launched. It allows users to perform various banking transactions from their mobile phones.



CIMB to host conference on corporate Asean

KUALA LUMPUR: The inaugural CIMB Asean Conference 2011, to be held end of this month, will portray the views of the region's policy makers and corporate captains on Asean's prospects.

CIMB Investment Bank chief executive officer-designate Datuk Charon Wurdini Mokhzani said there will also be a plenary session to discuss Asean's readiness for the next financial crisis, and a dialogue on the role of corporate Asean.

Get social with CIMB Bank Debit MasterCard

KUALA LUMPUR: The newly launched CIMB Bank Debit MasterCard will be more gratifying as it offers privileges and benefits to a more rewarding social lifestyle.

Peter England, head of retail financial services of CIMB Bank Bhd (CIMB Bank) elaborated, "The CIMB Bank Debit MasterCard is a payment card that enables direct debits from deposit accounts for purchases of goods and services at participating global outlets via the MasterCard network."



GET SOCIAL: Peter England, head of retail financial services of CIMB Bank, presenting the new Debit MasterCard to a group of people.



CIMB marks entry into India with the launch of its new branch in Mumbai.

CIMB marks entry into India

MUMBAI: CIMB Bank has officially entered the Indian market with the launch of its new branch in Mumbai.

終於把握奪標機會 波范佩特獎400萬

吉隆坡訊：波范佩特獎400萬，終於把握奪標機會。這項由CIMB贊助的馬術比賽，吸引了眾多馬術愛好者參加。



CIMB Asia Pacific Classic Malaysia golf tournament.

CIMB Bank rated 'AA' by Dagong Global Credit

KUALA LUMPUR: CIMB Bank has been rated 'AA' by Dagong Global Credit, reflecting its strong financial performance and growth.

CIMB bureau de change deals soar

KUALA LUMPUR: CIMB Bureau de Change deals have soared, indicating a strong demand for international remittance services.

阿茲蘭首領就有硬仗 妮柯爾衝擊第七冠

阿茲蘭首領妮柯爾在馬術比賽中展現了強大的實力，衝擊著她的第七冠。



CIMB Bank Group (CIMB Bank) marks another milestone for its CIMB Centre, Selangor, by launching its new CIMB Touch 'n Go cards.

Nottingham undergraduates win online trading competition

NOTTINGHAM: CIMB Bank has supported the success of Nottingham undergraduates who won an online trading competition.

联昌提升在线交易保安防欺

吉隆坡訊：联昌提升在线交易保安防欺，通过引入先进的安全技术，保障客户的资金安全。



CIMB Bank Group (CIMB Bank) marks another milestone for its CIMB Centre, Selangor, by launching its new CIMB Touch 'n Go cards.

CIMB DISTRIBUTES TOUCH 'N GO CARDS

KUALA LUMPUR: CIMB Bank Group (CIMB Bank) marks another milestone for its CIMB Centre, Selangor, by launching its new CIMB Touch 'n Go cards.

CIMB Clicks innovates with attention-grabbing street lamps

KUALA LUMPUR: CIMB Clicks has innovated with attention-grabbing street lamps, featuring the bank's logo and branding.



Strategic Partnership



CIMB Bank Group (CIMB Bank) marks another milestone for its CIMB Centre, Selangor, by launching its new CIMB Touch 'n Go cards.

Corporate Event **Highlights**

Campaigns,
products and
services



Corporate Event **Highlights**

Campaigns, products and services



CIMB's Flexi Select NID-i, Kuala Lumpur – Dato' Lee Kok Kwan, Deputy Group Chief Executive Officer and Head of Corporate Banking, Treasury & Markets and Dato' Sulaiman Mohd. Tahir, Executive Director of CIMB Bank and Head of Consumer Sales and Distribution at the launch of CIMB's Flexi Select NID-i. This is an innovative 10-year investment product based on the Shariah concept of Restricted Mudharabah.



CIMB Clicks Transaction Protection, Kuala Lumpur – Iswaraan Suppiah, Head of Group Information and Operations, CIMB Group launching CIMB *Clicks* Transaction Protection. CIMB Bank is the first bank in Malaysia to implement this authentication security solution.



e-filing system launch, Kuala Lumpur – Tun Dato' Seri Zaki Bin Tun Azmi, Chief Justice of Malaysia, with Tan Sri Dato' Seri Haidar, former Chairman of CIMB Bank, Dato' Sulaiman Mohd Tahir, Executive Director, CIMB Bank and Abdul Karim Md. Lassim, Deputy Head of Retail Financial Services.

Corporate Event Highlights

Campaigns, products and services



“2 Good 2 Be True” Campaign, Kuala Lumpur – The four winners of the “2 Good 2 Be True” deposit drive campaign which ran in the first quarter of 2011 and boosted retail deposits by RM2.8 billion. Awarding the prizes are Badlisyah Abdul Ghani, CEO CIMB Islamic, Dato’ Sulaiman Mohd Tahir, Executive Director CIMB Bank and Peter England, Head of Retail Financial Services, CIMB Bank.



“Let’s Save and Share”, Jakarta – Wulan Tumbelaka, Director of Compliance, Corporate Affairs and Legal, CIMB Niaga at the launch of the “Let’s Save and Share” education programme.



Pay With Points programme, Kuala Lumpur – Jean Yap, Head of Group Cards and Personal Financing, CIMB Group launches the Pay With Points programme. This allows customers to pay with bonus points.

Corporate Event **Highlights**

Campaigns, products and services



CIMB Junior Saver Account, Singapore – CIMB Bank Singapore CEO Mak Lye Mun and Head of Retail Banking, Coreen Kwan at the launch of CIMB Bank Singapore's CIMB Junior Saver Account.

CIMB Bank launches CIMB YOUth, Kuala Lumpur – Peter England, Head of Retail Financial Services, CIMB Bank, at the launch of CIMB YOUth. CIMB YOUth is aimed at customers aged 12-23.



Corporate Event **Highlights**
Campaigns, products and services



Launch of the New Bizchannel, Jakarta – CIMB Niaga CEO Arwin Rasyid and Transaction Banking Head W. Adji Wibowo at the launch of its latest Transaction Banking product named the “Internet Banking to Corporate – The New Bizchannel”.



Halfest, Kuala Lumpur – CIMB Islamic Chairman Datuk Dr. Syed Muhamad Syed Abdul Kadir and CEO Badlisyah Abdul Ghani at a MOU signing ceremony. CIMB Islamic will provide Islamic financing at Halfest, Malaysia’s first and largest Halal consumer expo.

Corporate Event **Highlights**
 Campaigns, products and services



Touch 'n Go, Kuala Lumpur – Dato' Sulaiman Mohd Tahir, Executive Director CIMB Bank, distributing RM100,000 in festive cheer to drivers ahead of *Hari Raya Aidilfitri*. Lucky drivers in Kuala Lumpur got a special edition Touch 'n Go card preloaded with RM10.



CIMB Bank Debit Mastercard, Kuala Lumpur – Peter England, Head of Retail Financial Services, CIMB Bank, with the winners of a "Hum The Song" competition held at a social event to mark the launch of the CIMB Bank Debit Mastercard.

Deal-related
events



Corporate Event **Highlights**
Deal-related events



CIMB Bank is rated AA by Dagong Global Credit, Beijing – Guan Jianzhong, Chairman and President of Dagong Global Credit Rating Co. Ltd. with Group Chief Executive Dato' Sri Nazir Razak. Dagong, which is China's biggest ratings agency, presented its inaugural credit rating report on CIMB Bank. Dagong assigned a long-term local currency issuer rating of "AA" and a long-term foreign currency rating of "AA-" to CIMB Bank.



BNP Paribas and CIMB Thai Bank Partner in Cash Management, Bangkok – Subhak Siwaraksa CEO CIMB Thai with Nathchanya Davivongse, Transaction Banking Group Head and Tawich Virangkur, Cash Management Sales Division Head.



Integrated Healthcare Acquisition, Kuala Lumpur – Dato' Sri Nazir Razak, Group Chief Executive, CIMB Group at a press conference for the acquisition of 30% of the issued and paid up capital of Integrated Healthcare Holdings Sdn. Bhd. by Mitsui & Co. Ltd. of Japan.

Corporate Event **Highlights**

Deal-related events



Joint Venture Partnership, Sri Lanka – CIMB Group CFO Kenny Kim with Dato' Charon Wardini Mokhzani, CEO CIMB Investment Bank and Dato' Sri Nazir Razak, Group Chief Executive, CIMB Group at a signing ceremony to establish an investment banking and corporate advisory presence in Sri Lanka with shareholders Alex Lovell and Reshani Dangalla.



CARI Inks Cooperation Agreement with Universitas Indonesia, Depok, Indonesia – CIMB ASEAN Research Institute (CARI) Commissioner Glenn Yusuf and Universitas Indonesia Dean of Economics and Business, Professor Firmanzah inked a cooperation agreement to promote ASEAN integration. CARI is funded by CIMB Group and the agreement was witnessed by Group Chief Executive Dato' Sri Nazir Razak.

Corporate Event **Highlights**
Deal-related events



Lotus Cars Ltd. Syndicated Financing Facilities, Kuala Lumpur – Dany Bahar, Group Lotus CEO, exchanging an agreement with Dato’ Sri Nazir Razak, Group Chief Executive, CIMB Group for facilities amounting to £270 million extended by a syndicate of six financial institutions in Malaysia.



CapAsia Signing Ceremony, Singapore – Dato’ Sri Najib Razak, Prime Minister of Malaysia, witnessing a USD50million equity capital deal with Kazakhstan’s Central Asian Power & Energy Company. The deal was managed through CapAsia, a CIMB Group joint venture.



MATTA forex, Kuala Lumpur – Abdul Karim Md. Lassim, Deputy Head, Retail Financial Services CIMB Bank, signing a MOU with the Malaysian Association of Tour and Travel Agents President Dato’ Mohd Khalid Harun to provide foreign currency exchange services for travellers.

Branch
openings



Corporate Event **Highlights**
Branch Openings



Amorini Branch Opening, Thailand – CIMB Thai CEO Subhak Siwaraksa and Nongyao Tovachirakul, Chairman of AMR Development Ltd, officiating the opening ceremony of the Amorini Branch, CIMB Thai's 151st branch.



CIMB Group in India, Mumbai – Dato' Sri Nazir Razak Group Chief Executive of CIMB Group and Dato' Charon Wardini Mokhzani, CEO of CIMB Investment Bank and HE Dato' Tan Seng Sung, Malaysian High Commissioner to India at the official launch of CIMB Bank's Mumbai Representative office.

Corporate Event **Highlights**
Branch Openings



Launch of CIMB Preferred Sawah Besar branch, Jakarta – CIMB Niaga CEO Arwin Rasyid and Sales and Distribution Director Samir Gupta at the launch of the new CIMB Niaga Preferred Centres to get closer to its loyal customers.



CIMB Wealth Advisors' new Sri Petaling branch, Kuala Lumpur – Dato' Charon Wardini, CEO of CIMB Investment Bank officiating at the opening of CWA's new Sri Petaling branch.

Corporate Event **Highlights**

Branch Openings

CIMB Private Banking, Johor Bahru –

Carolyn Leng, Head of CIMB Private Banking, at the launch of CIMB Private Banking Johor Bahru branch.



Three new branches in Phnom Penh –

CIMB Bank Cambodia opened three new branches in Phnom Penh, bringing the total number of branches in the country to five. The launch ceremony, which took place at Preah Sihanouk City, was officiated by CIMB Bank Cambodia Chairman, Dato' Shaarani Ibrahim. Also present was H.E Pal Buy Bonnang, Director-General of Bank Supervision, the National Bank of Cambodia.



Seminars and
briefings



Corporate Event **Highlights**
Seminars and briefings



An Evening with Catalyst CEOs, Singapore – CIMB Bank Singapore Chief Executive Officer Mak Lye Mun addressing the Catalyst CEOs. The event, hosted by CIMB Bank with Ernst & Young and Colin Ng & Partners, was the first in a series of four throughout the year.



Economic Outlook Conference, Jakarta – CIMB Niaga’s Treasury & Capital Market Director Mohamed Fadzil Sulaiman, CIMB Niaga CEO Arwin Rasyid and Head of Capital Investment Coordinating Board Gita Irawan Wirjawan at the Economic Outlook Conference.



Thai media and Islamic Bank of Thailand visit to CIMB Islamic Bank, Kuala Lumpur – CIMB Islamic CEO Badlisyah Abdul Ghani addressing the Thai media and Islamic Bank of Thailand during their visit to CIMB Islamic Bank at Menara Bumiputra-Commerce.

Corporate Event **Highlights**
Seminars and briefings



India-ASEAN Dialogue, Mumbai, India – In conjunction with the official launch of CIMB Bank's Mumbai Representative Office, Dato' Sri Nazir Razak, Group Chief Executive and Uday Kotak, Executive Vice Chairman & Managing Director of Kotak Mahindra Bank shared their perspectives on India-ASEAN cross-border opportunities. With them is Dato' Charon Wardini Mokhzani, CEO of CIMB Investment Bank.



CIMB Group's 54th Annual General Meeting, Kuala Lumpur – Dato' Mohd Shukri Hussin, former CIMB Group Executive Director, and Dato' Johan Raslan, Executive Chairman, PricewaterhouseCoopers Malaysia, with some shareholders at CIMB Group's 54th Annual General Meeting.

Corporate Event **Highlights**

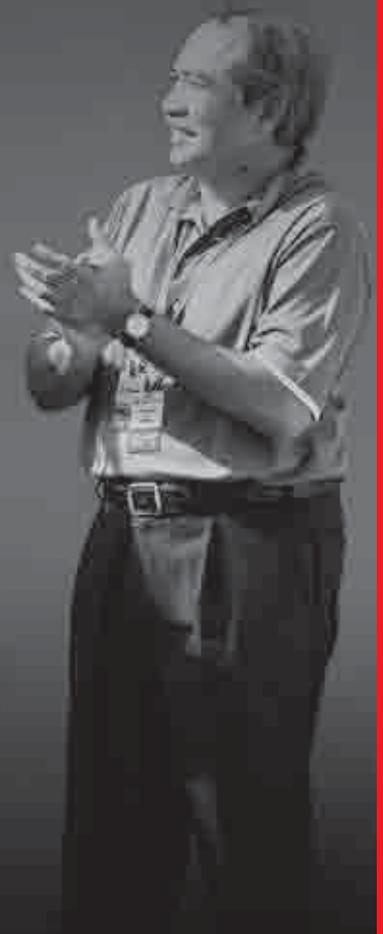
Seminars and briefings

ASEAN Business and Investment Summit, Bali, Indonesia – Dato’ Sri Nazir Razak, Group Chief Executive of CIMB Group, speaking at the ASEAN Business and Investment Summit in Bali.



Infrastructure Industry Conference, Kuala Lumpur – Dato’ Charon Wardini Mokhzani, CEO, CIMB Investment Bank, Sha’ari Mohd Nor, Director, Structured Finance & Syndication, CIMB Group, and Adrian Ong, Director, Regional M&A, CIMB Group at the Infrastructure Industry Conference.

Sponsorship and other
event
highlights



Corporate Event **Highlights**
Sponsorship and other event highlights



CIMB KL Open Squash Championships, Kuala Lumpur – Karim Darwish and Datuk Nicol David with their winning trophies at the CIMB KL Open Squash tournament.



CIMB Group sponsors Lat musical, Kuala Lumpur – CIMB Investment Bank CEO Dato' Charon Wardini Mokhzani, his wife Datin Saidah Rastam and cartoonist Dato' Mohammad Nor Khalid (Lat).



CIMB Foundation celebrates junior sportsmen and sportswomen, Kuala Lumpur – Group Chief Executive Dato' Sri Nazir Razak and wife Dato' Azlina Aziz celebrating the achievements of CIMB Foundation's sports beneficiaries, including 47 young sportsmen and sportswomen who had outstanding achievements in the sporting fields of squash, football, rugby and golf.

Corporate Event Highlights

Sponsorship and other event highlights



Datuk Nicol David meeting the Prime Minister, Putrajaya – Squash World Champion Datuk Nicol David and family celebrating her sixth Women's World Open title with Prime Minister of Malaysia, Dato' Sri Najib Razak. Datuk Nicol is sponsored by CIMB Group.



Launch of Our Land Within, Kuala Lumpur – Dato' Mohd Shukri Hussin, former Executive Director, CIMB Group launching "Our Land Within – Passages Through Southeast Asian Communities" – a captivating book that explores Southeast Asia's diverse communities. With him are Effendy Shahul Hamid, Head of Group Marketing and Communications, CIMB Group, Photographer SC Shekar and Narrator Liew Suet Fun.

Corporate Event **Highlights**
Sponsorship and other event highlights



CIMB Group Hari Raya Open House, Kuala Lumpur – Dato’ Zainal Abidin Putih, Chairman of CIMB Bank, with his wife, Datin Jasmine Abdullah Heng and Tan Sri Dato’ Md Nor Yusof, Chairman of CIMB Group, with Prof (Adj) Dato’ Azmi Mohd Ali and Daniel Saville, both from Azmi & Associates, at the CIMB Group Hari Raya Open House.



Launch of “Rumah Syukur”, West Sumatra – CIMB Islamic Chairman Datuk Dr. Syed Muhamad Syed Abdul Kadir handing over a mock key to signify the launch of Rumah Syukur. Looking on are Assistant State Secretary of West Sumatra III Mahmuda Rivai, CIMB Islamic CEO Badlisyah Abdul Ghani, CIMB Niaga’s Head of Syariah Banking U. Saefudin Noer and Secretary General of Malaysian Relief Agency Dr. Mohd. Daud Sulaiman.

Corporate Event **Highlights**

Sponsorship and other event highlights



CIMB Thai Money Expo, Thailand – The CIMB Thai team in front of their booth at The Money Expo Korat 2011 held at The Mall Korat in Nakhon Ratchasima. Present at the opening of the CIMB Thai booth were Head of Consumer Sales and Distribution Thanachai Thanachaiy, veteran politician Suwat Liptapanlop and Chief Editor of Money & Banking magazine, Santi Viriyarungsarit.

CIMB Asia Pacific Classic announcement, Putrajaya – Prime Minister of Malaysia Dato' Sri Najib Razak, Tourism Minister Dato' Sri Dr. Ng Yen Yen and Group Chief Executive Dato' Sri Nazir Razak with members of the media at the official announcement of the second edition of the CIMB Asia Pacific Classic.



Corporate Event **Highlights**
Sponsorship and other event highlights



CIMB Foundation's Hari Raya Event, Kuala Lumpur – Group Chief Executive Dato' Sri Nazir Razak, his wife Dato' Azlina Aziz and CIMB Foundation's CEO Dato' Mohd Shukri Hussin with some Community Link beneficiaries at CIMB Foundation's Hari Raya event.



CIMB Regional Scholarship, Kuala Lumpur – Dato' Charon Wardini Mokhzani, Chief Executive Officer, CIMB Investment Bank and Hamidah Naziadin, Head of Group Corporate Resources, CIMB Group with the recipients of the CIMB Regional Scholarships, Azza Ismail (on behalf of her sister, Khaira Ismail), Su Su Myat, Nur Muna Mazlan Chen Pelf Nyok and Sooksun Popurn-ngam.

Regional Notable Deals

REGIONAL M&A DEALS

PLUS Malaysia Sdn. Bhd., a jointly-owned entity of UEM Group Berhad and Employees Provident Fund Board

RM23.0 billion acquisition of the entire assets and liabilities of PLUS Expressways Berhad

**Hong Leong Bank Berhad**

RM5.1 billion acquisition of the entire assets and liabilities of EON Capital Berhad

Sunway Berhad

RM4.5 billion acquisition of the entire assets and liabilities of Sunway City Berhad and Sunway Holdings Berhad followed by the listing of Sunway Berhad

**Integrated Healthcare Holdings Sdn. Bhd.**

RM3.3 billion acquisition of up to 30% equity interest of Integrated Healthcare Holdings Sdn. Bhd. by Mitsui & Co., Ltd.

Multi-Purpose Holdings Berhad

RM1.6 billion acquisition of the remaining 49% equity interest in Magnum Holdings Sdn. Bhd. by Multi-Purpose Holdings Berhad

**Tune Air Sdn. Bhd.**

RM1.1 billion acquisition by Tune Air Sdn. Bhd. representing 20.5% equity interest in MAS in exchange for 10.0% equity interest in AirAsia

C.I. Holdings Berhad

RM820 million disposal of Permanis Sdn. Bhd.

**Khazanah Nasional Berhad**

RM605 million divestment of 32.2% stake in Pos Malaysia Berhad

Jana Pendidikan Malaysia Sdn. Bhd.

Acquisition of Pan Malaysian Pools Sdn. Bhd.

**Sapura Petroleum (Australia) Pty Ltd, a wholly-owned subsidiary of SapuraCrest Petroleum Berhad**

AUD127 million acquisition of Clough Limited's marine construction business

Luma Investments Ltd.

SGD112 million acquisition of JK Yaming International Holdings Ltd.

**Centurion Corporation Limited (formerly known as SM Summit Holdings Limited)**

SGD95.0 million acquisition of Centurion Dormitory (Westlite) Pte. Ltd. and 45% issued share capital of Lian Beng Centurion

SCG Building Materials Company Limited

IDR669.0 billion Acquisition of PT Keramika Indonesia Assosiasi Tbk.

**SCG Distribution Company Limited**

IDR204.0 billion acquisition of PT Kokoh Inti Arebama Tbk.

Regional Notable Deals

REGIONAL EQUITY DEALS

Bumi Armada Berhad

RM2.7 billion IPO on Bursa Malaysia



UOA Development Bhd.

RM1.1 billion IPO on Bursa Malaysia

MSM Malaysia Holdings Berhad

RM891 million IPO on Bursa Malaysia



Builder of Distinction



S P Setia Berhad

RM885 million new shares placement

Pavilion REIT

RM710 million IPO on Bursa Malaysia



CapitaMalls Malaysia Trust

RM154 million new units placement
RM330 million new units placement

PT Indomobil Sukses Internasional Tbk

IDR2.8 trillion placement of rights shares



PT Bank Bukopin Tbk

IDR666 billion placement of rights shares

Mapletree Commercial Trust

SGD949 million IPO on Singapore Exchange



Sri Trang Agro-Industry PCL

SGD336 million dual listing on Singapore Exchange

Parkson Retail Asia Limited

SGD159 million IPO on Singapore Exchange



Malaysia Smelting Corporation

SGD44 million dual listing on Singapore Exchange

LH Financial Group PCL

THB2.0 billion IPO on Stock Exchange of Thailand



CITIC Securities Co. Ltd.

HKD14.2 billion IPO on Hong Kong Stock Exchange

Regional Notable Deals

REGIONAL DEBT TRANSACTION DEALS

Projek Lebuhraya Usahasama Berhad

RM34.35 billion Islamic Medium Term Notes Programmes

**Pengurusan Aset Air Berhad**

RM20.0 billion Islamic Medium Term Notes Programme guaranteed by the Government of Malaysia issued via Pengurusan Air SPV Berhad

**Pembinaan BLT Sdn. Bhd.**

RM10.0 billion Islamic Medium Term Notes Programme issued via Aman Sukuk Berhad

**Government of Malaysia**

USD1.2 billion Trust Certificates due 2016 and USD0.8 billion Trust Certificates due 2021 issued via Wakala Global Sukuk Berhad

**TNB Janamanjung Sdn. Bhd.**

RM5.0 billion Islamic Securities Programme

**ANIH Berhad****ANIH Berhad (formerly known as ANIH Sdn. Bhd.)**

RM2.5 billion Senior Islamic Medium Term Notes Programme and RM620 million Junior Bonds

Public Bank Berhad

RM3.0 billion Tier 2 Subordinated Debt

**Hong Leong Financial Group Berhad**

RM1.8 billion Commercial Papers Programme and Medium Term Notes Programme

CIMB Bank Berhad

RM1.5 billion Tier 2 Subordinated Debt

**Hong Leong Bank Berhad**

RM1.4 billion Non Innovative Tier 1 Stapled Securities and RM1.0 billion Tier 2 Subordinated Notes

Midciti Resources Sdn. Bhd.

RM880 million Islamic Medium Term Notes Programme

Midciti Resources Sdn Bhd

**Star Publications (Malaysia) Berhad**

RM750 million Commercial Papers and Medium Term Notes Programme

Regional Notable **Deals**

REGIONAL DEBT TRANSACTION DEALS (CONTINUED)

Genting Hong Kong Limited

CNY1.38 billion Senior Unsecured Conventional Bonds



Esso Malaysia Berhad

RM300 million Islamic Commercial Papers Programme

Kuala Lumpur Kepong Berhad

RM300 million Islamic Commercial Papers and/or Islamic Medium Term Notes Programme



Tan Chong Motor Holdings Berhad

RM212 million Notes Series 2011-A issued via Premium Commerce Berhad

Khazanah Nasional Berhad

CNY500 million Trust Certificates due 2014 issued via Danga Capital Berhad



Telekom Malaysia Berhad

RM2.0 billion Islamic Commercial Papers Programme and Islamic Medium Term Notes Programme

Mydin Mohamed Holdings Berhad

RM350 million Islamic Medium Term Notes Programme backed by an unconditional and irrevocable guarantee from Danajamin Nasional Berhad



PT Kirana Megatara

USD600.0 million Syndicated Loan

PT Adira Dinamika Multi Finance Tbk

IDR2.5 trillion Conventional Senior Bond



Lippo Malls Indonesia Retail Trust

SGD225 million Syndicated Loan

PT Bank CIMB Niaga Tbk

IDR1.5 trillion Conventional Senior Bond



PT Bank Tabungan Negara (Persero) Tbk

IDR1.3 trillion Conventional Senior Bond

Regional Notable Deals

REGIONAL DEBT TRANSACTION DEALS (CONTINUED)

PT J Resources Nusantara

USD100 million Senior Secured Term Loan Facility and Gold Hedging Facility

**PT Indomobil Finance Indonesia**

IDR1.0 trillion Conventional Bonds

PT Sarana Multigriya Finansial (Persero)

IDR750.0 billion Conventional Senior Bond

**Fraser and Neave, Limited**

SGD300 million Fixed Rate Bonds due 2016 and 2018 issued via F&N Treasury Pte. Ltd.

