

# ASEAN CATALYST



Annual Report 2015

PG 31

## T18 STRATEGY

Successful recalibration of operations matched by 6% cost base reduction.

PG 64

## DIGITAL INNOVATION

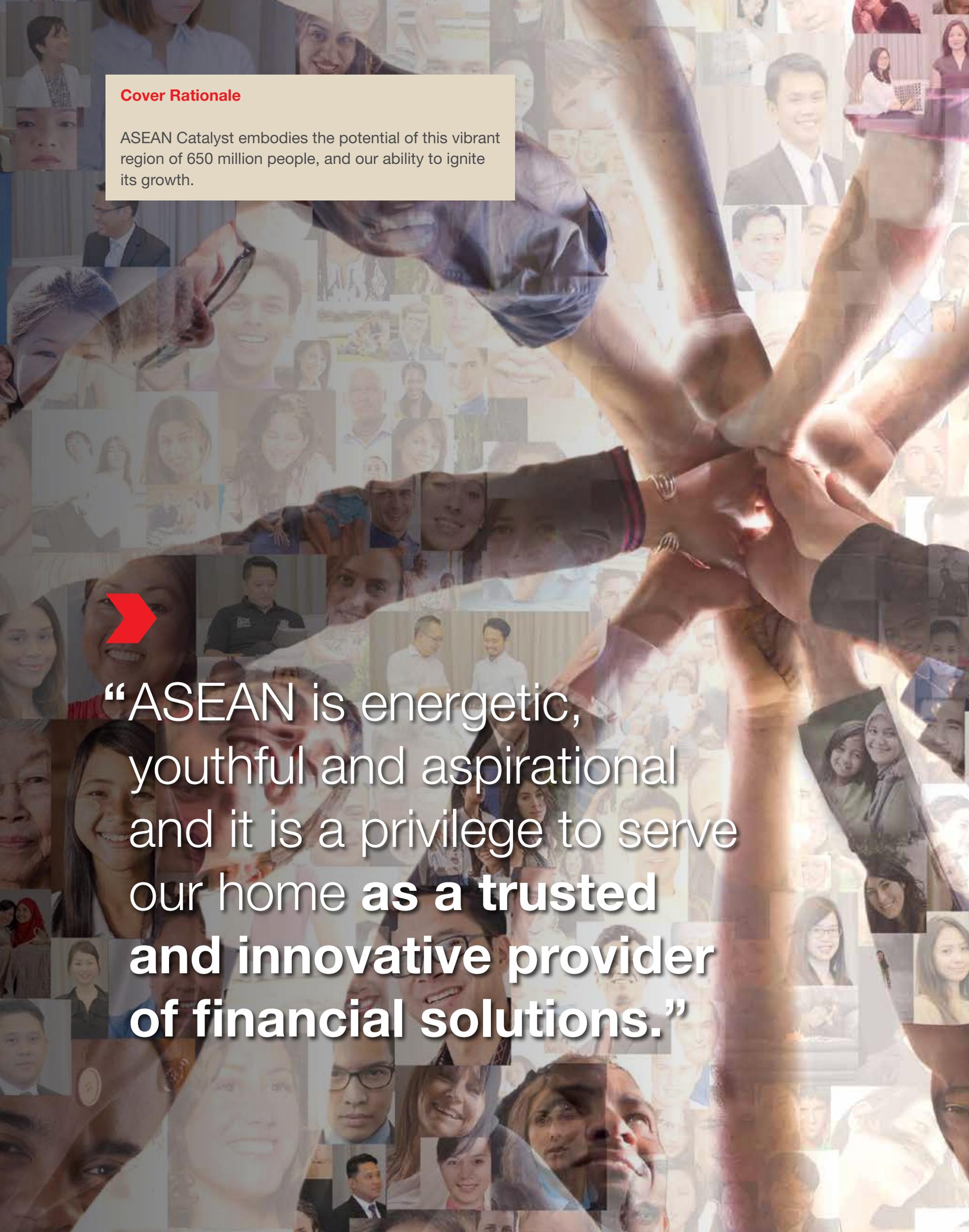
Regional launch of 1Platform allows us to seamlessly craft solutions across ASEAN.

PG 178

## DIVERSITY

Wins Gold Award for Inclusiveness and Diversity at NACRA 2015.





### Cover Rationale

ASEAN Catalyst embodies the potential of this vibrant region of 650 million people, and our ability to ignite its growth.



“ASEAN is energetic, youthful and aspirational and it is a privilege to serve our home **as a trusted and innovative provider of financial solutions.**”



# OUR REPORTS

**CIMB Group Holdings Berhad** produces a range of corporate reports to provide our different stakeholders with the information they need to fully understand the many levels of our business operations.

			Cross-referencing
	<p><b>Annual Report (this Report)</b></p> <p>This is the primary source of information about our Group and gives an easy and detailed overview of our financial and non-financial milestones and achievements for each year.</p>	<p>Our stakeholders can learn about our strategy, our businesses and performance, our approach to governance and risk and our future goals. It demonstrates our accountability and it strengthens the trust of our shareholders.</p>	
	<p><b>Annual Financial Statements</b></p> <p>Throughout the year, we produce a range of financial statements, including quarterly financial statements and our full audited annual financial results.</p>	<p>These statements give our stakeholders a clear and full analysis of our financial affairs at the end of the financial year. They are prepared in accordance with international financial reporting standards with the engagement of external auditors</p>	
	<p><b>Sustainability Report</b></p> <p>The Sustainability Report is a recent addition to our stable of reports. It presents a clear picture of what we are doing outside our financial operations.</p>	<p>It showcases our activities in the community, the workplace, the marketplace and the environment. If we succeed in these areas, it will help to ensure our future sustainability.</p>	 <p>The above icons refer readers to information elsewhere in this report, or in other reports that form part of the Group's suite of reporting publications.</p>

## Navigation icons

	<p>Tells you where you can find more information in the Annual Report</p>		<p>Tells you where you can find more information online at <a href="http://www.cimb.com">www.cimb.com</a></p>
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# ABOUT THIS REPORT

As a leading provider of financial services, with presence in nine of the 10 ASEAN markets, **CIMB Group Holdings Berhad** understands that **building a relationship based on trust and support** with all our stakeholders is a business imperative. It is central to our continued success.

Our Annual Report enhances our visibility and openness and gives us the opportunity to connect with our stakeholders.

## Scope and Boundary

Our Annual Report for 2015 covers the period 1 January 2015 to 31 December 2015. It tells our stakeholders what we have been doing over the past year in all the geographical regions in which we operate. It also tells our stakeholders what we plan to do in the year ahead.

The report details our financial and non-financial performance during 2015 and showcases our achievements and the challenges we faced during the year.

It also contains forward looking statements on our strategies for our future success and what we expect of our financial condition and performance. Our report enables our stakeholders to stay abreast of our mid-term and long-term direction and reach an informed decision about the health of our operations.

Our report is particularly relevant for our stakeholders in the ASEAN markets of Malaysia, Indonesia, Singapore, Thailand, Brunei, Cambodia, Myanmar, Vietnam and Laos. A diverse range of other stakeholders across the globe will also read our report with interest.

Our financial statements are independently audited and provide in-depth disclosure and transparency on our financial performance.

Unless we indicate otherwise, all the data relates to the Group, which includes our banking operations and our subsidiaries. If we have restated comparable information, this is highlighted.

In preparing our report, we were guided by the requirements of local and international statutory and reporting frameworks, including those of Bursa Malaysia.

## Materiality Determination

Our Annual Report aims to present a balanced and accessible assessment of our strategy, performance, governance and prospects.

The issues and developments which we include in the report were determined by a range of considerations such as quantitative and qualitative criteria factors, issues likely to impact our ability to achieve our strategic objectives and remain sustainable, matters covered in reports presented to our Board of Directors, the risks identified by our risk management team and the interests of our key stakeholders. We also consider factors that affect the economic and social environment in the countries and regions in which we do business.

We are confident that our Annual Report for 2015 identifies and discloses all material matters and our Group Audit Committee presents the report to the Board for approval.

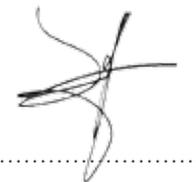
### Statement of the Board of Directors of CIMB Group Holdings Berhad

The Board acknowledges its responsibility to ensure the integrity of the Annual Report. In the Board's opinion, the report addresses all material issues and matters and fairly presents the Group's performance.

Approved by the Board of Directors and signed on behalf of the Board:



**Nazir Razak**  
Chairman



**Tengku Zafrul Aziz**  
Group Chief Executive Officer/  
Executive Director

# INSIDE THIS REPORT

## OVERVIEW

1

P8-23

- 008 Our Vision, Mission and Values
- 009 CIMB Profile



- 010 How We Create Value
- 012 2015 Highlights
- 014 Financial Calendar 2015
- 015 Investor Relations
- 020 Corporate Milestones and Our Rich Heritage
- 022 Code of Ethics and Conduct
- 023 Commitment to Service Quality and Excellence

## MANAGEMENT INSIGHTS 2015

2

P26-43

- 026 Message from the Chairman



- 030 Performance Review by Group Chief Executive Officer



## BUSINESS REVIEW 2015

3

P44-67

- 044 Consumer Banking
- 047 Commercial Banking
- 049 Wholesale Banking
- 054 Group Asset Management & Investments
- 056 CIMB Islamic
- 059 Group Strategy
- 061 Business Enablers





## FINANCIAL INSIGHTS 2015

4

P70-84

070	Actual vs Targets for 2015
071	Five Year Group Financial Highlights
072	Simplified Group Statements of Financial Position
073	Key Interest Bearing Assets and Liabilities
074	Value Added Statements
075	Quarterly Financial Performance
076	Capital Management
077	Dividends for 2015
078	Credit Ratings
081	Balance Sheet Management
082	CIMB Share Information
083	Long Term Value Creation
084	2016 Quarterly Results Announcements

## OUR STRUCTURE

5

P85-125

085	Corporate Information
088	Boards of Major Subsidiaries
090	Corporate Profile
091	Corporate Structure
092	CIMB Group Organisation Structure
094	Leadership
096	Profile Board of Directors
107	Group Company Secretary
108	Group Shariah Committee
114	Group Management Committee

## CORPORATE GOVERNANCE

6

P126-175

126	Chairman's Statement on Corporate Governance
127	Statement on Corporate Governance
146	Compliance with the Malaysian Code on Corporate Governance 2012
149	Statement on Risk Management and Internal Control
158	Risk Management
166	Audit Committee Report
169	Terms of Reference of the Audit Committee
170	Shariah Committee Report

## OUR PEOPLE

7

P178-189

178	Human Capital Growth and Talent Development Initiatives
184	Sustainability Statement



## HIGHLIGHTS & ACHIEVEMENTS 2015

8

P190-213

190	Regional Notable Deals
198	Notable Achievements
202	Corporate Event Highlights
212	Media Highlights

## ADDITIONAL INFORMATION

9

P214-235

214	Shareholders' Statistics
216	Additional Disclosures
218	Internal Policies, Procedures and Guidelines
222	Top 10 Properties
223	Group Corporate Directory
226	Notice of Annual General Meeting
230	Statement Accompanying Notice of Annual General Meeting
•	Proxy Form

We are banking  
on an **ASEAN** of tomorrow



➤ MYANMAR

➤ CAMBODIA

➤ PHILIPPINES

➤ THAILAND

➤ LAOS

➤ VIETNAM

➤ BRUNEI

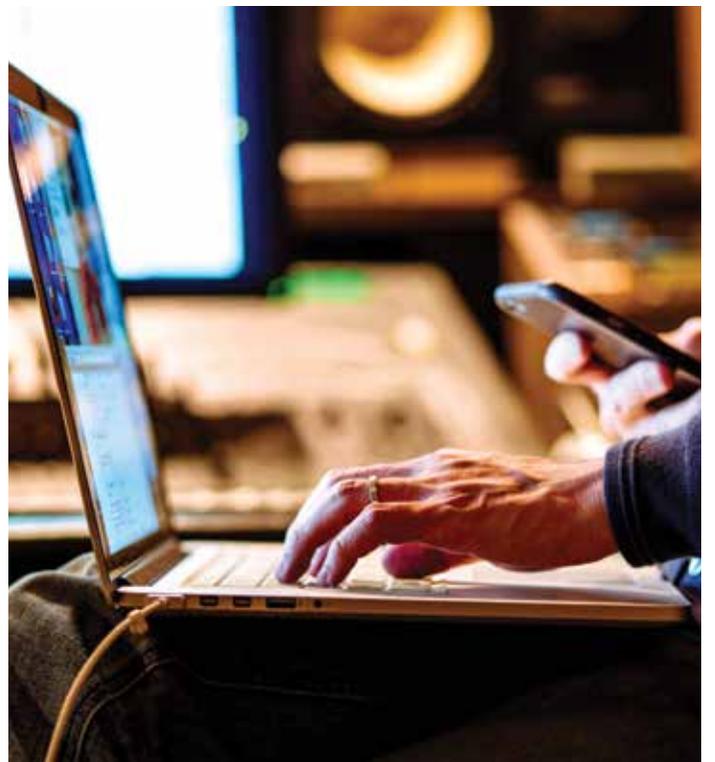
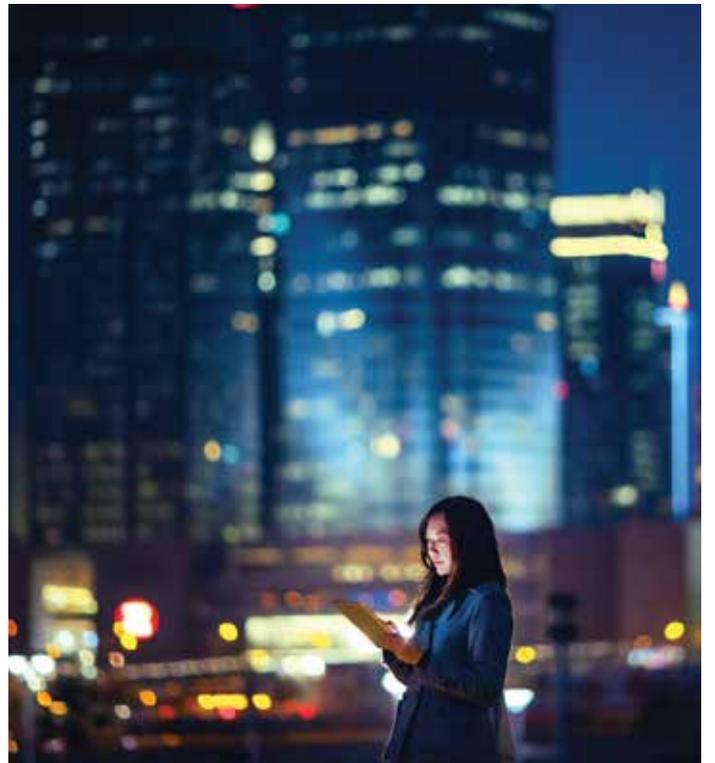
➤ SINGAPORE



**Building** the future together

**INDONESIA**

**MALAYSIA**



Overview

Our Vision, Mission and Values

# OUR VISION, MISSION AND VALUES

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## OUR VISION

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To be the  
**leading ASEAN  
company**

## OUR MISSION

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**To provide universal banking services** as a high-performing, institutionalised and integrated company located in ASEAN and key markets beyond, and to champion the acceleration of ASEAN integration and the region’s links to the rest of the world

## OUR VALUES

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1 —————

### CUSTOMER-CENTRIC

We exist to serve our customers and we sell products and services that our customers understand and value.

3 —————

### ENABLING PEOPLE

We empower and align our people to innovate and deliver value in their workplace as well as for the community they serve.

5 —————

### INTEGRITY

We are honest, respectful and professional in everything we do because integrity is the founding value of CIMB Group.

2 —————

### HIGH PERFORMANCE

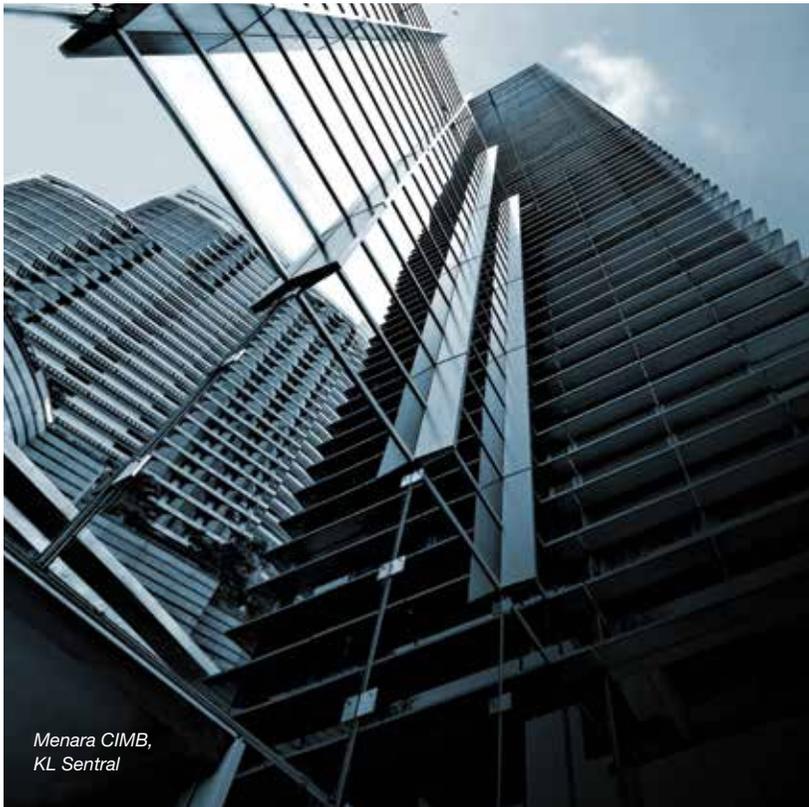
We work hard and we work strategically for customers, staff and other stakeholders.

4 —————

### STRENGTH IN DIVERSITY

We have respect for different cultures, we value varied perspectives and we recognise diversity as a source of strength.

# CIMB PROFILE



Menara CIMB,  
KL Sentral



**CIMB Group is a leading ASEAN universal bank and one of the region’s foremost corporate advisors. It is also a world leader in Islamic finance.**

The Group is headquartered in Kuala Lumpur, Malaysia, and offers consumer banking, commercial banking, investment banking, Islamic banking and asset management products and services. It is the fifth largest banking group by assets in ASEAN and, as at the end of 2015, has over 40,000 staff and approximately 12 million customers.

CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 with a market capitalisation of RM38.7 billion. Total assets at the end of 2015 were RM461.6 billion, with total shareholders’ funds of RM41.1 billion and total Islamic assets of RM70.7 billion.

Major shareholders at the end of 2015 were Khazanah Nasional with 29.71%, Employees Provident Fund (EPF) with 17.36%, Kumpulan Wang Persaraan (KWAP) with 3.69% and Mitsubishi UFJ Financial Group with 4.62%.

## OUR MARKET PRESENCE



**17**  
Countries



**992**  
Retail Branches



**Over 40,000**  
Staff



## ASEAN MARKETS

- Malaysia -
- Indonesia -
- Thailand -
- Singapore -
- Brunei -
- Myanmar -
- Cambodia -
- Laos -
- Vietnam -

## OTHER MARKETS

- China & Hong Kong -
- United States of America -
- United Kingdom -
- Bahrain -
- India -
- Sri Lanka -
- Taiwan -
- Korea -

# HOW WE CREATE VALUE

	Business Review	Principal risks arising from this activity
	<p>For more details refer to page <a href="#">page 44</a></p>	<p>page 158</p>
Income after credit impairments	<p>We lend money by providing a broad range of essential banking products and services that match the needs of our customers throughout ASEAN. Lending generates income for us in various ways, such as net interest margins, fees and commissions. In our lending activities, we take into account the capital we have available, our risk appetite and the regulatory environments of the markets in which we operate.</p>	<p>Credit risk Interest Rate risk Liquidity risk</p>
	<p>To support our lending activities, we source funding from the deposits that our customers and other investors entrust us with. These deposits create liabilities which generate future interest expenses.</p>	<p>Interest Rate risk Liquidity risk</p>
	<p>We provide a full range of transactional banking facilities and knowledge-based services to our customers and clients and these services also generate fee and commission income for us.</p>	
	<p>We offer our clients a wide range of market access and risk mitigation products to support their business needs. These products include foreign exchange, commodity, credit, interest rate and equity instruments which also generate income for us.</p>	<p>Credit risk Market risk</p>
	<p>We also earn revenue from other sources which are linked to our core businesses but which we call non-core businesses. These includes sources such as our gains from property and private equity, as well as our strategic investment activities.</p>	<p>Credit risk Market risk</p>
	<p>We generate income by offering our customers long and short-term insurance, investment management and advisory services.</p>	
Expenses	<p>We make significant investment in attracting, retaining and developing our Group workforce. Our people are our strength - they enable us to understand and satisfy our customers' needs and that's how we grow our business.</p>	
	<p>Technological improvements enhance the banking experience for our customers and help us to reduce costs, so we invest in our operational environment as well. We constantly look for new ways for our customers to bank and ways to offer enhanced convenience and speed.</p>	

Linking our profitability to socially beneficial  
outcomes

We lend money to customers from all walks of life to help them create and grow their wealth so that they can achieve their ambitions. We lend to the first-time buyer striving to get on the domestic property ladder and we lend to affluent individuals whose financial commitments may embrace several ASEAN markets. We are always ready to help small- and medium-sized enterprises manage their commercial sustainability and contribute to ASEAN's economic growth. We can also assist customers in financial dire straits. We employ best practices in all our lending activities.