Housing and Development Board

SGD320 million Medium Term Notes

**Krungthai Card PCL**

THB7.0 billion Unsecured Debentures

CIMB Thai Bank PCL

THB3.0 billion 5.35% 10 Non Callable 5 Tier 2 Subordinated Debt

**Toyota Leasing (Thailand) Company Limited**

THB2.8 billion Fixed Rate Senior Secured Debentures

Bangkok Dusit Medical Services PCL

THB2.5 billion Senior Unsecured Debentures

**Quality Houses PCL**

THB2.0 billion Senior Unsecured Debentures

Provincial Waterworks Authority

THB1.0 billion Unsecured Debentures

**Central Pattana PCL**

THB1.0 billion Unsecured Debentures

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Best Asian Finance Deal of the Year in SEA

Awarded by Alpha M&A

Best Deal in Malaysia

Awarded by The Asset

Singapore Deal of the Year

Awarded by Reuters Finance Week

CIMB NIAGA CIMB NIAGA CIMB THAI CIMB CIMB ISLAMIC

CIMB GROUP

แต่งเติมอนาคตให้สดใสด้วยCIMB Junior

- อนุมัติสินเชื่อเงินกู้ CIMB Junior เริ่มต้นเพียง RM 10000 (RM10,000) หรือ RM 20000 (RM20,000) เป็นต้น
- 9% ดอกเบี้ยพิเศษสำหรับเงินฝากประจำ CIMB Junior

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CIMB NIAGA CIMB NIAGA CIMB THAI CIMB CIMB ISLAMIC

CIMB GROUP

Bebas biaya tarik tunai ATM di seluruh ASEAN.

Tarik uang tunai di seluruh negara ASEAN tanpa biaya tambahan. Ini adalah salah satu keuntungan yang ditawarkan oleh CIMB sebagai bagian dari layanan perbankan kami. Anda dapat menikmati bebas biaya penarikan di seluruh jaringan ATM CIMB Group yang tersebar di seluruh ASEAN. Mulai dari Jakarta, Manila, Singapura dan Thailand. Tidak ada yang lebih memuaskan daripada perjalanan bisnis di ASEAN dengan CIMB Group.

Untuk informasi lebih lanjut, silakan kunjungi www.cimbniaga.com atau hubungi Call Center CIMB Niaga 1041.

CIMB NIAGA CIMB BANK CIMB THAI

BEBAS BIAYA ANDA CIMB NIAGA

Notable Achievements

ASEAN BUSINESS AWARDS

- Most Admired ASEAN Enterprise for the Employment category – Large Size Company

ASIAMONEY

BEST BANK AWARDS 2011

- Best Domestic Bank in Malaysia
- Best Domestic Equity House in Malaysia
- Best Domestic Debt House in Malaysia

BEST ISLAMIC BANK AWARDS 2011

- Best Islamic Bank in Asia
- Best Islamic Bank in Malaysia

COUNTRY AWARDS 2011

- Country Deal of the Year for Malaysia
Deal: Bumi Armada USD888 million IPO

CASH MANAGEMENT POLL 2011

- Best Local Currency Cash Management services – Malaysia MYR (as voted by financial institutions)
- Best Local Cash Management Bank – Malaysia (as voted by large-sized corporates)

- Best Local Cash Management Bank, Malaysia (as voted by medium-sized corporates)
- Best Local Cash Management Bank Malaysia (as voted by small-sized corporates)

PRIVATE BANKING POLL AWARDS 2011

- Overall Best Private Bank in Malaysia as voted by HNWI's with USD5.01-25m

FIXED INCOME POLL AWARDS 2011

- Overall Best Domestic Credit Service Provider in Malaysia
- Overall Best Local Currency Bonds Bookrunner in Malaysia for MYR
- Overall Best Credit Research & Market Coverage for the Local Currency Bonds in Malaysia for MYR
- Overall Best Credit Derivatives Sales Services on the Local Currency Bonds in Malaysia for MYR
- Overall Best Domestic Interest Rates Services in Malaysia
- Overall Best Interest Rates Research & Market Coverage in Malaysia
- Overall Best for Credit and Interest Rates in Malaysia

FOREIGN EXCHANGE POLL 2011

- 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 2011

- 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
- The Most Improved Brokerage over the last 12 months in Indonesia

ASIA ASSET MANAGEMENT

BEST OF THE BEST AWARDS 2011

- CEO of the Year in Malaysia: Campbell Tupling



Notable **Achievements**

- Islamic Fund House of the Year in Malaysia
- ETF Manager of the Year in Malaysia

ASIAN INVESTOR

INVESTMENT PERFORMANCE AWARDS 2011

- Best Malaysia Onshore Fund House: CIMB-Principal Asset Management
- Best Malaysia Onshore Fund House, Islamic Investments: CIMB Islamic

ALPHA SOUTHEAST ASIA MAGAZINE

BEST FINANCIAL INSTITUTION AWARDS IN SOUTHEAST ASIA 2011

- Special Marquee Awards: Best Islamic Finance Bank in Southeast Asia
- Special Marquee Awards: Best Asset Manager in Southeast Asia
- Best Islamic Finance Bank in Malaysia
- Best Investment Bank in Malaysia
- Best Bond House in Malaysia
- Best Cash Management Bank in Malaysia
- Best FX Bank for Corporates & FIs in Malaysia

- Best Institutional Broker in Malaysia
- Best Wealth Management Bank in Malaysia
- Best Equity House in Malaysia

SOUTHEAST ASIA DEAL & SOLUTION AWARDS 2011

- **Best Deal/Most Innovative Deal of the Year in Southeast Asia**
Deal: SapuraCrest Petroleum-Kencana Petroleum's RM11.85 billion M&A
- **Best Equity/IPO Deal of the Year in Southeast Asia**
Deal: Bumi Armada's USD888 million IPO
- **Best Local Currency Bond Deal of the Year in Southeast Asia**
Deal: Khazanah Nasional (via Danga Capital)'s CNY500 million sukuk
- **Best Islamic Finance/Most Innovative Deal of the Year in Southeast Asia**
Deal: Government of Malaysia's USD1.2 billion & USD800 million Wakala Global Sukuk
- **Best Small-Cap Equity Deal of the Year in Southeast Asia**
Deal: MSM Malaysia's USD270 million IPO
- **Best Deal of the Year in Malaysia**
Deal: Khazanah Nasional USD1.1 billion 30% Disposal of Integrated Healthcare to Mitsui
- **Best Investment Bank in ASEAN**

ASIA RISK AWARDS

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

ALB SOUTHEAST ASIA LAW AWARDS

- **IPP Financial Advisers Award Singapore M&A Deal of the Year**
Deal: Khazanah/Fortis competing Takeover Offer for Parkway
- **Islamic Finance Deal of the Year**
Deal: Danga Capital SGD1.5 billion Sukuk Issue
- **Singapore Deal of the Year**
Deal: Khazanah/Fortis competing Takeover Offer for Parkway

CORPORATE GOVERNANCE ASIA

THE BEST OF ASIA

- Corporate Governance Asia Recognition Awards 2011



Notable Achievements

EUROMONEY

AWARDS FOR EXCELLENCE 2011

- Best Investment Bank in Malaysia
- Best Bank in Malaysia

ISLAMIC FINANCE AWARDS 2011

- Best Islamic Bank in Asia
- Islamic Deal of the Year
Deal: Government of Malaysia USD1.25 billion sukuk

PRIVATE BANKING SURVEY AWARDS 2011

- Best Private Bank in Malaysia

FINANCE ASIA

BEST MANAGED COMPANIES POLL 2011

- Best CEO – Dato' Sri Nazir Razak:
CIMB Group
- Best Investor Relations: CIMB Group

ACHIEVEMENT AWARDS 2011

- Best Islamic Finance House
- Best Islamic Financing
Deal: Malaysia's USD2 billion dual-tranche global sukuk
- Best Malaysia Deal
Deal: Bumi Armada USD888 million IPO

COUNTRY AWARDS FOR ACHIEVEMENT 2011

- Best Investment Bank in Malaysia
- Best Bond House in Malaysia
- Best Equity House in Malaysia
- Best Cash Management Bank in Malaysia
- Best Broker in Malaysia
- Best Foreign Exchange Bank in Malaysia
- Best Private Bank in Malaysia

GLOBAL FINANCE

WORLD'S BEST ISLAMIC FINANCIAL INSTITUTIONS AWARDS 2011

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

WORLD'S BEST INTERNET BANKS IN ASIA AWARDS 2011

- Best Consumer Internet Bank in Malaysia

IFR ASIA AWARDS

- Islamic Deal of the Year 2011
Deal: Government of Malaysia USD2 billion sukuk

IR MAGAZINE

SOUTHEAST ASIA AWARDS 2011

- Best investor relations in the Singapore market by a Malaysian company:
CIMB Group Holdings Berhad
- In recognition of CIMB Group's best practices and award winning investor relations initiatives in Singapore

ISLAMIC FINANCE NEWS AWARDS

- Ijarah Deal of the Year
Deal: Tenaga Nasional's USD1.55 billion Islamic Securities Program
- Cross-Border Deal of the Year
Deal: Danga Capital CNY500 million Islamic Trust Certificates
- Sovereign Deal of the Year
Deal: Wakalah Global Sukuk
- Malaysia Deal of the Year
Deal: Wakalah Global Sukuk
- IPO/Equity Deal of the Year
Deal: Bumi Armada USD888 million IPO
- Best Islamic Wealth Management Provider
- Best Asset Management Company in Asia
- Best Overall Islamic Asset Management Company
- Most Innovative Islamic Bank



Notable **Achievements**

MINISTRY OF HUMAN RESOURCES, MALAYSIA

- Anugerah Majikan Prihatin/Malaysia's Most Caring Employer (large company)

MINORITY SHAREHOLDER WATCHDOG GROUP

MALAYSIAN CORPORATE GOVERNANCE INDEX 2011

- **Distinction Award**
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

MALAYSIA INVESTOR RELATIONS AWARDS 2011

- **Best CEO for Investor Relations (large cap): Dato' Sri Nazir Razak, Group Chief Executive**
- **Best Company for Investor Relations (large cap)**
- **Best Investor Relations Website (large cap)**
- **Best Investor Relations Professional (large cap): Steven Tan Chek Chye**

PROJECT FINANCE INTERNATIONAL AWARDS

- **Asia Pacific Bond Deal of the Year 2011**
Deal: Manjung Island Energy

PROFESSIONAL WEALTH MANAGEMENT & THE BANKER

GLOBAL PRIVATE BANKING AWARDS 2011

- **Best Emerging Private Bank: CIMB Private Banking**

STRUCTURED PRODUCTS ASIA AWARDS

- **Structured Products, Best in Malaysia**

THE ASSET

TRIPLE A COUNTRY AWARDS 2011

- **Best Domestic Investment Bank in Malaysia**
- **Best Equity House in Malaysia**
- **Best M&A House in Malaysia**
- **Deal of the Year in Malaysia**
Deal: Hong Leong RM5.06 billion acquisition of EON Capital

TRIPLE A INVESTMENT BANKING AWARDS 2011

- **Asset Management Company of the Year in Southeast Asia**
- **Best Private Bank in Malaysia**
- **Best Wealth Management House in Malaysia**
- **Best Derivatives House in Malaysia**
- **Highly commended investment product, retail: CIMB Flexi Select NID-i**

TRIPLE A ISLAMIC FINANCE AWARDS 2011

- **Best Islamic Structured Product**
168 Asian Infrastructure Income Protected PLUS-i
- **Best Islamic Commodity-Linked Murabaha**
Deal: Cagamas RM230 million variable rate sukuk commodity murabaha
- **Highly commended Islamic Project Finance**
Deal: Konsortium Lebuhraya Utara-Timur RM820 million musharaka and RM50 million redeemable secured junior bonds
- **Best Islamic Project Finance**
Deal: Trans Thai-Malaysia (Thailand) RM600 million sukuk
- **Highly Commended Corporate Sukuk**
Deal: Malaysia Airports Capital RM1 billion Islamic medium-term notes



Notable Achievements

- **Best Sovereign Sukuk**
Deal: Government of Malaysia USD1.25 billion sukuk ijara trust certificates
- **Best Corporate Sukuk**
Deal: Khazanah Nasional SGD1.5 billion dual trust certificates
- **Best Islamic Equity Deal**
Deal: Petronas Chemicals Group RM14.8 billion IPO
- **Best Islamic Deal for Thailand**
Deal: Trans Thai-Malaysia (Thailand) RM600 million sukuk
- **Best Islamic Deal for Indonesia**
Deal: Republic of Indonesia IDR8.03 trillion retail sukuk
- **Best Islamic Asset Management House: Ucits**
- **Best Islamic Bank in Malaysia**
- **Islamic Bank of the Year**

TRIPLE A TRANSACTION BANKING AWARDS 2011

- **Rising Star Cash Management Bank:** CIMB Niaga, Indonesia
- **Rising Star Trade Finance Bank:** CIMB Niaga, Indonesia

ASIAN BOND AWARDS 2011

- **Top Bank in the Secondary Market for Corporate Bonds, Malaysia**

- **Top Bank in the Secondary Market for Government Bonds, Malaysia**
- **Top Bank Arranger – Quality and Number of Primary Corporate Bond Deals, Malaysia**

THE ASIAN BANKER

TRANSACTION BANKING AWARDS 2011

- **Achievement Award for Cash Management:** CIMB Niaga, Indonesia

EXCELLENCE IN RETAIL FINANCIAL SERVICES AWARDS 2012

- **Best Social Media Engagement**

THE BANKER

DEALS OF THE YEAR 2011

- **Islamic Deal of the Year for Asia Pacific**
Deal: Khazanah Nasional's SGD1.5 billion sukuk

THE EDGE

BILLION RINGGIT CLUB CORPORATE AWARDS 2011

- **Top 10 CSR Companies 2011:** CIMB Group Holdings Berhad

BEST DEALS OF THE YEAR AWARDS 2011

- **Best Share Placement**
Deal: S P Setia Bhd. RM884.7 million Primary Placement

- **Best IPO**
Deal: Bumi Armada Bhd. RM2.7 billion IPO

THE EDGE-LIPPER MALAYSIA FUND AWARDS 2011

- **Best Overall Fund Group Award**
- **CIMB-Principal Equity Fund: Equity Malaysia, 3 years**
- **CIMB-Principal Equity Fund: Equity Malaysia, 10 years**
- **CIMB Islamic Equity Fund: Equity Asia Pacific Ex-Japan (Islamic), 3 years**
- **CIMB Islamic Balanced Growth Fund: Mixed Asset MYR Balance – Malaysia (Islamic), 3 years**
- **CIMB Islamic Balanced Fund: Mixed Asset MYR Balance – Malaysia (Islamic), 10 years**

TRADE FINANCE

AWARDS FOR EXCELLENCE 2011

- **Best Trade Bank in Malaysia**
- **Best Islamic Trade Bank in Asia**

VRL FINANCIAL NEWS

PRIVATE BANKER INTERNATIONAL AWARDS 2011

- **Outstanding Young Private Bankers 2011:** Carolyn Leng



Notable **Achievements**



Corporate History

1920

1924

Bian Chiang Bank established in Kuching

Wee Kheng Chiang founded Bian Chiang Bank in Sarawak. Early activities centred on 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 established in Penang

'Towkay' Yeap Chor Ee founded Ban Hin Lee Bank (BHLB) and originally focused on the trading activities of local businessmen in Penang. In the 1960s, BHLB branched into real estate and home financing. By the 1990s, the bank had become a modern and thriving financial institution in Malaysia and Singapore. BHLB was listed on the Kuala Lumpur Stock Exchange on 7 January 1991.

1940

1948

Bank Lippo founded in Tangerang

Bank Lippo was founded in 1948 with headquarters in Tangerang, Indonesia.



Corporate **History**

1950

1955**Bank Niaga founded in Indonesia**

Established as a national private bank, Bank Niaga expanded to become a full service bank in 1974. It became the first Indonesian bank to introduce ATM services in 1987.

1960

1965**Southern Banking founded in Penang**

Southern Banking quickly expanded from its base in Penang and set up its Kuala Lumpur operations in 1978. It changed its name to Southern Bank Berhad (SBB) and became an important player in wealth management products, credit cards and SME lending. SSB was the first bank in Malaysia to set up the MEPS ATM system used country-wide today.

1970

1972**United Asian Bank founded in Kuala Lumpur**

United Asian Bank (UAB) was a joint venture formed by the merger of the Malaysian operations of three Indian banks in 1972. UAB took over the Malaysian branch operations of Indian Overseas Bank Ltd., Indian Bank Ltd. and United Commercial Bank Ltd. Serving mainly small businesses and individuals, UAB established a reputation for encouraging enterprise among the less prosperous sections of the community.

Bank Bumiputra Malaysia established

Established in line with government initiatives to increase Bumiputra participation in the national economy, Bank Bumiputra Malaysia Berhad (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.



Corporate **History**
1974**Pertanian Baring Sanwa Multinational established**

Pertanian Baring Sanwa Multinational Berhad (PBS) was founded by Bank Pertanian, Baring Brothers of the United Kingdom, Sanwa Bank of Japan and London Multinational Bank of the United Kingdom. Under the management of Baring Brothers, the merchant bank 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, the merchant bank remained relatively small compared to others.


1979**Bian Chiang Bank renamed Bank of Commerce**

The purchase of Bian Chiang Bank by the Fleet Group in 1979 led to the formation of Bank of Commerce Berhad (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 BOC, which started as an RM8 million one-branch entity, had total assets of RM367 million and total shareholders' funds of RM12.8 million.



Corporate **History**

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

BOC merged with UAB to form Bank of Commerce (M) Berhad (BOCM), while 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.



1998

Bank Thai established in Thailand

Bank Thai Public Company Ltd. was established with the Thai government's Financial Institutions Development Fund as the major shareholder.



Corporate History

1999

BBMB and BOCM merged to form Bumiputra-Commerce Bank

In 1999, BBMB emerged from the Asian financial crisis to merge with BOCM, resulting in the biggest merger in Malaysia's banking history to form Bumiputra-Commerce Bank (BCB). It became the bank of choice of many multinational and local corporations, government organisations and individual Malaysians.



2000

SBB acquired BHLB

As part of the government's banking consolidation initiative, SBB acquired BHLB along with United Merchant Finance Berhad (renamed Southern Finance Berhad) and absorbed two small finance companies, Perdana Finance Berhad and Cempaka Finance Berhad.



Corporate **History**


2002
Commerce Asset-Holding Berhad took majority share 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. This was part of a 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 the Asian monetary crisis in 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 KLSE

CIMB Berhad's listing on the Main Board of the Kuala Lumpur Stock Exchange (KLSE) 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.



Corporate **History**


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.



2005
CIMB Berhad acquired G. K. Goh Securities 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 acquired 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).



Corporate **History**

2006

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 to serve everyone from a small 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.

BCHB acquired SBB

The acquisition of SBB added valued niche consumer banking segments to CIMB Group. The merger combined BCB's extensive resources and reach with SBB's expertise and agility.

2007

CIMB-GK Securities in Thailand and USA

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, a not-for-profit organisation that carries out the Group's corporate social responsibility and philanthropic initiatives, was established. CIMB Group fulfilled its initial pledge to donate a sum of RM100 million to CIMB Foundation over three years from 2008 – 2010.



Corporate **History**


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 Bank Niaga & Bank Lippo

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 was rebranded as 'CIMB Niaga'.

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 the 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 made the Group's retail network the largest in ASEAN with over 1,000 branches.



Corporate **History**


2009

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. Opened 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 location was partly chosen to preserve historical links to the area where Bank Bumiputra and the United Asian Bank, were previously located.

Launch of CIMB Bank Singapore

CIMB Bank's retail banking business in Singapore was launched 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 were unveiled by Khun Korn Chatikavanji, Thailand's Minister of Finance. The rebranding launch, which was also attended by Dr. Tarisa Watanagase, Governor of the Bank of Thailand, was part of CIMB Thai's transformation into a financial institution that offers innovative products and services to the Thai market, backed by the resources of a leading regional universal banking group.



Corporate History

2010

2010

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 its 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 eight out of 10 ASEAN nations.



2011

CIMB Group announces Indian presence

CIMB Group entered into the Indian market, with the opening of its Mumbai office as well as the signing of a Business Cooperation Agreement with Kotak Mahindra Bank Ltd. The two financial conglomerates inked the agreement, which will see both parties cooperate and explore opportunities arising from cross border investments and trade flows between India and ASEAN. The cooperation covers M&A advisory, trade finance and remittance. The launch of CIMB Bank's Mumbai Representative office was officiated by the Malaysian High Commissioner to India, H.E. Dato' Tan Seng Sung.



Corporate History

CIMB Group forms joint venture partnership in Sri Lanka

CIMB Group entered into a joint venture with two leading Sri Lankan individuals to establish an investment banking and corporate advisory presence in Sri Lanka. The agreement was signed on 4 August 2011 between CIMB Group, Alex Lovell and Reshani Dangalla.

The new entity will leverage the expertise and extensive local and regional network of the partners to provide investment banking advisory services to a fast growing domestic investment and capital market.

'ASEAN For You' rebranding

CIMB Group launched the 'ASEAN For You' tagline as a clear declaration of the Group's regional capabilities and ASEAN identity.

We will draw from our regional strengths to deliver the best of ASEAN to our customers.





EFINING

ASEAN FOR YOU by

**ENABLING OUR
PEOPLE**

Our People Across **ASEAN**



Our People Across ASEAN

CIMB Group embraces diversity. Our ability to work together and draw on our collective strength of 40,000 staff stationed across 14 nations and several financial disciplines will be key in reaching our Vision 2015 of being The Leading ASEAN Franchise.

Group Corporate Resources is playing a key role in getting the Group where it wants to be by 2015. We are focused on driving the transformational changes and culture building needed to ensure sustainable growth across all of our ASEAN operations. We are laying the groundwork for the organisational culture that we now need as a large and integrated franchise.

In 2011, we set joint targets across different divisions of our business to drive integration and we formalised CIMB's commitments to all staff. We also intensified our processes of spotting, validating and developing talented people.

Talent development is a key growth accelerator and a source of our competitive advantage. We need talented people across our ASEAN operations in order to operate efficiently and build a pipeline of leaders who will be key in taking the Group to the next level. To this end, we take a holistic and blended approach to develop and deploy our talent. Firstly we have formal classroom-based training and secondly we have exposure to various task forces, committees, mentoring & outward bound programmes. The third and biggest time component is on-the-job training, involving stretch assignments and regional mobility.

Riding on the shoulders of giants

As the financial services industry is essentially a people-driven service industry, we need significant apprenticeship and role model learning in our organisation. Our key strategy for success is anchored in our current leaders – the ones that built

up CIMB Group – and their coaching, mentoring and teaching of our up-and-coming talent. Our current leaders understand CIMB Group and know the banking industry and we believe that riding on the shoulders of these giants is the best way to build the organisation.

We already have our dedicated leadership development centre, the Commerce Leadership Institute (CLI) in Kuala Lumpur. This focuses on key leadership positions across the Group and the top one percent of managers group-wide, in order to strengthen our leadership pipeline and to foster bonds between present and emerging leaders of the Group. Our management talent pool is particularly involved in the CIMB-INSEAD Leadership Programme, which is run by the CLI and is in its second year of operation. Fifty seven management staff graduated from this programme in 2011.

Our People Across **ASEAN**



The CIMB-INSEAD programme develops and broadens leadership perspectives following international best practice. Our current CIMB Group leaders, led by Group Chief Executive Dato' Sri Nazir Razak, teach and mentor by sharing their experience, insights and outlook. They also act as sponsors for the programme's Action Learning Project, which involves up-and-coming leaders working as a team to find solutions to thorny problems outside their area of expertise. This has multiple positive outcomes, including thinking outside the box and contributing to the overall business of the organisation.

This year, one team worked on a zero brokerage project, which was sponsored by Pak Arwin Rasyid, CEO of CIMB Niaga and co-sponsored by our CIMB Group board member Dato' Robert Cheim Dau Meng. The recommendations from this project have been adopted and the zero brokerage concept has been commercialised.

Another team worked on talent management for Generation Y, under the sponsorship of Hamidah Naziadin, Head of Group Corporate Resources. Generation Y refers to the global generation born in the Eighties and early Nineties, now aged in their



30s and becoming a significant proportion of CIMB Group's middle management. One of the general characteristics of Generation Y is their desire for job mobility, continuous learning and regular feedback. Retaining the best talent within this generation can be a challenge and is critical for the long-term leadership of CIMB Group.

Developing Talent

Our ASEAN franchise is uniquely positioned to provide customer-centric solutions by leveraging our universal banking capabilities. To enable our people to extract the synergies across the diverse strengths of our businesses, in 2011 we launched the Accelerated Universal Bankers Programme (AUB) in collaboration with Singapore's Nanyang Technological University for the middle management talent pool. This six-month programme builds on the universal banking perspective of CIMB, and gives cross-border and cross-department perspectives. The first cohort started in November 2011 and comprised 32 participants from five ASEAN countries.

We also have a programme entitled 'The Complete Manager' which is delivered by CIMB Group senior staff and covers human resources and managerial skills. We piloted the 'Essentials of Universal Banking' programme for first-line management, delivered by line trainers from three core business segments. We had 53 Malaysian participants in this scheme in its inaugural year.

For new graduates joining CIMB, we run a sought-after programme, 'The Complete Banker™', which provides young talent with well-rounded management training in the fundamentals of universal banking. In 2011, we regionalised the programme to ASEAN and streamed it into consumer and investment banking divisions.

Forty eight of our 2011 graduates came from Malaysia, with another 30 from Indonesia, seven from Thailand and four from Singapore. Together, they brought the total number of TCB graduates to 488 since the programme started in 2003.

Building an understanding of the CIMB Group as a regional franchise across ASEAN means that CIMB employees also need to embrace multicultural perspectives to do what's best for our customers.

Experiential learning is an excellent way of embedding our culture and we have an Expedition Series of regional team-building events across the year. Like our talent development initiatives these are divided into three levels – Explorers, Navigators and Captains. 'Explorers' are the young, emerging talent from the region with three to eight years of experience in the organisation. 'Navigators' is for high-potential managers whilst the 'Captains' are the alumni of the CIMB-INSEAD Leadership Programme.

CIMB's human resources strategy of promoting mentoring, coaching and teaching is already rolling out from senior management to middle management and on to first-line management. We offer customised in-house coaching certification programmes for our middle and first-line managers in order to sustain a coaching culture within the Group. 187 employees from across the region got their certification in 2011.

Our People Across **ASEAN**



Of course, talent development in CIMB Group is not only at leadership level. We have modern training facilities in the region, which provide a conducive learning environment for the development of critical skills, management and leadership capabilities and sales and service skills. We also have an e-learning channel where employees can study modules in their own time with a fun and interactive twist. CIMB Group invested about RM60 million in e-learning and classroom learning in 2011 and rolled out 64 e-learning courses. A total of 182,807 training hours were recorded across the region.

In addition to our formal training programme, we organise the Smart Banker Challenge (SBC). In 2011 we regionalised the programme allowing for a wider participation of 5,000 employees across the organisation. Reflecting this new regional focus, CIMB Thai hosted the SBC, which takes the format of quizzes, races and presentations and involves knowledge about CIMB Group's structure, culture, products and services.

In line with our strategic intent of providing regional exposure our Global Employee Mobility (GEM) programme enriches careers and widens horizons with regional postings to other CIMB offices. 92 employees took part in this programme in 2011, bringing the total to 186. GEM cultivates a

collaborative work culture within the Group and helps to enrich our ASEAN workforce. It also acts as an extension of our talent development and retention framework.

Rewarding Our People

We have a robust performance management system to ensure that we have the right people in place and a method of validating our talent spotting and development initiatives. For instance, consistent above-average performers are quickly identified for accelerated development.

The performance management cycle starts in January with business goals and key performance indices set by senior management. These are then cascaded through the bank with individual goals and targets set.

Throughout the year, our people are coached and given feedback on their individual performance and the outcome is used to determine remuneration and career development and the performance improvement plan for the following year. This includes career pathing and a clear indication of the competencies needed for promotion.

Retirement and long service awards are a cause for celebration at CIMB as we take a holistic view of the working lives of our staff. We make sure we mark these important events. In 2011, we rewarded 119 staff for their loyalty. We also have a staff welfare fund and a scholarship fund for staff children.

Engaging Our People

Engaging our people is key to our operations and we address this right from the start of each person's employment with an orientation programme that gives new employees a clear understanding of CIMB Group's values and strategic direction. This is followed by a High Performance Culture team building session to enable employees to maximise their potential.

As in all successful organisations, communication and interaction with our staff is key so that they understand our strategy and are committed to it. Dato' Sri Nazir writes a weekly blog, as do our country heads in Indonesia and Thailand. We also publish a quarterly newsletter called 'Yours Truly HR', designed to channel key human resources messages and update staff on various human resources activities.

Our People Across **ASEAN**

Our employee engagement survey, which is conducted bi-annually, seeks valuable feedback from our staff as to how they think, feel and act for our organisation. In 2011 our employee engagement index improved to 81 from a figure of 77 two years ago. This is comparable to levels in global financial service organisations and global high-performing companies. As CIMB only moved to a universal banking platform six years ago, this is testimony that we are on the right track and that the Group is supported by an engaged workforce.

To ensure our 40,000 employees remain so engaged, we formalised our Employee Value Proposition (EVP) in 2011 to clearly set out the six value propositions CIMB commits to its employees in return for the skills, capabilities and experiences they bring to the organisation.

This was showcased at the inaugural Human Resources Open Day, held in Kuala Lumpur in December 2011. The event, supported by Dato' Sri Nazir, served as a valuable platform for open engagement with our staff and also involved key human resources personnel from the region who will roll out the message across their divisions. We were delighted that over 1,500 CIMB staff came along to find out more about the six employee value propositions, which are highlighted in the chart on the right.

Bringing Our People Together

CIMB is an organisation made up of multiple cultures across borders and across businesses. It is important that we unify our diverse workforce in order to operate as one CIMB, and we developed a series of initiatives in 2011 to promote integration.

The first was a team climbing event involving 120 staff from Malaysia, Indonesia, Singapore and Thailand. They conducted three expeditions up Mount Kinabalu, a 4,095m peak in Sabah, Malaysia. As Mount Kinabalu is the highest peak in ASEAN, this was a symbolic gesture to mark the Group moving towards being The Leading ASEAN Franchise.



The second new initiative was a CIMB dance troupe made up of 30 employees from Malaysia, Indonesia, Thailand and Cambodia. They combined their rich and diverse cultural dances into a joint cultural performance for the CIMB Group Annual Management Dialogue Dinner in Kuala Lumpur. This illustrated how CIMB Group thrives on diversity and is an ASEAN champion.

We also repeated two popular staff events in 2011, the CIMB Star talent contest (with the finals held in Bangkok) and a volunteer programme to help at the CIMB Asia Pacific Classic Malaysia golf tournament, which attracted dozens of CIMBians, again from across the region. Our staff sports teams also excelled in the inter-bank games and emerged as the overall winners for the Malaysian Investment Banking Association championship.

Underlying all six of our employee value propositions and all our work in Group Corporate Resources is the 'carefrontational culture' expectation of the CIMB Group. We introduced the term 'carefrontational' in 2010 as part of the process of developing our leadership programme. It is a cross between the words 'care' and 'confrontational' and the idea is to highlight the need to have disagreements and encourage debates, but to always ensure that they are conducted professionally and with due care for other peoples' feelings and emotions.

One of our six employee value propositions is 'corporate responsibility leadership'. You can read more about this in our accompanying Sustainability Report booklet. We continue to encourage our employees to give back to the community and now have a policy to reward community service days.

Awards

Our human resource efforts were rewarded with several prestigious awards over the year. We won the Anugerah Majikan Prihatin (most caring employer/large company) from Malaysia's Ministry of Human Resource and Asia's Best Employer Brand Award from the Employer Branding Institute. We also won the ASEAN Business Award 2011 for the most admired ASEAN enterprise in the employment/large company category. These awards are a validation of our human resources initiatives in building CIMB Group.



Awards for Most Caring Employer (top) and Most Admired ASEAN Enterprise (above)

Board of Directors





Seated From left :

- Dato' Sri Nazir Razak • Tan Sri Dato' Md Nor Yusof • Watanan Petersik • Dato' Zainal Abidin Putih

Standing From left :

- Cezar Peralta Consing • Datuk Dr. Syed Muhamad Syed Abdul Kadir • Glenn Muhammad Surya Yusuf
- Katsumi Hatao • Dato' Robert Cheim Dau Meng • Dato' Hamzah Bakar

Board of Directors Profiles**Tan Sri Dato' Md Nor Yusof**

Chairman/Non-Independent Non-Executive Director

- Aged 64, Malaysian
- Joined the Board on 27 June 2006
- Attended 8 out of 9 Board Meetings held in 2011
- 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 more than 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 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 Airline System Berhad, Malaysian Agrifood Corporation Berhad, Pelaburan Hartanah Berhad and is a Trustee of Yayasan Khazanah and CIMB Foundation.

He does not have any conflict of interest with the Company, except by virtue of being a representative of Khazanah Nasional Berhad.



Board of Directors Profiles

Dato' Sri Nazir Razak

Group Managing Director/Chief Executive Officer

- Aged 45, Malaysian
- Joined the Board on 27 January 2006
- Attended all 9 Board Meetings held in 2011

Dato' Sri Nazir Razak is the Group Managing Director/Chief Executive Officer of CIMB Group, and Deputy Chairman of CIMB Bank, CIMB Islamic and CIMB Investment Bank.

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 was also 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. In 2011, he was named the "Best CEO" by FinanceAsia in the Asia's Best Managed Companies Poll 2011 and awarded "Best CEO for Investor Relations" in the Malaysia Investor Relations Awards 2011.

Dato' Sri Nazir is a member of the Investment Panel and Chairman of the Investment Panel Risk Committee of the 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 and trustee of 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.



Board of Directors Profiles

Datuk Dr. Syed Muhamad Syed Abdul Kadir Senior Independent Non-Executive Director

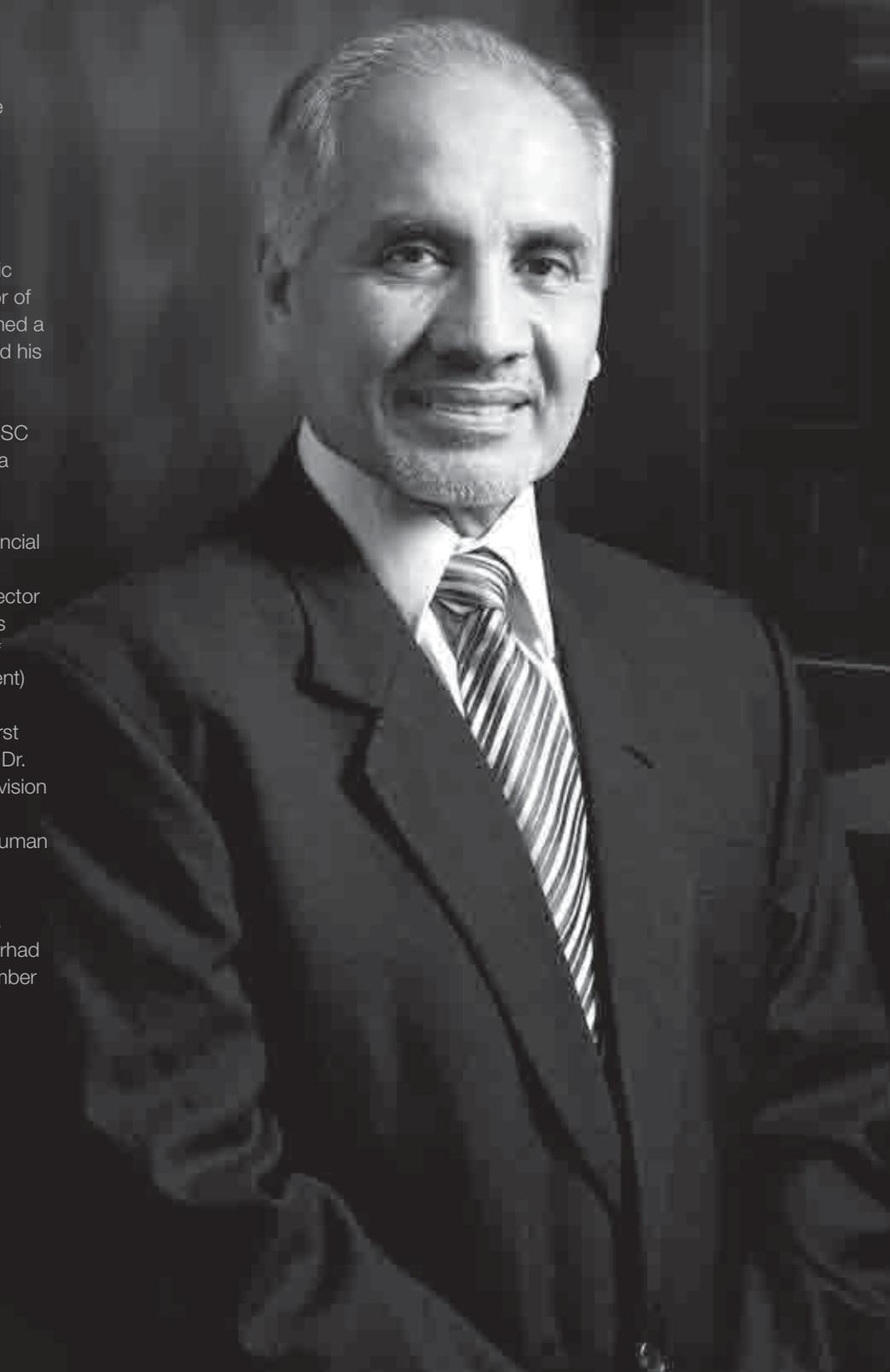
- Aged 65, Malaysian
- Joined the Board on 7 November 2006
- Attended all 9 Board Meetings held in 2011
- Chairman of the Group Nomination and Remuneration Committee
- Member of the Audit Committee and Board Risk Committee

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 a 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 (INTAN) 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.



Board of Directors Profiles**Dato' Hamzah Bakar**

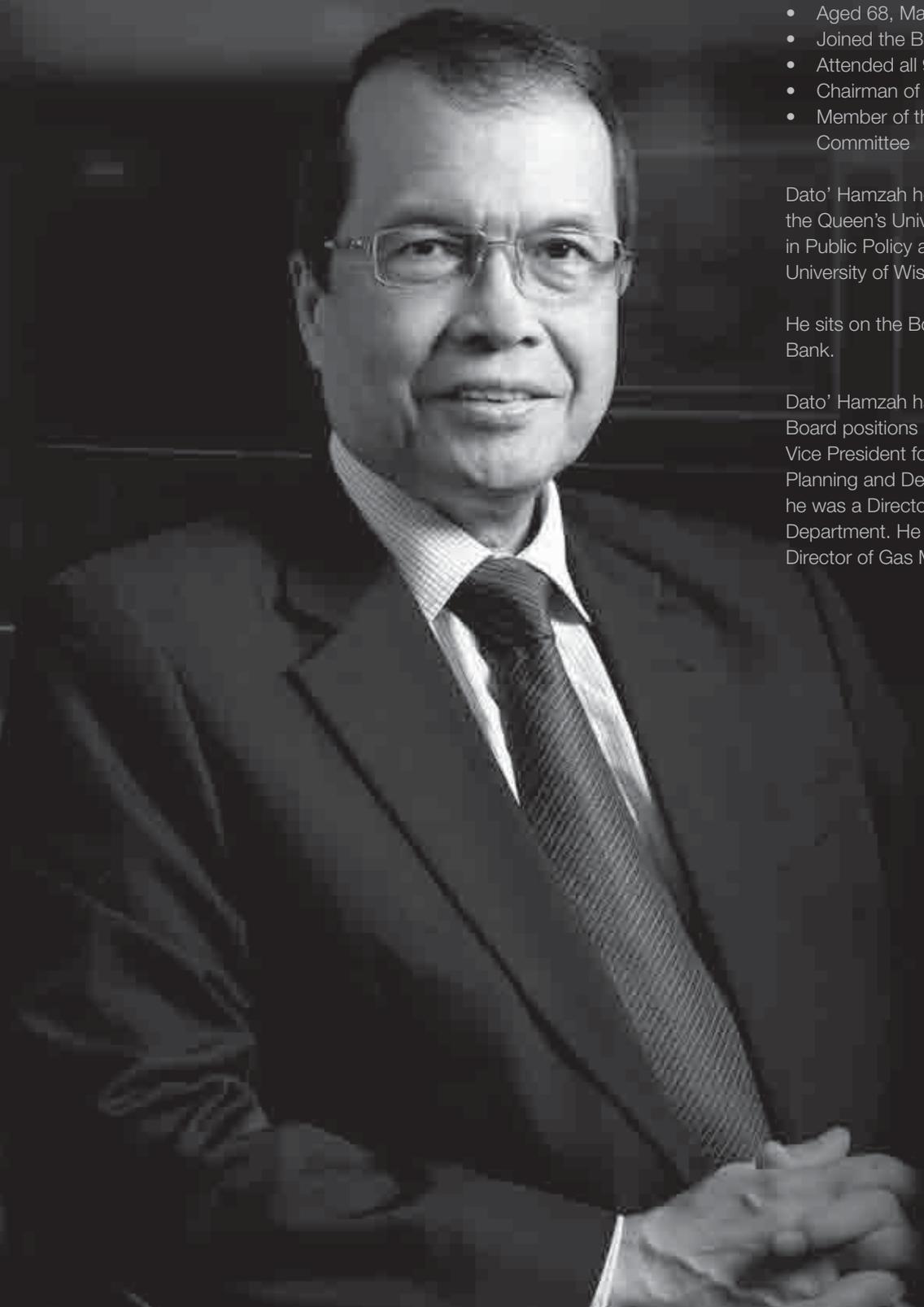
Independent Non-Executive Director

- Aged 68, Malaysian
- Joined the Board on 7 November 2006
- Attended all 9 Board Meetings held in 2011
- 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 Master 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.

Dato' Hamzah has 20 years of 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, Director of Gas Malaysia Berhad and Integral Key Berhad.



Board of Directors Profiles**Dato' Zainal Abidin Putih**
Independent Non-Executive Director

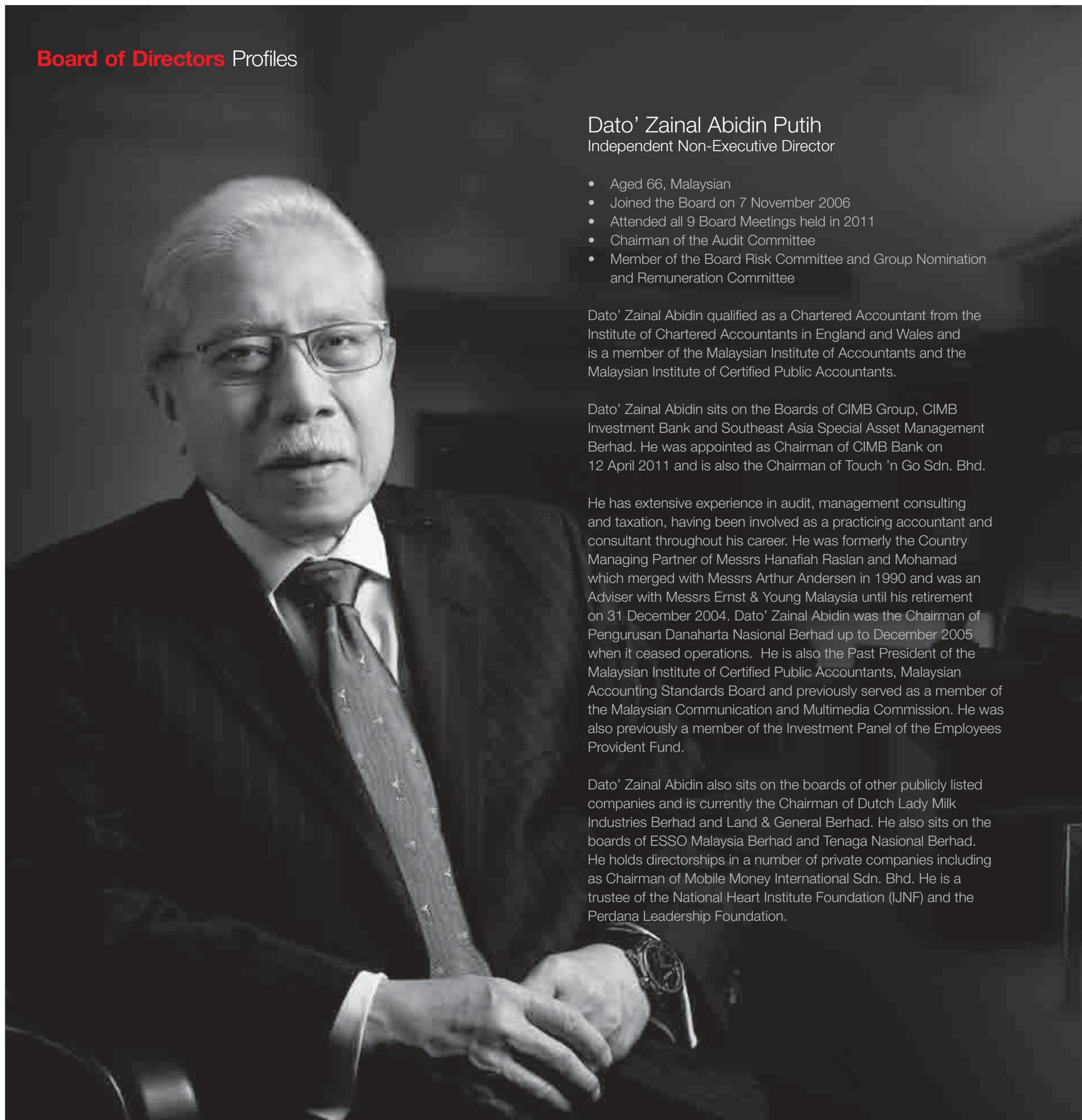
- Aged 66, Malaysian
- Joined the Board on 7 November 2006
- Attended all 9 Board Meetings held in 2011
- Chairman of the Audit Committee
- Member of the Board Risk Committee and Group Nomination and Remuneration Committee

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 Investment Bank and Southeast Asia Special Asset Management Berhad. He was appointed as Chairman of CIMB Bank on 12 April 2011 and 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 accountant and consultant throughout his career. He was formerly the Country Managing Partner of Messrs Hanafiah Raslan and Mohamad which merged with Messrs Arthur Andersen in 1990 and was an Adviser with Messrs Ernst & Young Malaysia until his retirement on 31 December 2004. Dato' Zainal Abidin was the Chairman of Pengurusan Danaharta Nasional Berhad up to December 2005 when it ceased operations. 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 also previously a member of the Investment Panel of the Employees Provident Fund.

Dato' Zainal Abidin also sits on the boards of other publicly listed companies and 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 holds directorships in a number of private companies including as Chairman of Mobile Money International Sdn. Bhd. He is a trustee of the National Heart Institute Foundation (IJNF) and the Perdana Leadership Foundation.



Board of Directors Profiles**Cezar Peralta Consing**

Independent Non-Executive Director

- Aged 52, Filipino
- Joined the Board on 7 November 2006
- Attended 7 out of 9 Board meetings held in 2011
- 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. He is also on the Board of Partners of TRG Management LP. In the Philippines, he is 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 60, Malaysian
- Joined the Board on 7 November 2006
- Attended 8 out of 9 Board Meetings held in 2011
- 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 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) 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.



Board of Directors Profiles

Glenn Muhammad Surya Yusuf

Independent Non-Executive Director

- Aged 56, Indonesian
- Joined the Board on 25 January 2010
- Attended 7 out of 9 Board Meetings held in 2011
- Member of the Board Risk Committee and Group Nomination and Remuneration 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 Master's 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, Director General Financial Institutions, Ministry of Finance in 1998 and served 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.



Board of Directors Profiles**Watanan Petersik**

Independent Non-Executive Director

- Aged 51, Thai
- Joined the Board on 25 January 2010
- Attended 8 out of 9 Board Meetings held in 2011
- Member of the Board Risk Committee

Watanan Petersik graduated from Bryn Mawr College, Pennsylvania, United States of America with a Bachelor of Arts degree (Magna Cum Laude) in 1981.

Mrs Petersik joined the Board of CIMB Thai Bank Public Company Limited in 2007 as a nominee of Texas Pacific Group (TPG). She is currently an Independent Director and Chairman of the Nomination and Remuneration Committee of CIMB Thai.

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.



Board of Directors Profiles

Katsumi Hatao

Non-Independent Non-Executive Director

- Aged 54, Japanese
- Joined the Board on 23 February 2012
- Member of the Board Risk Committee

Katsumi Hatao graduated with a Bachelor of Laws degree from the University of Tokyo in 1981.

He is currently Managing Executive Officer and Deputy Chief Executive of the Global Business Unit of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), a wholly-owned commercial banking subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG).

Mr. Hatao commenced his banking career with The Bank of Tokyo, Ltd., one of the predecessors of BTMU, in 1981. He gained notable global banking experience in the following years through various assignments with the bank, including at a banking subsidiary in Canada and securities subsidiary in Hong Kong, where he was responsible for debt origination and syndication business for Asian sovereign and corporate clients.

He returned to the bank's headquarters in 2000, where he held a series of managerial positions in the areas of corporate planning and human resources. Mr. Hatao was promoted to Executive Officer and General Manager of Corporate Risk Management Division at both BTMU and MUFG in May 2007. In April 2008, he became Executive Officer and General Manager of the Global Planning Division before assuming his current positions in May 2011.

He does not have any conflict of interest with the Company, except by virtue of being a representative of BTMU.

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.



A black and white portrait of Datin Rossaya Mohd Nashir, the Company Secretary. She is a woman with short dark hair, wearing a dark blazer over a light-colored patterned top. She is looking directly at the camera with a slight smile. The background is dark and out of focus.

COMPANY SECRETARY

Datin Rossaya Mohd Nashir

Datin Rossaya Mohd Nashir is the CIMB Group Company Secretary. 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 also 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 has more than 17 years of experience in corporate secretarial practice. Datin Rossaya started her career with 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 2002 and was initially attached to the Corporate Legal Services Unit, before setting up the Company Secretarial Department in 2004.

Datin Rossaya is 43 years old and holds a Bachelor of Laws degree (majoring in Business Law) from Coventry University, United Kingdom. She is an affiliate of the Malaysian Institute of Chartered Secretaries and Administrators.

GROUP MANAGEMENT COMMITTEE PROFILES

- Dato' Dr. Gan Wee Beng
- Dato' Charon Wardini Mokhzani
- Dato' Lee Kok Kwan
- Arwin Rasyid
- Subhak Siwaraksa
- Mak Lye Mun
- Kenny Kim
- Badlisyah Abdul Ghani
- Iswaraan Suppiah
- Lim Tiang Siew
- Hamidah Naziadin
- Kong Sooi Lin
- Effendy Shahul Hamid

A black and white portrait of Dato' Dr. Gan Wee Beng, a middle-aged man with short hair and glasses, wearing a dark suit, white shirt, and patterned tie. He is smiling slightly and looking towards the camera. The background is dark and out of focus.

Dato' Dr. Gan Wee Beng
Deputy Chief Executive Officer,
Group Risk Management

GROUP MANAGEMENT COMMITTEE

PROFILES

Dato' Dr. Gan Wee Beng is Deputy Chief Executive Officer, Group Risk Management of CIMB Group and heads the Group Risk Management Division. He is also an Executive Director of CIMB Bank.

He is a member of the Institute of International Finance's Asia Pacific Chief Risk Officer Forum, which discusses regional risk-management challenges and priorities, and a member of the CEO Forum of the global financial services consultancy Oliver Wyman.

Dato' Dr. Gan has been a consultant to various local and international agencies, including Bank Negara Malaysia (BNM), the Economic Planning Unit of the Prime Minister's Department, the 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.

Prior to joining CIMB Bank, he was the Senior Adviser (Economics) for the Monetary Authority of Singapore and held an Associate Professorship at the University of Malaya. He is also a recipient of the Tun Abdul Razak Foundation Award for the Best Published Article in an academic journal.

Dato' Dr. Gan is 64 years old. He holds a Bachelor's and Master's degree in Economics from the University of Malaya and obtained his Ph.D from the University of Pennsylvania, USA.

Group Management Committee Profiles



Dato' Charon Wardini Mokhzani
Deputy Chief Executive Officer, Investment Banking/
Chief Executive Officer, CIMB Investment Bank

Dato' Charon Wardini Mokhzani heads the Group's Investment Banking Division. He has been an Executive Director of CIMB Investment Bank since May 2006 and on 15 November 2011 he was appointed the Chief Executive Officer. He is also the Chairman of CIMB-Principal Asset Management Bhd., CIMB Wealth Advisors Bhd. and CIMB-Mapletree Management Sdn. Bhd., and a Director of CIMB Securities International Pte Ltd.

Dato' Charon is a council member of the Malaysia Investment Banking Association and the Institute of Bankers Malaysia. He is a Director of Akademi IBBM Sdn. Bhd. and both a Director and member of the board audit committee of Cagamas Holdings Berhad. He also is a member of the boards of 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 in 2003. While in practice, he was recognised as one of Malaysia's leading corporate and finance lawyers by international legal publications.

Dato' Charon is 48 years old and was educated at the Malay College Kuala Kangsar and Bloxham School, England. He 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-practising barrister of the Middle Temple in London and an advocate and solicitor of the High Court of Malaya.



Dato' Lee Kok Kwan
Deputy Chief Executive Officer,
Corporate Banking, Treasury & Markets

Dato' Lee Kok Kwan is Deputy Group Chief Executive Officer and Head of Corporate Banking, Treasury & Markets. Dato' Lee has been with CIMB for more than 15 years.

His areas of responsibility include corporate banking; the group's markets, sales and trading businesses in interest rates, credit, foreign exchange, commodities, equity and their derivatives; debt capital markets; fixed income investments, and treasury and funding operations for the Group.

Prior to joining the Group in 1996, Dato' Lee had more than seven years of markets and treasury experience in the Canadian banking industry. He was the Treasury Portfolio Manager responsible for interest rates and optionality risk & return for a leading Canadian bank and a member of its Senior Asset-Liability Committee.