Our customer deposits generate interest income for us depending on the type of savings or investment product and this mitigates against the erosion of capital. We also have a robust presence in the equity and debt capital markets and that helps us source funding which contributes to keeping the broader financial system functioning smoothly.

We facilitate the movement of money so that our customers can access their money in the manner which suits them best. We understand that in today's fast-paced world, where people are constantly on the move, our customers need to be able to access money and banking services quickly. To this end, we constantly look at ways to strengthen our digital platforms to promote ease, speed and convenience across all our ASEAN markets.

We enable our customers to grow their capital by providing access to ASEAN, and markets further afield, through stock exchange trading. We understand and manage risk and offer a full suite of advisory services to ensure that our investors fully understand the risks inherent in their trading activities. We make sure our customers are comfortable with the associated level of risk.

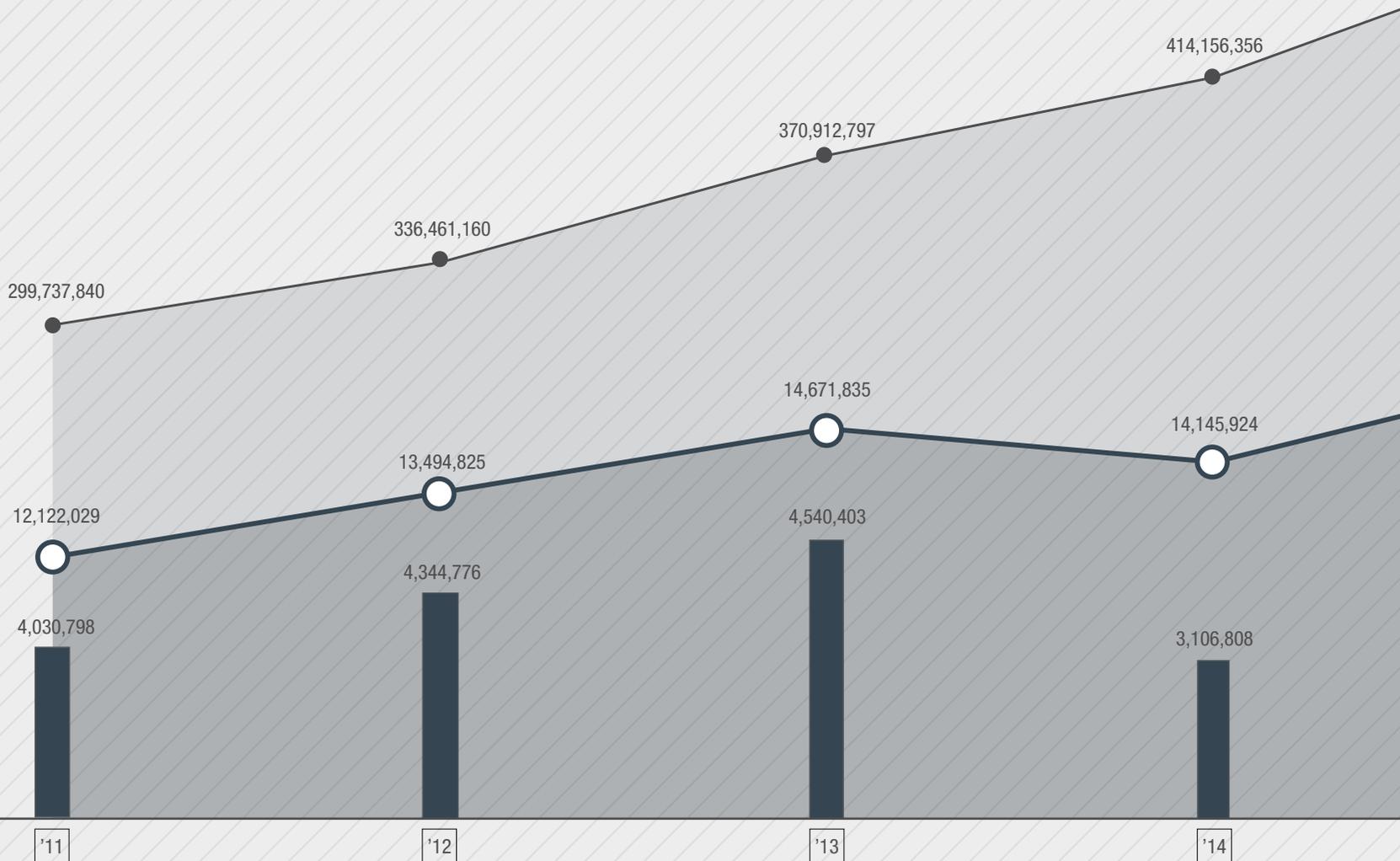
We look for strategic investment opportunities which lie outside the realm of our traditional business activities such as property and private equity. We also look for new partnerships which bring additional value to our clients and increase our prominence in the markets in which we operate. Income generated by our non-core activities enables us to invest further in our core growth businesses.

We are keen to help our customers build on and protect the wealth they have created. To do this, we offer a comprehensive suite of insurance products and services, customised to support them through each and every stage of their financial career. Our aim is to provide continuing and relevant support to all our customers.

We are a leading employer in ASEAN and our colleagues are fundamental to our business. We want them to be motivated and energised so they can perform at their absolute best and satisfy the needs of all our customers. We believe that diversity is our strength and our policy is to hire local talent where possible in the countries in which we operate. We offer progressive and award-winning training programmes. We promote a work/life balance and we offer a diverse and inclusive professional environment.

We invest heavily in technology. We understand the importance and power of technological innovation. It keeps us competitive, sustainable and at the forefront of influence in the banking sector. Technological advance helps us to provide our customers with cutting-edge banking solutions and generates confidence. It also keeps our operations running smoothly, efficiently and cost effectively.

## 2015 HIGHLIGHTS



### ASEAN EXPANSION

CIMB Group was awarded a licence to offer universal banking services in Vietnam, further strengthening our position as the leading bank for the ASEAN region.

 Refer to Performance Review by Group Chief Executive Officer page 30.

### NEW LEADERSHIP

CIMB strengthened its senior management by welcoming Tigor M. Siahaan as President Director of CIMB Niaga and Rafe Haneef as Chief Executive Officer of CIMB Islamic.

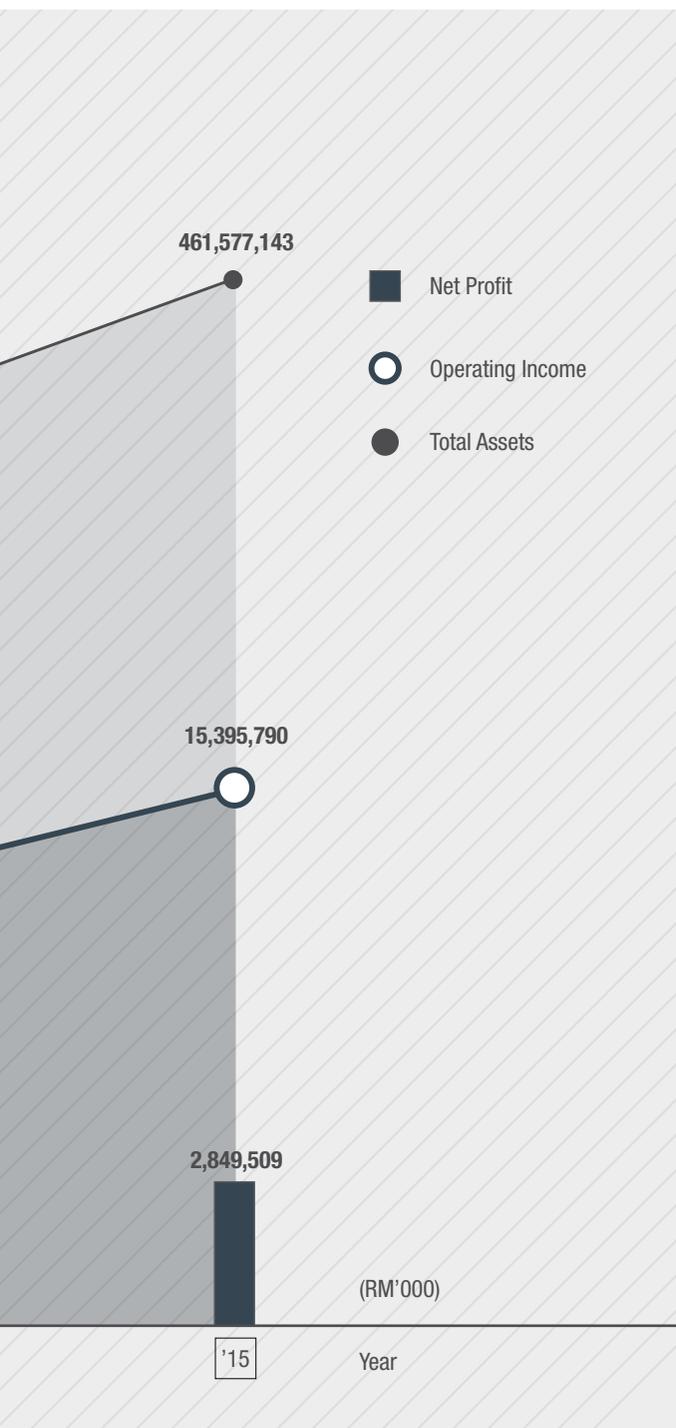
 Refer to Performance Review by Group Chief Executive Officer page 30 and Business Review - CIMB Islamic page 56.

### INNOVATION

CIMB continued to improve the banking experience with cutting-edge digital innovation such as the successful roll out of our regionally-integrated 1Platform banking service to Indonesia.

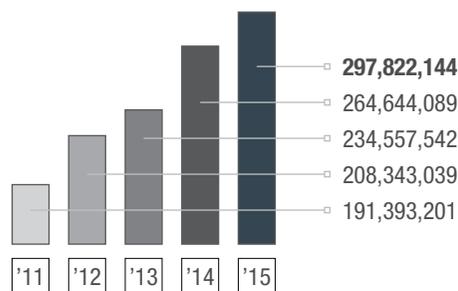
 Refer to Business Review - Group Information and Operations Division page 64.

**Overview**  
2015 Highlights



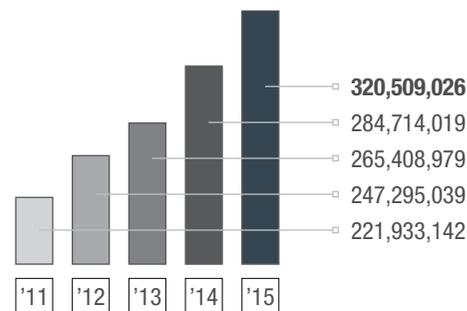
**GROSS LOANS**

(RM'000)



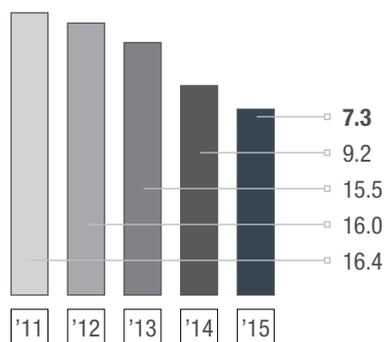
**DEPOSITS FROM CUSTOMERS<sup>^^</sup>**

(RM'000)



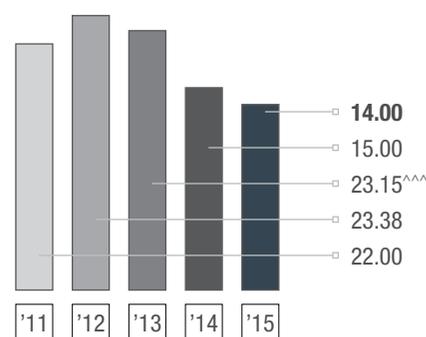
**ROE**

(%)



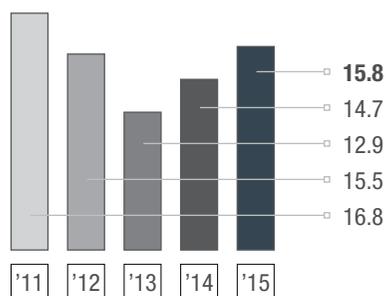
**GROSS DIVIDEND PER SHARE**

(Sen)



**TOTAL CAPITAL RATIO (CIMB BANK)<sup>#</sup>**

(%)



<sup>^^</sup> Include structured investments classified as "Financial liabilities designated as fair value" and placements from investment accounts  
<sup>^^^</sup> Based on the enlarged 8,229,341,531 ordinary shares, arising from the issuance of 500 million new ordinary shares pursuant to the private placement exercise completed in January 2014  
<sup>#</sup> The capital ratio computed has not taken into account the effect of reinvestment of excess cash into CIMB Bank, pursuant to DRS implementation by CIMBGH on the proposed second interim dividend for financial years ended 31 December 2012 to 31 December 2015

**NEW ORGANISATIONAL STRUCTURE**

CIMB underwent an internal recalibration across our various businesses and processes which saw the formation of new divisions, namely Commercial Banking and Group Asset Management and Investments.

Refer to Business Review - Commercial Banking page 47 and Group Asset Management and Investments page 54.

**DIGITAL PARTNERSHIP**

CIMB entered into a partnership with Startupbootcamp FinTech, Europe's leading FinTech accelerator, giving CIMB a three-year access to some of Europe's most innovative startups.

Refer to Sustainability Statement page 184.

**GOOD CORPORATE GOVERNANCE**

CIMB adheres to the strictest standards of corporate governance and in recognition of our strength we received numerous awards in prestigious ASEAN corporate governance award ceremonies.

Refer to Statement on Corporate Governance page 127.

## Overview

Financial Calendar 2015

## FINANCIAL CALENDAR 2015

<b>27 FEBRUARY 2015</b> FRIDAY <hr/> Announcement of the unaudited consolidated financial results for the fourth quarter and financial year ended 31 December 2014	<b>28 APRIL 2015</b> TUESDAY <hr/> 58 <sup>th</sup> Annual General Meeting	<b>23 SEPTEMBER 2015</b> WEDNESDAY <hr/> Date of entitlement for the single tier interim dividend of 3.00 sen per share for the financial year ended 31 December 2015
<b>20 MARCH 2015</b> FRIDAY <hr/> Notice of book closure for single tier interim dividend of 5.00 sen per share for the financial year ended 31 December 2014	<b>28 APRIL 2015</b> TUESDAY <hr/> Payment of the single tier interim dividend of 5.00 sen per share for the financial year ended 31 December 2014	<b>28 SEPTEMBER 2015</b> MONDAY <hr/> Notice of election in relation to the dividend reinvestment scheme. Scheme provides the shareholders with the option to elect to reinvest their cash dividend in new ordinary shares of RM1.00 each
<b>26 MARCH 2015</b> THURSDAY <hr/> Notice of 58 <sup>th</sup> Annual General Meeting	<b>28 APRIL 2015</b> TUESDAY <hr/> Additional listing of 66,040,583 new ordinary shares of RM1.00 each, via the Dividend Reinvestment Scheme	<b>23 OCTOBER 2015</b> FRIDAY <hr/> Payment of the single tier interim dividend of 3.00 sen per share for the financial year ended 31 December 2015
<b>27 MARCH 2015</b> FRIDAY <hr/> Issuance of Annual Report for the financial year ended 31 December 2014	<b>20 MAY 2015</b> WEDNESDAY <hr/> Announcement of the unaudited consolidated financial results for the first quarter ended 31 March 2015	<b>23 OCTOBER 2015</b> FRIDAY <hr/> Additional listing of 37,480,662 new ordinary shares of RM1.00 each, via the dividend reinvestment scheme
<b>31 MARCH 2015</b> TUESDAY <hr/> Date of entitlement for the single tier interim dividend of 5.00 sen per share for the financial year ended 31 December 2014	<b>28 AUGUST 2015</b> FRIDAY <hr/> Announcement of the unaudited consolidated financial results for the second quarter and half year ended 30 June 2015	<b>25 NOVEMBER 2015</b> WEDNESDAY <hr/> Announcement of the unaudited consolidated financial results for the third quarter ended 30 September 2015
<b>03 APRIL 2015</b> FRIDAY <hr/> Notice of election in relation to the dividend reinvestment scheme. Scheme provides the shareholders with the option to elect to reinvest their cash dividend in new ordinary shares of RM1.00 each	<b>11 SEPTEMBER 2015</b> FRIDAY <hr/> Notice of book closure for the single tier interim dividend of 3.00 sen per share for the financial year ended 31 December 2015	

## INVESTOR RELATIONS

The Investor Relations role had proven to be more crucial than ever after a year like 2015. It was a year fraught with economic challenges not just in Malaysia but regionally and globally. The continuous slew of external and internal events and developments translated to a heightened level of investor relations communications to ensure that external stakeholders are provided with sustained updates and consistent messaging of management's views and strategies in tandem with the evolving external environment.

Internal news flow driven activities were fast and furious as 2015 began with the termination of the Group's proposed merger with RHB Capital and Malaysia Building Society Berhad. This was then followed closely by the announcement of the Group's T18 strategies, as well as a structural and management reorganisation, including the official appointment of Tengku Dato' Sri Zafrul Tengku Abdul Aziz as the Group Chief Executive Officer (CEO) and Tigor M. Siahaan as the CEO of CIMB Niaga. The internal structural recalibration encompassed a restructuring of the Asia Pacific Investment Banking business, closure of our Australian offices and the announcement and completion of the Mutual Separation Scheme (MSS) in Malaysia and Indonesia. All of which required thoughtful articulation to the market, shareholders and stakeholders.

There was also a variety of external factors which necessitated constant investor engagement to provide the Group's opinion on the matters, as well as explain the impact (if any) on the Group's financial performance.

The issues include regulatory developments in all operating jurisdictions, implementation of stricter Basel III capital requirements, the sharply weakened commodity prices especially oil and coal, foreign exchange volatility in particular for the Ringgit and Rupiah against the USD, downgrades by rating agencies, political developments in ASEAN, the knock-on effects of a slower China economy, as well as the Greek Euro crisis.

With the Group's financial performance coming in comparatively weaker in 2015 versus the previous year, the Investor Relations team had the added responsibility of providing the investment community with sufficient clarity and updates on operations in all business lines and countries. Indonesia was of particular attention as credit charges at CIMB Niaga remained elevated through the year largely due to commodity-related provisions.

CIMB Group continues to strongly advocate stakeholder engagement to provide fair and equal distribution of information and data in a timely and accurate manner. Investor Relations meetings remain the principal avenue by which the Group communicates and engages with institutional investors to discuss all matters relating to the Group and its financials. For 2015, investor relations activities were led by the Group CEO Tengku Dato' Sri Zafrul Tengku Abdul Aziz and the Group CFO Shahnaz Jammal. They are supported by the Investor Relations team and if required, by selected members of senior management.

### Significant events

Date	Event	Type of Meeting
14 January 2015	Announcement to abort the proposed merger with RHB Capital and MBSB	Bursa Announcement
6 February 2015	Announcement of Target 2018 (T18) plans and key organisation changes	Bursa Announcement
9 February 2015	As part of a strategic review of the Asia Pacific investment banking business, CIMB Group announced the closure of its offices in Australia	Bursa Announcement
26 February 2015	Appointment of Tengku Dato' Sri Zafrul Tengku Abdul Aziz as Group CEO	Bursa Announcement
15 May 2015	Announcement of Mutual Separation Scheme in Malaysia and Indonesia	Bursa Announcement
1 June 2015	Appointment of Tigor M. Siahaan as President Director of CIMB Niaga	IDX Announcement
7 August 2015	CIMB Group obtained an approval in principle from the State Bank of Vietnam to establish and operate a 100%-owned subsidiary in Vietnam	Bursa Announcement
17 November 2015	CIMB Group entered into a strategic collaboration with Philippine Long Distance Telephone Company's (PLDT) wireless services provider, Smart Communications Inc. and Voyager Innovations Inc., to offer digital financial offerings and solutions in the Philippines and ASEAN	Bursa Announcement

**Overview**  
Investor Relations

**ANALYST BRIEFINGS**

Similar to other years, the Group conducted two live briefings for analysts and press conferences for the media in 2015 during the announcement of the 2Q and 4Q financial results. Due to the wide geographical spread of covering analysts and external stakeholders, the briefings included conference call facilities for those who were not able to attend in person. For the 1Q and 3Q financial results announcements, we conducted conference call facilities only. The Investor Relations team continues to ensure that the financial statements, analyst presentations and press releases are delivered to interested parties prior to these briefings and made available immediately on the Group’s Investor Relations website.