Dato' Lee is 46 years old and holds a BBA Joint Honours (1st Class) degree and a Master of Business Administration from Canada's Simon Fraser University.

Group Management Committee Profiles

Subhak Siwaraksa

Country Head, Thailand/
President & Chief Executive Officer,
CIMB Thai Bank

Arwin Rasyid

Country Head, Indonesia/
President Director &
Chief Executive Officer, CIMB Niaga

Arwin Rasyid is the President Director and Chief Executive Officer of PT Bank CIMB Niaga Tbk.

Prior to the year 2008, he served in various positions as 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 subsequently joined Bank Niaga in 1987. During the first 12-year period at Bank Niaga, he became the Vice President Director and also held responsibilities for the Bank Recapitalisation Program. In 1999, Arwin became the Expert Staff at the Indonesian Bank Restructuring Agency (IBRA), responsible for risk management in Asset Management Investment and Asset Management Credit, as well as Forensic Investigation. He later became the Vice Chairman of IBRA in 2000.

Arwin is 55 years old and holds a Bachelor's degree in Development Studies from the Faculty of Economics at University of Indonesia and holds a Master of Arts degree in International Economics & International Business from the University of Hawaii, USA. He attended several noteworthy executive programmes from Harvard Business School, Wharton Business School and INSEAD.

Subhak Siwaraksa is the President and Chief Executive Officer of CIMB Thai Bank PCL.

He is also the Governor of The Stock Exchange of Thailand, a member of its Audit Committee and its Listing Expansion and Development Committee.

He was previously an Executive Director and the Chairman of the Compensation Committee of the Export-Import Bank of Thailand as well as the Chairman of the Board of Directors of TMB Asset Management Company Limited. Prior to joining CIMB Thai, Subhak was at TMB Bank PCL. since 1990, where he was the President and Chief Executive Officer from 2003 to 2008.

Subhak is 55 years old and holds a Ph.D. in Economics from the University of Pennsylvania, USA, a Master's degree in Law and Diplomacy from the Fletcher School of Law and Diplomacy, Tufts University, USA, and a Bachelor's degree in English Literature (Honors Program) and Economics from Georgetown University, USA.

Group Management Committee Profiles



Mak Lye Mun
Country Head, Singapore/
Chief Executive Officer,
CIMB Bank, Singapore

Mak Lye Mun is the Chief Executive Officer of CIMB Bank, Singapore. He is also country head of CIMB Group, Singapore, and a director of CIMB Securities (Singapore) Pte Ltd. He holds non-executive directorships in Boardroom Limited and Tat Hong Holdings Ltd.

He joined CIMB following the acquisition of GK Goh Securities Pte Ltd in 2005, where he served as the Head of Corporate Finance. Previously, Lye Mun was Head of Mergers & Acquisitions Advisory Department with the then Development Bank of Singapore (now DBS Bank Ltd). He held various senior positions in the corporate finance divisions of Vickers Ballas & Co. Pte Ltd, Ernst & Young, Oversea-Chinese Banking Corporation Limited and Citicorp Investment Bank (Singapore) Limited.

Lye Mun, aged 54 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.



Kenny Kim
Group Chief Financial Officer/
Head, Group Strategy and
Strategic Investment

Kenny Kim is Group Chief Financial Officer and Head of Group Strategy and Strategic Investments of CIMB Group. He is also a Director of CIMB Thai Bank PCL and Touch 'n Go Sdn. Bhd.

As Group Chief Financial Officer, Kenny oversees the finance functions of CIMB Group, which spans financial reporting and budgeting, finance operations, as well as providing strategic advice on tax, accounting and financial matters for the Group.

As Head of Group Strategy & Strategic Investments, he is responsible for identifying, developing, executing and managing the Group's key strategic initiatives both domestically and regionally, as well as overseeing the Group's strategic investment initiatives including the Private Equity fund management business. The Group's mergers and acquisitions and other corporate finance activities, as well as investor relations, are also under his management.

Kenny oversaw most of CIMB Group's major corporate exercises, including the acquisitions of BCB, SBB, Bank Niaga, Bank Lippo, BankThai and a minority stake in the Bank of Yingkou, as well as the regional integration of all the businesses under the CIMB Group.

Prior to joining CIMB Group, he worked as an auditor with Moore Stephens Chartered Accountants, London. Kenny subsequently worked in CIMB's Investment Banking Division for 13 years before assuming his current position.

Kenny, 44 years old, 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.

Group Management Committee Profiles



Badlisyah Abdul Ghani
Head, Group Islamic Banking/
Chief Executive Officer,
CIMB Islamic Bank

Badlisyah Abdul Ghani is the Head of the Group Islamic Banking Division and the Country Head of Middle East and Brunei markets.

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 a 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 Group's infrastructure and network both locally and globally.

He sits on the Islamic Capital Market Consultative Panel of Bursa Malaysia and both the Exchange Committee and the 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 at the Malaysian Accounting Standards Board and member of the Islamic Finance Committee of the Malaysia Institute of Accountants.

He has been recognised by top international publications as "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 global industry.

Badlisyah is 39 years old and holds a Bachelor of Laws degree from the University of Leeds, United Kingdom.



Iswaraan Suppiah
Head, Group Information
& Operations

Iswaraan Suppiah is the Head of Group Information and Operations Division.

Iswaraan heads the Operations, Information Technology, Transformation Office, Risk Monitoring and Business Process Development functions 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 of the Group's regionally-integrated technology and operating vision to deliver a unified, seamless financial services value proposition in Southeast Asia.

He started his career with Messrs Arthur Andersen & Co, a firm of public accountants in 1984. He has been with the Group since 1990, and he joined CIMB Securities Sdn. Bhd. in 1994. The positions he held there included 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 48 years old and a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Financial Planning Association of Malaysia.

Group Management Committee Profiles

Lim Tiang Siew
Group Chief Internal Auditor

Lim Tiang Siew is the Group Chief Internal Auditor of CIMB Group. He 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 170 people in Malaysia as well as the Internal Audit functions in the region CIMB Group operates in.

Tiang Siew joined CIMB Investment Bank in January 1991 as an assistant manager in the Corporate Finance Department and eventually was the Head. Following the acquisition of BCB by CIMB and the subsequent merger of BCB with SBB, Tiang Siew was appointed as Group Chief Financial Officer, a position he held for approximately two years before being appointed the Group Chief Internal Auditor.

He started his career in 1976 with a major accounting firm, where he spent some 10 years including 18 months overseas before moving into the corporate finance industry in 1987. His tenure in the corporate finance 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 has been actively involved in the formulation and amendments to guidelines, regulations and law reforms in relation to capital market matters.

Tiang Siew, 55 years old, 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.

Hamidah Naziadin
Head, Group
Corporate Resources

Hamidah Naziadin is the Head of Group Corporate Resources and she is also a Commissioner of CIMB Niaga since August 2010.

She has been with the Group for 21 years. As Head of Group Corporate Resources, Hamidah has regional responsibility over Group Human Resources, Group Administration and Property Management, Sports and Recreation and Corporate Responsibility. This includes manpower planning, rewards and performance, learning and capability development, industrial relations, property management, procurement, as well as sports and recreation activities which unite 40,000 employees across the region. She also oversees the Commerce Leadership Institute, established to nurture talents and strengthen the leadership pipeline, as well as the Corporate Responsibility department, which reinforces CIMB Group's role as a responsible corporate citizen.

Hamidah has over 25 years experience in human resources in the financial industry, covering commercial and investment banking. She has led her team at CIMB to win the National HR Excellence Award 2002; the Malaysian Best Employer Award 2008-09 (for Banking and Financial Services Institutions); 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; the National Occupational Safety and Health Excellence Award 2009; the Malaysia's Most Caring Employer 2011 (Majikan Prihatin); the ASEAN Business Award 2011 (for Employment / Large Company category) and Asia's Best Employer Brand Award 2011 for being one of the most sought after employers in Malaysia. For her outstanding contributions in Human Resource Development, Hamidah was awarded the "HR Community Award" at the Asia HRD Congress 2009.

She is 48 years old and holds a Bachelor of Laws degree from the University of Wolverhampton, United Kingdom.

Group Management Committee Profiles

Kong Sooi Lin
Head, Corporate Client Solutions /
Deputy Chief Executive Officer,
CIMB Investment Bank

Kong Sooi Lin is Head of Corporate Client Solutions (CCS) and was appointed Deputy Chief Executive Officer of CIMB Investment Bank in September 2011. Sooi Lin also sits on the Board of Commissioners of CIMB Securities Indonesia and was appointed Chairperson of CIMB Private Limited Sri Lanka in January 2012.

As Deputy Chief Executive Officer of CIMB Investment Bank and Head of CCS, Sooi Lin's responsibilities range from managing the bank's client relationships to the marketing and execution of the entire spectrum of investment banking and corporate finance products across the ASEAN countries. With CIMB Investment Bank topping Southeast Asian investment banking league tables in 2011, she has played a vital role in building the investment bank's brand value and regional market share.

Backed by 23 years of investment banking experience, Sooi Lin is regarded as a key player in the Malaysian capital markets. She has extensive equity and debt transaction experiences, having advised on numerous highly profiled and industry shaping corporate exercises throughout Malaysia and Southeast Asia. Sooi Lin joined CIMB in 1994 from Bumiputra Merchant Bankers where she was actively involved in debt capital markets, project financing and corporate banking transactions. She started her career at the global accounting firms of Ernst & Young and Arthur Andersen.

Sooi Lin is 51 years old and graduated with an honours degree in Commerce from the University of New South Wales.

Effendy Shahul Hamid
Head, Group Marketing and
Communications

Effendy Shahul Hamid 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, including brand management, marketing, sponsorship, events, media relations, internal communications and annual reporting. He drives channel activation functions within the Group, ensuring all customer touch points are consistent and effectively portrayed. He also manages franchise-wide efforts to ensure a consistent and differentiated CIMB brand for all of the Group's businesses across the region.

Prior to assuming his current role, Effendy was an investment banker and 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 is 39 years old and 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, and is also an alumni of the CIMB-INSEAD Leadership Programme.

GROUP SHARIAH COMMITTEE PROFILES

- Sheikh Professor Dr. Mohammad Hashim Kamali
- Sheikh Nedham Yaqoobi
- Sheikh Dr. Haji Mohd Nai'm Haji Mokhtar
- Sheikh Dr. Yousef Abdullah Al Shubaily
- Sheikh Associate Professor Dr. Shafaai Musa
- Professor Dr. Noor Inayah Yaakub

Group Shariah Committee Profiles

Sheikh Professor Dr. Mohammad Hashim Kamali
Chairman



Sheikh Nedham Yaqoobi



Sheikh Dr. Haji Mohd Nai'm Haji Mokhtar



Sheikh Professor Dr. Mohammad Hashim Kamali is the Chairman and Chief Executive Officer of the International Institute of Advanced Islamic Studies. He is also a 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 and the Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia. 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 is 68 years old and holds a Bachelor of Arts (1st Class Honours) degree in Law and Political Science from Kabul University, Afghanistan, a 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 is a renowned Shariah scholar. He sits on various Shariah boards of Islamic banking and financial institutions globally including the Dow Jones Islamic Market Indexes, the Accounting and Auditing Organisation for Islamic Financial Institutions and the International Islamic Financial Market. 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 Muhamed Yasin al Fadani (Makkah), Sheikh Habib-ur-Rahman A. Zaini (India), Sheikh Abdulla bin Al-Siddiq Al-Ghumar (Morocco), and others.

He is 53 years old and 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 is Chief Assistant Director of the Family Support Division, Malaysian Shariah Judiciary Department, Prime Minister's Department. He served as a lecturer at the Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia from 1990 to 1997. He then joined Messrs Zulkifli Yong, Azmi & Co. as a Shariah lawyer before being appointed as a Shariah judge in 1998. He was a research officer at the Malaysian Shariah Judiciary Department, Prime Minister's Department from 2003 to 2004, as well as a Shariah Subordinate Court Judge for Federal Territory from 2007 to 2008 and a Shariah Prosecutor, Federal Territory and a Shariah Officer in 2008, before assuming his current position.

He is 45 years old and holds a LLB degree from the International Islamic University Malaysia (IIUM), a LL.M from the University of London, United Kingdom and a Ph.D in Shariah from Universiti Kebangsaan Malaysia. He also holds a Diploma in Shariah Law & Practice and a Diploma in Administration and Islamic Judiciary both from IIUM.

Group Shariah Committee Profiles

Sheikh Dr. Yousef Abdullah
Al Shubaily



Sheikh Dr. Yousef Abdullah Al Shubaily 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, the United Arab Emirates, Qatar, the 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 is 41 years old and 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 Imam 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.

Sheikh Associate Professor
Dr. Shafaai Musa



Sheikh Associate Professor Dr. Shafaai Musa is a Malaysian, currently serving as Chief Executive Officer at International Islamic College, a wholly owned subsidiary of the International Islamic University Malaysia (IIUM) and an Executive Director at the IIUM Centre for Continuing Education Sdn. Bhd. He is the Chairman of CIMB Aviva Takaful Shariah Committee and also a lecturer at the 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 is 45 years old and received his Bachelor's degree in Shariah from the University of Al-Azhar, Egypt, a Masters' degree in Comparative Laws from IIUM and Ph.D from the Glasgow Caledonian University, United Kingdom.

Professor Dr. Noor Inayah Yaakub
(appointed w.e.f. 1 April 2011)

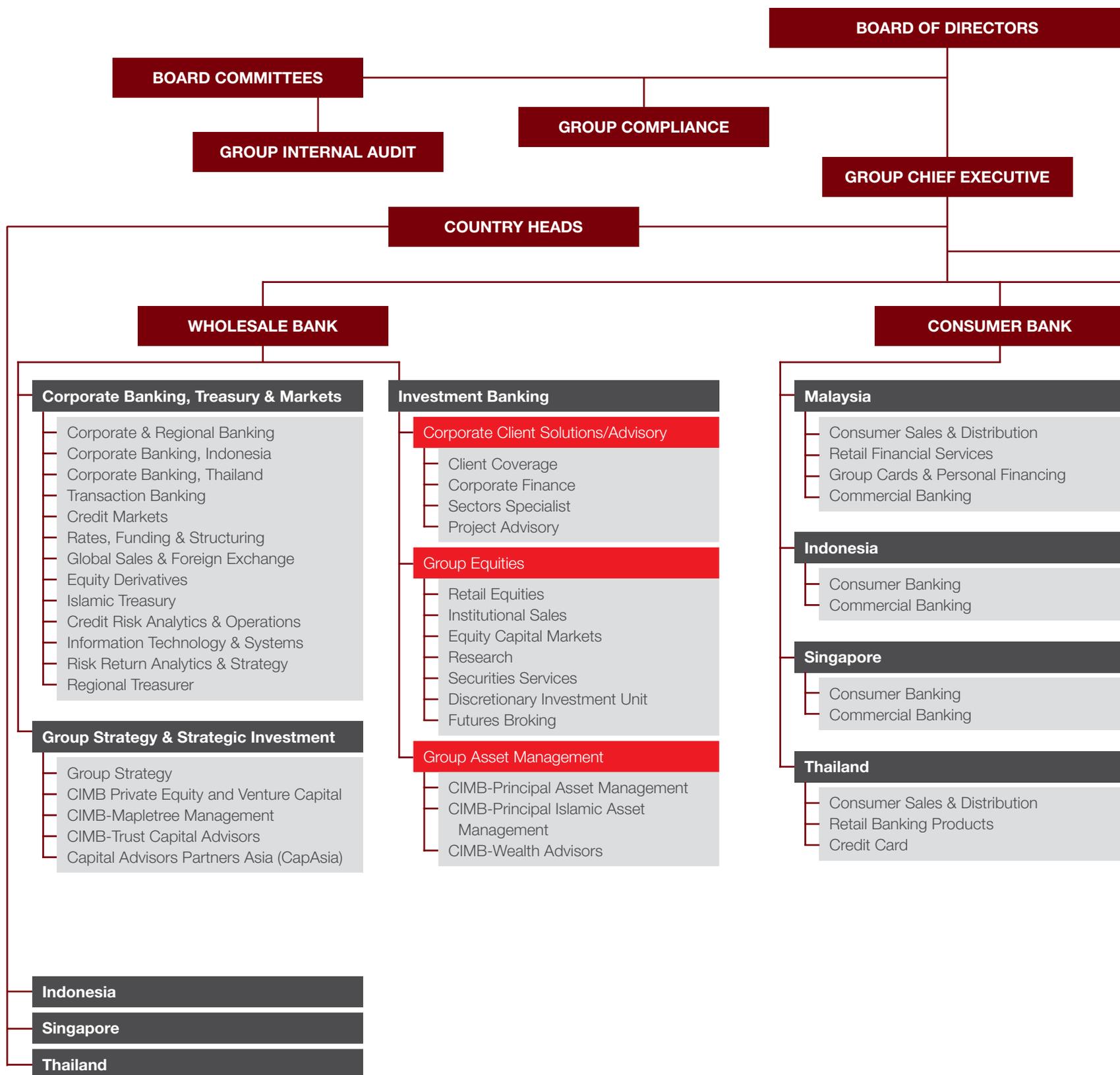


Professor Dr. Noor Inayah is a Professor at the Faculty of Economics and Management, Universiti Kebangsaan Malaysia (UKM) and currently appointed as a Principal Fellow of Institute of West Asian Studies UKM. She formally practiced law at Messrs. Abraham & Ooi and Co. before becoming a lecturer at UKM in 1998. She has more than fifteen years of experience in academic fields such as Islamic Law, Islamic and Conventional Banking Law, Takaful and Insurance Law, Equity & Trust Law and Business Law and Ethics. She has produced several research papers and articles mainly on the subject of Islamic and conventional banking law as well as takaful and insurance law. Some of her research has been presented at Islamic banking and finance conferences and published in Malaysian and international journals.

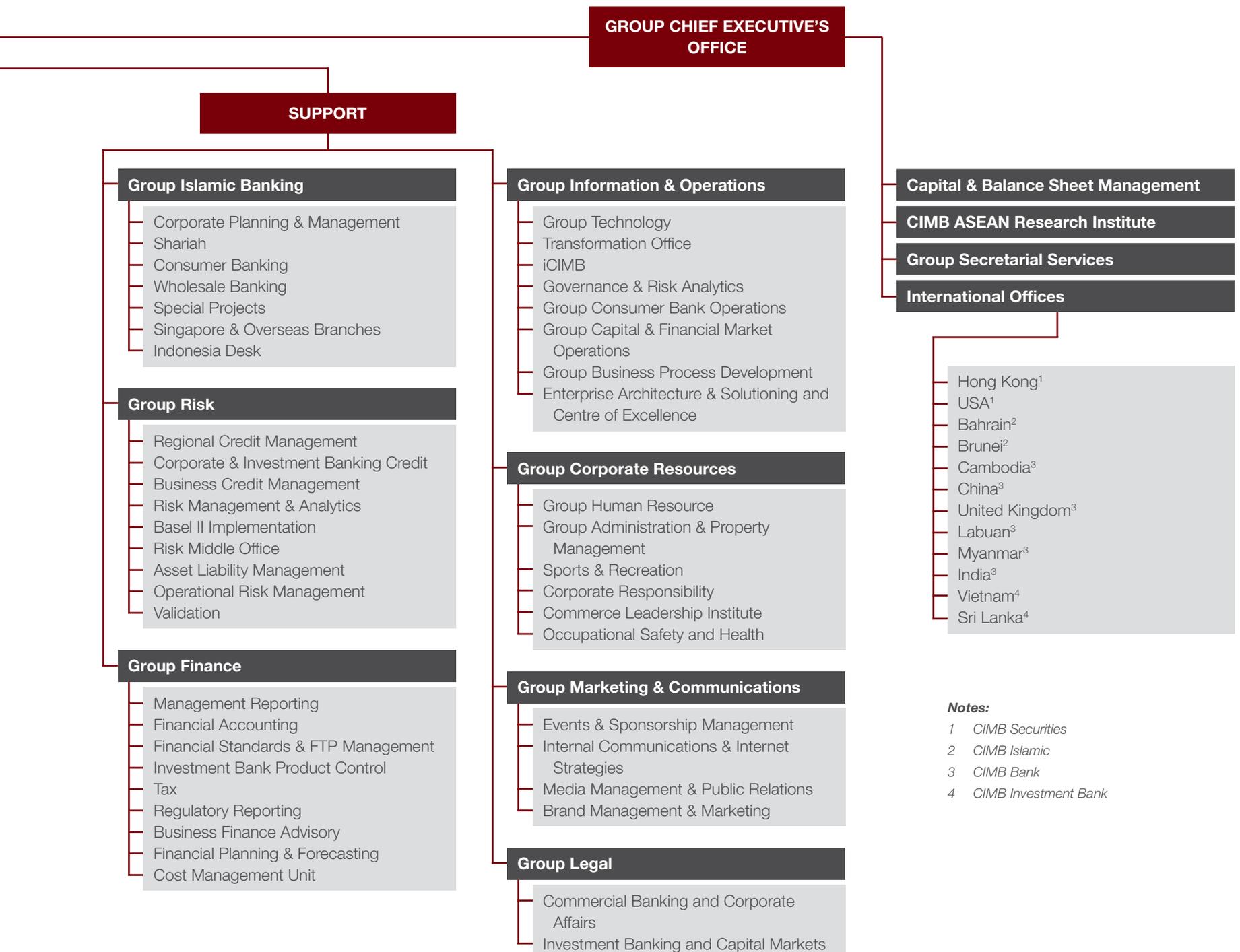
She is 43 years old and received a Bachelor of Shariah Law (Hons) and Bachelor of Law (Hons) degree from the International Islamic University Malaysia, a LLM (Master of Comparative Civil & Banking Law) from the University of Bristol, United Kingdom and a Ph.D in Comparative Civil & Islamic Banking Law of Guarantee from the University of Manchester, United Kingdom. She was admitted to the Malaysian Bar as an advocate & solicitor of the High Court in Malaya in 1996 and on the same year obtained her Shariah Lawyer Certificate.

Corporate Organisation Chart

as at 26 March 2012



Corporate **Organisation Chart**
as at 26 March 2012



Corporate Information

as at 23 February 2012

BOARD OF DIRECTORS

Tan Sri Dato' Md Nor Yusof

Chairman/

Non-Independent Non-Executive Director

Dato' Sri Nazir Razak

Group Managing Director/Chief Executive Officer

Datuk Dr. Syed Muhamad Syed Abdul Kadir

Senior Independent Non-Executive Director

Dato' Hamzah Bakar

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

Glenn Muhammad Surya Yusuf

Independent Non-Executive Director

Watanan Petersik

Independent Non-Executive Director

Katsumi Hatao

Non-Independent Non-Executive Director

(Appointed on 23 February 2012)

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

Datuk Dr. Syed Muhamad Syed Abdul Kadir

Senior 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

Glenn Muhammad Surya Yusuf

Independent Non-Executive Director

Watanan Petersik

Independent Non-Executive Director

Katsumi Hatao

Non-Independent Non-Executive Director

(Appointed on 23 February 2012)

Corporate Information

as at 23 February 2012

GROUP NOMINATION AND REMUNERATION COMMITTEE

Datuk Dr. Syed Muhamad Syed Abdul Kadir

Chairman
Senior Independent Non-Executive Director

Dato' Hamzah Bakar

Independent Non-Executive Director

Dato' Zainal Abidin Putih

Independent Non-Executive Director

Glenn Muhammad Surya Yusuf

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
Investor Relations : ir@cimb.com
Senior Independent Director : cimbSID@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

Dato' Dr. Gan Wee Beng

Deputy Chief Executive Officer,
Group Risk Management

Dato' Charon Wardini Mokhzani

Deputy Chief Executive Officer,
Investment Banking/
Chief Executive Officer, CIMB Investment Bank

Dato' Lee Kok Kwan

Deputy Chief Executive Officer,
Corporate Banking, Treasury and Markets

Dato' Robert Cheim Dau Meng

Adviser, Investment Banking

Arwin Rasyid

Country Head, Indonesia /
President Director/Chief Executive Officer,
CIMB Niaga

Subhak Siwaraksa

Country Head, Thailand /
President/Chief Executive Officer, CIMB Thai Bank

Mak Lye Mun

Country Head, Singapore /
Chief Executive Officer, CIMB Bank, Singapore

Kenny Kim

Group Chief Financial Officer/
Head, Group Strategy and Strategic Investments

GROUP MANAGEMENT COMMITTEE (CONTINUED)

Badlisyah Abdul Ghani

Head, Group Islamic Banking /
Chief Executive Officer, CIMB Islamic Bank

Iswaraan Suppiah

Head, Group Information and Operations

Lim Tiang Siew

Group Chief Internal Auditor

Hamidah Naziadin

Head, Group Corporate Resources

Kong Sooi Lin

Head, Corporate Client Solutions /
Deputy Chief Executive Officer,
CIMB Investment Bank

Effendy Shahul Hamid

Head, Group Marketing and Communications

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

Professor Dr. Noor Inayah Yaakub

Boards of Major Subsidiaries

as at 23 February 2012

CIMB GROUP

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

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

Glenn Muhammad Surya Yusuf
Independent Non-Executive Director

Watanan Petersik
Independent Non-Executive Director

Katsumi Hatao
Non-Independent Non-Executive Director (Appointed on 23 February 2012)

Secretary

Datin Rossaya Mohd Nashir

CIMB BANK

CIMB BANK BERHAD

Chairman

Dato' Zainal Abidin Putih
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

Datuk Dr. Syed Muhamad Syed Abdul Kadir
Independent Non-Executive Director

Dato' Seri Yeap Leong Huat
Independent Non-Executive Director

Joseph Dominic Silva
Non-Independent Non-Executive Director (Appointed on 6 December 2011)

Rosnah Dato' Kamarulzaman
Independent Non-Executive Director (Appointed on 19 January 2012)

Secretary

Datin Rossaya Mohd Nashir

CIMB

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/ Chief Executive Officer

Dato' Zainal Abidin Putih
Independent Non-Executive Director

Zahardin Oмарdin
Independent Non-Executive Director

Secretary

Datin Rossaya Mohd Nashir

CIMB ISLAMIC

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

Habibah Abdul
Independent Non-Executive Director (Appointed on 19 January 2012)

Secretary

Datin Rossaya Mohd Nashir

Boards of Major **Subsidiaries**

as at 23 February 2012

**PT BANK CIMB NIAGA TBK****President Commissioner**

Dato' Sri Nazir Razak *
Non-Independent Non-Executive

Commissioners

Glenn Muhammad Surya Yusuf *
Vice President
Non-Independent Non-Executive

Roy Edu Tirtadji
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

Hamidah Naziadin
Non-Independent Non-Executive

Secretary

Harsya Denny Suryo

* Subject to Bank Indonesia's approval

**CIMB THAI BANK PUBLIC COMPANY LIMITED****Chairman**

Chakramon Phasukavanich
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

**CIMB Bank PLC****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 Executive Director

Peter William England
Non-Independent Non-Executive Director
(Appointed on 20 December 2011)

Joint Secretaries

Ly Sophea
 Datin Rossaya Mohd Nashir



RED

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**ACTING WITH
INTEGRITY**

Statement on **Corporate Governance**

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



The Distinction Award for Best Practices in Corporate Governance and the Best Corporate Responsibility Award at the Malaysian Corporate Governance Index 2011 Awards by the Minority Shareholder Watchdog Group

- The overall agenda of CIMB Group (the Group) for 2011 was reflected in our corporate theme for the year, 'Think ASEAN'. We focused on strengthening our ASEAN identity amongst all staff, positioning ourselves as an ASEAN champion in the markets we serve and leveraging our regional platform to bring our local knowledge of ASEAN markets and our regional capabilities closer to our customers.