**Announcement of Financial Results**

Date	Event	Type of Meeting
20 May 2015	CIMB Group 1Q15 Results	Conference Call
28 August 2015	CIMB Group 2Q15 Results	Analyst Briefing and Conference Call
25 November 2015	CIMB Group 3Q15 Results	Conference Call
25 February 2016	CIMB Group 4Q15 Results	Analyst Briefing and Conference Call

**AGM/EGM**

CIMB Group held its 58<sup>th</sup> Annual General Meeting (AGM) on 28 April 2015 where the newly-appointed CEO presented the 2014 financial performance and outlined the Group’s strategies for 2015. The Board of Directors and senior members of management who were present took note of many opinions and feedback from shareholders, as well as addressed a series of queries on both the financial performance and operational strategies.



The Board of Directors addressing shareholders at the 58<sup>th</sup> AGM

**INVESTOR MEETINGS**

For 2015, the Group conducted 181 investor meetings where we met a total of 669 analysts and fund managers. We saw a sharp increase in investor meetings in our corporate headquarters where we met 390 analysts and fund managers, as institutional investors sought clarity on the Group's performance and management's opinions on the volatile macroeconomic outlook. As a continuation of our efforts to uphold best practices, we continued to update both the buy- and sell-side in pre-closed period meetings to ensure that the investment community is kept up-to-date on latest developments.

**No. of meetings/No. of FMs and analysts**

	2014		2015	
	Meetings	FM/Analysts	Meetings	FM/Analysts
In-house meetings	66	229	85	390
Conferences	72	177	61	180
Non deal roadshows	11	43	15	38
Teleconferences	16	109	20	61
<b>Total</b>	<b>165</b>	<b>558</b>	<b>181</b>	<b>669</b>

**CONFERENCES AND ROADSHOWS**

Given the challenging operating environment and growing investor trepidation through the year, we heightened the Group's investor relations activities by engaging both local and foreign investors on the road. We are of the opinion that continuous disclosure and transparency is more essential during challenging circumstances. The Group CEO and CFO committed both time and effort to seek out investors in their home countries to provide updates on developments within the Group, financial performance and discuss strategies with reference to the fast-changing operating environment. We participated in nine investor conferences in the main global financial centres during the year with two non-deal roadshows in Taiwan and London in March and September 2015.

On the whole, we conducted 76 investor meetings on the road, meeting 218 sell-side investors during the year. Share register analysis remains a useful tool to ensure that our initiatives focus on the right set of institutional investors (existing, potential and previous shareholders.) This maximises senior management's time utility by allowing for their views and opinions to be heard by an appropriate audience.

**Conferences and Roadshows**

Date	Event	Location	Organiser
6 January 2015	CIMB 7 <sup>th</sup> Annual Malaysia Corporate Day	Kuala Lumpur	CIMB
4-5 March 2015	BAML 2015 ASEAN Conference	Singapore	BAML
18-20 March 2015	Non-Deal Roadshow	Taiwan	CIMB
25-26 March 2015	Credit Suisse 18 <sup>th</sup> Annual Asian Investment Conference	Hong Kong	Credit Suisse
23-24 April 2015	Invest Malaysia KL 2015	Kuala Lumpur	CIMB
23 June 2015	Macquarie ASEAN Banks Invasion Tour	Kuala Lumpur	Macquarie
29-30 June 2015	Invest Malaysia Tokyo 2015	Tokyo	Nomura
7 July 2015	DBS Pulse of Asia Conference	Singapore	DBS
14-16 September 2015	Non-Deal Roadshow	London	CIMB
22-23 October 2015	Fixed Income Roadshow	Kuala Lumpur	CIMB
9-10 November 2015	CIMB 13 <sup>th</sup> Annual Asia & Frontiers Leaders Conference	London	CIMB

**Overview**

Investor Relations

**RESEARCH COVERAGE**

CIMB Group continues to be well-covered by the investment community given the Group's position as the second largest financial services provider in Malaysia and the stock's high index weighting on the Bursa Malaysia KLCI. As at end December 2015, CIMB Group had 27 analysts and research houses keeping the stock under core coverage.

No.	Research House	No.	Research House
1	Affin Hwang Investment Bank	15	Kenanga Investment Bank
2	AllianceDBS Research	16	M&A Securities
3	AmlInvestment Bank	17	Macquarie Capital Securities
4	Bank of America Merrill Lynch	18	Maybank Investment Bank
5	Bernstein Research	19	MIDF Amanah Investment Bank
6	Citi Investment Research	20	Morgan Stanley Research
7	CLSA Securities	21	Nomura Securities
8	Credit Suisse Securities	22	Public Investment Bank
9	Deutsche Bank	23	RHB Research
10	Goldman Sachs	24	S&P Capital IQ
11	Hong Leong Investment Bank	25	TA Securities
12	HSBC	26	UBS Securities
13	JP Morgan Securities	27	UOB Kay Hian
14	KAF-Seagroatt & Campbell Securities		

**CREDIT RATING**

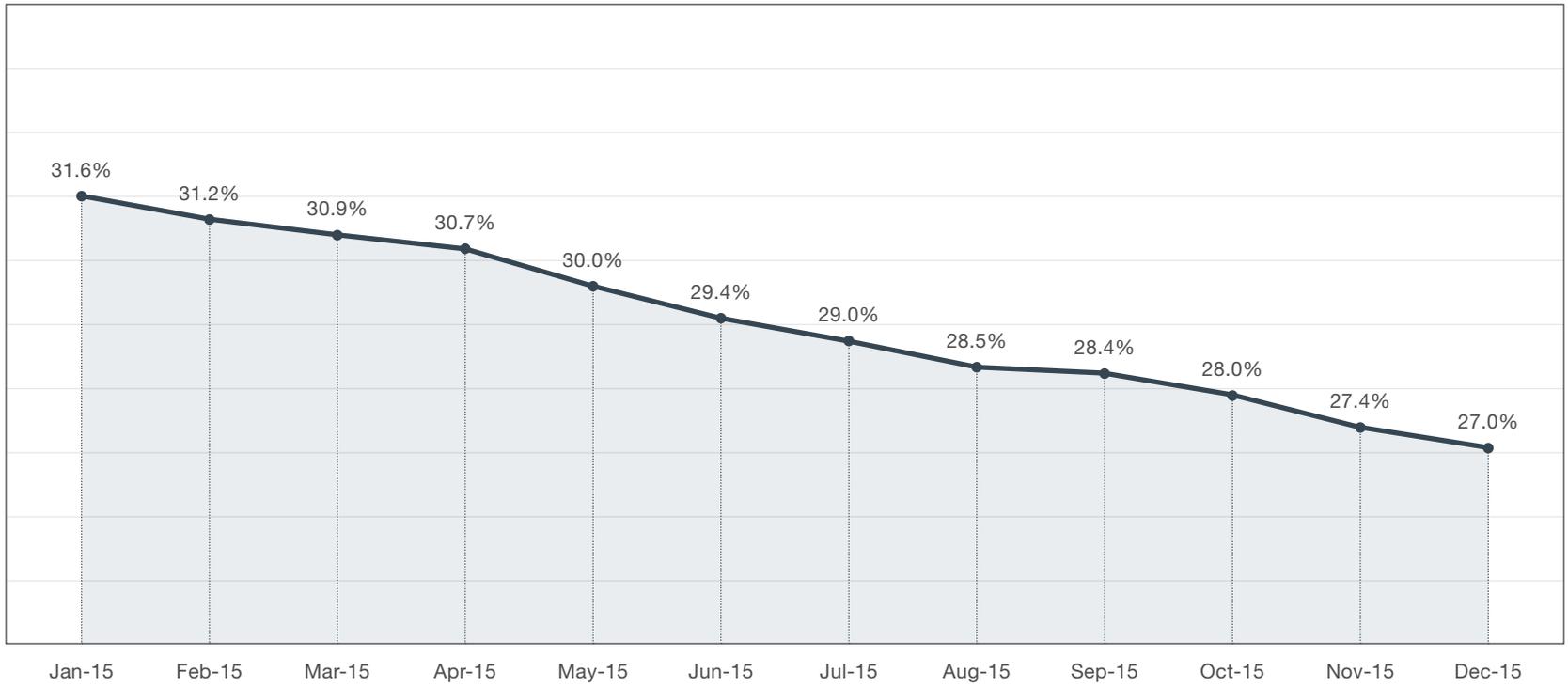
With Credit Rating agencies playing an increasingly pertinent role in both equity and fixed income investor perception, the Investor Relations team continues to take a pivotal role in ensuring that the Group's messaging and analysis of financial performance is delivered consistently. We continued to engage with six local, regional and global rating agencies, namely: RAM Ratings, Malaysian Rating Corporation (MARC), Dagong Global Credit Rating, Standard and Poor's (S&P), Fitch Ratings and Moody's Investors Services.

**FOREIGN SHAREHOLDING AND SHARE PRICE PERFORMANCE**

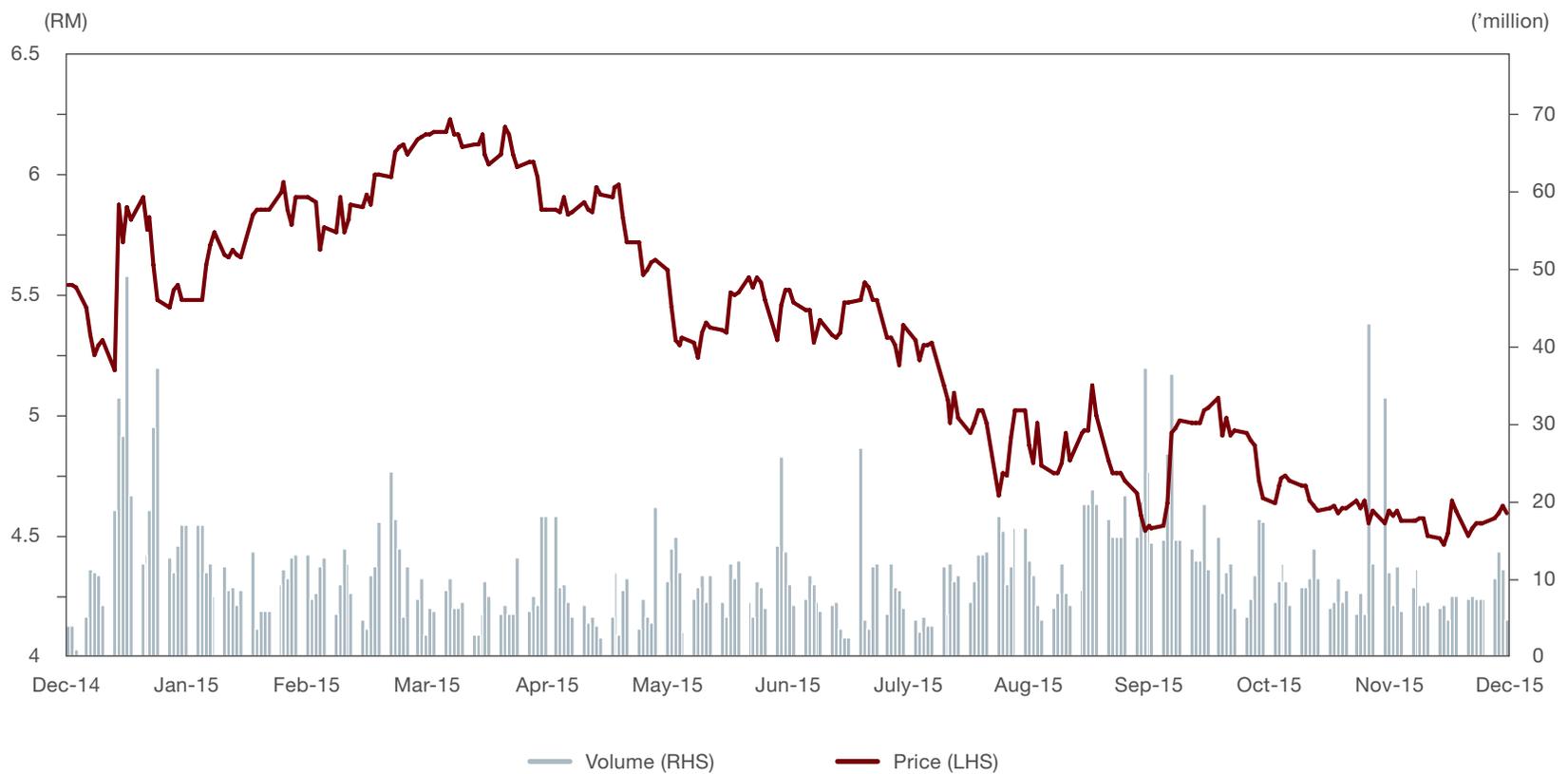
2015 was a difficult year for the Group's share price performance. Ending the year at RM4.54, this represented a 13% underperformance compared to the FBMKLCI. While the Malaysian equities market was conjunctionally softer, this underperformance was attributed to the weaker 2015 financial performance predominantly led by the higher than anticipated provisions at CIMB Niaga, a significantly weaker external environment, as well as increased scrutiny on the Group's comparatively lower capital ratios. Other material factors include the Ringgit's depreciation and growing asset quality concerns as a result of the decline in global commodity prices, namely oil.

Combined, these factors brought about both foreign fund outflows from the Malaysian market and lowered investor confidence in the stock. Over the course of 2015, CIMB Group's foreign shareholding declined to 27.0% as at end-2015 from 32.7% as at end-2014.

Foreign Shareholding (January 2015 - December 2015)



Share Price and Volume



Overview

Corporate Milestones and Our Rich Heritage

# CORPORATE MILESTONES AND OUR RICH HERITAGE

1974



Pertanian Baring Sanwa Multinational Bank (PBSM) established in Kuala Lumpur and launched by Prime Minister Tun Abdul Razak Hussein.



1986



PBSM changes name to Commerce International Merchant Bankers Berhad (CIMB) after acquisition by Bank of Commerce.



1987



Bank of Commerce successfully lists on Bursa Malaysia.



1991



Bank of Commerce merges with United Asian Bank. In a major restructure, the merged banks become Bank of Commerce (Malaysia) Berhad, under holding company Commerce-Asset Holding Berhad (CAHB). CIMB becomes a separate CAHB subsidiary.



1999



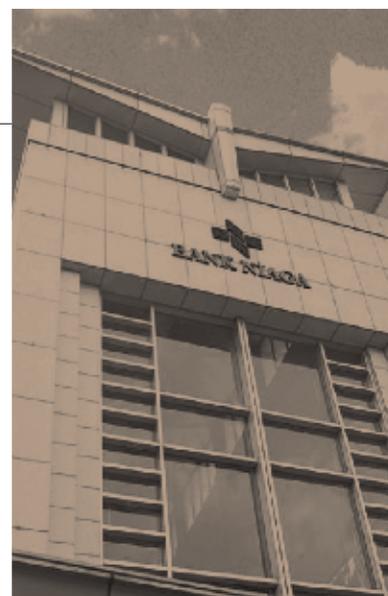
Bank of Commerce (Malaysia) Berhad merges with Bank Bumiputra Malaysia Berhad to form Bumiputra-Commerce Bank Berhad.



2002



CAHB takes a majority stake in Indonesia's PT Bank Niaga Tbk.



2003



CIMB lists on Bursa Malaysia. The listing lasts only three years and delivers returns of 340% to shareholders.



2005



CIMB acquires GK Goh Securities in Singapore. (Shown in picture). In a major corporate restructure to create a universal bank, CIMB acquires sister company Bumiputra-Commerce Bank from holding company CAHB. Holding company CAHB is renamed Bumiputra-Commerce Holdings Berhad.



## Overview

Corporate Milestones and Our Rich Heritage

## 2006



CIMB acquires Southern Bank. The new-look CIMB Group launches in the presence of the Malaysian Prime Minister Dato' Sri Abdullah Ahmad Badawi.



## 2008



CIMB Niaga established through a merger between Bank Niaga and Bank Lippo. (Shown in picture). CIMB Group acquires BankThai and the following year renames it CIMB Thai.



## 2009



CIMB Group launches retail banking operations in Singapore. (Shown in picture). CIMB Group acquires a 19.99% stake in the Bank of Yingkou, China. Holding company BCHB is renamed as CIMB Group Holdings Berhad.



## 2010



CIMB Group launches banking operations in Cambodia, bringing retail banking presence to five ASEAN nations - Malaysia, Indonesia, Singapore, Thailand and Cambodia.



## 2012



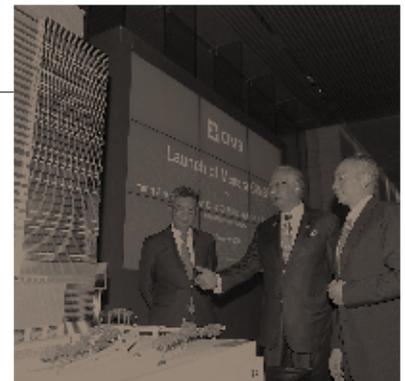
CIMB Group starts the acquisition of most of the Asia Pacific cash equities and associated investment banking businesses of the Royal Bank of Scotland, and expands or adds operations in Sydney, Melbourne, Hong Kong, London and New York. (Sydney office opening in picture). CIMB Group acquires SICCO Securities, a Thai stock-broking company.



## 2013



CIMB Group completes its Asia Pacific investment banking platform with new operations in Taiwan and India and Korea. The Group moves into its new 40-story headquarters in Menara CIMB, located at the high-tech hub of Kuala Lumpur Sentral.



## 2014



CIMB Group begins operations in Lao PDR with the opening of CIMB Thai - Vientiane Branch. This is CIMB Thai's first foreign branch and extends CIMB Group's presence to 9 of 10 ASEAN nations.



## 2015



CIMB obtains in-principal approval from the State Bank of Vietnam to establish and operate a 100% owned subsidiary in the country. This allows CIMB to expand its presence in Vietnam into a universal banking platform and strengthen its banking franchise in ASEAN.



## Overview

Code of Ethics and Conduct

# CODE OF ETHICS AND CONDUCT

## SUMMARY

**CIMB Group and its employees adhere to Bank Negara Malaysia's Code of Ethics BNM/GP7, which promotes proper standards of conduct and sound and prudent business practices among financial institutions.**

As a custodian of public funds, a financial institution has the responsibility to safeguard its integrity and credibility. In the business of banking, the vital ingredient is confidence: confidence of the public in the safety of their deposits, and confidence in the integrity and professional conduct of their bankers.

The public trust placed on the managers of financial institutions involves a heavy responsibility. They owe it to customers to see to it that their institutions are professionally managed and soundly based. The directors, officers and employees of the financial institution, thus, must be seen to conduct their business with the highest level of moral behaviour. While bankers may be guided by certain informal, time-tested and generally accepted code of ethics to attain a level of conduct expected of them, the diversity and complexity of today's banking world requires that these ethical rules be codified and issued as written guidelines in order to promote and maintain a uniform ethical standard.

## SIX PRINCIPLES



### — To avoid conflict of interest

Including outside financial interests, other business interests, other employment, entertainment and gifts, corporate directorships, trusteeships.



### — To avoid misuse of position

Including the use of the institution's name or facilities for personal advantage, or speculation in commodities, gold, silver, foreign exchange or securities.



### — To prevent misuse of information

Including a prohibition on dealing in securities of any company listed or pending listing where there is privileged information that would likely bring about a material change in the market price of the shares or other securities of the company if that information was publicly available. Also a prohibition on using insider information to influence another person to deal in the shares or securities concerned, and a prohibition on communicating such information to any other person who does not require such information in discharging their duty.



### — To ensure integrity of records and transactions

Including a responsibility that accounting records and reports must be complete and accurate, must not obscure the true nature of any transaction and must not mislead on true authorisation limits or approvals by relevant authorities. In addition, the spirit and letter of relevant legislation must be strictly observed, and all records and files of the financial institution must be accessed and used only for management-approved purposes.



### — To ensure confidentiality of communication and transactions

Including a responsibility to maintain the confidentiality of relations and dealings with customers and take every precaution to protect the confidentiality of customer information and transactions and ensure that secrets, copyrighted material, correspondence, accounts and dealings are not disclosed, except when disclosure is required by law, and are not used in any way for personal gain.



### — To ensure fair and equitable treatment

Including a responsibility that all business dealings with current and potential customers, with other members of staff or with those who may have cause to rely on the financial institution, be conducted fairly and equitably. Any transactions with insiders or related interests should be avoided, and if they go ahead, must be in full compliance with the law, judged on normal business criteria basis and be fully documented and duly authorised by the Board of Directors or an independent party.

## COMMITMENT TO SERVICE QUALITY AND EXCELLENCE



**CIMB Group is a universal bank, and banking is a people-driven business. Everyone in #teamCIMB has a role serving our clients and customers, or supporting people who serve our clients and customers directly.**

Since CIMB Group's early days, customers and clients have been core to everything we do. The first of our five CIMB Group Values is that we are customer-centric. We exist for our clients and customers and we sell products and services that our clients and customers understand and value. Even ancillary activities such as securities trading are developed with the ultimate objective of enhancing the quality of products and services we can serve our clients and customers.

The second of our CIMB Group values is high performance. We work hard and we work strategically for customers, clients, staff and other stakeholders. Internally, we measure, differentiate and recognise our people according to their individual contributions while aligning everyone to the performance of the company as a whole. Clients and customers can therefore expect our people to always strive to excel in their service levels.

In placing the needs of our clients and customers first, we have segmented our response to ensure that we can serve them in the manner to which they are accustomed.

Our Corporate Client Solutions is tasked with managing all the needs of our corporate clientele. They are responsible for ensuring that clients are delivered the right customised financial solutions, often by bundling products across various product units within the firm. For smaller companies we have different product teams leading client relationship management depending on the client's primary requirements, and then cross-selling other suitable products of the Group. At the other end of the spectrum, in retail banking, we also have a segmented range of service levels and channels to cater to the needs of our customers, from private banking to mass market banking and from branches to CIMB Clicks.

Our lands  
cover over  
**4.5 million km<sup>2</sup>**

➤ BRUNEI

➤ THAILAND

➤ INDONESIA

➤ SINGAPORE

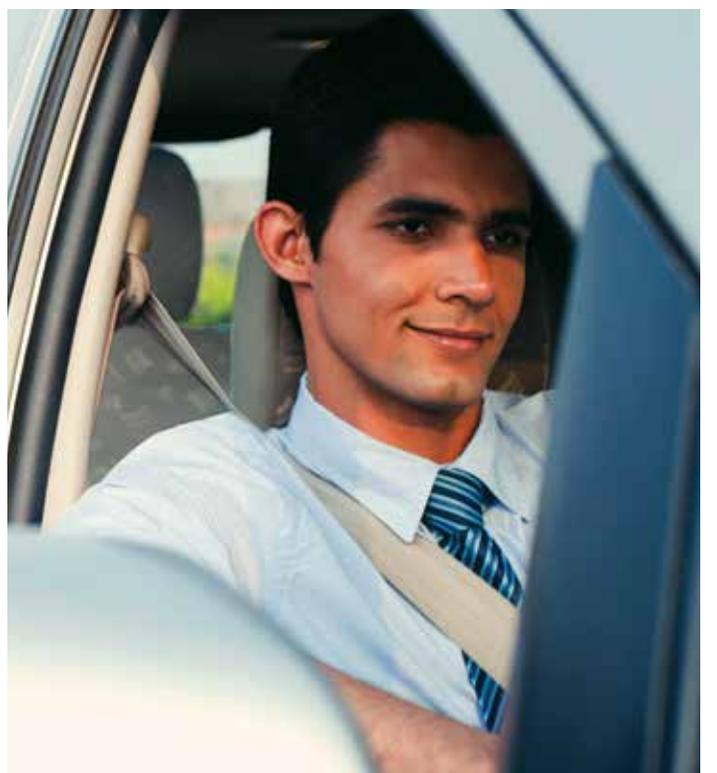
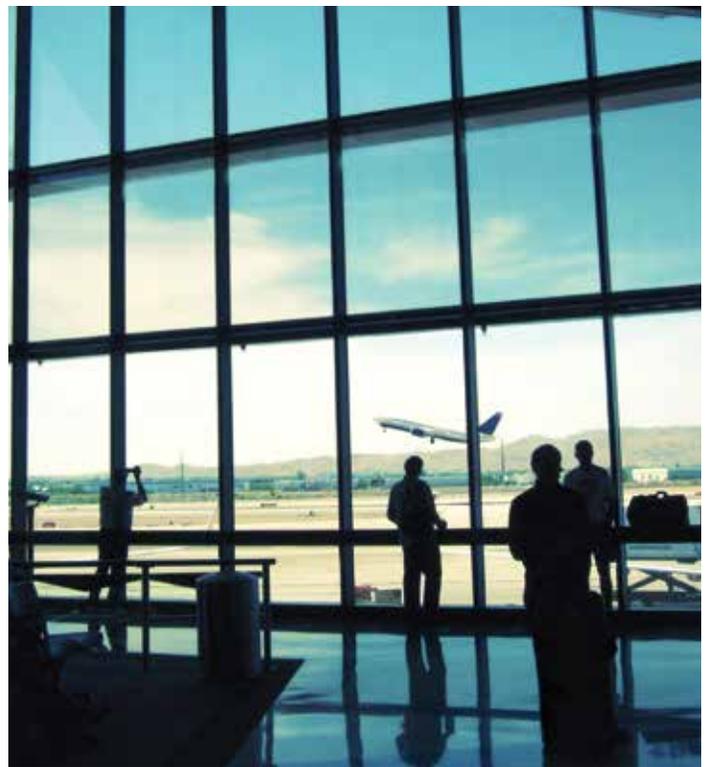
➤ LAOS

➤ MYANMAR

➤ CAMBODIA



**Connecting** over  
650 million people



## MESSAGE FROM THE CHAIRMAN

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**CIMB enters 2016 on a stronger footing**, benefiting from the cost and capital adjustments that we undertook last year.

**Dear Shareholders,**

As always, before I embark on my annual letter to you, I reflect on what I had written the year before. Looking back 12 months, the tone was already bearish then. One year on, the operating environment has turned out to be even worse: global growth has slowed even more, commodity prices have declined further, emerging markets' currencies were routed and geopolitics have become more tense and fraught. We are

in the early stages of another international economic crisis of yet uncertain magnitude and full characteristics.

I said last year that in this climate, we must "adjust for new realities quickly." I am pleased to report that in 2015 our Management focused on just that, and as a result, the firm is on a much stronger footing.

**Management Insights 2015**  
Message from the Chairman



**2015 IN REVIEW**

We themed 2015 a year of ‘recalibration’, prioritising leadership rejuvenation, operating costs and efficiencies and long-term strategies. We set the tone early; in January, we pulled out of the proposed merger with RHB and Malaysia Building Society Berhad. With the benefit of hindsight, I have no doubt that we made the right decision. The much weaker operating environment, coupled with the depreciation in our base currency, the Ringgit, would have had us scrambling for capital had we gone ahead. Incidentally, with all the rage being about technology transforming banks and banking - “more clicks, less bricks” and so on - I even wonder whether banking mergers have become a ‘retro’ concept.

Following the end of our merger talks, we announced details of our Target 2018 (T18) project, our new organisational structure, and warned of lots of changes to come. By making most of the big changes in 2015, we have maximised the ‘runway’ to achieving our T18 targets.

We saw many new faces amongst the top leadership of the firm; 47% of the Group Management Committee

members are new or have new portfolios. I discern a high level of energy and enthusiasm that had been a little lacking in the past few years amongst the leadership team, while the continued presence of a few ‘old guards’ in non-executive capacities ensures that institutional knowledge and experience is always ‘on call’ for the team. We also improved the balance between Board and Management; there were 64 Group Board and Board Committee meetings in 2015, compared with 46 in 2014.

We made significant progress in lowering our operating costs. Our investment banking (IB) platform was rationalised, with the closure of our Australia operations and reduction in headcount across other parts of the region. Our Mutual Separation Scheme in Malaysia and Indonesia was accepted by 3,614 staff, and combined with stricter recruitment across the whole firm, our total staff headcount fell by 8.6% to 40,545. We also introduced many other spend disciplines, so for the full year (excluding restructuring charges), our expenditure was up by only 3.3% and would have been lower by 0.5% if not for currency movements. Our cost-to-income fell to 55.6% for the year, and in the last quarter alone, to 53.9%.

We did well with our capital optimisation initiatives, especially after being somewhat surprised by the sharp drop in CET1 to 9.3% on 30 September 2015 caused by the sudden, unfavourable currency and interest rate movements. We ended the year with CET1 at 10.3% after adhering to our dividend payout policy of at least 40% of net earnings (and assuming a 60% DRS take-up). We have also restructured the currency composition of our capital book to better withstand financial market volatility going forward.

There were many other positives in our 2015 performance. Revenue rose by 9.8% to a record RM15.4 billion despite us keeping loan growth subdued at 12.8% (6.6% currency adjusted). PBT grew by 14.4% in wholesale banking (excluding IB restructuring costs) and by 18.1% in consumer banking. Also, despite a challenging year for the capital markets, we retained our No. 1 positions in Malaysia for ECM, DCM and Sukuk transactions, with market shares of around 25% for each, as well as our No. 1 positions for Sukuk transactions globally and for DCM transactions in ASEAN.

Despite all the positives, net profit rose by only 8% (excluding restructuring costs) due to high loan loss provisions; our loan loss charge went up from last year’s 0.58% to 0.73%. Of a total of RM2.2 billion in loan provisions, 71.7% came from CIMB Niaga, 22.7% from CIMB Thai (including STAMC, our bad bank), and only 5.6% from CIMB Bank (including Malaysia’s bad bank). The high loan provisions in Indonesia and Thailand were the big operational disappointments of 2015.



*Discovering account opening and various products that consumers may apply during GLC Open Day.*

Revenue rose by



PBT grew by





**Our revenue engine remains strong**, while our organisational structure and leadership team have been recharged.

We were also disappointed that our share price fell by 17% over the year and to a year-low of RM3.94 in January 2016. In this environment, our high foreign shareholding content and geographical business mix have continued to work against our share price, but I believe that as the results of our recalibration start to show, our share price will also improve.

**REGIONAL AND GLOBAL ECONOMIC ENVIRONMENT**

The long economic boom for emerging markets - which started in the early 2000s with the recovery from the Asian Financial Crisis and was then fueled by fiscal and monetary policies to counter the Global Financial Crisis - has come to an end. China, which has been the main engine of global growth in recent years, is slowing and rebalancing its economy. China and many other emerging economies have accumulated too much debt, be it at the government, corporate, or consumer levels, or all of them. Sorting out all of this is going to take time, discipline and considerable pain.



1. Meeting up with CIMB staff during Hari Raya Open House at Menara Bumiputera Commerce.
2. Celebrating with Justin Thomas, the youngest champion of CIMB Classic at just 22 years old.

At the same time, geopolitics threaten to add to our woes. 2015 showed that we are firmly in a multi-polar world, with the US no longer the sole superpower. While this means smaller countries can play arbitrage amongst the big powers, geopolitical tensions may boil over, intentionally or unintentionally. There seems to be too many potential flash points - the Middle East, Eastern Europe, the South China Sea, as well as domestic political instability in some important countries. Financial markets are therefore likely to be very volatile this year.

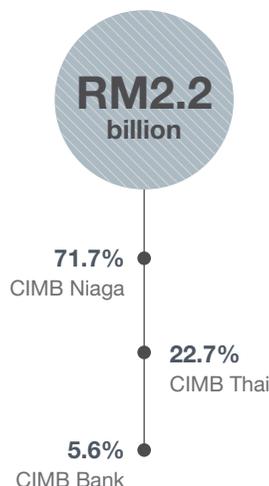
Across ASEAN, economic growth will slow and currencies will remain weak on the back of rising US rates and weak commodity prices, as well as domestic problems. Most ASEAN governments have limited policy options to mitigate external headwinds, so the pace of recovery will depend on exports and effective structural adjustments in each country.

**2016 PROSPECTS**

CIMB enters 2016 on a stronger footing, benefiting from the cost and capital adjustments that we undertook last year. Nevertheless, in these critical areas, we must work on getting even better. We must keep abreast of technological advancements and not just how they enable us to be more efficient, but also how they may help non-banks to disrupt banking. We must also keep ahead of developments on the regulatory front, especially on capital and compliance as they can have major implications on our strategic options going forward.

Our revenue engine remains strong, while our organisational structure and leadership team have been recharged. We will also make more progress on operating

**Loan provisions**



## Management Insights 2015

Message from the Chairman

efficiencies because our five-year Platform project is finally complete; we now operate on the same core banking system across all markets.

Our main concern will continue to be asset quality. We can expect NPL formation in Indonesia and Thailand to slow down, but Malaysia's may rise slightly given its low levels. Our net Group credit charge, however, should be lower in 2016, especially as we have further strengthened our end-to-end loan asset management across all units.

From a country perspective, I think we will continue to weather tougher times in Malaysia well. In Singapore, we will grow more slowly, but our foundations are solid. The picture is less rosy for Thailand, where we must readjust our competitive position by better aligning our strategy with our small size, and for Indonesia, where we must refine our strategies based on the hard lessons learnt over the past two years. We look forward to commencing our banking operations in Vietnam, following the receipt of a new licence last year, and our plan is to grow organically and methodically based on the successful templates of CIMB Cambodia and Singapore.

### FINAL REMARKS

We have to brace ourselves for a tough 2016, but as I said last year, CIMB thrived in the adversity experienced during the Asian Financial Crisis. We took many bold steps last year to reposition the firm for the new environment in order to ensure that we will thrive again this time.

On 20 January, our Group CEO, Tengku Dato' Sri Zafrul Tengku Abdul Aziz, assumed the additional role of CEO of CIMB Bank, which is further testament to our confidence

We look forward to commencing our banking operations in **Vietnam**, following the receipt of a new licence last year, and our plan is to grow organically and methodically based on the successful templates of CIMB **Cambodia** and **Singapore**.

*Sharing a delightful discussion at the Annual Management Summit with Senior Management to review 2015 performance and deliberate strategies for 2016.*



in him as our primary executive. On 1 March, Dato' Kong Sooi Lin was appointed CEO of CIMB Investment Bank. On 4 January, we welcomed Rafe Haneef, a globally-renowned Islamic banker as CEO of CIMB Islamic. Many other management appointments were made in 2015 and they are listed elsewhere in the Annual Report for shareholders' reference. Suffice here for me to say that the Board is pleased with the new leadership team that we have painstakingly put together for the company.

We also refreshed the Boards of our key companies. We welcomed Dato' Lee Kok Kwan and Datuk Mohd Nasir Ahmad on the Boards of CIMB Group and CIMB Bank, Rafe Haneef on the Board of CIMB Islamic, Dato' Robert Cheim as Chairman of CIMB Investment Bank and Tigor M. Siahaan as President Director of CIMB Niaga.

I would like to put on record our gratitude to Board members who stepped down in 2015. Dato' Robert Cheim, for his services on the Board of CIMB Group, Dato' Sulaiman Mohd Tahir and Renzo Viegas for their services on the Board of CIMB Bank, Raja Shaharul Niza Raja Abdul Aziz and Badlisyah Abdul Ghani for their services on the Board of CIMB Islamic, Dato' Zainal Abidin Putih and Habibah Abdul for their services on the Board of CIMB Islamic Bank and Arwin Rasyid for his services as President Director of CIMB Niaga.

Allow me to specially mention Dato' Zainal Abidin Putih, who has just turned 70, and will not seek reelection to the Board of CIMB Group and will step down as Chairman of CIMB Bank. We thank him for his services to our various Boards and dedicated leadership of our Board audit function across the Group since 2003.

Yours sincerely

**Nazir Razak**  
8 March 2016



## PERFORMANCE REVIEW BY GROUP CHIEF EXECUTIVE OFFICER

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**Having gained good traction in 2015, we remain committed towards achieving our vision to be the leading ASEAN universal bank and look forward to continuing the Group's growth momentum in the years ahead.**

### Dear Shareholders,

It has been just over one year since I took the helm as Group Chief Executive. As I reflect upon the Group's journey in 2015, I am pleased to say that despite the strong economic headwinds, our firm commitment in recalibrating our businesses resulted in, among others, our highest ever operating income and a lower cost structure for the Group. This was made possible through the full support and trust of the Chairman

and the Board, as well as the dedication of #teamCIMB in executing our Target 2018 (T18) Strategy.

Having gained good traction in 2015, we remain committed towards achieving our vision to be the leading ASEAN universal bank and look forward to continuing the Group's growth momentum in the years ahead.

In 2015, the Group faced its fair share of challenges. The global economy grew moderately at just over 3% and the pace of economic activity in emerging markets declined for the fifth consecutive year. The effect of China’s slowdown continued to be felt across the globe, particularly for us here in ASEAN.

The strong US dollar and the sudden depreciation of the Chinese Renminbi towards the year end placed pressure on most Asian currencies. On top of this, commodity exporters faced continued headwinds with the price of oil falling by around 47%. Other commodity prices were also soft and in this turbulent economic environment, it came as no surprise that in dollar terms, we saw Asian exports fall for the year.

Despite these external challenges, most ASEAN economies, namely Malaysia, Indonesia, Thailand, Vietnam, and the Philippines, posted respectable growth, providing us with ample business opportunities. Although the economies of energy-exporting nations such as Malaysia and Indonesia slowed, we were encouraged by the Philippines’ economic strength, and the momentum gained by Thailand and Vietnam’s economies.

This slower operating environment and subdued market confidence resulted in a 3.9% reduction in the FBMKLCI Index and our share price ended the year at RM4.54, a 13% underperformance compared to the FBMKLCI Index.

I am heartened to report that despite operating in such challenging conditions, we managed to record our highest ever operating income with strong growth shown by all business segments across our key operating markets. We also showed strict discipline in managing our operating expenses (OPEX) growth, with the OPEX line only growing 3.3% or a reduction of 0.5% if we exclude the forex translation. Our bottom line was affected mainly by the higher-than-expected provisions recorded by our Indonesian operations, CIMB Niaga. We also ended the year with a Common Equity Tier 1 Ratio of 10.3%.

In terms of our foreign shareholdings, the overall lower market confidence and outflows of foreign funds led to a 6% year-on-year drop to 27% at the end of 2015.

In order to position ourselves for the future, whilst facing the short term headwinds, we placed greater emphasis on executing our key T18 strategies early on in 2015.

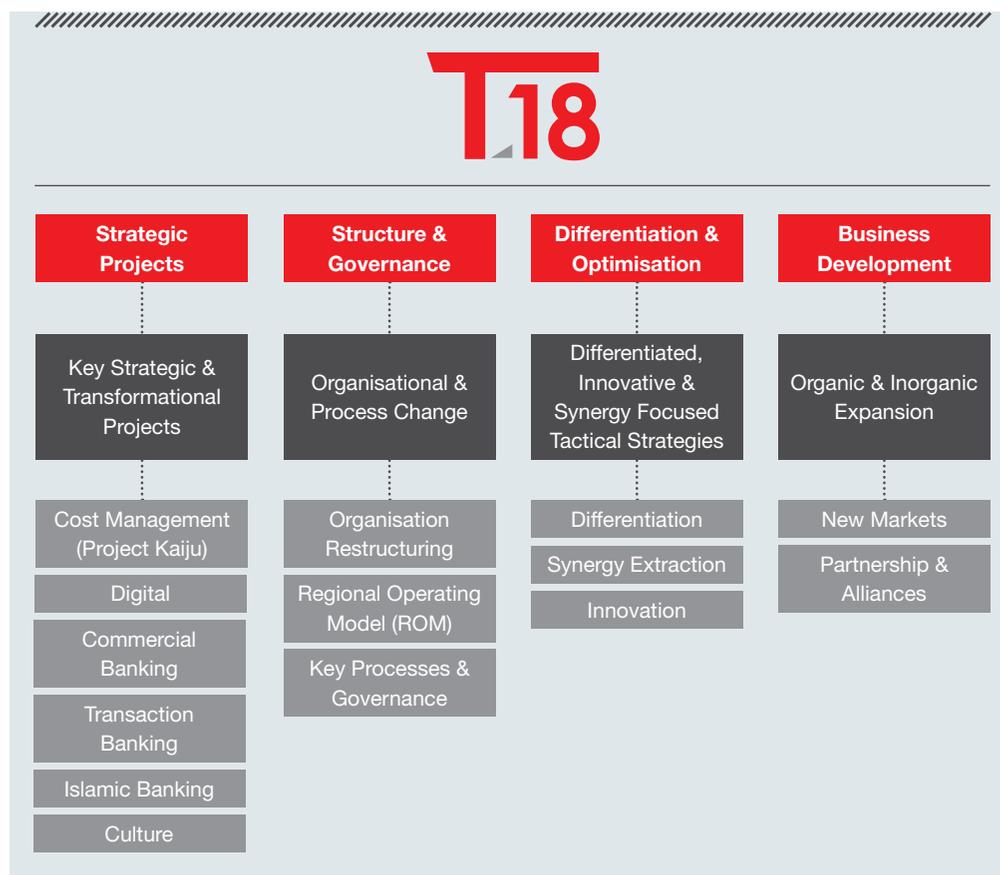
**Share Price Index vs FBMKLCI and KLFIN (January 2015 - December 2015)**



**T18 Strategy**

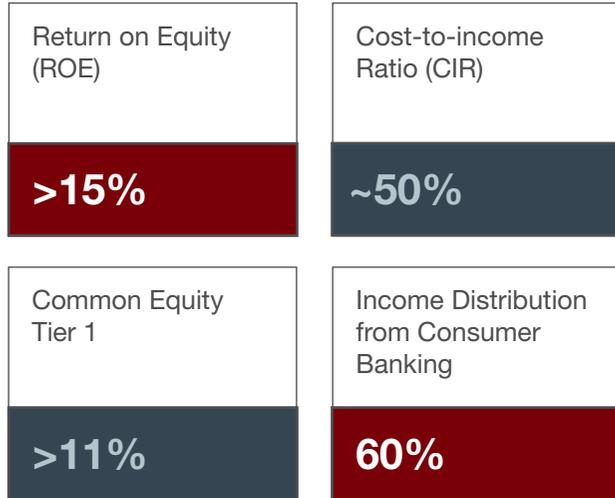
As a regional ASEAN-focused universal bank, we are now a much bigger entity than when we started out, due to our rapid growth over the years. However, there is still room to strengthen our regional position, build resilience to face economic challenges, and take advantage of technological advancements to accelerate our growth.