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. To this end, the Board remains committed in ensuring that the highest standards of corporate governance are maintained at all times throughout the Group.

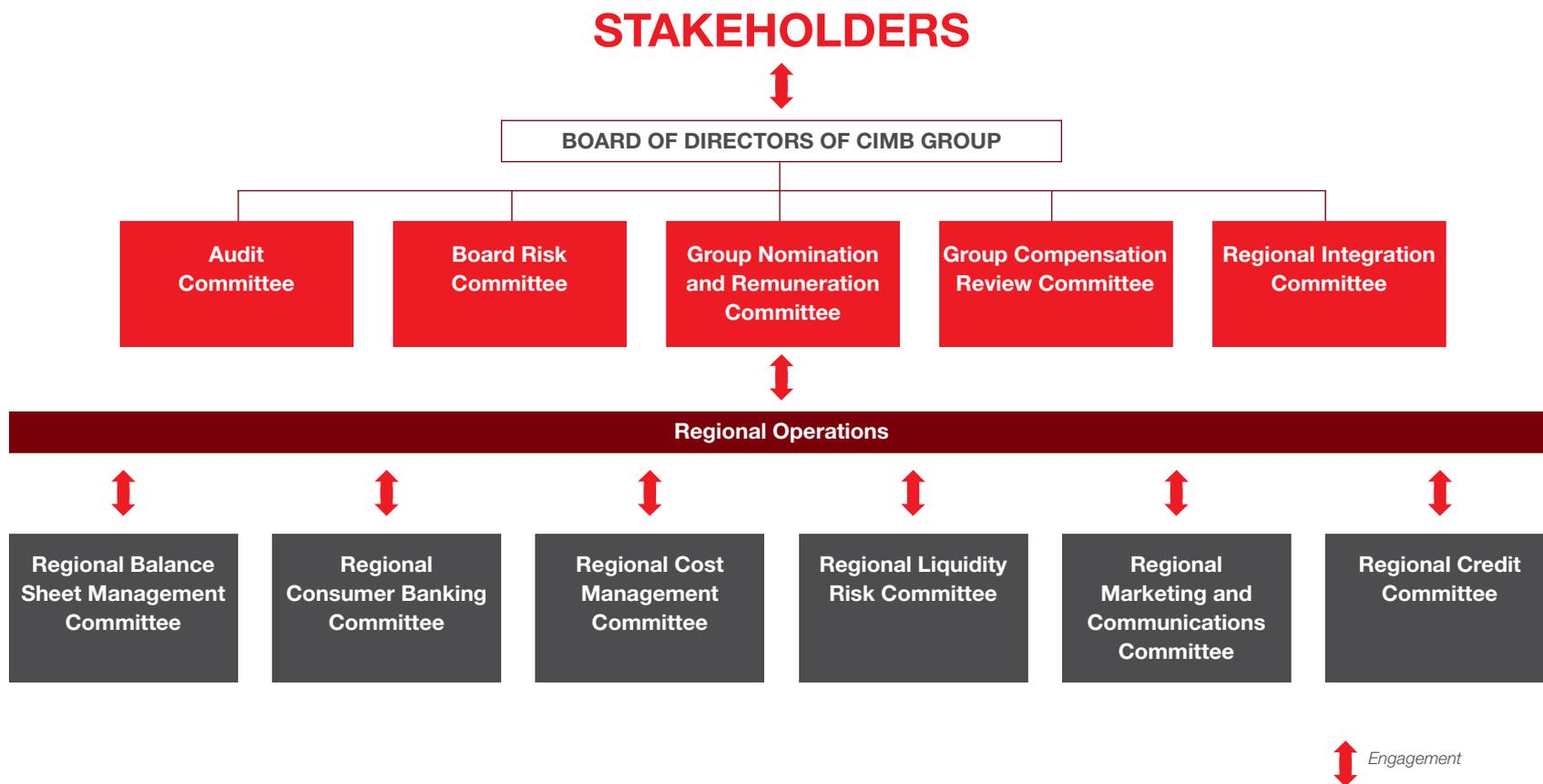
The Group is also recognised as a pioneer in Islamic financial markets, having advised on the world's first Shariah-compliant exchangeable sukuk and the largest sovereign sukuk issue globally. CIMB Group's global Islamic banking and finance franchise is anchored by CIMB Islamic. CIMB Islamic's products 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.

An effective corporate governance structure and culture are critical elements in determining how the Group functions and this has been continuously emphasised to all its employees. The governance framework adopted by the Group is developed based on the principles and best practices recommended by the Malaysian Code on Corporate Governance (Code), Bank Negara Malaysia (BNM) Guidelines on Corporate Governance for Licensed Institutions (Revised BNM/GP1) and Shariah Governance Framework for Islamic Financial Institutions, 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.

Statement on Corporate Governance

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

GOVERNANCE FRAMEWORK



During the year under review, the Group has complied with all the principles as set out in Part I and the Best Practices contained in Part II of the Code. In addition to complying with the principles and best practices outlined in the Code, the Group strives to embrace best practices in Corporate Governance beyond the statutory minimum.

The Group is proud of the continued acknowledgement for its efforts in maintaining good governance. The following are amongst the various awards received in 2011:-

- Distinction Award A+ for Best Practices in Corporate Governance at the Malaysian Corporate Governance Index 2011 Awards (MCG Index 2011 Award) by the Minority Shareholder Watchdog Group (MSWG)

- Best Corporate Responsibility at the MCG Index 2011 Awards by the MSWG
- Asia's Best Company for Corporate Governance (Malaysia) at the 7th Corporate Governance Asia Recognition Award 2011 by Corporate Governance Asia
- Best Corporate Governance (No. 2) by FinanceAsia
- Best Managed Company in Malaysia (No. 2) by FinanceAsia
- Gold award for Best Annual Report in the Bahasa Malaysia category at the National Annual Corporate Report Awards (NACRA) 2011

These recognitions have spurred the Group to continue with its efforts in enhancing the standards of governance throughout the Group, including promoting risk awareness and building a healthy risk culture in the workplace as well as embedding the 'risk management' value and mindset among its employees.

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.

Statement on Corporate Governance

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

BOARD OF DIRECTORS

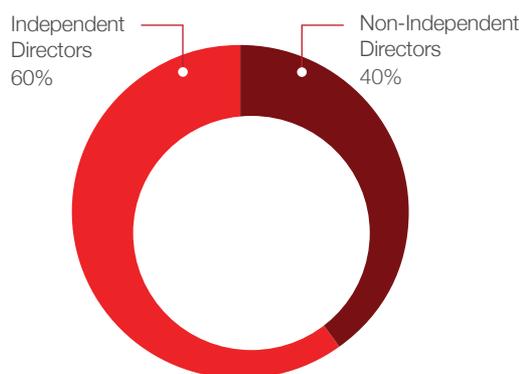
The Board and Board Balance

The Board currently has 10 members, with 1 Executive Director and 9 Non-Executive Directors, of whom 6 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 confirms it has the appropriate number of Independent Directors who bring strong independent judgement to the Board's discussions. The Board is also committed to the collective decision making process.

The Board benefits from the contribution of each of the Non-Executive Directors in all areas of the Group's businesses. In addition to their wide range of skills and business experience, the Non-Executive Directors also bring independent judgement in the deliberations on issues of strategy, audit, performance and risk.

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.

Board Composition



To ensure balance of authority, increased accountability and a greater capacity 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, so that no individual or group dominates the decision-making process.

The Chairman

The Board is led by the Chairman, Tan Sri Dato' Md Nor Yusof, a prominent and highly-respected figure in the corporate sector, having had extensive experience in banking and finance throughout his illustrious career. Tan Sri Dato' Md Nor is responsible for the leadership and management of the Board and ensuring the Board and its Committees function effectively. He assumes the formal role of a leader and chairs all Board meetings, leads discussions among 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 shareholders' meetings, the Chairman plays a pivotal role in fostering constructive dialogue amongst the shareholders, Board and Management.

Under the Chairman's leadership, the Group has made good progress in pursuit of its corporate vision of being "The Leading ASEAN Franchise" by 2015 (Vision 2015).

Group Managing Director/Chief Executive Officer

Dato' Sri Nazir Razak, the Group MD/CEO, is a dynamic banker and a person of outstanding calibre in the financial and banking sectors as well as mentor to the CIMB workforce. He received numerous awards and accolades over the years, a testament to his vast contributions to the Group and the Malaysian financial fraternity. In 2011, he was accorded the following awards:-

- Best CEO in FinanceAsia Asia's Best Managed Companies Poll 2011
- Best CEO for Investor Relations under Large CAP category in the Malaysia Investor Relations Awards 2011

Dato' Sri Nazir Razak has overall responsibility for the implementation of the Group's strategy and in carrying out the Board's directions, managing the businesses of the Group and driving performance within strategic goals and commercial objectives. He heads the Group Management Committee, the highest management committee in the Group and leads the management team in carrying out the corporate strategy and vision of the Group. As Group MD/CEO, he is accountable to the Board for the day-to-day operations of the Group's business.

Senior Independent Non-Executive Director

The Board has appointed Datuk Dr. Syed Muhamad Syed Abdul Kadir, as the Senior Independent Non-Executive Director on 22 April 2011. Datuk Dr. Syed Muhamad has extensive experience in areas of finance, taxation, human resource and education, having previously held various senior positions in the Government.

As Senior Independent Non-Executive Director, Datuk Dr. Syed Muhamad serves as the point of contact between the Independent Directors and the Chairman on sensitive issues and acts as a designated contact to whom shareholders' concerns or queries may be raised, as an alternative to the formal channel of communication with shareholders. Shareholders' queries can be emailed directly to our Senior Independent Director at cimbSID@cimb.com or directed to the following address:

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

BOARD OF DIRECTORS' SIZE AND COMPOSITION

The Board is committed to regularly review the size and composition of the Board, taking into account the scope, nature, diversity and regional expansion of the business of the Group.

Following the retirement of Dato' Mohd Shukri Hussin from the Group on 31 December 2011, the Group Nomination and Remuneration Committee had conducted a review of the size, composition and mix of skills and expertise of the Board. The Directors are each experts in areas of accounting, banking, finance, legal, risk management, audit, governance and management consultancy.

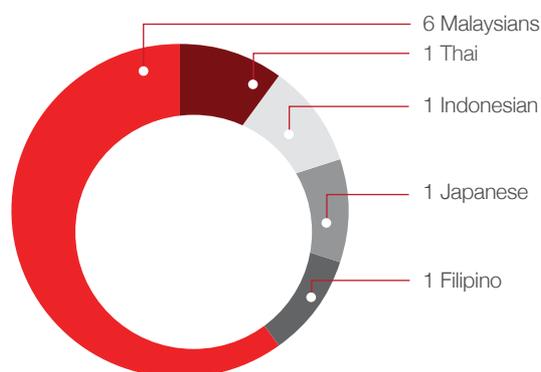
The Board considers and confirms that the present size of the Board is deemed appropriate to oversee the overall businesses of the Group. The current Directors bring to the Board a wealth of knowledge, experience and skills to drive the Group towards Vision 2015.

Statement on Corporate Governance

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

The presence of diverse nationalities and the gender mix on the Board has widened the Board's perspective in effectively discharging its duties and responsibilities and has aided the Board in its decision-making process. The appointment of Mrs. Watanan Petersik and other distinguished nationalities from across the region to the Board illustrates that the Board welcomes diversity and gender mix in its composition and gives due recognition to the financial, technical and business experience of the Directors, which are vital to the successful stewardship of the Group.

Board Members' Nationality



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

Brief backgrounds of each Director are presented on pages 110 to 119 of the Annual Report.

Directors' Code of Ethics

The Board of Directors observes 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 adhere to the Code of Ethics which provides guidance for proper standards of conduct and sound and prudent business practices as well as standard of ethical behaviour for Directors, based on principles of integrity, responsibility, sincerity and corporate social responsibility.

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. Board members bring their independent judgement, diverse knowledge and experience in deliberations on issues pertaining to strategy, performance, resources and business conduct.

The Board has adopted a schedule of matters specifically reserved for its approval which 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 is 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 in 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, rules 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 Group.
- Overseeing the conduct of the Group'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 Group.

Statement on Corporate Governance

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

- 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.

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 Board.

The terms of reference and responsibilities of each of the Board Committees are set out on pages 150 to 154.

Appointments to the Board

The Group Nomination and Remuneration Committee is responsible for identifying and nominating suitable candidates for appointments to the Board for approval, either to fill vacancies or as additions to meet the changing needs of the Group. Before recommending an appointment to the Board, the Group Nomination and Remuneration Committee undertakes a thorough and comprehensive evaluation of the candidate based on a set of criteria adopted by the Board. The Group Nomination and Remuneration Committee also takes into account the Group's businesses and matches the capabilities and contribution expected for a particular appointment.

The appointment process is conducted in accordance with the Revised BNM/GP1 and the Group's Policies and Procedures on Fit and Proper for Key Responsible Persons (Fit and Proper Policy). The Fit and Proper Policy sets out a formal process for appointment of Directors, Chairman and Chief Executive Officer. Proper assessments are conducted on candidates and the Group Nomination and Remuneration Committee confirms that the candidates are fit and proper for their respective roles.

The Chairman of the Group Nomination and Remuneration Committee conducts an interaction session with the proposed candidates and assess the candidates based on the following aspects:

- Specific knowledge, skill and working experience of the candidate
- Training attended by the candidate
- Time commitment by the candidate
- Independency and conflict of interest
- External directorship of the candidate

The Fit and Proper Policy also outlines the following criteria for assessment of the suitability of the candidate for appointment:

- Probity, personal integrity and reputation, where the candidate must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
- Competence and capability, where the candidate must have the skills, working experience, capability and commitment necessary to carry out the role.
- Financial integrity, where the candidate must manage his debts or financial affairs prudently.

The process for identifying and nominating new candidates for appointment as a Director entails the following steps:

Nomination Framework



Proposals for the appointment and re-appointment of Directors to the Boards of financial institutions within the Group and the holding company of the financial institutions are subject to BNM's vetting and prior approval.

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, every 3 years, but shall be eligible for re-election at the Annual General Meeting. Directors appointed during a financial year hold 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.

Dato' Hamzah Bakar, Dato' Zainal Abidin and Datuk Dr. Syed Muhamad, shall retire at the forthcoming Annual General Meeting of the Company pursuant to Article 76 and being eligible, have offered themselves for re-election.

Statement on **Corporate Governance**

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

Mr. Katsumi Hatao, who was appointed to the Board on 23 February 2012 to succeed Mr. Hiroyuki Kudo, shall retire at the forthcoming Annual General Meeting of the Company pursuant to Article 83 and being eligible, has offered himself for re-election.

Number of Directorships

All the Directors of CIMB Group comply with the Revised BNM/GP1 and MMLR on directorships and 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 monitors the number of directorships held by each Director to ensure compliance at all times.

The list of directorships of each Director is updated on a regular basis and is tabled to the Board on a quarterly basis. The Board is satisfied that the external directorships of the Board members have not impaired their ability to devote sufficient time in discharging their roles and responsibilities effectively.

Meetings and Supply of Information to the Board

The Board meets regularly to discuss business strategy, financial performance, potential strategic acquisitions or alliances, matters pertaining to compliance and governance as well as reports on matters deliberated by the respective Board Committees. On a quarterly basis, amongst others, the Board reviews financial performance of the major subsidiaries, risk management and compliance reports and approves the quarterly results of the Group at its meeting. Board meetings are scheduled in advance each year to facilitate Directors to plan their schedules. In between the scheduled meetings, Special Board meetings are held to deliberate on major and ad-hoc matters that require the Board's urgent attention and decisions. Meeting papers on the proposals and various reports are delivered to the Board prior to the meetings, giving Directors sufficient time to evaluate the proposals and if necessary, request additional information to facilitate them in discharging their duties effectively. Procedures have been established concerning the format, content, presentation and

delivery of Meeting Papers. The Meeting 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.

Directors have access to all information within the Group. Through regular Board meetings, the Board receives updates on the development and business operations of the Group, as well as comprehensive papers, which include regular business progress reports and discussion documents regarding specific matters. Minutes of the respective Board Committees' meetings are presented to the Board at the meeting and the respective Board Committees' Chairmen brief the Board on major issues deliberated by each of the Board Committees.

Directors are also allowed to participate in Board Meetings via tele-conference. All deliberations at Board meetings, including dissenting views, are duly minuted as records of their proceedings. The Board's decisions are communicated to the Management within one working day of the Board Meeting to ensure that decisions and directions are executed in a timely manner. The draft minutes are circulated to the Directors for their review and comments before the final minutes are tabled for confirmation at the subsequent Board meeting.

At the Board meetings, the Group MD/CEO provides a 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 the 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 answers 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.

A 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 minuted.

The Group has adopted a more stringent policy in relation to dealings in securities by Directors and Key Senior Management than that required by the MMLR. The Directors and Key Senior Management 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 Senior Management is permitted during closed periods, which commences 30 calendar days before the targeted date of the announcement of the quarterly results up to the date of the announcement.

The Directors of the Group meet the Key Senior Management and Heads of regional entities at its Annual Management Dialogue to consider and review the Group's long-term corporate strategies and business plans, including the principal risks, issues and challenges faced by the Group.

Statement on Corporate Governance

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

A total of 9 Board meetings were held in 2011 and the Directors' attendance at the meetings are as follows:

Directors	No. of Meetings	
	Attended	Held
Tan Sri Dato' Md Nor Yusof Chairman/Non-Independent Non-Executive Director	8	9
Dato' Sri Nazir Razak Group Managing Director/Chief Executive Officer	9	9
Datuk Dr. Syed Muhamad Syed Abdul Kadir Senior Independent Non-Executive Director	9	9
Dato' Hamzah Bakar Independent Non-Executive Director	9	9
Dato' Zainal Abidin Putih Independent Non-Executive Director	9	9
Cezar Peralta Consing Independent Non-Executive Director	7	9
Dato' Robert Cheim Dau Meng Non-Independent Non-Executive Director	8	9
Hiroyuki Kudo Non-Independent Non-Executive Director	8	9
Glenn Muhammad Surya Yusuf Independent Non-Executive Director	7	9
Watanan Petersik Independent Non-Executive Director	8	9
Tan Sri Dato' Seri Haidar Mohamed Nor * Senior Independent Non-Executive Director	4	9
Dato' Mohd Shukri Hussin ** Non-Independent Executive Director	9	9

Notes:

* Retired on 22 April 2011.

** Resigned on 31 December 2011.

At the beginning of the financial year, the Board of Directors considers the Group's annual budget in line with the Group strategies and plans formulated at the Annual Management Dialogue.

Training and Development of Directors

Following appointments to the Board, Directors receive an information pack giving details of the disclosure the Directors are required to make in order to comply with the various laws and regulations and other relevant corporate information pertaining to the Group. The newly appointed Directors attend an induction programme which is tailored to meet their individual needs. This includes

meeting with Key Senior Management to enable them to build up a detailed understanding of the Group's business and strategy, and the key risks and issues with which they are faced. The induction programme is supplemented by ongoing training and development programmes, the needs of which are assessed and determined by the Board.

During the induction programme, the relevant Heads of Divisions 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.

Directors' Training is an integral element of the process for appointment of new Directors and the Board is mindful of the need 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 end, the Board evaluates training needs on a continuous basis and determines areas that would further Directors' 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 training programmes covering topics relevant to the Directors is 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, with the exception of Mr. Katsumi Hatao who was recently appointed to the Board on 23 February 2012. In 2011, the Group MD/CEO completed the Chevening Visiting Fellowship programme at the Oxford Centre for Islamic Studies, a recognised independent centre of the highly-acclaimed University of Oxford, for the academic year 2010/2011.

The training programmes attended by the Directors in 2011 include areas of Corporate Governance, Risk Management, Leaderships and Business Transformation Management, Economics, Banking and Finance as well as Regulatory and Compliance, the details of which are as follows:

Statement on **Corporate Governance**

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

Corporate Governance

- Government-Linked Investment Companies (GLC) Open Day 2011: Forum Perdana
- Bursa Malaysia Governance Programme: Board's Responsibility for Corporate Culture
- Minority Shareholder Watchdog Group (MSWG): Expectations for Corporate Governance in the Broader Context
- Malaysian Investor Relation Association (MIRA): The Securities Commission's new Corporate Governance Blueprint – What Does It Mean For Your Company
- ICAA-MICPA Forum: Improving Corporate Governance in Malaysian Capital Markets – The Role of the Audit Committee
- Financial Institutions Directors' Education (FIDE) Elective Programme – The Nomination/ Remuneration Committee Programme
- Singapore Institute of Directors (SID) Conference 2011: Heat & Hope: The new realities in Corporate Governance

Risk Management/Audit

- MOF Inc Companies Directors' Programme
- Bursa Malaysia: Assessing the Risk & Control Environment
- The Institute of Internal Auditors International Conference 2011
- BNM/FIDE – Board IT Governance Risk Management Programme
- ASEAN Institute of Finance (AIF): Strategic Auditing Programme: The New Paradigm – Expectations of Audit Committee of Internal Audit

Leaderships and Business Transformation Management

- World Islamic Economic Forum (WIEF) Young Leaders Forum: Leadership In Motion – Leveraging Skills And Talent, Astana, Kazakhstan

- CIMB-INSEAD Leadership Programme
- MINDA Breakfast Talk: Innovate or Stagnate – How Innovations Ensure Business Keep Thriving
- MINDA Breakfast Forum: Driving Sustainable Leadership and Innovation
- Employee Provident Fund Leadership Talk Series
- Financial Sector Talent Enrichment Programme (FSTEP): Prominent Leaders Lecture on Financial Services Industry – Strategic Management – The CIMB Experience
- Asian Strategy and Leadership Institute (ASLI): Future Energy, Smarter Mobility Conference
- 12th National Human Resources Summit
- CIMB Group Annual Management Dialogue
- Forbes Global CEO Conference

Economics

- Lecture on “Macroeconomic Management in an Oil Rich Economy, the Case of Saudi Arabia”
- Russian-Danish Business Forum: 15th St. Petersburg International Economic Forum, Russia
- Khazanah Megatrends Forum 2011: Uncertainty as Normality – Navigating Through Complex Interconnection
- Khazanah Tea Talk: Paul Donovan – The Cost of a Eurozone Break-Up
- Official Monetary and Financial Institution Forum (OMFIF) Golden Series on World Money: World Economic Imbalances and the Outlook for International Monetary Cooperation
- 3rd Energy Forum: The Energy Sector Powering Malaysia's Economic Transformation Programme (ETP)
- E-course: Introduction to Macroeconomics
- ASEAN Business and Investment Summit 2011
- CIMB ASEAN Conference 2011

Banking and Finance

- Bursa Invest Malaysia 2011: Malaysia's Strategies for the Development and Regulation of the Capital Market
- 2nd OCIS–Securities Commission Round Table Islamic Finance and the Public Good
- Kelab UMNO London: Islamic Finance Conference
- BNM/FIDE: Banking Insights
- BNM: The First Asian Bank Watchers Conference: Asian Perspective on World Finance – Promoting Financial and Monetary Stability at a Time Transition
- E-course: Project Finance
- Asia Oil and Gas Conference
- Malaysia-China Trade and Investment International Conference

Islamic Banking

- Asian Institute of Finance (AIF) International Symposium 2011
- Islamic Banking Business – Local and Global Development
- International Shari'ah Research Academy for Islamic Finance (ISRA): 6th International Shari'ah Scholars Forum

Regulatory and Compliance

- Linklaters: Seminar on Impact of the New Financial Institutions Legislations Across Europe and the United State with Focus on Basel III
- International Institute of Advanced Islamic Studies (IAIS) Malaysia: Reproductive and Sexual Health and Islamic Values – Ethical and Legal Insights

Environmental

- Khazanah Global Lectures by H.E. Mary Robinson – Sharing the Unequal Burdens of Global Warming

During the year under review, regular updates on development in legal matters, disclosure and accounting standards, corporate governance and best practices were also provided to the Directors.

Statement on **Corporate Governance**

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

COMPANY SECRETARY

The Company Secretary demonstrates ongoing support in advising and assisting the Board on matters relating to the affairs of the Group, including issues pertaining to compliance, corporate governance and best practices, boardroom effectiveness and Directors' duties and responsibilities. During the year under review, various Board processes were reviewed with a view to enhancing the Board's decision making processes and effective functioning of the Board.

The Company Secretary ensures that the Board, Board Committees and Shareholders' meetings are properly convened in accordance with the laws and best practices and that records of proceedings at the Board, Board Committees and Shareholders' meetings are duly minuted and kept.

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, Board Committees and Shareholders' meetings, the Company Secretary also undertakes the following roles in three main key areas:

Company

- Facilitating highest standards of governance among 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.
- Maintaining the safe keeping of statutory records of the Companies within the Group in compliance with applicable laws and regulations.

Board

- Managing Board and shareholders processes group-wide.
- Ensuring procedure for the appointment of directors is adhered to.
- Organising induction programmes for new Directors.
- Organising and assisting in Directors' Training.
- 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 by ensuring Board's decisions and instructions are properly carried out and communicated.
- Point of contact for source of information in assisting the Board in its decision-making processes.

Shareholders

- Assisting in managing shareholders' communication and resolving their enquiries.
- Managing relationship with external stakeholders.

In ensuring the uniformity of Board conduct and effective boardroom practices throughout the Group, the Company Secretary has oversight on the overall corporate secretarial functions of the Group, both in Malaysia and the region where the Group operates. The Company Secretary also serves as an adviser and support centre to the regional secretaries on matters pertaining to governance and facilitates the flow and sharing of information among the regional Boards and committees.



Datin Rossaya Mohd Nashir with Harsya Denny Suryo, Company Secretary of PT Bank CIMB Niaga TBK and Dharmendra Yadav, Company Secretary of CIMB Securities International Pte. Ltd. at the 54th Annual General Meeting of CIMB Group Holdings Berhad on 22 April 2011

Statement on Corporate Governance

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

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.

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. The framework is 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 review of the remuneration framework of the Non-Executive Directors of the Group is conducted every 3 years. In 2011, the Group Nomination and Remuneration Committee conducted a review of the remuneration framework and benefits package for the Non-Executive Directors of the Company and the Financial Institutions in the Group. The review is benchmarked against the performance of the Boards over the past 3 years as well as the increasing roles of the members of the Audit and Board Risk Committees and the expectations on them by the regulators. The criteria for the review are in line with the recommendations by the Directors' Remuneration Study conducted by Messrs. PricewaterhouseCoopers Advisory Services Sdn. Bhd., under the BNM FIDE Programme.

The compensation packages of the Group MD/CEO and Key Senior Management are based on Key Performance Indicators (KPIs) that are linked to the Group's and the individual's performances.

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.

The aggregate remuneration paid to the Directors by CIMB Group and its subsidiaries in 2011 is as follows:

Directors	Fees RM'000	Salary and/ or Other Remune- ration RM'000	Benefit-in- Kind RM'000	Total RM'000
Executive Directors				
Dato' Sri Nazir Razak ^{*1}	–	4,580	4,120	8,700
Dato' Mohd Shukri Hussin ^{*2}	–	1,705	35	1,740
	–	6,285	4,155	10,440
Non-Executive Directors				
Tan Sri Dato' Md Nor Yusof	126	325	–	451
Datuk Dr. Syed Muhamad Syed Abdul Kadir	246	410	16	672
Tan Sri Dato' Seri Haidar Mohamed Nor ^{*3}	62	325	122	509
Dato' Zainal Abidin Putih	280	482	14	776
Dato' Hamzah Bakar	180	292	–	472
Dato' Robert Cheim Dau Meng ^{*4}	–	807	233	1,040
Cezar Peralta Consing	187	20	–	207
Hiroyuki Kudo ^{*4}	–	915	96	1,011
Glenn Muhammad Surya Yusuf	257	267	89	613
Watanan Petersik	114	185	–	299
Sub-total	1,452	4,028	570	6,050
Grand Total	1,452	10,313	4,725	16,490

Notes:

^{*1} 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.

^{*2} Resigned on 31 December 2011.

^{*3} Retired on 22 April 2011.

^{*4} Dato' Robert Cheim Dau Meng and Mr. 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.

Statement on Corporate Governance

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

BOARD COMMITTEES

The Board delegates specific responsibilities to the Board Committees comprising the Audit Committee, Board Risk Committee, Group Nomination and Remuneration Committee, Group Compensation Review Committee and Regional Integration Committee. The said Committees operate within clearly defined roles and responsibilities as set out in the duly approved formal terms of reference of each of the Committees.

The Board Committees report to the Board on their deliberations, findings and recommendations. The Chairmen of the Audit Committee, Board Risk Committee and Group Nomination and Remuneration Committee report to the Board on matters dealt with at their respective Board Committee Meetings. Minutes of the Audit Committee, Board Risk Committee and Group Nomination and Remuneration Committees are also presented at the Board meetings for further discussion and direction. 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 to the attention of the Board, who is 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 key responsibilities of Audit Committee are to ensure high corporate governance practices whilst providing oversight on the Group's financial reporting, disclosure, regulatory compliance, risk management and monitoring of internal controls processes within the Group. The Audit Committee meets regularly to amongst others, review the quarterly results, full year financial statements, 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 Audit Committee met 13 times in 2011 and the attendance of the members of Audit Committee are as follows:

Members	No. of Meetings	
	Attended	Held
Dato' Zainal Abidin Putih Chairman/Independent Non-Executive Director	13	13
Datuk Dr. Syed Muhamad Syed Abdul Kadir Senior Independent Non-Executive Director	13	13
Dato' Hamzah Bakar Independent Non-Executive Director	13	13

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 13 meetings held to deliberate on matters relating to the Group, 19 other meetings were held to deliberate on matters relating to the three Malaysian banking institutions under the Group. The Audit Committee also met on two occasions in 2011 without the presence of Senior Management.

The Audit Committee keeps the Board informed of the Committee's activities and recommendations from time to time. 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 162 to 167 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 five meetings were held in 2011 and the attendance of the members of the Board Risk Committee are as follows:

Members	No. of Meetings	
	Attended	Held
Dato' Hamzah Bakar Chairman/Independent Non-Executive Director	5	5
Tan Sri Dato' Md Nor Yusof Non-Independent Non-Executive Director	5	5
Datuk Dr. Syed Muhamad Syed Abdul Kadir Senior Independent Non-Executive Director	5	5
Dato' Zainal Abidin Putih Independent Non-Executive Director	5	5
Cezar Peralta Consing Independent Non-Executive Director	5	5
Dato' Robert Cheim Dau Meng Non-Independent Non-Executive Director	5	5
Hiroyuki Kudo Non-Independent Non-Executive Director	5	5
Glenn Muhammad Surya Yusuf Independent Non-Executive Director	4	5
Watanan Petersik Independent Non-Executive Director	4	5
Tan Sri Dato' Seri Haidar Mohamed Nor * Senior Independent Non-Executive Director	2	5

Note:

* Retired on 22 April 2011.

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 176 to 182 of this Annual Report.

Statement on Corporate Governance

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

Group Nomination and Remuneration Committee

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

The Group Nomination and Remuneration Committee reviews the procedure for appointment of Directors, Board Committees and Key Senior Management of the Group and their remuneration package. The Group Nomination and Remuneration Committee also oversees the nomination and remuneration package of Directors and Key Senior Management of regional subsidiaries and joint-venture entities within the Group.

The members of the Group Nomination and Remuneration Committee and their attendance at the meetings held in 2011 are as follows:

Members	No. of Meetings	
	Attended	Held
Datuk Dr. Syed Muhamad Syed Abdul Kadir ^{*1} Chairman/Senior Independent Non-Executive Director	10	10
Dato' Hamzah Bakar Independent Non-Executive Director	10	10
Dato' Zainal Abidin Putih Independent Non-Executive Director	10	10
Dato' Robert Cheim Dau Meng Non-Independent Non-Executive Director	10	10
Glenn Muhammad Surya Yusuf ^{*2} Independent Non-Executive Director	6	10
Tan Sri Dato' Seri Haidar Mohamed Nor ^{*3} Chairman/Senior Independent Non-Executive Director	4	10

Notes:

^{*1} Appointed as Chairman of Group Nomination and Remuneration Committee on 22 April 2011.

^{*2} Appointed as Member of Group Nomination and Remuneration Committee on 22 April 2011.

^{*3} Retired as Director on 22 April 2011.

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 Directors.
- 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 BNM. The actual decision as to who shall be nominated should be the responsibility of the Board. Subsequent to the assessment, in the event 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 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. Annual assessment should be conducted based on an objective performance criterion. Such performance criteria should be approved by the full Board.
- Reviewing the suitability of Independent Directors to remain on the Boards and Board Committees, when they have reached the maximum age limit or tenure as determined by the Board. The Group Nomination and Remuneration Committee may, at its discretion recommend to extend the Directors' tenure subject to the approval of the respective Boards and BNM, where necessary.
- Ensuring that all directors receive an appropriate continuous training programme in order for them to keep abreast with the latest development in the industry.
- Recommending to the Board the removal of Key Senior Management 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.

Statement on **Corporate Governance**

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

- 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 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 Key Senior Management. 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 Key Senior Management. 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 the 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.

Directors' Independence

In line with international best practices, the Group Nomination and Remuneration Committee had in 2011 reviewed the terms of reference of the Board, particularly the tenure of service of Independent Directors. In determining the maximum limit of tenure of service of Independent Directors, views from BNM, Securities Commission of Malaysia (SC), Bursa Securities and the MSWG were sought on the appropriate period of tenure. Based on the review, the Group Nomination and Remuneration Committee had recommended that the tenure of service of Independent Directors be capped at the maximum limit of 12 years or upon reaching the age of 70 years, whichever is earlier. This new policy was duly adopted by the Board in 2011.

Board Effectiveness Assessment

The Group Nomination and Remuneration Committee reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual Directors. The Group has introduced the Board Effectiveness Assessment (BEA) questionnaire for evaluation of the performance of the Board, Board Committees and individual Directors.

The evaluation takes place early in the year and this involves Directors completing the BEA questionnaire, covering the Board and Board Committees processes, the effectiveness and contribution of each of the Directors to the Board and Board Committees.

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 Board 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, Board and Board Committees respectively.

The BEA exercise entails the Directors' feedback on areas which affect the performance of the Board which, amongst others, include the following:

- Board structure, objectives and conduct
- Interaction and communication with Management and Stakeholders
- Corporate Governance
- Accountability and Audit

In the BEA exercise conducted in 2011, the Directors provided constructive feedback in the following areas:

- More emphasis on succession planning programmes and regular status updates.
- In delivering value to shareholders and promoting sustainability, more focus to be given to capacity building in each business function in view of the rapidly changing environment and the Group's growing regional operations.
- Improvement on identification and appraisal of risks affecting the Group's businesses and operations.
- Greater Board participation in discussions on strategic matters with Key Senior Management.

Board recommendations arising from the BEA exercise in 2011 have been communicated to Management and implemented accordingly. The Chairman of the Group Nomination and Remuneration Committee reported at the Board meeting that all Directors continue to perform effectively and had demonstrated greater participation in Board deliberation and evidenced strong commitment to their roles.

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.

Statement on Corporate Governance

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

Succession Planning

The Group Nomination and Remuneration Committee oversees the succession planning of Key Senior Management across the Group. Together with the Talent Review Board, the Group Nomination and Remuneration Committee is committed to building senior leadership bench strength. One of the key initiatives undertaken is the launch of the CIMB-INSEAD Leadership Programme (CLP), with the primary objectives of building leadership competencies, embedding leadership culture across the Group and supporting the Group's corporate vision. CLP is also a platform for identifying future leaders of the Group. The 9-month programme is co-designed with INSEAD Business School and saw a total of 56 senior executives successfully graduating in 2011.

The Group Nomination and Remuneration Committee also undertakes individual assessment of the Group MD/CEO and Key Senior Management. In 2011, the Group Nomination and Remuneration Committee embarked on a comprehensive 360-degree leadership assessment for the Group MD/CEO, Country CEOs and Executive Directors in the Group, which provides the Board with an indication of how the leaders have demonstrated CIMB's leadership competencies, and their strengths and areas for improvements. This assessment also provides a platform for the leaders to receive constructive feedback and model the way in becoming "The Leading ASEAN Franchise". The leadership assessment was facilitated by an independent consultant, INSEAD's Global Leadership Centre.

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.

The members of the Group Compensation Review Committee and their attendance at the meetings held in 2011 are as follows:

Members	No. of Meetings	
	Attended	Held
Dato' Hamzah Bakar – <i>Chairman</i>	3	3
Dato' Zainal Abidin Putih	3	3
Dato' Robert Cheim Dau Meng	3	3
Dato' Sri Nazir Razak	3	3

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.
- Conduct Fit and Proper assessment on Key Responsible Persons other than Directors, Shariah Committee members, Chief Executive Directors/Executive Directors, to comply with the BNM's Guidelines on Fit and Proper for Key Responsible Persons.

Summary of Attendance on Board Committees

Directors	Audit Committee	Board Risk Committee	Group Nomination and Remuneration Committee	Group Compensation Review Committee
Tan Sri Dato' Md Nor Yusof	n/a	5/5	n/a	n/a
Dato' Sri Nazir Razak	n/a	n/a	n/a	3/3
Datuk Dr. Syed Muhamad Syed Abdul Kadir	13/13	5/5	10/10	n/a
Dato' Hamzah Bakar	13/13	5/5	10/10	3/3
Dato' Zainal Abidin Putih	13/13	5/5	10/10	3/3
Cezar Peralta Consing	n/a	5/5	n/a	n/a
Dato' Robert Cheim Dau Meng	n/a	5/5	10/10	3/3
Hiroyuki Kudo	n/a	5/5	n/a	n/a
Glenn Muhammad Surya Yusuf ^{*1}	n/a	4/5	6/10	n/a
Watanan Petersik	n/a	4/5	n/a	n/a
Tan Sri Dato' Seri Haidar Mohamed Nor ^{*2}	n/a	2/5	4/10	n/a
Dato' Mohd Shukri Hussin ^{*3}	n/a	n/a	n/a	n/a

Notes:

^{*1} Appointed as member of Group Nomination and Remuneration Committee on 22 April 2011.

^{*2} Retired on 22 April 2011.

^{*3} Resigned on 31 December 2011.

n/a Not applicable.

Statement on Corporate Governance

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

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 three Shariah Committees to cater for the Group's Islamic banking and Takaful businesses.

In compliance with BNM's Shariah Governance Framework for Islamic Financial Institutions, the 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 *ijtihad* 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 2011 are as follows:

Members	Nationality	No. of Meetings	
		Attended	Held
Sheikh Professor Dr. Mohammad Hashim Kamali – <i>Chairman</i>	Canadian (Malaysian Permanent Resident)	6	6
Sheikh Nedham Yaqoobi	Bahraini	4	6
Sheikh Dr. Haji Mohd Nai'm Haji Mokhtar	Malaysian	5	6
Sheikh Associate Professor Dr. Shafaai Musa	Malaysian	4	6
Sheikh Dr. Yousef Abdullah Al Shubaily	Saudi Arabian	6	6
Professor Dr. Noor Inayah Yaakub ¹	Malaysian	5	6

Note:

¹ Appointed on 1 April 2011.

(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 2011 are as follows:

Members	Nationality	No. of Meetings	
		Attended	Held
Sheikh Associate Professor Dr. Shafaai Musa – <i>Chairman</i>	Malaysian	5	6
Sheikh Professor Dr. Mohammad Hashim Kamali	Canadian (Malaysian Permanent Resident)	6	6
Sheikh Dr. Haji Mohd Nai'm Haji Mokhtar	Malaysian	6	6
Professor Dr. Noor Inayah Yaakub ¹	Malaysian	5	6
Sheikh Mohd Fadhly Md Yusoff ¹	Malaysian	5	6

Note:

¹ Appointed on 1 April 2011.

(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 and their attendance at the meetings held in 2011 are as follows:

Members	Nationality	No. of Meetings	
		Attended	Held
Sheikh Professor Dr. M Quraish Shihab – <i>Chairman</i>	Indonesian	15	18
Sheikh Professor Dr. Fathurrahman Djamil	Indonesian	17	18
Sheikh M Taufik Ridlo	Indonesian	17	18

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

Regional Integration Committee

The Regional Integration Committee was established by the Board 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 were endorsed by the committee. It is chaired by the Group MD/CEO and members comprise executives of the Group from the regional operating entities. 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 2011 are as follows:

Members	No. of Meetings	
	Attended	Held
Dato' Sri Nazir Razak – <i>Chairman</i>	6	6
Arwin Rasyid	6	6
Dato' Charon Wardini Mokhzani	5	6
Dato' Lee Kok Kwan	1	6
Subhak Siwaraksa	5	6
Mak Lye Mun	4	6
Kenny Kim	4	6
Iswaraan Suppiah	5	6
Hamidah Naziadin	5	6
Badlisyah Abdul Ghani	3	6
Effendy Shahul Hamid	4	6
Peter England	6	6
Gan Pai Li	5	6
James Rompas	2	6
Kua Wei Jin ^{*1}	5	6
Kok Kong Chin ^{*2}	2	6
Coreen Kwan ^{*1}	6	6
John Pang ^{*1}	6	6
Abdul Karim Md Lassim ^{*2}	1	6
Wulan Tumbelaka ^{*2}	0	6
Narongchai Wongthanavimok ^{*2}	1	6
Lim Phang Hong ^{*3}	2	6

Notes:

^{*1} Appointed as a member on 31 January 2011.

^{*2} Ceased as a member on 31 January 2011.

^{*3} Ceased as a member on 30 September 2011.

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.

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 as follows:

- 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
- Watanan Petersik

The IAP activities are set out on pages 046 to 047 of the Annual Report.

Statement on **Corporate Governance**

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

Management Committees

The following Management committees have been established to assist the Group MD/CEO and 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 Wholesale Bank Risk Committee
- Consumer Bank Management Committee
- Corporate Banking, Treasury and Markets Management Committee
- Investment Banking Management 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
- 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 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 present at the Annual General Meeting to answer shareholders' queries pertaining to accounting and auditing standards. Shareholders are given opportunity at the Annual General Meeting 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 abroad. 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, where shareholders can access and download information about 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

Annual Reports	Date of Issue/Release
Annual Report 2010	31 March 2011
Annual Report 2011	26 March 2012
2011 Quarterly Results	Date of Issue/Release
First Quarter	25 May 2011
Second Quarter	23 August 2011
Third Quarter	15 November 2011
Fourth Quarter	27 February 2012

Statement on Corporate Governance

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

The primary contacts for Investor Relations are as follows:

Dato' Sri Nazir Razak

Group MD/CEO

Tel: 603-2084 8602

Email: nazir.razak@cimb.com

Dato' Lee Kok Kwan

Deputy CEO, Group Corporate Banking, Treasury & Markets

Tel: 603-2084 8828

Email: kkwan.lee@cimb.com

Steven Tan Chek Chye

Head of Investor Relations

Tel: 603-2084 9696

Email: steven.tan@cimb.com

Investor Relations Activities in 2011

	Number of meetings/ roadshows	Number of fund managers/analysts met
Investor conferences/Roadshows	11	209
Direct one-on-one meetings	109	369
Tele-conferences	18	30

The Group Investor Relations activities are set out on pages 048 to 049 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 2011.

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 012 to 018 of the Financial Statements section of the Annual Report.

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 both BNM and Bursa Securities.

Related Party Transactions

All related party transactions (RPTs) are undertaken in accordance to the CIMB Group Policy and Procedures on Related Party Transactions. The Company Secretary together with Group Strategy and Corporate Finance assist Management in ensuring RPTs are conducted in line with the Policy, before it is submitted to the Audit Committee for deliberation and Board approval thereafter.

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 Group'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.

Statement on **Corporate Governance**

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

The Statement on Internal Control which provides an overview of the state of internal control of the Company is set out on pages 168 to 175 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: 603-2619 3288

Email: tiangsiew.lim@cimb.com

Risk Management:

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:

Iswaran Suppiah

Head, Group Information and Operations

Tel: 603-2084 9276

Email: iswaran.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 in overseeing that Management has in place a sound risk management, internal control and governance system. The Audit Committee also reviews the adequacy of 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 at least every 5 years.

Corporate Responsibility

In terms of Corporate Responsibility, the Group have shifted its focus from giving back to the community (this being corporate social responsibility) towards addressing the concerns of stakeholders regarding issues impacting the long term sustainability of the Group's business.

The stakeholders of the Group include employees, customers, shareholders, government bodies, regulators, consumer groups, non-governmental organisations (NGOs), suppliers and the media.

Towards this end, in 2011, the Group made maiden initiatives in reporting its sustainability efforts. One of the initiatives is publishing a Sustainability Report, which presents the efforts and initiatives of the Group as a responsible corporate citizen for the benefit of its stakeholders. The Sustainability Report which forms part of the Group's Annual Report for 2011, provides a clear, comprehensive and transparent representation of the Group's performance in managing the economic, social and environmental aspects of its operations.

In line with the regionalisation of the Group's businesses, its stakeholders have diverse issues and concerns. The Sustainability Report therefore focuses on inclusivity, namely addressing the material issues of stakeholders, particularly those impacting the long term sustainability of the Group's business.

The Group's work in the "Community" aspect of corporate responsibility initiatives continue to be a strong focus area. In 2011, CIMB Foundation, which is entasked with implementing the Group's initiatives in this area, disbursed RM11.6 million for community initiatives in its three pillars of Community Development, Sports and Education.

Oversight of CIMB Foundation is managed by its Board of Trustees comprising five persons, of whom three are independent members, including the Chairperson. The Group's representation on the Board of Trustees comprises Tan Sri Dato' Md Nor Yusof, Chairman of CIMB Group, and Dato' Mohd Shukri Hussin, then Executive Director of CIMB Group. Dato' Mohd Shukri is also the CEO of CIMB Foundation. The audited accounts of CIMB Foundation are published in this Annual Report and is contained in the Sustainability Report, together with a report on the activities of the Foundation, and a list of its 20 largest grants.

This Statement on Corporate Governance was approved by the Board of Directors on 23 February 2012.

Additional Compliance Information

(as at 31 December 2011 pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

During the financial year ended 31 December 2011, the Group has collectively issued the following instruments:

(a) Subordinated Notes RM1.5 million

CIMB Bank has on 8 August 2011 completed the issuance of RM1.5 billion Subordinated Debt.

The RM1.5 billion Subordinated Debt issuance was the second issuance 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 RM1.35 billion tranche with a maturity of 10 years callable at the end of year-5 and on each subsequent coupon payment dates thereafter (Tranche 1), and another RM150 million tranche with a maturity of 15 years callable at the end of year-10 and on each subsequent coupon payment dates thereafter (Tranche 2). 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 4.15% and 4.70% for Tranche 1 and Tranche 2 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 RM1.35 billion and RM150 million subordinated debts using interest rate swaps.

The RM1.5 billion Subordinated Debt qualifies as Tier-2 capital for the purpose of the Risk Weighted Capital-adequacy Ratio (RWCR) computation.

(b) Subordinated Notes – THB3,000 million

On 14 July 2011, CIMB Thai Bank, a subsidiary of CIMB Bank, issued 3,000,000 units unsecured 10-year subordinated notes (the THB3 billion Notes). The THB3 billion Notes were issued at a price of THB1,000 per unit. The THB3 billion Notes carry constant interest rate of 5.35% per annum payable every 6 months on 14 July and 14 January.

The THB3 billion Notes will mature on 14 July 2021 and qualify as Tier-2 Capital for the purpose of the RWCR computation.

2. SHARES BUY-BACK

Details of the shares purchased during the financial year ended 31 December 2011 are set out below:

Month	No. of CIMB Shares Purchased	Highest Price Paid per CIMB Share RM	Lowest Price Paid per CIMB Share RM	Average Price Paid per CIMB Share RM	Total Consideration* RM
January	117	8.90	8.40	8.65	1,056.12
February	218	8.38	8.00	8.19	1,879.99
March	107	7.92	7.66	7.79	878.22
April	75	8.90	8.10	8.50	680.39
May	20	8.25	8.20	8.23	216.17
June	1	8.51	8.51	8.51	21.52
July	129	8.90	8.25	8.58	1,174.55
August	222	8.40	7.68	8.04	1,880.81
October	49	7.23	7.10	7.17	366.86
November	66	7.01	7.01	7.01	475.80
Total	1,004			8.60	8,630.43

* Inclusive of transaction cost

Additional Compliance Information

(as at 31 December 2011 pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

All the shares purchased during the financial year ended 31 December 2011 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 the Group.

4. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

The 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 material 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 RM1.406 million for advisory works in connection with acquisition of subsidiary in Philippines 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 2011 from the unaudited results released on 27 February 2012.

8. PROFIT GUARANTEE

The Group did not receive any profit guarantee during the financial year ended 31 December 2011.

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.

Audit Committee Report



- 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.

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

Audit Committee Report

1. ATTENDANCE OF MEETINGS

The details of the Audit Committee membership and meetings held during 2011 are as follows:

Name of Committee Member	Status	Number of Committee Meetings	
		Held	Attended
Dato' Zainal Abidin Putih	Independent Non-Executive	13	13
Datuk Dr. Syed Muhamad Syed Abdul Kadir	Independent Non-Executive	13	13
Dato' Hamzah Bakar	Independent Non-Executive	13	13

In addition to the 13 meetings held to deliberate on matters relating to the Group, 19 other meetings were held to deliberate on matters relating to the three Malaysian banking institutions, making a total of 32 meetings for the year. Deliberations on reports tabled to the Committee are robust and detailed. 444 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:

- The audit committee must be composed of not fewer than 3 members;
- All audit committee members must be non-executive directors, with a majority of them being independent directors; and
- 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.



CIMB Group Audit Committee members together with Audit Committee members and the senior management of CIMB Niaga at the Joint Audit Committee meeting held in Indonesia



CIMB Group Audit Committee members presenting Compliance awards to Branch Managers at the Compliance award ceremony

Audit Committee Report

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:

Area	Responsibilities
Internal controls/risk management/governance	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.
Internal audit	<p>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.</p> <p>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.</p> <p>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.</p>

Area	Responsibilities
	<p>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.</p> <p>e. To evaluate the performance and decide on the remuneration package of the Group Chief Internal Auditor.</p> <p>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.</p>
External audit	<p>a. To consider the appointment of external auditors, the auditors' remuneration expense and matters of resignation or dismissal.</p> <p>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.</p> <p>c. To assess objectivity, performance and independence of external auditors.</p> <p>d. To approve the provision of non-audit services by the external auditors.</p> <p>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.</p> <p>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.</p>

Audit Committee Report

Area	Responsibilities
	<ul style="list-style-type: none"> 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). h. To review the external auditors' management letter and management's response. 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.
Audit findings/ internal control/ compliance	To review the audit findings, internal controls and compliance issues reported by the internal, external and regulatory auditors.
Others	<ul style="list-style-type: none"> a. To engage on a continuous basis with senior management in order to be kept informed of matters affecting the Group. b. To convene meetings with internal auditors, external auditors or both whenever deemed necessary. 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. d. To review the quarterly results of the Group, prior to the approval by the Board of Directors. e. To review all related party transactions and keep the Board of Directors informed of such transactions. f. To obtain external professional advice where necessary.

5. SUMMARY OF ACTIVITIES IN 2011

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 10 February 2011 and 9 August 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.

Audit Committee Report

- 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 3rd 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.
- 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 2011 amounted to RM28.8 million (2010: RM20.8 million).

5.2 Internal Audit Function

- a. GIAD conducts 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.

5.3 Internal Audit Reports

- a. GIAD completed 444 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.