To achieve these objectives, our T18 strategy comprises of 18 programmes which are classified into:



**Management Insights 2015**  
Performance Review  
by Group Chief Executive Officer

We aim to achieve the following key objectives by 2018:



By the end of 2015, I am pleased to report traction in several of the T18 programmes, including Cost Management, Digital Banking, SME Banking, Transaction Banking, Islamic Banking and our Footprint Expansion. We also established the T18 Oversight Committee (OC), with myself as chair. Under the OC, our Group Project Management Office (GPMO) monitors and tracks progress of the T18 programmes at division level. Going forward, both the T18 OC and GPMO will increase discipline and governance to make sure that each of our T18 programmes achieve its respective objectives.

One of the Group-wide programmes we were able to immediately execute was Cost and Productivity. Given the business environment in 2015, we had little choice but to streamline our APAC Investment Banking business and optimise headcount in our key operating countries. This included closing our offices in Australia and implementing a Mutual Separation Scheme (MSS) in Malaysia and Indonesia, where we saw 3,614 applications approved. By doing so, we were able to reduce our annual cost base by 6%. Overall, our headcount decreased by 8.6% from a combination of the MSS and natural attrition. Other initiatives have encouraged greater transparency and accountability, while the creation of a centralised procurement team, as well as various cost-saving initiatives in individual markets has also had a positive impact.

Culture was another T18 programme we quickly rolled out. To ensure that our staff was equipped to execute this, we introduced three critical behaviours namely:

		
<b>'Go the extra mile'</b> to delight customers	<b>Respect each other</b> , engage openly and work together	<b>Recognise each other's efforts</b> and always back each other up

**Our structural cost management initiative** have enabled us to reduce our annual cost base by



*As part of our new culture initiative, it is important to understand what happens on-the-ground. Guided by the three critical behaviours, I carried out "A Day In The Life Of" where I spent time understanding and operating our IT systems with the help of William Tan, Head of Regional IT Service Management, as well as other staff from the Group Information and Operations Division.*



To promote this new culture and fortify these critical behaviours, our Group Human Resources spent the year running 'A Better CIMB' campaign, reaching out to over 17,000 of our staff.

In order to fully recalibrate, we also introduced a number of key structural changes at the Group's organisational level.

Firstly, we regionalised our Consumer Banking division. This helped us achieve significant economies of scale and a platform to share best practices across our respective offices within ASEAN. We also formed our Wholesale Banking division, comprising of Investment Banking, Corporate Banking, Transaction Banking, Treasury and Markets, Private Banking and Equities. This has enabled us to seamlessly fulfill the banking needs of our corporate and institutional clients, both in terms of services and geographies. We also identified large untapped potential in the Commercial Banking space. As one of the key growth drivers for T18, we decided to structure our Commercial Banking business as a standalone pillar.

Further, we consolidated our Private Equity business, Direct Investments, and CIMB-Principal Asset Management JV under the roof of the newly-formed Group Asset Management and Investments (GAMI), enabling a better overview of all our investments and asset management businesses.

On the business enabler's side, we established the Strategic Procurement function as one of the core drivers of our T18 Cost and Productivity programme.



**Management Insights 2015**  
Performance Review  
by Group Chief Executive Officer

Recognising the need for stronger governance and control, we separated the Compliance division into an independent function which now reports directly to our Board of Directors.

Another area of focus established was the Regional Operating Model (ROM) where we will benefit from economies of scale; improved structure, governance, process, and platforms. It has also helped us tap into the larger regional talent pool. This is crucial for the Group because we remain committed to fulfilling our 'ASEAN for You' proposition by leveraging on the strength of our regional network and capabilities. We completely believe in the saying 'The whole must be greater than the sum of its parts.' In fact, our ROM is also particularly important because we are preparing to tap into the greater potential offered by the ASEAN Economic Community, which was officially launched in 2015.

The year 2015 also witnessed significant changes within our senior management, and at our Board level. I would like to congratulate Dato' Lee Kok Kwan, our former Chief Executive Officer of Corporate Banking, Treasury and Markets, and Datuk Mohd Nasir Ahmad for their respective appointments as Directors of CIMB Group and CIMB Bank, as well as Dato' Robert Chiem as Chairman of CIMB Investment Bank. We have also welcomed new talent into our senior management team. Shahnaz Jammal is our new Group Chief Financial Officer, Tigor M. Siahaan has come on board as President Director of CIMB Niaga, Rafe Haneef is our new Group Chief Executive Officer and Executive Director of CIMB Islamic, Yong Jiunn Run is Chief Executive Officer of Group Commercial Banking, Adam Wee Abdullah has taken on the Group Chief Marketing Officer position, Gurdip Singh

Despite the challenging operating environment, the Group posted our highest ever operating income of **RM15.4 billion.**

*CIMB Group's senior management from across the region, standing as a sea of red at our Annual Management Summit. Every year we come together to review our performance, and more importantly, discuss the Group's future business plans.*



Sidhu is Group Chief Strategy Officer, Effendy Shahul Hamid has assumed the role of Chief Executive Officer of Group Asset Management and Investments, Chu Kok Wei has been appointed as Group Head of Treasury and Markets, and our new Group Chief Compliance Officer is Kwan Keen Yew. Recently, we also saw the appointment of Dato' Kong Sooi Lin as the Chief Executive Officer of CIMB Investment Bank Berhad. I am confident that their capabilities, experience and knowledge will help us drive T18 forward, progressing the Group towards our next phase of sustainable growth.

I would like to take this opportunity to thank Dato' Zainal Abidin Putih for his years of contribution to the Group as a Board of Director and in his capacity as Chairman of CIMB's Board Audit Committee.

### FINANCIAL PERFORMANCE

Despite the challenging operating environment, the Group posted our highest ever operating income of RM15.4 billion and a PBT of RM4.6 billion, translating to a net earnings per share (EPS) of 40.2 sen, after excluding exceptional expenses from restructuring and the MSS. The Group's BAU pre-provision operating profit grew 19.3% year-on-year largely attributed to the 9.8% growth in operating income and 3.3% growth in operating expenses. With the increased year-on-year provisions, the FY15 BAU net profit grew 8.0% to RM3.4 billion with a corresponding ROE of 8.6%.



**Management Insights 2015**

Performance Review

by Group Chief Executive Officer

Net interest income grew by 7.4% to RM10.7 billion while net interest margins compressed by 14 bps to 2.7%, driven mainly by the higher cost of deposits in Malaysia. Non-interest income (NOII) on the other hand increased by 15.8%. OPEX increased slightly by 3.3% year-on-year, largely due to the effects of foreign currency translation. Without the forex translation, we actually reduced OPEX by 0.5%. The Group's BAU cost-to-income ratio (CIR) improved to 55.6% from 59.1% in FY14, mainly due to saving from MSS and strict cost discipline.

We managed to report a pre-provision operating profit growth of 19.3%, with strong performance reported in all business segments whereas our PBT was impacted by higher-than-expected provisions from our Indonesian operations. The Group's regional Consumer Banking PBT was 18.1% higher year-on-year at RM1.7 billion, fuelled by the consumer operations in Malaysia, Indonesia and Singapore. Regional Commercial Banking PBT fell 6.3% to RM666 million, largely due to higher provisions in Indonesia and Thailand. Regional Wholesale Banking reported a 14.4% increase in PBT of RM1.7 billion, attributable to stronger performances in Corporate Banking and Investment Banking, while Treasury and Markets was softer on the back of weaker capital markets. Group Asset Management and Investments reported a 17.8% decline in PBT due to absence of large gains from divestments in 2014 and Group Funding's PBT fell 17.2% due to the higher cost of funds and lower investment returns. CIMB Islamic's PBT increased by 2.9% to RM541 million due to an improved performance in the Consumer segment.

The non-Malaysian PBT contribution to the Group was lower at 21% compared to 28% in FY14. The fall was principally due to the decline in Indonesia's and Thailand's PBT of 53.4% and 31.1% respectively. The total PBT contribution from Singapore was 9.9% higher at RM378 million from continued performance improvement at the bank.

The Group's total gross loans - excluding the 'bad bank' - expanded 12.8% year-on-year, or 6.6% excluding forex fluctuations. Loans growth in Malaysia rose 9.1%, Indonesia by 0.6%, Thailand by 4.5% and Singapore by 2.2%. Commercial banking loans increased 7.8% and consumer and wholesale loans grew 13.6% and 13.7% respectively. Total Group deposits grew by 12.6% year-on-year, or 6.9% excluding forex fluctuations.

The Group's loan-to-deposit ratio (LDR) remained relatively unchanged at 92.9% with a CASA ratio of 34.1%. The Group's gross impairment ratio fell to 3.0% from 3.1% in FY14, with higher allowance coverage of 84.7% from 82.7% in 2014.

**Cost-to-Income ratio**

55.6%

**Loan-to-Deposit ratio**

92.9%

**CASA ratio**

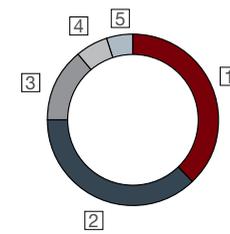
34.1%

**CET1 ratio**

10.3%

**PBT By Segments**

FY 2015\*



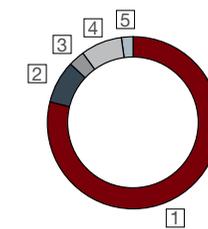
1 Consumer Banking	38%
2 Wholesale Banking	37%
3 Commercial Banking	14%
4 Group Funding	6%
5 GAMI	5%

FY 2015\* PBT Growth by Segments

Consumer Banking	+18.1%
Wholesale Banking	+14.4%
Commercial Banking	-6.3%
Group Funding	-17.2%
Group Asset Management & Investments	-17.8%

**PBT By Country**

FY 2015\*



1 Malaysia	79%
2 Indonesia	8%
3 Thailand	3%
4 Singapore	8%
5 Others	2%

FY 2015\* PBT Growth by Key Countries

Malaysia	+19.1%
Indonesia	-53.4%
Thailand	-31.1%
Singapore	+9.9%

\* PBT after excluding restructuring charges and one-off gains

For the year, the Group declared total dividends amounting to RM1.2 billion or 14.0 sen per share, translating to a dividend payout ratio of 41.9% of FY15 profits. The second interim net dividend of 11.0 sen per share will be paid to shareholders via cash or the Dividend Reinvestment Scheme (DRS).

As at 31 December 2015, CIMB Group's total capital ratio stood at 15.2% while its Common Equity Tier 1 (CET1) capital ratio stood at 10.3%.



**2015 HIGHLIGHTS**

**Consumer Banking**

The Group's Consumer Banking division performed well in 2015. Our loan book grew by 13.6% while deposits recorded a positive increase of 13.4%.

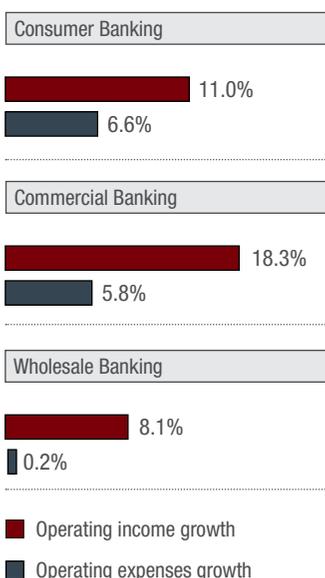
In a bid to continuously improve our service standards to create a smooth and efficient banking experience for our customers, we have among others, improved on our credit card approval time, a process which was sped up from seven days to just 10 minutes. By leveraging on our online banking platform, CIMB Clicks, customers also have the option to open accounts, or apply for credit cards and loans online. As a result, credit card applications increased by 48%. In Singapore, our customers can now open a CIMB FastSaver Account online without the hassle of visiting a branch; while in Malaysia, our customers are able to open deposit accounts of up to RM5,000 online. The first-of-its-kind in Malaysia, we launched the CIMB TravelCurrency, allowing both CIMB and non-CIMB customers to buy foreign currencies online at competitive rates for a pick up at selected CIMB Currency Exchange outlets.

Throughout the year, we also introduced a range of new products and services, including our flexible Unfixed Deposit product, enabling our customers partial withdrawals without interest penalties; a risk-based pricing policy for auto financing; as well as an extension to mortgage tenures. In Thailand, we launched the CIMB Thai SmartCard, the first ATM card that can be used at all 7-Eleven stores in Thailand, providing even easier access to funds for our customers.

Strong partnerships made up a large part of our card business strategy in 2015. In Malaysia, we extended our partnership with Malaysia Airlines' Enrich loyalty programme by launching the new CIMB Enrich World



*In Cambodia for the Regional CEO Challenge to celebrate and recognise the achievements of our top performers in Consumer Banking. With me are Renzo Viegas, CEO of Group Consumer Banking (left) and Bun Yin, CEO of CIMB Bank Plc (right), all dressed in the country's national costume.*



Elite MasterCard. In Indonesia, our customers continue to benefit from the CIMB Niaga AirAsia BIG Card and CIMB Niaga Hypermart Savers. In Thailand, in addition to our partnership with 7-Eleven, we launched Beat Banking through our partnership with Advanced Info Service (AIS), the country's largest mobile service operator. Our customers are now able to open accounts via 22 AIS outlets.

**Commercial Banking**

2015 was a landmark year for our Commercial Banking division. We carved it out as one of our T18 pillars, uniting all the Commercial Banking departments across the region under one umbrella.

Our new division performed well in 2015. While the division's PBT was 6.3% lower year-on-year, largely due to higher provisions in Indonesia and Thailand, gross loans increased by 7.8% year-on-year, while deposits grew by 16.4%.

Throughout the year, our Commercial Banking division focused on industry specialisation as a strategy and in Malaysia, on growing in the fast moving consumer goods sector. In line with ROM, we also expanded our regional managers' knowledge to ensure that our customers' regional business needs are attended to as efficiently as possible. We continued to enhance our regional Commercial Banking platform, ASEAN Business Solutions, helping even more customers conduct cross-border activities within ASEAN.

In Malaysia, our newly-established cash management team continued to cement strong working relationships with our non-borrowing deposit customers, while in Singapore we launched the CIMB-Wirecard merchant acquisition partnership, offering our customers end-to-end banking and electronic payment services from a single point of convenience.

**Wholesale Banking**

Wholesale Banking grew by 14% year-on-year despite having to weather adverse operating conditions in 2015 across all our major markets.

This was due to strong performance by our Corporate and Investment Banking operations which saw a PBT increase of 25.3% and 67.6% (decline in loss) respectively. Gross loans recorded a commendable growth of 13.7%, while deposits increased by 10.6%.

After building the team and the infrastructure required, our Transaction Banking operations also recorded a good year, posting a 12% revenue growth year-on-year, despite slower trade flow within the region.

**Management Insights 2015**

Performance Review

by Group Chief Executive Officer

We continued to gain traction in the Private Banking segment. Our assets under management (AUM) grew by 36% year-on-year. In Singapore, our operations returned to profit for the first time in 2015. This was mainly due to the regionalisation and enhancement of our cross-border collateralisation and financing capabilities. As for the Malaysian Private Banking operations, we recorded strong 37% revenue growth year-on-year.

By closing our offices in Australia and streamlining our workforce across other Asia Pacific markets, we were able to reduce our operating expenditure by RM116 million. The combined savings from cost management amounted to RM196 million in 2015, approximately 10% of our total wholesale banking costs for 2015.

Our contributions to the industry were once again recognised through numerous awards such as the Best Trade Bank in Malaysia and Indonesia by Trade Finance Awards for Excellence, Best Cash Management Bank in Malaysia in the Asiamoney 2015 poll, and Best Investment Bank in Malaysia by Finance Asia, Global Finance and Alpha Southeast Asia.

We were also recognised as the Best Bond House in Malaysia by Alpha Southeast Asia and Best Trade Finance Bank in Malaysia and Indonesia in the Asset Triple A Treasury, Trade and Risk Management Awards 2015.

Overall, CIMB Investment Bank remains one of the leading Investment Banking franchises in ASEAN. In mergers and acquisitions, we hold the second largest market share in Malaysia, Singapore and Thailand. We are the leaders in the debt capital market for the issuance of ASEAN domestic bonds, global Sukuk, as well as Ringgit-denominated private debt securities. As for Thai Baht bonds, we are placed second in terms of market share.

Our market position was reflected by the number of notable deals that we successfully executed. In Malaysia, prominent transactions included Malakoff Corporation Berhad's RM2.8 billion initial public offering (IPO), the largest of the year in Malaysia, and Khazanah Nasional Berhad's RM1.6 billion block trade of Tenaga Nasional Berhad's shares, the fourth largest block trade in the history of Malaysian Capital Markets. Outside Malaysia, our notable deals include PT BW Plantation Tbk's IDR11 trillion rights issue and IDR290 billion secondary placement, the second largest rights issue in Indonesia, and in Hong Kong, the USD4.1 billion Main Board listing of GF Securities Co. Ltd., the largest IPO in Hong Kong since 2012.

In corporate banking, we expanded our product offerings in collaboration with various product partners, including our offerings in Transaction Banking, Treasury and Structured Products, as well as Debt Capital Markets.

**CIMB Investment Bank**  
remains one of the  
**leading Investment**  
**Banking franchises**  
**in ASEAN.**

**Wholesale Banking**  
**League table**

#1

Global Sukuk

#1

ASEAN Domestic Bonds

#2

ASEAN Cash Equities

#3

ASEAN ECM

As for our Treasury and Markets operations, our performance was supported by our disciplined cost management. We are proud to be named Overall Best Bank for Regional Commodities in the Asiamoney Fixed Income Polls 2015.

In 2016, we will continue our efforts to improve efficiencies and increase customer profitability by refining our customer segmentation and coverage processes.

**Group Asset Management and Investments**

GAMI is a new business pillar that was formed to allow the cohesive management and reporting of our regional asset management and investments business across both public and private markets. GAMI recorded strong first year operating performance, in line with expectations. PBT tracked downwards approximately 18%, but this was primarily driven by the absence of certain one-off gains recorded in 2014.

The public markets business, which is essentially the CIMB-Principal (CPAM) Group grew strongly with Assets Under Management (AUM) and PBT growing 23% and 32% respectively year-on-year. The strong momentum also resulted in AUM's breaching the RM60 billion mark. In addition to that, CPAM Thailand turned profitable on the back of the completion of the integration of Finansa Asset Management; whilst CPAM Indonesia continued to accumulate AUM at its expected growth rate. As we go to print, I am happy to share with you that the regional CPAM franchise has been awarded the Best Overall Group Award by The Edge | Thomson Reuters Lipper Fund Awards for 2015-16 – something we are very proud of.

The private markets business has been recalibrated and reorganised into three buckets in light of new capital rules and organisational priorities. Our Private Equity Fund Management business showed a hive of activity as we saw through the final divestment details of investee companies in SEASAF and CIMB-Mapletree. We also broke new ground with Mitsubishi Corporation and Development Bank of Japan as we launched a new USD200 million ASEAN focused middle market private equity fund. Meanwhile our Strategic Investments business saw a host of portfolio optimisation exercises in companies like Touch 'n Go and Bank of Yingkou - focused on enhancing value creating activities across the portfolio. And finally, our Passive Fund Investments business surprised on the upside as we realised some fund distributions.