Audit Committee Report

6. TRAININGS

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

Audit Committee Member	Trainings attended
Dato' Zainal Abidin Putih	<ul style="list-style-type: none"> • H.E. Mary Robinson: Khazanah Global Lectures • BNM FIDE: Banking Insights (everything you wanted to know about banking but didn't dare ask) • 2011 The Institute of Internal Auditors International Conference • CIMB Learning & Capability Development: Islamic Banking Business – Local and Global Development • Linklaters Seminar: Impact of the new financial institutions legislations across Europe and the US with focus on Basel III • Khazanah Tea Talk – UBS Paul Donovan: The cost of a Eurozone break-up • BNM FIDE – Board IT Governance Risk Management Programme • CIMB Group Annual Management Dialogue • Asean Institute of Finance (AIF): Strategic Auditing Programme: The New Paradigm – Expectations of Audit Committee of Internal Audit (As a speaker as well)
Datuk Dr. Syed Muhamad Syed Abdul Kadir	<ul style="list-style-type: none"> • H.E. Mary Robinson: Khazanah Global Lectures • MOF Inc Companies Directors Programme (Panelist) • Bursa Malaysia: Assessing the Risk & Control Environment • Bursa Invest Malaysia 2011: Malaysia's Strategies for the Development and Regulation of the Capital Market • Bursa Malaysia: Governance Programme – Board's Responsibility for Corporate Culture • MINDA Breakfast Forum: Driving Sustainable Leadership and Innovation • CIMB Learning & Capability Development: Islamic Banking Business: Local and Global Development • Linklaters Seminar: Impact of the new financial institutions legislations across Europe and the US with focus on Basel III • FIDE Elective Programme: The Nomination/Remuneration Committee Programme • Khazanah Megatrends Forum 2011: Uncertainty as Normality: Navigating through complex interconnection • BNM: The First Asian Bank Watchers Conference – Asian Perspective on World Finance: Promoting Financial and Monetary Stability at a Time Transition • CIMB Group Annual Management Dialogue • International Shari'ah Research Academy for Islamic Finance (ISRA): 6th International Shari'ah Scholars Forum
Dato' Hamzah Bakar	<ul style="list-style-type: none"> • H.E. Mary Robinson: Khazanah Global Lectures • Asia Oil and Gas conference • 3rd Energy Forum: The Energy Sector Powering Malaysia's Economic Transformation Programme (ETP) (Speaker) • Malaysian Investor Relation Association (MIRA): The Securities Commission's new corporate governance blueprint – What Does it mean for your Company • ICAA-MICPA Forum: Improving Corporate Governance in Malaysian Capital Markets – The Role of the Audit Committee • CIMB ASEAN Conference 2011 • CIMB Group Annual Management Dialogue

Statement on **Internal Control**



CIMB Group's 3rd Regional Compliance, Audit and Risk Conference on 8 July 2011 in Chiang Mai, Thailand

➤ The Group's 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. It also provides additional resilience to external events.

BOARD RESPONSIBILITY

The Board of Directors of CIMB Group places importance on, and is committed to maintaining a sound system of internal control in the Group to ensure good corporate governance. The Board has overall responsibility for the framework of good governance and 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 Board also recognises that reviewing the Group's system of internal control is a concerted and ongoing process and takes into account changes in technology, business environment and regulatory guidelines, with a view of enhancing the process for identifying, evaluating and managing risks. The system of internal control is designed to identify, manage and control risks, including operational risk, rather than to eliminate the risk of failure in achieving the Group's objectives.

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 shareholder 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.

Statement on **Internal Control**



Dato' Charon Wardini Mokhzani, CEO of CIMB Investment Bank and Geetha Sivapathasundram, Head of Group Compliance (seated 1st and 2nd from the right) at "The New Age of Compliance Direction-Setting the Standards" conference organised by the Malaysian Investment Banks Association on 10-11 September 2011.

INFORMATION TECHNOLOGY SECURITY

Information Security requires the integration of people, process and technology. In 2011, 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 2011, we have successfully maintained our WebTrust certification for both CIMB Clicks retail and CIMB Biz-Channel commercial banking platforms, and the ISO 27001 certification for CIMB IT Security Operations. These certifications require

consistent maintenance and enhancement to enable effective information security management. ISO 27001 requires management to systematically examine information security risks, taking into account the threats, vulnerabilities and impacts. A comprehensive suite of information security controls and risk treatments are designed and implemented to mitigate such risk.

In line with the banking business growth and IT Infrastructure expansion, our technology design was constantly reviewed in 2011 and improved to effectively mitigate both internal and external risks and threats. The improvement is evidenced by the project completion of some major IT Security Blueprint components such as secured (encrypted) file transfers, automated user ID provisioning, enhanced access control for remote access and enhanced users and infrastructure monitoring.

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, 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. These programmes consist of periodic newsletters circulated within the Group.

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 a 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 and non-audit related fees proposed by the external auditors of the Group.

The Group AC makes field visits to bank branches and 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.

Statement on Internal Control

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. In terms of Interest Rate Risk in Banking Book, Group Risk Committee is further assisted by Balance Sheet Management Committee 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 or management action triggers endorsed by the Group Risk Committee.

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 Shariah Governance Framework for Islamic Financial Institutions 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 market products and services comply with the judgments or the ijthad 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 Kuliyyah 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.
6. Prof. Dr. Noor Inayah Yaakub (Malaysia) Professor, Faculty of Economics and Management, Universiti Kebangsaan Malaysia (UKM) and Principal Fellow of Institute of West Asian Studies, Malaysia, UKM.

The Shariah Committee is assisted by the Group Shariah 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 establishing the relevant and appropriate Shariah policies and procedures, the Shariah Department also provides training across the Group on the Shariah Governance Framework (the SGF).

The SGF is the enterprise-wide Shariah management plan consisting of Shariah governance 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 SGF. The implementation of the SGF is effected through the following functions:

- a) Shariah research & secretariat;
- b) Shariah review;
- c) Shariah risk management;
- d) Shariah audit.

The Shariah Department facilitates the implementation of the Shariah research & secretariat and Shariah review functions, whilst the Shariah risk management and Shariah audit functions are performed by Group Risk and Group Internal Audit, respectively.

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- **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 established policies and procedures. The Group has established a number of policies and procedures which are designed to outline and enhance the system of internal control. 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 quarterly management reports 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 executing and

resolving the matters in a timely and satisfactory manner. Each business unit presents their respective management report to the GMC at monthly 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 amongst others monthly financial performance, new business proposals and listing of defaulted accounts as well as to discuss pertinent issues and formulate strategy and introduce corrective/improvement measures, if required.

- **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 and support 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 is 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

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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.

With effect from 31 January 2011, the IIU was transferred to GIAD.

- **Group Compliance Framework**

Based on the Group Compliance Framework implemented within the CIMB Group, the main function of Group Compliance is to facilitate, advise, monitor and educate the Business and Support Units/ entities to act in accordance with legislations, laws, regulations and guidelines. The framework lays down mechanisms and tools to ensure consistency and efficiency in managing compliance risk in all entities within the Group. The framework requires all the local and regional entities within the Group to adopt and implement the Group Compliance Policy and Procedures and Conflict Management Policies. This endeavors to mitigate CIMB Group from liabilities arising from non-compliance with legislations, laws and regulations and to manage potential conflict issues.

The respective entity Boards, as well as CIMB Group Sdn. Bhd.'s Board, are provided with compliance reports on a regular basis to facilitate the Boards having a holistic and overall view of all compliance matters across the Group.

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

- **Group-Wide Chinese Walls Policy**

The primary objective of the CIMB Group Chinese Walls Policies and Procedures (Chinese Walls P&P) is to establish policy and procedures to control the flow of confidential or material non-public price sensitive information within

the CIMB Group to minimise the risk of breach of the insider trading laws. The secondary objective of the Chinese Walls P&P is to ensure that the possession of confidential information relating to a client of the CIMB Group does not give rise to a risk or perceived risk of conflict between the organisation's interest and its duty to its client and between its duties that may be owed to different clients.

The Chinese Walls P&P are applicable to the management committees, committees established by the Board, particular divisions and all relevant employees within the Group that 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.

The Chinese Walls P&P are reviewed on a periodic basis or as and when required to reflect the current practice and applicable legal/regulatory requirements.

- **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 and or a designated Senior Risk Officer. Group Risk Management is tasked to coordinate the product approval process together with the product owners.

The acceptance and sign-off are 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 endorsed and or approved at the GRC, before final approval is obtained from Board Risk Committee, where required.

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.

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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:

- **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 behaviours 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.

- **Human Resources Policies and Procedures**

The Group has instituted the Human Resources Policies and Procedures (HRPP) across the organisation which covers all aspects of management of human resource within the Company. Such policies and procedures on recruitment, promotion, transfer and termination of employees can be easily referred to via the Group's intranet under the HR Portal. The HRPP are reviewed constantly to keep it current and effective and all changes are communicated via email or memoranda. The revised policies and procedures are placed in the intranet as well so that employees can refer to the updates easily and at their convenience.

The employees of the Group are appraised annually by their supervisors/ heads via the online appraisal system in the group Human Resource Information System (HRIS). The annual appraisal is directed by the agreed set of the Key Performance Indicators relevant to each employee and the core competency measurements.

Further to this, employees are given the opportunity to improve themselves via training and development programmes organised by

the Group. Such training programmes include skill and technical training to improve the capability and knowledge of employees in their job function and self development programs to develop managerial or leadership skills to improve the competency of our employees in carrying out their job responsibilities effectively and efficiently.

One of the most challenging issues faced by the Group is fraud cases involving employees. In our effort to manage this we have taken a few initiatives across the organisation to lower the occurrence of these incidences. Employees are periodically reminded on the value of integrity within the organisation, on the relevant policies via e-mail or memoranda and also through relevant training sessions.

One such training conducted is the mandatory AMLA session which is carried out regularly to further emphasise the Group's view on non-tolerance to fraud. The Group conducts prompt investigations on reported fraud cases involving employees and swift and stern actions are taken against the offenders. The actions taken could include dismissal of employment services 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 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 Advanced IRB for retail exposure and Foundation IRB for corporate exposure. The Group adopted the Standardised Approach for

credit risk exposures under CIMB Investment Bank Berhad. Operational risk will be based on the Basic Indicator Approach. BNM has approved for the Group to 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.

Beginning 2011, the Group published and updated its Basel II Pillar 3 disclosures in accordance with the relevant regulatory requirements. These disclosures are also available on the Group's corporate website (www.cimb.com).

- **Business Continuity Management**

The Board is aware of the importance of an effective Business Continuity Management (BCM) programme particularly in identifying potential threats to the organisation and the impacts such threats may have on business operations. Additionally, it provides a framework for building organisational resilience that safeguards the interests of its stakeholders,

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reputation, brand and value creating activities. This is described in the BCM policy statement which is based on Bank Negara Malaysia BCM Guidelines 2008 and BS 25999 Standard and Code of Practice as issued by The British Standards Institute (BSI).

The BCM activities in 2011 include:

- (a) Reviewing, updating and testing Business Continuity Plans (BCP) based on identified risks to enhance the Group's preparedness in managing crisis. The main objective is to minimise impact, avoid disruption as well as recover and restore the Group's critical functions within a short period of time. By sustaining the Group's operational survival, businesses, partners and customers are thus protected.
- (b) Developing, testing and maintaining Location Continuity Plans (LCP) for critical buildings in Klang Valley. The LCP documents necessary strategies, personnel, procedures, systems and resources that the location must use to continue or restore its operations in the event of an incident and/or crisis, which may render the entire location inaccessible.
- (c) Enhancing the supply chain BCM activities to effectively manage its continuity and the immediate costs of disruption.
- (d) Continuous communication of the key principles of BCM to all staff and ensuring that it forms part of the organisation's core values and effective management.

The following are BCM's achievements in 2011:

- (a) CIMB Group received the Resilience Awards in March 2011 for the commitment to organisation resiliency with internationally adopted standards organised by BCM Institute.
- (b) In May 2011, CIMB Group was presented with a BS 25999 certification, an international standard for BCM from the BSI. This certification is the first being conferred upon a banking group in Southeast Asia. It acknowledges the robust and systematic processes that the Group has put in place to

keep its treasury operations ongoing in times of emergencies or unexpected circumstances, while protecting its stakeholders' interests and staff from any untoward incident.

• Operational Risk Management ("ORM")

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.

Operational risks arise from inadequate or failed internal processes, people and systems or from external events. It encompasses legal risk that also carries a Shariah component. These risks are managed by CIMB Group through the following key measures:

- (i) Sound risk management practices in accordance with Basel II and regulatory guidelines
- (ii) Board and senior management oversight
- (iii) Well-defined responsibilities for all personnel concerned
- (iv) Establishment of a risk management culture
- (v) ORM Tools implemented:-

(a) Risk and Control Self Assessment ("RCSA"):

This is a Comprehensive tool of Self Assessment of Risk and Controls 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.

(b) Loss Event Management:

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"):

KRIs provides 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.

In addition, CIMB Group has also strengthened its infrastructure with the implementation of the ORM System in July 2011. This system incorporates the risk tools as mentioned above which are Loss Event Database, RCSA and KRI. These are techniques for the administration of operational risks together with the use of rating matrixes. Moreover, in line with best practices, incidents on loss events are

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tracked and captured for analytical risk profiling and to further enhance controls.

The E-learning module which will enhance the awareness of ORM, has also been launched in July 2011. In addition, CIMB Group has progressively set the various foundations to move towards Basel II Standardised Approach and building its capabilities towards the Advanced Measurement Approach.

- **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 ongoing 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 evolves according to the international banking fraud trends.

- **Anti-Money Laundering/Counter Financing of Terrorism (“AML/CFT”)**

The CIMB Group places importance on, and is committed to establishing an effective internal control system for AML/CFT in compliance with all related laws, regulations, guidelines and industry best practices.

The Group AMLA Office function, a unit within Group Compliance department, is headquartered in Malaysia and has established the Group AML/CFT Policies and Procedures, duly approved by the Board to ensure consistency in managing the AML/CFT compliance across the local and regional Reporting Institutions (“RIs”).

Pursuant to the Group AML/CFT Policies and Procedures, the respective RIs are to adopt and implement the AMLA Compliance Programme framework which includes the establishment of clearly documented policies and procedures on CDD/KYC duly approved by the Board, clear roles and responsibilities of implementers, the appointment of an Anti-Money Laundering Compliance Officer, monitoring and reporting of suspicious transactions, record retention, employee training, updates to Senior Management and an independent audit of the internal AML/CFT measures.

In ensuring efficient detection of suspected financing of terrorism, the Group has enhanced its consolidated database of names and particulars of listed sanctioned individuals/entities from the UN Consolidated lists, as well as names from regulatory instructions and legal orders, to facilitate the RIs in conducting checks of new and existing customers for potential money laundering and terrorist financing activities.

The Board and Senior Management of CIMB Group are aware and will continue to maintain adequate oversight of the AML/CFT measures undertaken by all RIs including enhancing the effectiveness of the internal controls, mechanisms and system to effectively combat money laundering and financing of terrorism activities.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

This Statement on Internal Control of the Group for the financial year ended 31 December 2011 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 15.23 of the Listing Requirements of Bursa Malaysia Securities Berhad.

CONCLUSION

The Board, through the Audit Committee and Board Risk Committee, has reviewed the assessment of risks and the internal control framework and considers the Group’s system of internal control as 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 ongoing review of the operations and effectiveness of the Group’s internal control including financial, operational and compliance controls and risk management.

The process followed by the Board in reviewing and enhancing the system of internal control 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

➤ 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. create shareholders' value through proper allocation of risk capital and facilitate development of new business and products.

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:

GOVERNANCE		
ECONOMIC CAPITAL FRAMEWORK	REGULATORY CAPITAL FRAMEWORK – RISK WEIGHTED ASSETS	
RISK MANAGEMENT LIMITS & CONTROLS	RISK ANALYSIS & REPORTING	STRESS TESTING

The framework is centered on a resilient risk and capital management framework which requires the Group to identify, evaluate, measure, mitigate and monitor/report its material risks, 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

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 several sub-committees, namely the Group Wholesale Bank Risk Committee, the Consumer Bank Credit Committee, the Regional Credit Committee, the Singapore Business Credit Committee, the Regional Liquidity Risk Committee and the Operational Risk Committee, with each committee addressing one or more 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 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.

The key responsibilities of GRD are to identify, evaluate, 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. The Head of GRD also maintains an oversight functions performed by the risk management units in the asset management and insurance subsidiaries.

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.

• 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.

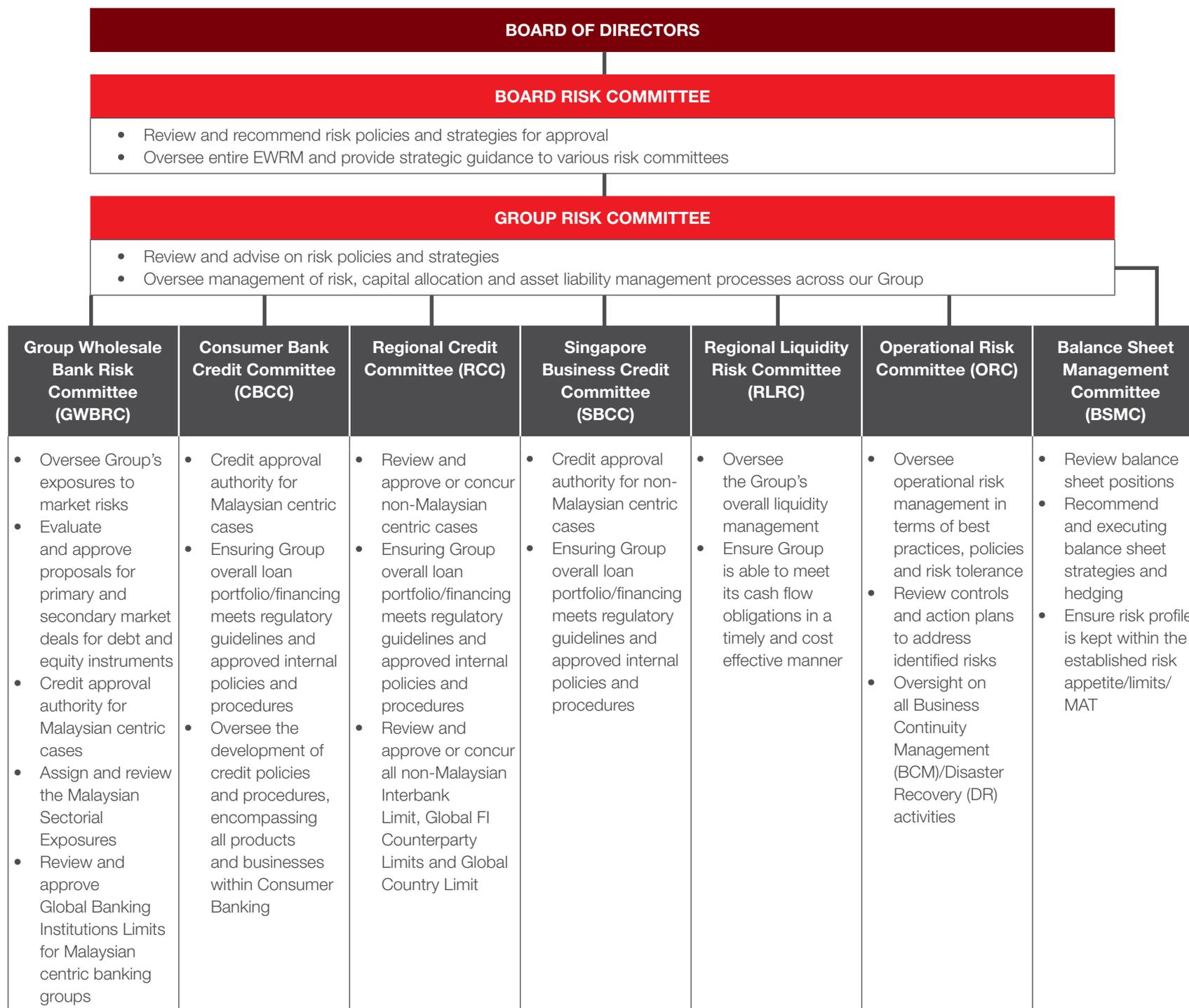
In propagating and ensuring compliance to the market risk framework, GRM reviews treasury trading strategies, analyses positions and activities vis-à-vis changes in the financial market and performs mark-to-market as part of financial valuation.

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, address 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.

Risk Management

The following chart sets out the organisational structure of the risk management committees and an overview of the respective committee's roles and responsibilities:



Risk Management

- **Group Credit**

GC carries out independent assessments and evaluations of all credit risk related proposals originating from the various business units such as loans and advances, fixed income, derivatives, sales and trading, prior to submission to the Consumer Bank Credit Committee (CBCC), GWBRC, 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 GWBRC'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.

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 approving committees, namely SBCC, CBCC, RCC and GWBRC 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. 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.

Risk Management

All extensions of credit in so far as deemed prudent, must be appropriately and adequately secured. GWBRC and RCC are 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 exposures 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. Risk Middle Office (RMO) within GRM values the exposure using market

price or a pricing model where appropriate. The valuation process is carried out on all Held for Trading and Available for Sale positions on daily basis in compliance with the independent price verification requirements. 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.

All valuation methods and models used are validated by the Quantitative Analysts to assess its applicability to market conditions. The process includes verification of the inputs, assumptions used, programming codes and model reporting capability. Existing valuation models are reviewed at least on a yearly basis to ensure that they remain relevant to changing market conditions. Back-testing of newly approved or revised models are conducted to review the model and input data.

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.

In addition to the above, Risk Middle Office ("RMO") under GRM undertakes monitoring and oversight process at Group Treasury and

Equity Market & Derivatives trading floors, which include reviewing treasury trading strategy, analysing 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 timing of cash flows.

The objective of CIMB Group's liquidity risk management is to ensure that the Group can meet 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. Due to its large delivery network and marketing focus, the Group is able to maintain a diversified core deposit base comprising savings, demand and fixed deposits, thus providing the Group with a stable large funding base. The Group maintains large buffers of liquidity throughout the year to ensure safe and sound operations from a strategic, structural and tactical perspective.

The day-to-day 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

Risk Management

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. The Group Liquidity Risk Management Policy is subjected to annual review while the assumptions and the thresholds levels are regularly reviewed in response to regulatory changes and changing business needs and market conditions. 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.

CIMB Group's Operational Risk Management Framework enhances the operational risk management especially in 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 standardised, 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 has also strengthened its infrastructure with the implementation of the ORM System in July 2011, which incorporates the various operational risk tools such as the Loss Event Database, Risk & Control Self Assessment and Key Risk Indicators. These tools together with the use of rating matrixes are several of the techniques for the administration of operational risks as applied by CIMB Group. The application of these techniques enable the Group to systematically to identify, capture, monitor and report all operational risks in a consistent manner, thus facilitating analytical risk profiling and enhancing the control mechanism.

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 Group.

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 adopted 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 earnings and economic value arising from movement of interest rates/benchmark rates.

IRRBB undertaken by the Group is governed by an established risk appetite that defines the acceptable level of risk to be assumed by the Group. The risk appetite is established by the BRC on behalf of the Board. GRC supported by the Asset Liability Management function, is responsible to oversee the asset liability management process including an independent review and monitoring of IRRBB for the Group. The Balance Sheet Management Committee ("BSMC") with the support from Capital & Balance Sheet Management ("CBSM"), is responsible for the review of the balance sheet and recommends strategies, including hedging activities to manage the overall interest rate risk.

Risk Management

Corporate Banking, Treasury and Markets ("CBTM") is responsible for day-to-day management of exposure and gapping activities, including execution of hedging strategies.

IRRBB is measured by:

- (a) Economic Value of Equity (EVE) sensitivity: EVE sensitivity measures the long term impact of sudden interest rate movement across the full maturity spectrum of the Group's assets and liabilities. It defines and quantifies interest rate risk as the change in the economic value of equity (e.g. present value of potential future earnings and capital) as asset portfolio values and liability portfolio values would rise and fall with changes in interest rates. Such measure helps the Group to quantify the risk and impact on capital with the focus on current banking book positions.

The Group's EVE sensitivity is computed by using a simulation method that analyses IRRBB in terms of changes in the EVE resulting from various rate shock scenarios. Such method takes into account varying degree of rate sensitivities exist between banking book positions (basis risk), projected changes in cash flow behaviours (embedded optionality such as prepayment or roll-over of cash flows under various rate scenarios), non-parallel shifts of the yield curve (yield curve risk), and the existence of embedded floor/cap rates on specific products in the banking book.

- (b) Earnings at Risk (EaR): EaR measures the short term impact of sudden interest rate movement on reported earnings over the next 12 months. It defines and quantifies interest rate risk as the change in net interest income caused by changes in interest rates.

The Group's EaR is computed by using a dynamic simulation method that analyses IRRBB in terms of earnings (accrual basis) under various rate shock scenarios, taking into account future stream of projected business activities and volumes (e.g. flat or growth balance sheet). The EaR simulation also considers rate sensitivities among different products, cash flow behaviours, non-parallel shifts of the yield curve, and embedded floor/cap rates.

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. The Group adopted the Standardised Approach for credit risk exposures under CIMB Investment Bank Berhad. 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 migrate to IRB for credit risk in July 2010. 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 continue to oversee the initiatives towards complying with the requirements within the stipulated timeframe.

The Group's operational risk is currently based on the Basic Indicator Approach and the Group has progressively set the various foundations to move towards Basel II Standardised Approach and building its capabilities towards the AMA Approach.

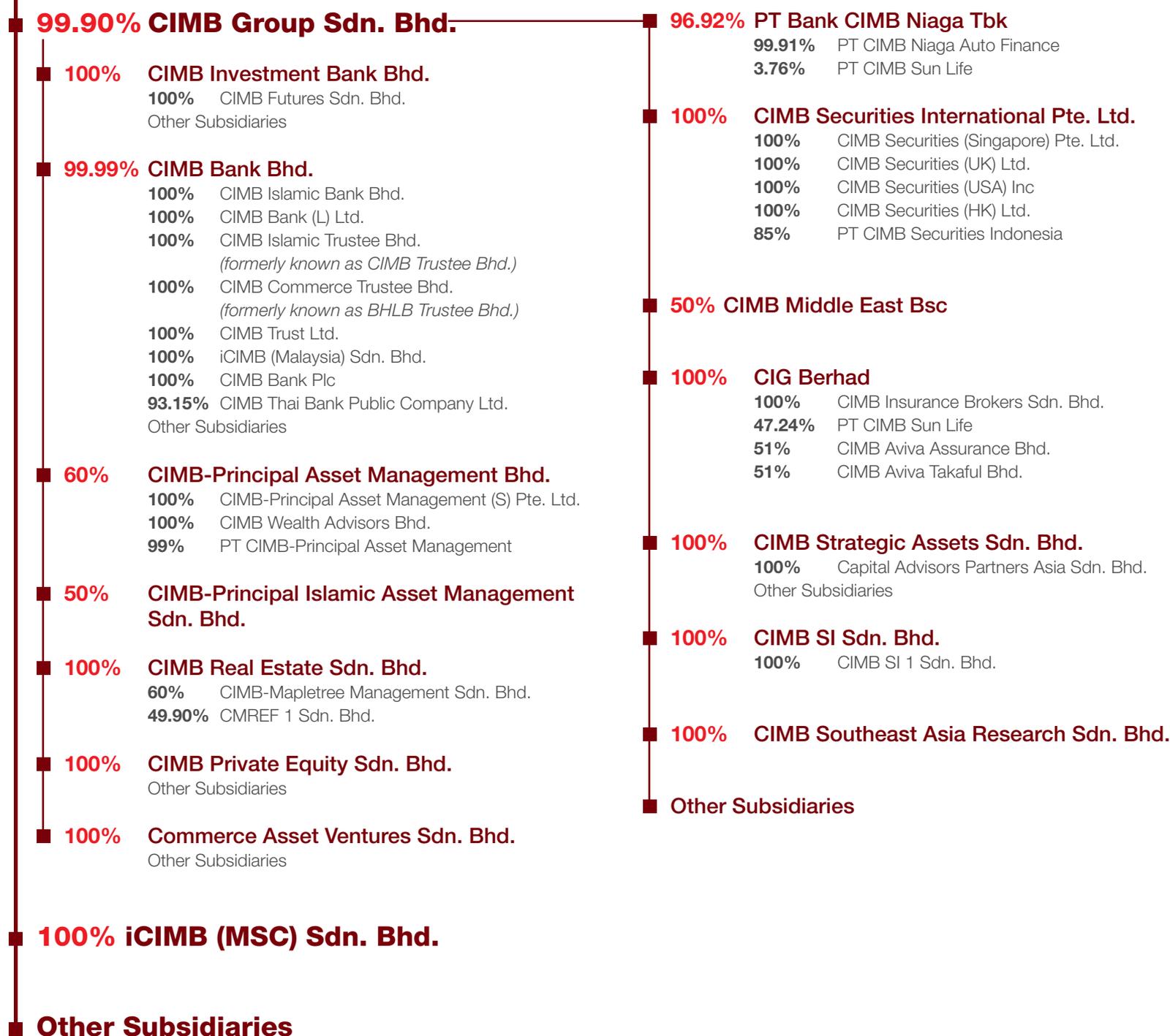
The Group employs an economic capital allocation framework, whereby capital is allocated to all business units for risk-taking purposes. The framework is being refined to include other risks in line with the requirements of BNM's Internal Capital Adequacy Assessment Process (Pillar 2) for banks adopting IRB approach to develop a robust risk management framework to assess the adequacy of its internal economic capital in relation to the risk profile. These 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.

Corporate Structure

as at 23 February 2012

CIMB GROUP



Corporate Profile



CIMB GROUP HOLDINGS BERHAD

CIMB Group Holdings Berhad (CGHB) is the holding company and listed vehicle for CIMB Group. Listed on the main market of Bursa Malaysia since 1987, CGHB was one of the largest companies at the end of 2011 with a market capitalisation of about RM55.3 billion. The total assets of CGHB at the end of 2011 were approximately RM300.2 billion, with total shareholders' funds of around RM25.9 billion and total funds under management of RM33.2 billion.

Major shareholders at the end of 2011 were Khazanah Nasional with 28.6%, Employees Provident Fund (EPF) with 12.9%, Kumpulan Wang Persaraan (KWP) with 2.5% and Mitsubishi UFJ Financial Group with a 5% stake held by Bank of Tokyo-Mitsubishi UFJ.



CIMB GROUP

CIMB Group is a regional universal bank with ASEAN as its core market. The group is headquartered in Kuala Lumpur, Malaysia. It has the widest consumer banking network across the region, with over 1,100 branches across eight out of the 10 ASEAN nations. Its wholesale division encompasses the leading indigenous investment bank in ASEAN plus corporate banking, treasury & markets and group strategy & strategic investments.

Products and services are complemented with partnerships with various leading companies including the Principal Financial Group, Bank of Tokyo-Mitsubishi UFJ, Daewoo Securities, Aviva Insurance, Sun Life Assurance, Allianz Insurance, Thai Life Insurance, Sri Ayudhya General Insurance, Kotak Mahindra Group, Mapletree Investments, and TrustCapital Advisors.

Outside ASEAN, CIMB Group has representation in China (mainland and Hong Kong) the United States, Bahrain, the United Kingdom, India and Sri Lanka.

CIMB Group is the fifth largest banking group by assets in Southeast Asia. It had over 40,000 staff and 14 million customers at the end of 2011.



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 offices in Malaysia, Singapore, Indonesia, China (Hong Kong), Thailand, the United Kingdom, the United States and Sri Lanka, CIMB Investment Bank is well placed to serve its clients in Malaysia and across the region.

The investment banking products and services offered by CIMB Investment Bank cover corporate advisory, corporate finance, equity markets, debt markets, research, private equity, real estate investment management, fund management, wealth management and private banking services.

CIMB Investment Bank won the FinanceAsia Country Award 2011 for Best Investment Bank in Malaysia, the Euromoney Award for Excellence 2011 for Best Investment Bank in Malaysia, the 2011 Alpha Southeast Asia Deal & Solution Award for Best Investment Bank in ASEAN, and The Asset Triple A Country Award 2011 for Best Domestic Investment Bank.



CIMB BANK

CIMB Group has fully-fledged consumer banking services across its four main operating markets of Malaysia, Indonesia, Singapore and Thailand, plus a growing presence in Cambodia.

CIMB Bank directly covers Malaysia, Singapore and Cambodia and also has branches in Hong Kong and London and representative offices in Shanghai, Yangon and Mumbai.

Malaysia is the largest market for CIMB Bank and there were 321 branches, 7.8 million customers, 2,199 ATMs, and over 20,000 staff at the end of 2011. As the second largest consumer bank in Malaysia, CIMB Bank holds significant market share across all market segments. Industry awards for 2011 included the Euromoney Award for Excellence for Best Bank in Malaysia, the Asiamoney Best Banks Award for Best Domestic Bank in Malaysia and Global Finance World's Best Internet Bank in Asia Award 2011 for Best Consumer Internet Bank in Malaysia.

CIMB Bank in Singapore had two branches, 277,000 customers, six ATMs and over 1,300 staff at the end of 2011.

CIMB Bank in Cambodia had seven branches, 3,100 customers, 10 ATMs and over 90 staff at the end of 2011.

Corporate Profile



CIMB THAI BANK

Established in 1998 as BankThai, CIMB Thai is the Group's consumer banking arm in Thailand. It was the 10th largest listed commercial bank in Thailand in terms of assets and the seventh largest in terms of market capitalisation at the end of 2011. It had a market capitalisation of about THB47.0 billion at the end of 2011, with shareholders' funds of THB13.32 billion and total assets of THB168.02 billion.

CIMB Thai offers a wide range of financial products and services to customers, both corporate and retail. At the end of 2011, CIMB Thai had 157 branches, 2.2 million customers, 533 ATMs and over 4,000 staff.

CIMB Group Holdings Berhad has a 93.15% stake in CIMB Thai since 2009.



CIMB NIAGA

Established in 1955 as Bank Niaga, CIMB Niaga is the Group's consumer banking arm in Indonesia and as at end 2011, it was the fifth largest bank in terms of assets and the third largest mortgage provider.

It has been listed on the Indonesia Stock Exchange since 1989 and had a market capitalisation of about Rp30,660.6 billion at the end of 2011 with shareholders' funds of Rp18.3 trillion and total assets of Rp166.8 trillion.

CIMB Niaga offers a comprehensive range of conventional and Shariah-compliant products and services. At the end of 2011, it had 901 branches, 4.2 million customers, 1,749 ATMs, and nearly 14,000 staff.

Awards for 2011 include the Rising Star Trade Finance Bank and Rising Star Cash Management Bank from The Asset, and the Excellent Total Service Quality Satisfaction in Regular Banking Service from Service Excellence & Carre magazine.

CIMB Group Holdings Berhad had a 97.93% stake in CIMB Niaga, including 1.02% of PT Commerce Kapital at the end of 2011.



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 some of 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.

In 2011, CIMB Islamic received the following awards: The Asset Triple A Islamic Finance Award 2011 for Islamic Bank of the Year, Asiamoney Best Islamic Banks Award 2011 for Best Islamic Bank in Asia, Global Finance Best Islamic Institutions Awards 2011 for Best Islamic Institution in Asia, Islamic Finance News Awards for Most Innovative Islamic Bank, Euromoney Islamic Finance Awards 2011 for Best Islamic Bank in Asia.

Shareholders' Statistics

as at 23 February 2012

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 ^{*2}
Less than 100	435	1.01	12,618	— ^{*1}
100 – 1,000	13,117	30.60	11,381,669	0.15
1,001 – 10,000	23,907	53.43	91,366,187	1.23
10,001 – 100,000	5,081	11.85	144,642,230	1.95
100,001 – 371,638,732	1,334	3.11	4,245,142,643	57.11
371,638,733 and above	2	— ^{*1}	2,940,229,299	39.56
Total	42,876	100.00	7,432,774,646	100.00

Notes:

^{*1} Less than 0.01%.

^{*2} Excludes 3,015 shares retained as treasury shares as at 23 February 2012.

DIRECTORS' SHAREHOLDINGS (As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest	No. of Shares Held		% ^{*1}
		% ^{*1}	Deemed Interest	
Tan Sri Dato' Md Nor Yusof	400,000	— ^{*2}	—	—
Dato' Sri Nazir Razak	47,395,875	0.64	8,000,000 ^{*3}	0.11
Dato' Zainal Abidin Putih	80,000	— ^{*2}	30,000 ^{*4}	— ^{*2}
Dato' Robert Cheim Dau Meng	115,592	— ^{*2}	—	—

Notes:

^{*1} Excludes 3,015 shares retained as treasury shares as at 23 February 2012.

^{*2} Less than 0.1%.

^{*3} These shares are held by his spouse.

^{*4} 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		% ^{*1}
		% ^{*1}	Indirect	
Khazanah Nasional Berhad	2,154,940,767 ^{*2}	28.99	—	—
Employees Provident Fund Board	921,904,632 ^{*2}	12.40	—	—
Mitsubishi UFJ Financial Group, Inc	—	—	753,731,523 ^{*3}	10.14

Notes:

^{*1} Exclude 3,015 shares retained as treasury shares as at 23 February 2012.

^{*2} Includes shares held through nominee(s).

^{*3} Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965.

Shareholders' **Statistics**

as at 23 February 2012

30 LARGEST SHAREHOLDERS (As per the Register of Members and Record of Depositors)

Name of Shareholders	No. of Shares Held	% of Issued Capital ^{*1}
1 Khazanah Nasional Berhad	2,114,940,767	28.45
2 Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	825,288,532	11.10
3 The Bank of Tokyo-Mitsubishi UFJ, Ltd.	371,638,700	5.00
4 Kumpulan Wang Persaraan (Diperbadankan)	234,207,226	3.15
5 HSBC Nominees (Asing) Sdn. Bhd. TNTC for Saudi Arabian Monetary Agency	129,482,182	1.74
6 Cartaban Nominees (Asing) Sdn. Bhd. Exempt AN for State Street Bank & Trust Company (West CLT 0D67)	125,414,748	1.69
7 HSBC Nominees (Asing) Sdn. Bhd. BNP Paribas Secs Svs Lux for Aberdeen Global	109,141,560	1.47
8 Valuecap Sdn. Bhd.	105,825,300	1.42
9 Cartaban Nominees (Asing) Sdn. Bhd. Government of Singapore Investment Corporation Pte. Ltd. for Government of Singapore (C)	96,060,104	1.29
10 AmanahRaya Trustees Berhad Amanah Saham Malaysia	91,209,900	1.23
11 AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	90,749,510	1.22
12 HSBC Nominees (Asing) Sdn. Bhd. BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	87,139,748	1.17
13 HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for JPMorgan Chase Bank, National Association (Resident USA-2)	80,128,560	1.08
14 HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	79,101,584	1.07
15 AmanahRaya Trustees Berhad Skim Amanah Saham Bumiputera	78,320,000	1.05
16 CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Takrif Aspirasi Sdn. Bhd.	67,526,000	0.91
17 CIMSEC Nominees (Tempatan) Sdn. Bhd. Bank Pertanian Malaysia Berhad	55,269,676	0.74

Shareholders' **Statistics**

as at 23 February 2012

30 LARGEST SHAREHOLDERS (As per the Register of Members and Record of Depositors) (Continued)

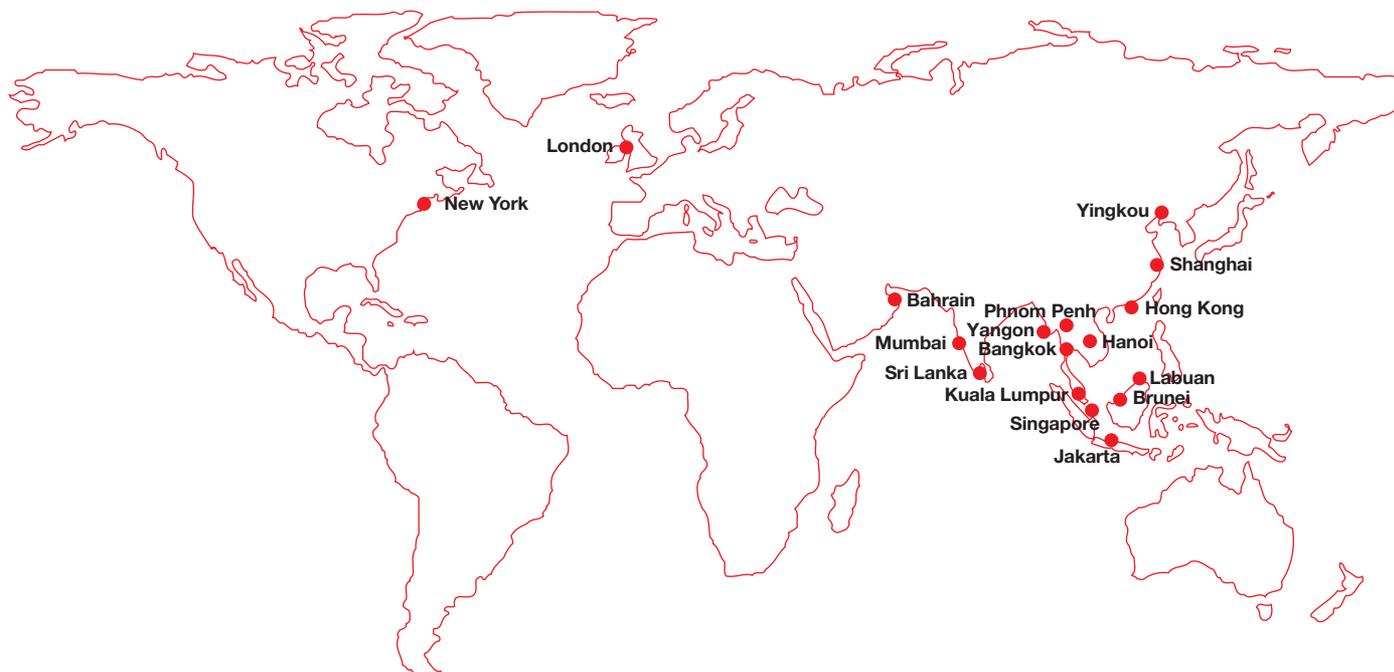
Name of Shareholders	No. of Shares Held	% of Issued Capital ^{*1}
18 HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for The Bank of New York Mellon (Mellon Acct)	52,771,515	0.71
19 Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt AN for Eastspring Investments Berhad	49,509,092	0.67
20 HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for JPMorgan Chase Bank, National Association (U.A.E.)	49,062,512	0.66
21 HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for JPMorgan Chase Bank, National Association (Saudi Arabia)	43,072,062	0.58
22 HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for JPMorgan Chase Bank, National Association (Netherlands)	41,977,743	0.57
23 Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	41,446,200	0.56
24 CIMSEC Nominees (Tempatan) Sdn. Bhd. Khazanah Nasional Berhad (MES-POOL Account)	40,000,000	0.54
25 HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for JPMorgan Chase Bank, National Association (Norges BK Lend)	33,678,600	0.45
26 HSBC Nominees (Tempatan) Sdn. Bhd. Exempt AN for Credit Suisse (SG BR-TST-TEMPT)	33,300,168	0.45
27 Cartaban Nominees (Asing) Sdn. Bhd. SSBT Fund DRNA for Aberdeen Emerging Markets Institutional Fund	32,781,600	0.44
28 Pertubuhan Keselamatan Sosial	31,530,500	0.42
29 HSBC Nominees (Asing) Sdn. Bhd. BNP Paribas Secs Svs Paris for Aberdeen Emerging Markets Fund (Aberdeen IFICVC)	30,674,500	0.41
30 HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for JPMorgan Chase Bank, National Association (U.K.)	28,764,794	0.39
	5,250,013,383	70.63

Note:^{*1} Excludes 3,015 shares retained as treasury shares as at 23 February 2012.

Top 10 Properties of the Group

Location	Description/ Existing Use	Tenure/ Date of expiry	Remaining Lease (year)	Age of Property (year)	Net Book Value (RM'000)	Year of acquisition	Date of Revaluation
CIMB THAI Langsuan Building 44 Langsuan Road, Lumpini Patumwan, Bangkok 10330 Thailand	25-storey office building with 1 basement level. CIMB Thai Head Office and business premises.	Freehold	Not applicable	12	163,351	1999	Dec 2011
Bangunan CIMB Aviva 338, Jln Tuanku Abd 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	15	39,084	1997	Jan 2011
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	16	32,087	1997	Lower Podium – Dec 2011 Higher Floors – Jan 2011
Menara CIMB Niaga JI Diponegoro 101, Karawaci Tangerang, Banten Indonesia	19-storey office building. CIMB Niaga Head Office and business premises.	Leasehold expiring (2 land certificates): – 25 December 2030 – 25 December 2031	19 20	16	22,869	1996	Oct 2008
Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia	10-storey office building. CIMB Investment Head Office and business premises.	Leasehold 99 years expiring on 24 June 2073	62	19	20,938	2002	Nov 2011
JI Ir H Juanda No 165, Lebak, Bandung Indonesia	CIMB Niaga Branch premises.	Leasehold expiring on 14 July 2041	30	1	17,926	2011	–
Bintaro Sektor VII Blok D1 No 05, Tangerang Indonesia	Land, used for parking area of CIMB Niaga Head Office Bintaro.	Leasehold expiring (7 land certificates): – 5 July 2017 – 30 Aug 2029 – 27 Dec 2015 – 26 Dec 2038 – 30 Dec 2029 – 24 July 2015 – 11 March 2023	6 18 4 27 18 4 12	2	17,427	2010	–
JI Gajah Mada 18, Jakarta Pusat Indonesia	4-storey office building used as CIMB Niaga Head Office and Branch.	Leasehold expiring on 17 January 2036	25	6	17,410	2006	Aug 2005
Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Malaysia	12-storey office building. CIMB Group Holdings Head Office and business premises.	Leasehold 99 years expiring on 30 January 2073	62	19	16,137	1992	Nov 2011
86 Campden Hill Court Campden Hill Road Kensington, W8 7HW 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	972	111	12,111	2009	Apr 2011

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
 Malaysia
 Tel : 603 2619 1188
 Fax : 603 2619 2288
 Website : www.cimb.com

Touch 'n Go Sdn. Bhd.

Tower 6 Avenue 5
 Bangsar South
 No. 8 Jalan Kerinchi
 59200 Kuala Lumpur
 Malaysia
 Tel : 603 2714 8000
 Fax : 603 2714 8001
 Website : www.touchngo.com.my

PT Bank CIMB Niaga Tbk

Graha Niaga, 14th Floor
 Jl. Jend Sudirman Kav. 58
 Jakarta 12190
 Indonesia
 Tel : 6221 250 5252
 Fax : 6221 250 5202
 Website : www.cimbniaga.com

CIMB Thai Bank Public Company Limited

44 Langsuan Road Lumpini
 Pathumwan Bangkok 10330, Thailand
 Tel : 662 626 7000/662 638 8000
 Fax : 662 657 3333
 Website : www.cimbthai.com

CIMB Bank Berhad

Singapore Branch
 50 Raffles Place #09-01
 Singapore Land Tower
 Singapore 048623
 Tel : 65 6337 5115
 Fax : 65 6337 5335

CIMB Bank Berhad

London Branch
 Ground Floor, 27 Knightbridge
 London SW1X 7YB
 United Kingdom
 Tel : 44 0 20 7201 3150
 Fax : 44 0 20 7201 3151

CIMB Bank (L) Limited

CIMB Bank Berhad, Labuan Offshore Branch

Level 14(A), Main Office Tower
 Financial Park Labuan
 Jalan Merdeka
 87000 W P Labuan
 Malaysia
 Tel : 6087 410 302/305
 Fax : 6087 410 313

Group **Corporate Directory****CIMB Bank PLC**

20AB Corner Norodom Boulevard & Street 118
Sangkat Phsar Chas
Phnom Penh 12203
Kingdom of Cambodia
Tel : 855 23 988 088
Fax : 855 23 988 099/988 199

CIMB Middle East BSC (C)

304, Almoayyed Tower
Seef District, Manama
Kingdom of Bahrain
Tel : 00 973 17 567 111
Fax : 00 973 17 583 180
Website : www.cimb.com

CIMB Investment Bank Berhad**Brunei Branch**

14th Floor, PGGMB Building
Jalan Kianggeh
Bandar Seri Begawan BS8111
Brunei Darussalam
Tel : 673 224 1888
Fax : 673 224 0999

CIMB Securities International Pte. Ltd.**CIMB Securities (Singapore) Pte. Ltd.**

50 Raffles Place #19-00
Singapore Land Tower
Singapore 048623
Tel : 65 6225 1228
Fax : 65 6225 1522

CIMB Securities (HK) Ltd.

Unit 7706-08, Level 77
International Commerce Centre
1 Austin Road West, Kowloon Hong Kong
Tel : 852 2868 0380
Fax : 852 2537 1928

CIMB Securities (UK) Ltd.

27 Knightsbridge
London SW1X 7YB
United Kingdom
Tel : 44 20 7201 2199
Fax : 44 20 7201 2191

PT CIMB Securities Indonesia

The Indonesia Stock Exchange Building
Tower II, 20th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
Indonesia
Tel : 6221 515 1330
Fax : 6221 515 1335

CIMB Securities (Thailand) Company Limited

44 CIMB Thai Bank Building
24th-25th Floor, Soi Langsuan
Ploenchit Road, Lumpini
Pathumwan
Bangkok 10330
Tel : 66 2657 9000
Fax : 66 2657 9096
Website : www.cimbsecurities.com

CIMB Securities (USA), Inc.

540 Madison Avenue
11th Floor, New York
NY 10022 USA
Tel : 1 212 616 8600
Fax : 1 212 616 8639
Website : www.us.cimb.com

CIMB Vinashin Securities LLC

1st Floor Building 34T
Trung Hoa Nhan Chinh
Cau Giay District
Hanoi, Vietnam
Tel : 04 2221 0483
Fax : 04 2221 0484

Bank of Yingkou Co. Ltd.

8 West, Jinniushan Street
Yingkou, Liaoning, China
Post Code 115000
Tel : 86 417 280 8816
Fax : 86 417 282 7926

CIMB Aviva Assurance Berhad**CIMB Aviva Takaful Berhad**

Level 8 & 11
338 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Malaysia
Tel : 603 2612 3600
Fax : 603 2698 7035
Website : www.cimbaviva.com

CIMB Insurance Brokers Sdn. Bhd.

Level 15, Menara Bumiputra-Commerce
11 Jalan Raja Laut
50350 Kuala Lumpur
Malaysia
Tel : 603 2619 1188
Fax : 603 2692 3396
Website : www.cimb.com

CIMB Trust Limited

Level 14(A), Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 W P Labuan
Malaysia
Tel : 6087 414 252
Fax : 6087 411 855

CIMB Islamic Trustee Berhad**(formerly known as CIMB Trustee Berhad)**

UL Wisma Amanah Raya
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 603 2084 8888
Fax : 603 2092 2717

CIMB Commerce Trustee Berhad**(formerly known as BHLB Trustee Berhad)**

UL Wisma Amanah Raya
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 603 2084 8888
Fax : 603 2095 5469

Group **Corporate Directory****CIMB-Mapletree Management Sdn. Bhd.
CMREF 1 Sdn. Bhd.**

Lot 3-02, Level 3 Annex Block
Menara Milenium
8 Jalan Damanlela
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 603 2084 2000
Fax : 603 2096 1591

**CIMB-Principal Asset Management Berhad
CIMB-Principal Islamic Asset Management
Sdn. Bhd.**

Level 5, Menara Milenium
8 Jalan Damanlela
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 603 2084 2000
Fax : 603 2084 2233
Website : www.cimb-principal.com.my

Capital Advisors Partners Asia Sdn. Bhd.

Lot 17.4, Level 17
Menara Milenium
8 Jalan Damanlela
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 603 2093 8942
Fax : 603 2093 9677
Website : www.cap-asia.net

CIMB Wealth Advisors Berhad

50, 52 & 54 Jalan SS21/39
Damansara Utama
47400 Petaling Jaya
Malaysia
Tel : 603 7712 2888
Fax : 603 7726 5088
Website : www.cwealthadvisors.com.my

**iCIMB (Malaysia) Sdn. Bhd.
iCIMB (MSC) Sdn. Bhd.**

10th Floor, Menara Atlas
Plaza Pantai
5 Jalan 4/83A
Off Jalan Pantai Baru
59200 Kuala Lumpur
Malaysia
Tel : 603 2296 0000
Fax : 603 2710 9570

**Commerce Asset Ventures Sdn. Bhd.
CIMB Private Equity Sdn. Bhd.**

Level 33, Menara Bumiputra-Commerce
11 Jalan Raja Laut
50350 Kuala Lumpur
Malaysia
Tel : 603 2619 1188
Fax : 603 2619 2288
Website : www.cimb.com

CIMB Foundation

22-B, Commerce House
Jalan Sri Semantan 1
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 603 2084 8888
Fax : 603 2084 6704
Website : www.cimbfoundation.com

**CIMB Bank Berhad
Shanghai Representative Office**

Unit 802 AZIA Center
1233 Lujiazui Ring Road
Pudong New District
Shanghai 200120
China
Tel : 8621 6194 0218
Fax : 8621 6194 0210

**CIMB Bank Berhad
Yangon Representative Office**

35 (D) Pyay Road, 7th Miles
Mayangone Township Yangon
Myanmar
Tel : 951 6609 19
Fax : 951 6508 38

**CIMB Bank Berhad
Mumbai Representative Office**

No. 85, 8th Floor
3 North Avenue, Maker Maxity
Bandra Kurla Complex
Bandra (East)
Mumbai – 400051
India
Tel : 91 22 6676 8888
Fax : 91 22 6676 8899

CIMB (Private) Limited

Level 33, West Tower
World Trade Centre
Echelon Square
Colombo 01, Sri Lanka
Tel : 00 94 11 234 8888
Fax : 00 94 11 244 1801
Website : www.cimb.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
Indonesia www.cimbniaga.com
Singapore www.cimbbank.com.sg
Thailand www.cimbthai.com

Proxy Form



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 55th Annual General Meeting of the Company to be held at the Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 17 April 2012 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:			
2.1 Dato' Hamzah Bakar	Resolution 2		
2.2 Dato' Zainal Abidin Putih	Resolution 3		
2.3 Datuk Dr. Syed Muhamad Syed Abdul Kadir	Resolution 4		
3. Re-election of Mr. Katsumi Hatao	Resolution 5		
4. Payment of Directors' Fees	Resolution 6		
5. Re-appointment of Auditors	Resolution 7		
6. Proposed renewal of the authority for Directors to issue shares	Resolution 8		
7. 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:

- 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.
- 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.
- 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.
- 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.
- For the purpose of determining a member who shall be entitled to attend the 55th 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 11 April 2012. Only a depositor whose name appears on the Record of Depositors as at 11 April 2012 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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www.cimb.com