We continue to see a host of optimisation activities across the GAMI business and we have put multiple plans in motion, with a singular focus of ensuring the Group operates a sustainable and value creating asset management and investments business across the region.

## Islamic Banking

Our Group Islamic Banking division benefited from an improved performance in the Consumer segment. This was reflected in the division's overall year-on-year increase of 11.8% in PBT. Gross financing assets also increased by 16% year-on-year, accounting for 16.0% of the Group's total loans. As for total deposits, our Islamic Banking division saw a 18.3% growth year-on-year.

All our major markets recorded improved performance. As the largest Islamic Investment bank in Malaysia, our domestic operations continued to make the most significant contribution to our business, accounting for 78% of our total assets in 2015. Singapore and Indonesia contributed 11.5% and 4.3% of our total assets respectively. In Singapore, Islamic financing increased by 77%, while Islamic retail deposits rose by 195% year-on-year. As for Indonesia, CIMB Niaga Syariah, posted financing and deposits growth of 13% and 12% respectively. We also recorded a positive growth of Islamic credit cardholders, increasing by 70% year-on-year.

Once again, we topped Bloomberg's Global and Malaysian Sukuk League tables. Globally, we held a 15.9% market share with issuances valued at approximately USD5 billion. This was further cemented by the completion of a number of notable deals, including the Government of Hong Kong's USD1 billion Sukuk and HM Treasury UK's Sovereign GBP200 million five-year Sukuk.

As an industry leader, we maintained our goal of providing innovative products and services for our customers, among which was Takaful Suria, Malaysia's first universal takaful hajj product. We also introduced Islamic FX in Singapore which generated sales of SGD20.7 million.

## PERFORMANCE BY GEOGRAPHY

### Malaysia

The Group's strong results for the year was largely attributed to robust performance by our operations in Malaysia, thanks to the speedy development of our T18 Strategy and our steadfast commitment to its programmes namely disciplined cost management, improvements in operational efficiency and service delivery, and our commitment to digital innovation.

Our Consumer Banking business fared particularly well. Revenue reached RM4.1 billion and the CIR fell to 56.2%. We maintained our market position for credit cards and saw applications rise by 48%, largely due to the convenience offered by our CIMB Clicks service. Our ASB, auto finance and SME loans and enterprise banking loans also recorded strong growth.



*Visiting Kelantan (Malaysia) to see progress of the redevelopment of villages that were destroyed by the massive flood disaster at the end of 2014. CIMB Islamic contributed RM1.6 million to this cause.*



### Malaysia

**Our digital focus is certainly paying off** as we see our customer base grow, which coupled with great service, are crucial factors to **enable us to stay ahead in the fierce battle** for customer deposits in the coming years.

Our emphasis on digital enhancement continues to keep us at the forefront of banking, providing our increasingly technologically savvy customers with the ease, speed and innovation they have come to expect from the CIMB banking experience and enabling us to further trim costs and lift operational efficiency.

We are particularly proud of our CIMB Messenger service, the first-ever mobile banking messaging service in Malaysia. The service is tied to our successful mobile banking app, CIMB Clicks, and sends real-time transaction alerts, notifications and promotions to our customers. Some 34% of our Clicks customers use the service and the innovation was named Runner Up in the 2015 Retail Banker International Asia Trailblazer Awards. By 2019, we see the number of customers using Messenger rising to at least 1.23 million generating savings of more than RM18 million for us.

We enhanced our CIMB Clicks and BizChannel@CIMB services to enable the collection of the Goods and Services Tax and we became the first bank to allow customers to open deposit accounts of up to RM5,000 online without having to visit a bank branch. We also became the first financial institution in Malaysia to offer an online travel currency service, CIMB TravelCurrency.

Our commercial banking operations in Malaysia saw PBT rise 19.1% year-on-year. Loans growth hit RM14.4 billion and deposits grew 9.8% year-on-year.

We maintained our prominence in the wholesale banking arena with our participation in many prestigious transactions. The most prominent deals included Malakoff Corporation Berhad's initial public offering, the largest of the year in Malaysia, and Khazanah Nasional Berhad's block trade of Tenaga Nasional Berhad's shares. In Malaysia, we held the No. 1 ranking for equity capital markets.

**Management Insights 2015**

Performance Review

by Group Chief Executive Officer

Despite the overall lackluster sentiment throughout the year, our Malaysian (including Labuan) corporate loanbook grew by RM6 billion or 13.0%, excluding FX fluctuations, and corporate deposits by RM4.7 billion or 8%, largely attributed to our focus on cross-selling opportunities. In Treasury and Markets, we held our ground and our private banking business grew its revenue by 40%.

2015 was a year of continued growth for our Islamic business. CIMB Islamic Bank Berhad lifted its PBT by 5.3% to RM791 million, largely due to growth in the Consumer, Commercial and Corporate Financing businesses. Our Islamic financing assets grew by 18.5% and Islamic deposits by 20.8%. Thanks to our innovative capabilities, we continued to dominate the Sukuk market, again topping Bloomberg's Global and Malaysian Sukuk League tables. In Malaysia, we hold a market share of 25.8% of Sukuk issuances amounting to almost RM14 billion.

Throughout the year, we were the proud recipient of numerous awards in recognition of our determined efforts to satisfy our customers and all our stakeholders. We were particularly encouraged to be named Best Trade Bank in Malaysia by Trade Finance Awards for Excellence, Best Cash Management Bank in Malaysia in the Asiamoney 2015 poll and Best Investment Bank in Malaysia from Finance Asia, Global Finance and Alpha Southeast Asia.

An overview of 2015 would not be complete without mention of our Mutual Separation Scheme. This was carried out in the middle of the year and was central to our overall realignment of cost structures and operating efficiencies as we became leaner and fitter for the years ahead. The scheme was accepted by 1,908 members of our staff in Malaysia.

**Indonesia**

The year 2015 marked the 60<sup>th</sup> year of CIMB Niaga's operations in Indonesia and despite a year marked by external and internal challenges, our business continued its forward momentum. We held our position as the fifth largest bank in Indonesia by assets, loans and customer deposits.

Although our profitability came under pressure as a result of higher provisioning, there were many bright spots for us. Our customer base grew by 6% year-on-year; net interest income grew well; our savings account balances growth was one of the strongest of all banks operating in Indonesia; we became a top three player in credit card and our transaction banking business improves tremendously.

**Indonesia**

With the implementation of the **1Platform core banking system** at the start of 2016, we **intend to aggressively use this platform to leverage on customer data and enhance our cross-selling.**

*Celebrating CIMB Niaga's 60<sup>th</sup> anniversary with our Chairman, Dato' Sri Nazir Razak (fourth from the right) and CEO of CIMB Niaga, Tigor M. Siahaan (third from the right) themed "Sasti Raya CIMB Niaga", we were joined by our valued clients, government officials, and senior management of CIMB Niaga*



Throughout the year, we continued to develop our digital capabilities to cater to our increasingly sophisticated clientele. CIMB Clicks, the Go Mobile app, the Rekening Ponsel banking service and other digital initiatives supported our drive to render banking transactions more efficient and promote branchless banking. The number of customers using our BizChannel@CIMB online platform rose by 12% year-on-year.

In 2015, customers opening online savings accounts rose by more than 400%. Our partnership with Disney Movie held a special appeal for our younger customers and further boosted the number of new savings accounts. In cooperation with MasterCard Indonesia, we also introduced OctoPay, which allows customers to conduct banking transactions via Facebook. These efforts underscore our determination to be the leading digital bank in Indonesia.

Our Indonesian operations are firmly aligned to the Group's T18 goals. With the introduction of the 1Platform core banking system at the start of 2016, we intend to aggressively use this platform to leverage on customer data and enhance our cross-selling.

Looking ahead, we are optimistic that our small and medium enterprises and consumer segments will continue to grow, together with our current account and savings account businesses. We will continue to place emphasis on cost management and selectively grow our loan book which will give us a strong foundation in the years ahead. We also look forward to lower levels of provision in 2016.



## Singapore

Our operations in Singapore posted another commendable set of results in terms of profitability and cost management amidst a challenging operating environment. PBT rose by 4% year-on-year while our CIR improved by about 280 basis points.

Wholesale Banking continued to be the major profit contributor for CIMB Singapore. Within this division, Corporate Banking grew its PBT by 26% year-on-year. Since commencing operations two-and-a-half years ago, Private Banking managed to register positive PBT in 2015. With our retail banking operations achieving critical mass and our credit cards business continuing to gain market share, the Consumer Banking business registered a 67% year-on-year growth in PBT. Commercial Banking registered a 41% year-on-year increase in PBT.

We attribute this strong performance mainly to our focused and well executed universal banking strategy, cost-effective spending mindset, strong emphasis on service quality and robust IT infrastructure. These strengths will continue to bolster our Singapore operations going forward.

In the Consumer Banking space, we launched FastSaver, Singapore's first truly online savings account appealing to the younger and digital savvy customer base. To provide more value to our credit card customers, we enhanced our Visa Signature and Platinum MasterCard proposition by offering customers 10% cash rebates on selected segments and zero FX administration fee for foreign currency transactions.

We also teamed up with Wirecard, a global leader in electronic payment transactions, to launch the merchant acquisition business. At the end of 2015, we managed to acquire 332 merchants with total sales volume of more than SGD30 million and processed approximately 294,000 transactions.

On the Wholesale Banking front, our Investment Banking team increased their collaboration with other divisions like Commercial Banking to capitalise on M&A opportunities while our Corporate Banking division intensified its engagement with global commodities houses.

Looking ahead, in an effort to contribute to the Group's overall T18 targets, our priorities for 2016 will focus on sustaining our growth trajectory in terms of revenue and profitability, containing operating expenditure to achieve a CIR in line with the Group's target of 50%, keeping a close watch on non-performing loans and further enhancing service quality. We also have to be extra mindful of and prepared for any regulatory changes that may impact CIMB Singapore's operations in the coming years.



*Presenting the financial year 2014 results to our CIMB Thai colleagues at the Bangkok Townhall.*

*Throughout the year, I also conducted Townhalls in our Malaysia, Indonesia, Singapore and Hong Kong offices.*



**Singapore**

We attribute our strong performance mainly to our **focused and well executed universal banking strategy, cost-effective spending mindset, strong emphasis on service quality and robust IT infrastructure.**



**Thailand**

**CIMB Thai won the Most Improved Bond House of the Year in Southeast Asia** by Alpha Southeast Asia and was named Strategy Excellence in Business Model Innovation for the second year running by Retail Banker International.

## Thailand

CIMB Thai rode the year's economic fragility to post a reasonable set of results. Our income rose 16.4% year-on-year; PBT was up 8.2% and offshore PBT rose 73%, testament to our commitment to regional synergies and to the Group's ASEAN agenda. Our CIR fell by 970 basis points; non-performing loans were down 0.26% and loan loss coverage improved by 11.3% year-on-year. Our contribution to the Group's income improved to 10% (after 8% in 2014). Our net interest margins did well at 3.27%, ranking us among the top five Thai banks.

We strengthened our synergies with CPAM, contributing 52% to CPAM's AUM. We remain CPAM's largest distribution channel. As a result, we were ranked 12<sup>th</sup> in Thailand's asset management industry, an improvement of two notches compared to the previous year.

Throughout the year, we continued to bring value to our retail customers. Our partnership with Thailand's leading mobile service operator, Advanced Info Services (AIS), to offer the mobile banking facility Beat Banking, places us at the forefront of banking innovation. Other key highlights for our customers include our banking partnership with 7-Eleven and the launch of an instant loan/credit card facility via our Digital Solution Engagement kiosk.

In Wholesale Banking, we created regional solutions for clients and engaged in several offshore landmark deals, regional loans and regional debt capital markets and derivatives. In DCM, we outperformed expectations and was ranked in the top three for primary and secondary bond markets, and was a leader for structured debenture placement.

**Management Insights 2015**

Performance Review

by Group Chief Executive Officer

Consumer Banking was the biggest contributor to our revenue, followed by Wholesale Banking, and we foresee this trend continuing in the coming years.

Despite the global and domestic economic uncertainties anticipated for 2016, we are confident of sustaining and possibly increasing our success rate, based on the clear roadmap provided by our T18 strategy.

Our focal points include cross-selling, optimising Common Equity Tier 1 and risk-adjusted return on capital, lifting customer profitability, raising staff productivity and managing costs. Our T18 Thailand Retail 2.0 Programme will strengthen recurring income. Asset quality and recoveries will also improve via the transformation of our Commercial Banking, to deliver better, customised solutions for our business clients.

We also look forward to adding value to our customers' banking experience and in the process, cement our position as a leading bank in ASEAN. Key strategies include promoting greater synergy across functions and within the CIMB Group, developing innovative products and services and continuously aligning with the Group's overall T18 Strategy.

**Others**

One of the most exciting developments for us in 2015 was to be awarded a licence to expand our footprint into Vietnam. The approval by the State Bank of Vietnam allows us to establish and operate a 100%-owned subsidiary, offering a full range of wholesale, commercial and consumer banking products and services. Vietnam is a market of more than 90 million people, with a

**Technological advance remains a firm focus as we strive to bring enhancements to our banking ecosystem**  
– modernising and streamlining our processes, accelerating turnaround time for our customers and digitalising our bank.

*A courtesy meeting with the Governor of the State Bank of The Socialist Republic of Vietnam, His Excellency Nguyen Van Binh, after the Group received an Approval-in-Principle to operate a subsidiary bank in the Republic.*



large young population and a growing middle class. We expect our first branch in Hanoi to be operational by the third quarter of 2016. The move will further solidify our position as the leading bank for ASEAN.

**BUSINESS ENABLERS**

Technological advance remains a firm focus as we strive to bring enhancements to our banking ecosystem – modernising and streamlining our processes, accelerating turnaround time for our customers and digitalising our bank.

**1Platform**

Our regionally-integrated 1Platform banking service was successfully rolled out in Indonesia at the start of 2016. 1Platform replaces five legacy core banking applications with an integrated, streamlined solution, enabling us to vastly enhance our cross-selling abilities by seamlessly manufacturing and marketing our products across Malaysia, Indonesia, Singapore and Thailand.

1Platform gives us a single view of all our customers' products and services and also gives our customers a single view of their investments and borrowings. Decommissioning our legacy core banking and capturing 1Platform's process efficiencies has also delivered substantial cost reduction for the Group.

The 1Platform project took years of commitment and had been rolled out since 2010, starting with Singapore, followed by Thailand, Malaysia and now Indonesia. We have started to see the benefits of 1Platform in the first three countries and we now look forward to reaping the benefits in Indonesia as well.

**1View**

In line with our digital sales enablement initiative, we also launched our '1View on the Go' service. The service extends the value proposition of instant account opening backed by groundbreaking instant-decisioning capabilities. The service also allows our Mobile Sales Force to 'carry the bank' on a tablet mobile device to customers.

**Goods and Services Tax**

In 2015, we achieved yet another regulatory milestone with the successful implementation of the Goods and Services Tax (GST) for 28 entities within our Malaysian operations in April.

GST has far-reaching implications for our Malaysian operations, as it cuts across many core business segments, processes and systems, from front-end sales and trading to back-end human resource, finance and procurement. The implementation involved more than 80 systems enhancements.

The project involved 15 months of strong teamwork and commitment despite a shortage of manpower, a steep learning curve and a tight statutory deadline.



**2016 OUTLOOK**

**Mid-term Strategies and Priorities**

**Macro-economic Outlook**

We begin the new year with many of the concerns from 2015. China is still rebalancing its economy, the Renminbi is under pressure and commodity prices are soft and after almost seven years of zero interest rates, the US Federal Reserve has finally moved towards normalising its policy rate, which adds additional uncertainty and volatility.

For ASEAN economies, we do not expect exports to shrink, as was seen in 2015. However, domestic demand will be the growth generator and to some extent, we will be helped by lower oil prices. We can also look forward to possible outperformance by some ASEAN countries if they are able to ease bottlenecks and increase productivity.

In Malaysia and Thailand, we expect the high level of domestic debt to reduce the impact that monetary policy can exert on growth. In currencies, we expect uniform weakness and in trade-weighted terms, we do not foresee much movement. We do, however, expect fiscal policy in countries such as Thailand and Indonesia to be particularly effective.

**2016 KEY FOCUS AREAS**

We have entered 2016 on firmer footing; with a lower cost structure and an improved capital position. We will continue executing each of the T18 projects with discipline and a clear sense of purpose.

Rolling out 1Platform in Indonesia in early 2016 means our Digital Consumer Banking strategy will start delivering the growth we envisaged under T18. On the Islamic front, T18's Islamic 2.0 programme is currently being developed and executed. Under Transaction Banking, at the end of 2015 we launched a project to make our branches more business-centric and we will continue this initiative in the coming year. We also look forward to the opening of our first branch in Vietnam this year as we continue our Footprint Expansion programme.

Other Group-wide T18 programmes that will be scoped and implemented in the coming year include MIS and Data Management, Capital and Risk Weighted Assets (RWA) Optimisation and Customer Experience. We will also continue to relentlessly manage cost and enhance productivity.



*Together with Shahnaz Jammal, Group Chief Financial Officer, as we announced our Full Year 2015 results, as well as the Group's outlook for 2016.*

Key projects that we will be working on in 2016 include:

**Cost and Productivity**

Going forward, we will continue to develop and roll out the programmes under our T18 strategy and these should provide a buffer for the challenging year we anticipate ahead. Our Cost and Productivity programme will continue to be aggressively implemented, with Phase 2 to be rolled out later in the year. Phase 2 will include our Centralised Regional Strategic Procurement, which aims to deliver sustainable cost savings, improved financial discipline including measurable metrics, and dedicated cost management projects by business units, enablers and countries for improving productivity. I am confident that these efforts will enable us to achieve our CIR target of 50% by 2018.

**Total Quality Management**

In 2016, we will also roll out our Total Quality Management (TQM) programme, which is focused on improving the delivery of our products and services across the Group. This initiative will see us put in place a robust infrastructure of people, frameworks and systems, as well as a governance framework to efficiently and effectively monitor and improve the customer experience. The key objective of our TQM programme is to ensure that our service delivery to all our customers, both internal and external, adheres to the Group's value proposition.

To create a positive and seamless customer experience we have to identify our pressure points. We intend to address each and every one of them, not only from a staff and process angle, but also by ensuring the robustness of the systems we have put in place.

**2016 Target ROE**



**Cost-to-Income ratio**



**CET1 ratio**



**Management Insights 2015**

Performance Review

by Group Chief Executive Officer

**Technology in Banking**

Looking ahead, one of the key differentiating factors will be our commitment to digital banking and FinTech. With the increasing connectivity of our customers, evolving in this space will enable us to provide them with a banking experience characterised by enhanced accessibility and convenience. Our initiatives in Digital Banking include our strategic investment in FinTech, Touch 'n Go (T'nG), partnerships with startup accelerator programmes and telecommunications providers, and our Digital Sales Enablement project.

T'nG, a strategic investment of CIMB, is also positioning itself as a strong player in FinTech by focusing on two major transformations. Firstly, it is repositioning its core business as a response to the Malaysian government's push for cashless payment and interoperability in the transportation sector. T'nG is moving from being just a cashless payment provider to a centralised collection agency and service provider.

Secondly, via the Digital Wallet strategy, T'nG is also reinventing itself as "The #1 Micropayment Wallet in Malaysia." The new wallet, featuring both online and offline features, will be the foundation of new and innovative products and services. Collaboration with supplementary FinTech service providers will be an important aspect of the overall strategy moving forward. Through this, T'nG will be able to tap into a multi-channel consumer experience and gain the necessary market reach.

Towards the end of 2015, we entered into a partnership with Startupbootcamp FinTech (SBC), Europe's leading FinTech accelerator. The partnership gives us a three-year access to the FinTech startups under SBC's Accelerator Programme.

By leveraging on our extensive ASEAN network, we will act as a gateway for startups wishing to gain access to the region. SBC, on the other hand, will provide mentorship to these startups, helping them to fine-tune their business models. Together with SBC, we will continue to host FastTrack events across the region, and mentor shortlisted applicants and startups. As we continue to energise our own innovation space, we expect that the partnership with SBC will enable us to stay abreast of current FinTech trends and explore possible integrations between startups' solutions and CIMB's banking offerings, which could enhance our own operational efficiency and generate new revenue streams.

In Philippines, we entered into a strategic collaboration with Smart Communications, the wireless service provider of leading Philippines telecommunications company, Philippine Long Distance Telephone Company (PLDT), and its wholly-owned digital unit, Voyager Innovations, to develop digital financial offerings and solutions for our

To create a positive and seamless customer experience, we will roll out our Total Quality Management programme, which is **focused on improving the delivery of our products and services across the Group.**

*Together with Dato' Shahrul Nazri Abdul Rahim, Head, Group Corporate Development (left most) and our partners at Startupbootcamp FinTech at the "FinTech Social: A Sea of FinTech Innovation" event in Singapore. This partnership will allow us to scout for, as well as evaluate new technology and ideas for the future.*



customers in the Philippines and across ASEAN. With the roles of banks and telecommunications providers increasingly converging, this partnership will enable us to bring differentiated, tailored and current digital banking and FinTech solutions to our customers. PLDT has vast experience in serving the sizeable Philippine market and a strong track record for developing innovative FinTech solutions, while CIMB, as a leading ASEAN franchise, offers extensive regional banking expertise and a deep understanding of the region's banking needs.

We also invested significant resources in developing our Digital Sales Enablement (DSE), a programme to increase the digital delivery of our products. The scope of DSE covers the digitisation of key channels and customer touchpoints, while focusing on five priority products, namely, credit cards, personal loans, CASA, insurance and Cashlite. DSE enables more instant decision-making capabilities, particularly for credit cards and personal loans.

Among the technology advancements as a result of DSE is an online banking portal, CIMB Clicks that is defined by better augmentation and optimised content. We continue to look towards a paperless banking experience for our customers and will roll out more seamless, branch-less processes. Data mining will also be a key focus area, whereby we will continue to develop up-to-date and sophisticated propensity models, allowing us to segmentise and understand our customers better, to enable better tailoring of our banking solutions to their needs.

This year, we will also embark on our Regional Clicks Convergence Programme which will consolidate internet and mobile banking on a single platform for Malaysia, Indonesia, Singapore and Thailand.





**CONCLUSION**

**Recharged #teamCIMB**

The year 2015 was spent recalibrating and recharging. The fruits of our labour are beginning to show. We saw our share price increase to RM4.58 as at 8 March 2016, from its lowest of RM3.93 YTD. This 17% improvement in our share price is a testament of our shareholders' trust in our mid-term T18 strategy.

We therefore entered 2016 with #teamCIMB even stronger and ready to execute our T18 programmes. I have stressed to the team that an exemplary leadership is vital in order to promote and champion cost discipline, capital consciousness, productivity, synergies, teamwork and cooperation in their respective units. Rome was not built in a day and certainly not by one person alone.

**Acknowledgement**

On behalf of CIMB Group's management, a big thank you to our stakeholders for their continued support, particularly through the highly challenging and volatile operating environment which characterised 2015. Having completed my first full year as Group CEO, I was truly humbled by the trust and encouragement extended by the Chairman and the Board, who also appointed me as CEO of CIMB Bank in January 2016. I would also like to thank our shareholders, clients, regulators, employees and all the local communities where we operate. I am equally grateful to the International Advisory Panel who provided invaluable advice and guidance throughout 2015.



1. *Kicking off discussions between members of our International Advisory Panel and the Group's key senior management at our annual meeting which took place in Jakarta this year.*
2. *A wefie with our staff and their family members before the #teamCIMB run in Kuching. In support of the Malaysian Ministry of Youth & Sports' first-ever Hari Sukan Negara (National Sports Day), about 400 staff joined us for a day of fitness and fun.*

We, the senior management team have pledged to make CIMB a place where **strong team work is part of our DNA, which is fundamental to our T18 success.**

Last but not least, thank you to everyone in #teamCIMB for your support, dedication and hard work in helping us see the Group through the current times. Through the Culture project which began in 2015, we made great strides in creating a workplace where staff feel a sense of belonging, and where accountability and our cooperative spirit have been greatly enhanced. Let us truly live our 2016 theme of a Recharged #teamCIMB to create a stronger banking group that is favourably perceived by all our stakeholders, a bank that most customers will immediately reach for when they think about banking products and services, a regional wholesale bank of choice for corporate transactions and a banking group that is at the forefront of digital banking, offering solutions that help our customers bank and invest conveniently from wherever they are.

**Tengku Zafrul Aziz**  
8 March 2016

# CONSUMER BANKING



**Renzo Viegas**  
Consumer Banking



True to our corporate value of being **customer-centric**, we want to be the ideal financial services provider for every individual with a banking need. 2015 was a phenomenal year for our division, reflecting our success in sustainably building our franchise throughout ASEAN.

In Consumer Banking, we aspire to be the leading consumer bank in Malaysia and a significant provider of financial services in ASEAN. The focus is on providing superior customer experience, characterised by speed, ease of transaction, transparency and service excellence. We want to be the best place to bank for our customers, the best place to work for our employees and the best place to invest for investors.

In 2015, we embarked on the regionalisation of our consumer banking business which has allowed us to quickly leverage best practices, effect change, increase efficiency by capitalising on economies of scale and reduce costs across the Group. This roadmap serves as building blocks for growth as we benchmark ourselves against the best consumer banking groups in ASEAN.

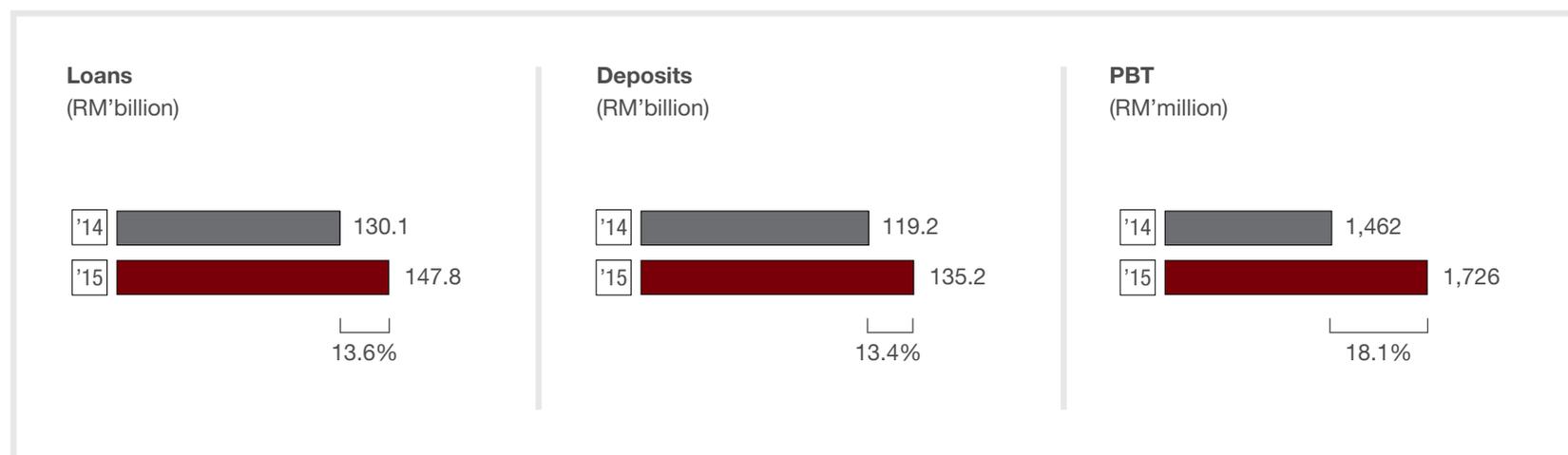
There were numerous challenges for us in 2015 as regulators increased their intervention on pricing, capital requirements and lending; whilst the economy slowed, competition for deposits intensified.

Despite these, 2015 was a phenomenal year for us. Regionally, we outperformed in most major balance sheet and profitability levers. Loans grew by 13.6% and deposits by 13.4%. Revenue grew by 11.0% and our PBT charted a strong 18.1% growth year on year. Our cost-to-income ratio (CIR) improved to 61.5% from 64.0% in 2015, largely driven by cost management efforts in Malaysia and Indonesia.

Overall, our growth has been spurred by initiatives which provide our customers with speed and convenience throughout 2015. In Malaysia, we speeded up approvals for credit cards, a process which used to take seven days to just 10 minutes and offer fast, paperless account opening at branches. Another significant service innovation is our 'Every Branch is a Home Branch' initiative, as customers can perform banking transactions seamlessly across our entire network regardless where their account is held. In Singapore, one of our most sophisticated online markets, we were the first Bank where our customers can open an account completely online.

On top of positive costs impact, digital banking helps us ease cross selling efforts and provide more personalised, targeted solutions across Malaysia, Singapore and Indonesia where we already stand at the forefront of innovation. The focus next is on Thailand and Cambodia in 2016, with the ambition to significantly progress in this space. This has resulted in both anticipating customer needs and brought down the cost of acquisition for sales of products.

## Group Consumer Banking Indicators





(Middle) Tengku Dato' Sri Zafrul, Group Chief Executive Officer, CIMB Group with (second right) Christoph Mueller, Chief Executive Officer, Malaysia Airlines and (second left) Ari Sarker, Co-President, Asia Pacific, MasterCard, flanked by Malaysia Airlines steward and stewardess at the launch of the CIMB Enrich World Elite™ MasterCard® to formalise the partnership at Menara CIMB, KL Sentral. The card allows customers to enjoy the fastest miles conversion and unparalleled Enrich privileges, making it the card that opens doors to great destinations and exciting experiences.

We introduced some compelling new products and services last year. In Malaysia, there was robust take-up for our flexible unfixed deposit product. The account allows customers to enjoy partial withdrawal facilities with no interest penalties to remaining fixed deposit balance. We also introduced a risk based pricing policy for auto financing, and in Indonesia extended mortgage tenure from 10 years to 15-20 years. In Thailand, we launched CIMB Thai SmartCard, the first ATM card that can be used at 7-11 stores. Service wise, we are the first financial institution in Malaysia to launch CIMB TravelCurrency which offers travelers a convenient, fast and secure way of buying foreign currencies online.

Partnerships were a big part of our card business strategy during 2015, enabling us to provide need-based products with enhanced value for our customers. This has helped us grow our card base and accelerate our market share in 2015.

In Malaysia, notable partnerships resulted in the launch of CIMB Enrich World Elite MasterCard, which offers card holders unlimited access to Malaysia Airlines Golden Lounges globally; the relaunch of CIMB Petronas MasterCard with enhanced 7% cash rebate and renewal of our partnership with ERAMAN to offer greater benefits for CIMB Bank credit and debit card members. In Indonesia, the CIMB Niaga AirAsia BIG Card offers attractive rewards on retail purchases and we partner leading retailer, Hypermart, to offer the CIMB Niaga Hypermart Savers a variety of shopping benefits. In Thailand, we collaborated with Advanced Info Service (AIS), the country's largest mobile service operator, to provide a suite of banking solutions on mobile phones called 'Beat Banking' and subsequently, extended this to allow CIMB customers to open accounts via 22 AIS outlets.

## GEOGRAPHICAL TRENDS

### Malaysia

Loan growth is slowing and we expect this to continue. Competition is fierce for consumer deposits. Strategically we see strong potential in the preferred segment and enterprise banking as growth lever in the coming years. Operationally we will continue to focus on cost management, business efficiency and productivity to further improve cost-to-income ratio.

### Indonesia

Our operations in our second largest market are growing well. Efforts on raising low cost funding has resulted in significant increases in our current and savings accounts balances. Margins have improved and we are confident that 2016 will be another strong year for us.



Renzo Viegas (middle), Chief Executive Officer of Group Consumer Banking, CIMB Group flanked by Vijay Manoharan (right), Regional Head of Digital Banking & Decision Management, CIMB Bank and Victor Jee (left), Head of Retail Forex, CIMB Bank at the launch of CIMB TravelCurrency. The service allows customers to order foreign currency notes online at competitive rates.

**Thailand**

In Thailand, we are recalibrating in a challenging economy and will closely watch the quality of consumer credit. We aim to grow our business by strengthening our partnerships and focusing on the profitable preferred banking segments.

**Singapore**

In Singapore, we are small but growing well especially in the areas that we focus on such as cards and in preferred banking. We are able to make decisions easily and swiftly and that stands us in good stead to challenge the bigger banks.

**Other**

In Cambodia, we generated our first profit and look forward to entering Vietnam later this year. We anticipate slow but steady progress in building our customer franchise in fulfilling our T18 aspirations.

**ASEAN**

We continue to champion the Group's overall drive to become the leading bank for ASEAN. Our affluent customers in particular, travels widely throughout ASEAN, and we strive to meet their lifestyle and banking needs with regional deals, as well as zero withdrawal fee from our large ATM network across the region. They can also open a bank account in the destination country before they even arrive.

**STRATEGY FOR 2016**

Looking ahead, steering the Group's T18 strategy will be central to our growth and sustainability, as we drive productivity and continue to invest for the future. We will enhance our digital delivery and create a holistic and consistent digital multi-channel, multi-product sales experience across Malaysia, Indonesia, Singapore and Thailand. In driving growth, we will collaborate with FinTech, amongst others, and continue to forge partnerships and strategic alliances to create new, value-added products and services for our customers. Customers can look forward to best-in-class customer service driven by our total quality management programme and also look forward to a refreshed and intuitive user experience on Clicks and mobile apps.



Signing ceremony and campaign launch of "Spend and Win - Bring Home Great Gifts Wrapped in Joy" event at Kuala Lumpur International Airport. The renewed partnership will see CIMB Bank credit and debit card members enjoying year-long exclusive shopping privileges with ERAMAN Malaysia.

## COMMERCIAL BANKING



**Yong Jiunn Run**  
Commercial Banking



This inaugural year has been extremely satisfying for the Commercial Banking division.

Our team has **developed a tremendous understanding of the nuances of the ASEAN markets** in which we operate and has worked hard to craft the best solutions to satisfy such a diverse range of requirements.

Group Commercial Banking was formed in 2015 as part of CIMB Group's T18 reorganisation strategy, bringing together all the commercial banking departments across the region under one umbrella with a consistent strategy to optimise our ASEAN footprint and build our reputation as the leading bank for ASEAN trade. Some 87% of intra-ASEAN trade takes place within the key markets where we have presence and we believe we are well positioned to help SMEs in this area.

### 2015 IN REVIEW

2015 was a good year for us. In the early part of the year, our priority was to align our strategies with the Group's T18 vision. During the year, we implemented various strategies to assemble the building blocks to drive long term growth within Commercial Banking. We focused our attention on building a team dedicated to reaching out to our customers who were looking for service beyond simple financing and banking transactions. We also acknowledged that the banking needs of SMEs differed depending on where they were on the business life cycle. With that in mind, we formulated different strategies and solution offerings for companies depending on where they were in their own life cycle and we are constantly refining these strategies.

In Malaysia, our operations continue to gain ground, and we posted strong results with PBT rising 19% year-on-year. Gross loans growth saw a year-on-year increase of 15% and deposits grew 9.8% year-on-year. While we continue to grow, we are always cognisant of credit quality and have managed to improve on our impairment and cost-to-income ratio.

In Singapore, we saw strong PBT growth of 41.2% despite lower loan balances arising from a China slow down and the down turn of commodity prices. With just two branches in Singapore we designed various deposit strategies such as the MPOS, a dedicated deposit team and strong cross-selling capabilities which contributed to a 14.6% growth in deposits. Commercial banking Singapore also successfully funded the privatisation of Popular Holdings Ltd. and the acquisition of CH Offshore Ltd. by Falcon Energy Group Ltd., reflecting business' capabilities that go beyond traditional banking to include corporate advisory for our customers.

In Indonesia, the SME team worked well to improve overall efficiency by launching its One Day Booking Process to speed up the time needed to process fresh loan applications. The Programme Lending Framework, implemented in 2015, also helped to improve overall turnaround times. Our commercial banking operations in Thailand and Cambodia continue to see their business grow and we are putting in strategies to secure a greater growth trajectory in the coming years.

SMEs are well-known to be the backbone of most economies. In ASEAN countries, SMEs account for over 50% of all employment and between 30%-60% of the various GDPs. We are conscious of the role that SMEs play in building the economy and we consistently seek to provide SMEs with access to innovative banking service solutions to help them grow, as well as to help them weather any potential storms in their horizon. For example, in Malaysia we introduced the GST Assistance Loans to help SMEs seamlessly transition as the country implemented the GST framework in 2015.

To further support the development of the SME sector in Malaysia, we are the exclusive sponsor of the annual Sin Chew Business Excellence Awards, which recognise SMEs that have excelled in all key areas of business management, resulting in organisational growth and sustainability. The Awards performs an important role in showcasing Malaysian brands and successful entrepreneurs.



Group Commercial Banking CEO, Yong Jiunn Run with the 2015 winners of the Sin Chew Business Excellence Awards.

**COMMERCIAL BANKING AND THE GROUP'S ASEAN ASPIRATIONS**

Commercial banking recently launched its regional platform, ASEAN Business Solutions, which was well received. In every country where we have a presence, a dedicated team has been set up to help customers with their cross-border activities and regional aspirations. We continue to build our franchise as a regional bank and to provide our customers with a regional banking proposition.

**PRODUCTS AND SERVICES**

During 2015, we made many enhancements to our strategies and offerings to further improve customer engagement and customer experience.

We have introduced sector specialisation to better anticipate our customer needs. In Malaysia, a newly-established Cash Management team is increasing our engagement with our non-borrowing deposit customers who previously did not have dedicated touch points with the bank. This initiative has been very well received.

In March 2015, we launched our collaboration between our Singapore office and Wirecard, the leading international payment solution and service provider. The partnership provides corporates, especially small and medium enterprises (SMEs), an all-encompassing suite of innovative and competitively priced banking and merchant acquiring services to help address their payment needs. With this, we can provide customers with a wide array of delivery channels

which not only includes traditional Point-of-Sale (POS) terminals but also multiple card payment options, Mobile Point-of-Sale (mPOS), e-commerce as well as a comprehensive suite of banking products.

**PRIORITIES AND STRATEGIES AHEAD**

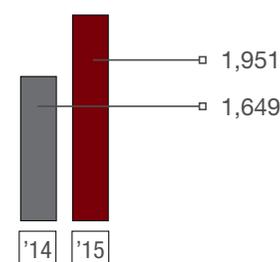
Group Commercial Banking has been identified as one of the key growth drivers for CIMB as the Group strives to achieve its T18 targets. Our priorities are therefore to continue to invest in building sustainable business engines to reach out to the business communities and we have aligned our strategies and provided for knowledge transfer across all major countries.

We are working with our Risk Division to ensure that all countries implement high standards in ensuring proper asset quality management and risk monitoring.

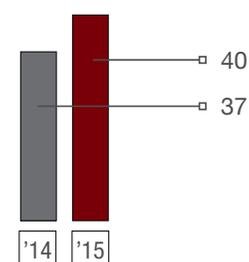
We will focus on growing our cash business, increasing our engagement with our deposit customers and acquiring new clients. To further support the SME sector, we will focus on tailoring our product offerings and launch more innovative products.

Finally, we are intent on building a strong and talented workforce that will see us through to T18. We are already conducting regular staff engagement and training exercises with the help of Group Human Resource. We are committed to developing talent to secure the next generation of leaders for the Group, as well as for the industry as a whole.

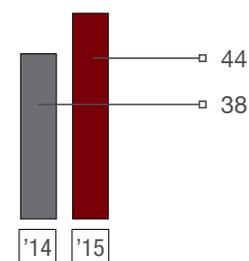
**Operating Income**  
(RM'million)



**Loans**  
(RM'billion)



**Deposits**  
(RM'billion)



## WHOLESALE BANKING



Tengku Dato' Sri Zafrul  
Tengku Abdul Aziz  
Wholesale Banking



We work very hard to **provide a holistic regional solution platform** for all our customers and even during challenging times, our team has been able to achieve that goal. Our focus remains on enhancing our efficiency, product offerings and geographical reach.

Our strong reputation as an ASEAN specialist in financial markets, including Equity Capital Markets, Debt Capital Markets, Treasury and Advisory is built upon CIMB's unrivalled ASEAN universal banking platform coupled with our global markets reach.

In 2015, CIMB Investment Bank (CIMB IB) maintained its position as the leading investment banking franchise in ASEAN. Its strong reputation as an ASEAN specialist in financial markets, including Equity Capital Markets, Debt Capital Markets, Treasury and Advisory is built upon CIMB's unrivalled ASEAN universal banking platform coupled with our global markets reach.

Throughout 2015, our investment banking arm was involved in many high profile, landmark deals across the region, further cementing our position as ASEAN's leading investment banking franchise.

CIMB was also the proud recipient of many awards in 2015, including Best Investment Bank in Malaysia from Finance Asia, Global Finance and Alpha Southeast Asia. Our investment banking activities in the Islamic capital market resulted in several significant deals which were recognised by The Banker's Deals of the Year 2015 Awards for the Islamic Finance Deal of the Year in Asia Pacific for The Government of Hong Kong's USD1 billion Sukuk; ALB Malaysia Law Awards 2015 for the Islamic Finance Deal of the Year: Islamic Development Bank's Sukuk Offering and Listing on the London Stock Exchange and The Asset Triple A Islamic Finance Awards 2015 for Best Islamic Equity-Linked Deal for Khazanah Nasional's USD500 million Exchangeable Sukuk into shares of Tenaga Nasional Berhad. In addition, we were also named Best Equity House and Best Bond House in Malaysia by Alpha Southeast Asia and Finance Asia.

### INVESTMENT BANKING - EQUITY CAPITAL MARKETS

Despite a challenging period for the Asia-Pacific equity capital markets, we successfully led and marketed equity deals that raised approximately USD10.7 billion in Asia-Pacific.

We were privileged to be Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for Malakoff Corporation Berhad's RM2.8 billion initial public offering (IPO) - the largest of the year in Malaysia. We brought in five of the 11 cornerstone investors, representing 37% of total cornerstone demand - the highest number brought in by any bank.

We advised and led Khazanah Nasional Berhad's RM1.6 billion block trade of Tenaga Nasional Berhad's (TNB) shares - the fourth largest block trade in the history of Malaysian Capital Markets. This was Khazanah's fourth TNB stake sale completed by CIMB within the last three years - comprising of three block trades of RM407 million, RM412 million and RM1.6 billion respectively, as well as a USD500 million exchangeable Sukuk. The deal was oversubscribed across the range and we led the deal from start to finish with approximately 78% share of the allocated book.

For Eco World Development Group's RM1.4 billion primary placement and rights issue, we acted as Joint Global Coordinator, Joint Bookrunner and Joint Underwriter. Barely two years old, Eco World is Malaysia's fastest growing real estate developer. The rights issue was oversubscribed by 4.9% and the top six investors were allocated around 80% of the book. CIMB generated more than half of the total demand amongst the three Bookrunners' syndicate.

Acting as Sole Bookrunner, we advised and led DiGi.Com Berhad's RM424 million serial block trade - the second largest block trade in Malaysia for the year. We were Joint Bookrunner and Joint Lead Manager for Red Star Macalline Group Corporation Ltd.'s USD931 million IPO, bringing more than 20 high quality investors in Hong Kong, Kuala Lumpur and Singapore and generating total demand of USD628 million. We acted as Principal Adviser, Joint Managing Underwriter and Joint Underwriter for Malaysia Airports Holdings Berhad's (MAHB) RM1.3 billion renounceable rights issue.

**Business Review 2015**

Wholesale Banking

We also extended our expertise beyond Malaysia to other ASEAN markets. In Indonesia, we were Sole Global Coordinator and Joint Bookrunner for PT BW Plantation Tbk’s IDR11 trillion rights issue and IDR290 billion secondary placement. This was the second largest rights issue in Indonesia and one of the largest rights issues and secondary share placements in the plantation sector for CIMB in Southeast Asia after Felda’s USD3.3 billion IPO in Malaysia.

Beyond our ASEAN footprint, the volatile North Asian stock market presented a challenging environment for our equity raising activities. Even so, we successfully completed nine transactions in Hong Kong across various sectors including energy and resources, technology, financial institutions, consumer and healthcare.

The USD4.1 billion Main Board listing of GF Securities Co. Ltd., was the largest IPO in Hong Kong since 2012 and the largest IPO in the Asia Pacific region at the time. GF Securities is China’s third largest securities firm by net assets and fourth largest by total assets, net capital, revenue and net profit. We were the only ASEAN Investment Bank appointed as Joint Bookrunner and we attracted more than 50 orders from institutional investors, generating total demand of USD2.1 billion.

For equity capital markets (ECM), we retained our No. 1 rank in Malaysia and we rose up one notch to No. 3 in the ASEAN ECM space.

**INVESTMENT BANKING - DEBT CAPITAL MARKETS**

Throughout 2015, we enjoyed a presence in a number of high profile sovereign and supranational deals. In Malaysia, we were the

only ASEAN bank to be appointed as Joint Lead Manager for the issuance of Petronas’ conventional and Sukuk issuances with a collective size of USD5 billion. This is the largest G3 issuance from ASEAN to date. We were also the only ASEAN bank to take part in the Government of Malaysia’s USD1.5 billion Sukuk issuance. The 30-year tranche was the longest-tenured Sukuk issued by a Sovereign. In Indonesia, we acted as Lead Manager and Bookrunner in the USD2 billion Sukuk Wakala issuance – the largest-ever single tranche USD Sukuk issuance globally and the largest-ever USD Sukuk issuance for Indonesia.

CIMB was also Joint Lead Manager and Bookrunner for Thailand’s Indorama Ventures’ (IVL) first offshore foreign currency bond in the Singapore market. The landmark transaction saw IVL become the first Thai company to receive an unconditional guarantee from the Asian Development Bank’s Credit Guarantee and Investment Facility (CGIF).

We continued to be the market leader in the issuance of ASEAN domestic bonds, global Sukuk and Ringgit denominated private debt securities and we are No. 2 for the issuance of Thai Baht bonds.

**INVESTMENT BANKING - ADVISORY**

On the mergers and acquisitions (M&A) front, we secured a deal for MAHB to acquire an additional 40% equity stake in Turkey’s Istanbul Sabiha Gokcen International Airport (ISGIA) and LGM (ISGIA’s commercial arm). CIMB acted as Joint Principal Adviser in the RM1.2 billion deal.

Other key M&A deals led by CIMB include Eco World Development Group Berhad’s acquisition of

100% equity interest and development rights from certain subsidiaries of Eco World Development Sdn Bhd for RM3,785.8 million, Australia’s Seek Ltd.’s 100% acquisition of JobStreet Corporation Berhad in a deal valued at RM1.9 billion and IHH Healthcare Berhad’s RM819 million acquisition of India’s Global Hospitals.

We also focused on enhancing cross-border cooperation. Our cross-border deals included Dairy Farm International Holdings Ltd.’s acquisition of a minority interest stake in GCH (Malaysia) Sdn Bhd (Hong Kong, Malaysia), Sapura Resources Berhad’s proposed divestment of its minority interest in its subsidiaries (Sri Lanka, Malaysia), Silverlake Axis Ltd.’s proposed acquisition of a company listed on the New Zealand Stock Exchange (Malaysia, Singapore) and ISG’s Euro 500 million Syndicated Term Loan to refinance its existing borrowings (Turkey, Malaysia).

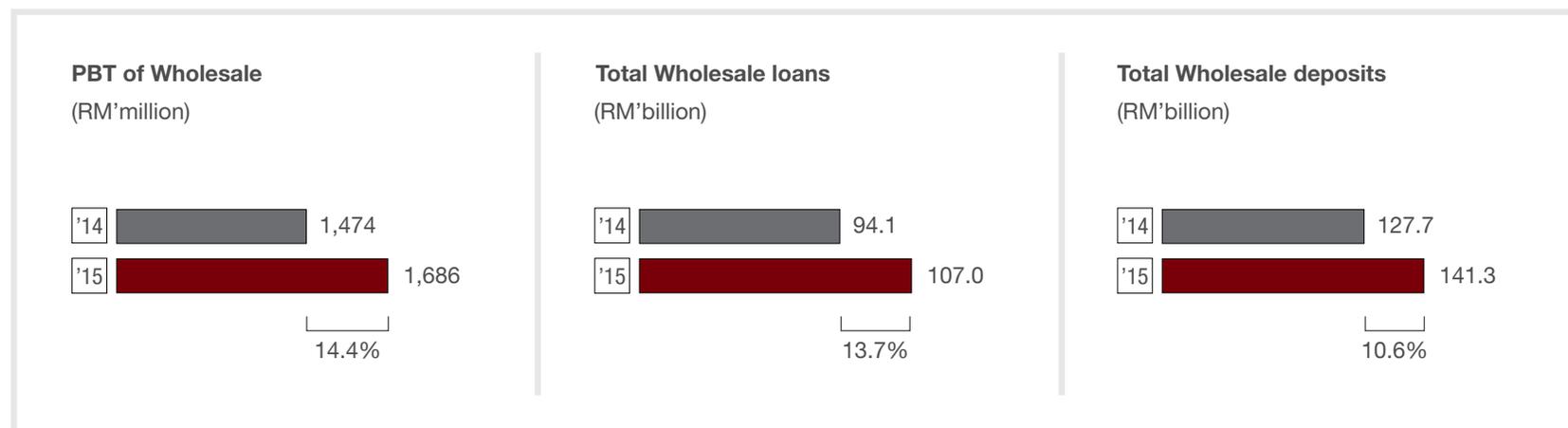
**EQUITIES AND RESEARCH**

Despite the challenging year, we remained as one of the leading brokers in ASEAN.

We were proud to receive several awards in 2015 including Best Broker in Malaysia from FinanceAsia, Best Brokerage House in Malaysia and Indonesia in the Asset Triple A Country Awards, Best Retail Broker in Singapore from Securities Investors Association Singapore and Best Securities Company Award – Institutional Investors from the Stock Exchange of Thailand.

Our research team was honoured in Asiamoney Brokers Poll and garnered the awards for Best Research Coverage in Malaysia, Indonesia and Thailand in sectors including strategy, small caps, consumer staples, healthcare, industrials, telecommunications, transportation and utilities.

**Wholesale Banking Indicators**



## Business Review 2015

### Wholesale Banking



Deputy Governor of Malaysia, Datuk Muhammad Ibrahim (second from left), presenting the Top Biller Award to Group CEO, Tengku Dato' Sri Zafrul (left) during the launch of the online National Bill. Witnessing the ceremony is Peter Schiesser, Managing Director of MyClear (second from right).

#### CORPORATE BANKING

In a bid to improve our products and services, our Corporate Banking department continued to strengthen its suite of both conventional and Islamic funding solutions, ranging from traditional trade financing to structured trade financing, capital expenditure financing, value-chain financing, leverage financing, M&A financing and project advisory financing.

Wholesale loans and deposits grew healthily by 13.7% and 10.6% respectively with strong growth coming from Malaysia (including Labuan) and Singapore for loans and from Singapore for corporate deposits.

When our Vietnam office opens later in 2016, we will have corporate banking offices in seven ASEAN countries. In addition to Malaysia, we consider Singapore, Indonesia and Thailand as our home market given our substantial presence in these countries. We also have branch presence in Hong Kong, Shanghai and London.

Our coverage model ensures our in-country corporate bankers work together with the global corporate bankers in our regional offices to enhance our customers' banking experience by delivering seamlessly service and solutions.

#### TRANSACTION BANKING

In 2015, we have invested significantly to improve and expand our trade finance product suite beyond traditional offerings e.g., supply chain financing, contract financing and accounts receivables purchase. This end-to-end financing benefits not only our clients, but also their suppliers and distributors.

Some of the key enhancements include: card and mobile solutions to facilitate our customers' needs on BizChannel@CIMB; the collection capability of the Goods and Services Tax to our CIMB Clicks and BizChannel@CIMB in Malaysia; and the launch of JomPAY, a national initiative to facilitate bill payments online in Malaysia. In Singapore, we launched FX online on BizChannel@CIMB which provides real-time dealable FX rates. We also launched the simplified e-banking platform, BizChannel@CIMB LITE for both Malaysia and Cambodia for our SME customers. In Indonesia, we increased the number of BizChannel accounts by 23%, and the number of transactions performed on BizChannel rose by 44% year-on-year.

We also launched the Mobile Point-of-Sale (mPOS) BizCard solution to offer businesses a secure way to manage their payments transactions and the e-Trade Smart Form, a standardised online trade finance application form in Indonesia and Singapore. Our customers in Thailand benefitted from the e-Guarantee which is part of the e-Government procurement initiatives.

We received Best Bank in Malaysia award in the Corporate Treasurer Awards, Best Cash Management Bank in Malaysia from The Asian Banker, of the Top Biller Bank award for JomPAY by Bank Negara Malaysia. We remain the Best Local Currency Cash Management Bank in Malaysia in the Asiamoney Cash Management Poll and hold similar recognition for our domestic and cross-border cash management services. We were also awarded Best Trade Finance Bank in Malaysia in The Asset Triple A Awards.

In Indonesia, we again won Best Trade Bank and Trade Finance for Excellence Awards in the Asset Triple A Awards and we regained the Best Foreign Cash Management Bank as voted by medium corporates in Asiamoney Cash Management Poll, in addition to two other awards in Best Overall Domestic and Cross-Border Cash Management Services.

In Singapore, we won Best Trade Bank in the Trade Finance Awards for Excellence and the Most Innovative Merchant Acquisition Programme by MasterCard. We again won Best Foreign Cash Management Bank in the Asiamoney Cash Management Poll.

#### TREASURY & MARKETS

Despite 2015 being one of the most challenging years for most of the markets in ASEAN, Treasury & Markets ended the year well, thanks to the focus on cost management, gaining of market share in customer flow transactions and diversifying of product platform that has provided us with a more stable income base. These focus areas are part of our T18 strategy and set us on a leaner but stronger footing going into 2016.

Our business in Thailand grew significantly in 2015, while Indonesia and Singapore had stable organic growth. We continued to strengthen our regional operating model and provided a holistic regional solution platform for our customers.

CIMB was voted by financial institutions as the Best for Overall FX Services and FX Option in Asia Pacific in the ASIAMONEY FX Polls 2015 and Overall Best Banks for Regional Commodities in the ASIAMONEY Fixed Income Polls 2015.

CIMB continues its prominence as a leader in Derivatives and Structured Products in ASEAN with six awards at The Asset Triple A Private Banking, Wealth Management and Investment Banking Awards 2015, including Derivatives House of the Year in Malaysia, awarded for seventh

**Business Review 2015**

Wholesale Banking

consecutive year, triple accolades of Best Structured Product House in Malaysia, Indonesia and Thailand, Best Credit Derivatives House in Malaysia and Best Structured Investment Product – Commodities. We were also awarded the House of the Year for Malaysia for the 10 consecutive years and House of the Year for Indonesia for the fourth consecutive year by Asia Risk. These awards are among the industry’s most prestigious awards, recognising the leading wealth management institutions, as well as the premier financial institutions involved in derivatives and structured products in Asia Pacific. We continued to provide bespoke structured solutions for our clients across the region with objectives including yield enhancement to liability hedging to balance sheet optimisation.

**PRIVATE BANKING**

Our Private Banking (PB) business posted a commendable set of results in 2015 amidst a challenging operating environment. AUM grew by 36% year-on-year to close at approximately RM38 billion. Operating income increased by 51% year-on-year while PBT grew 167%.

The Malaysian operations continued to be a major contributor with revenue growing 37% year-on-year. Our Singapore operations returned a profit for the first time in 2015 since commencing operations two- and-a-half years ago.

The strong performance was attributed to the regionalising of PB offering, enhancing our cross border collateralisation and financing capabilities, as well as improving our internal systems and operational processes.

Looking ahead, our focus in 2016 will be to continue to leverage on our ASEAN footprint and Universal Banking platform to expand the PB franchise and enhance clients’ asset values which in the turn, would deepen our wallet share of existing clients.

**PERFORMANCE BY GEOGRAPHY**

**Malaysia**

Throughout 2015, Malaysia’s economy and equities market were dampened by slower global economic growth, continuing low commodities prices, weakened currencies and sluggish market conditions. As a result, we had to defer several deal launches. We were, however, quick

to recognise the trends early in the year and capitalised on increased M&A activities which were spurred by lower asset valuations and cheaper currencies. In spite of the tough market conditions, we also continued to widen and deepen our client coverage activities to secure high profile ECM and DCM deals to defend our leadership in the domestic investment banking sector, including the MNC segment, for more flow trade pipelines.

We continued our strong collaboration with product partners and overseas counterparts and our income for outbound cross border deals recorded year-on-year growth of 86%.

Throughout the year, we emphasised cross-selling for transaction banking products including securing supply chain financing deals. We focused on the profitability of our products and optimising capital usage. To maintain the quality of our loan assets, we took steps to actively manage our loan portfolio via positive credit risk management and portfolio diversification.

**Indonesia**

Indonesia, like its regional neighbours, was weighed down by concerns over the outlook for Chinese equities and capital markets and capital outflow from emerging markets caused by the



Tengku Dato’ Sri Zafrul, Group CEO, and Azim Mithani, CEO of Prudential BSN Takaful Berhad, posing with the mock Plug n Pay card reader at the launch of PruBSN Mobility with Plug n Pay by CIMB Bank.



Hosting a dinner for our Private Banking clients at our headquarters, Menara CIMB. From CIMB are Carolyn Leng, Head of Private Banking Malaysia (first from left); Dato’ Kong Sooi Lin, CEO of CIMB Investment Bank (third from left), Dato’ Sri Nazir Razak, Chairman of CIMB Group (sixth from left), Mak Lye Mun, CEO of CIMB Bank, Singapore (third from right), Tengku Dato’ Sri Zafrul, Group CEO (second from right), and Dato’ Chris Chan, Managing Director of Group Private Banking (first from right).

## Business Review 2015

### Wholesale Banking

rate hike by the US Federal Reserve Board. With the exception of construction, almost all sectors yielded negative returns in 2015. Despite the tough environment, we successfully deepened our client coverage activities and secured prestigious state-owned enterprise IPOs and rights issues, as well as high-profile sovereign, state-owned enterprise and private corporation bond deals and these allowed us to further penetrate the Indonesian investment banking sector.

Our corporate loan portfolio in Indonesia continued to grow steadily, supported by our emphasis on growing working capital loans and reducing our reliance on investment term loans. As a result, the working capital to total loan ratio grew to 47% after 41% in 2014 and our average loan balance grew by 15% year-on-year.

On the corporate deposits side, the average current account balance and average time deposits balance rose by 29% and 17% respectively year-on-year.

#### Singapore

In line with the regional trend, Singapore's capital markets were also buffeted by a slew of adverse factors including the prolonged decline in commodity prices, the slowing of China's economy, reduced international trade flows and uncertainty surrounding interest rate hikes. This resulted in a drastic reduction in capital raising activities, particularly for larger deals. In response, we focused on originating and executing more digestible small-to-mid size fundraising transactions, as well as advisory mandates. This was made possible by our strong reach amongst Singapore's SMEs and our multi-disciplinary Investment Banking franchise (extending to the Singapore Exchange Catalyst space). Looking ahead, the deteriorating market environment will result in more M&A and corporate restructuring activities and we feel we are well positioned to leverage our investment banking capabilities to serve these opportunities.

We have expanded our equities product range to include exchange listed futures and options contracts across 16 Exchanges, online platform for contracts for differences (CFDs), exchange traded over-the-counter contracts, online FX platform, and Futures Direct Market Access (DMA).

Our corporate loan portfolio grew moderately and robust cross-border collaboration supported our customers in Singapore and also in our other core markets.

#### Thailand

As a result of the year's economic volatility, several M&A transactions and IPOs were put on hold while we wait for more favourable economic conditions. Our focus on DCM transactions paid off handsomely and we were delighted to be named the Most Improved Bond House of the Year 2015 in Southeast Asia by Alpha Southeast Asia.

On equities, our market share increased by 8% year-on-year with trading value increasing by 15% to lift our ranking from third to second in 2015.

Our corporate banking income increased by 17% year-on-year, largely as a result of loan net interest income (NII) and Non-NII revenue generated by our financial advisory services. Our loan portfolio grew 9% more than budget and our cross-border income almost doubled as a result of our strong team work and collaboration within the ASEAN region.

#### Others

Although we closed our operations in Australia, we still provide our clients with access to the Australian market via our alliance with Morgans Financial, Australia's largest national full-service retail stockbroking and wealth management firm. Our relationship includes collaboration on research, sales, execution and investment banking opportunities.

In addition, through our partnership with Kepler Cheuvreux, a leading independent European financial services company specialising in advisory services and intermediation to the investment management industry, our institutional clients can access European research on more than 700 equities and engage in 10 European markets.

Throughout the year, we introduced a range of enhancements to our division, products and services to increase the overall banking experience for our customers.

Our income from cross-border referral has continued to increase, as a result of astute collaboration between our teams in various countries. Refinements to our regional operating model include the matrix reporting structure and we have also put in place key performance indicators to capture our cross-border collaboration efforts.

In retail equities, a key driver of growth in 2015 was our collaboration with Consumer Banking on client referral, as well as the expansion of our product range for contract for difference and futures.

2015 was another successful year for our Corporate Access team. Our flagship conferences such as the CIMB 13<sup>th</sup> Annual Asia Pacific Leaders' Conference in London, the CIMB 9<sup>th</sup> Annual Indonesia Conference in Bali and the Invest Malaysia Conference in Kuala Lumpur, organised with Bursa Malaysia, continued to attract a lot of interest from investors. More than 1,400 investors attended these conferences and over 1,000 meetings were facilitated for our clients and partners.

#### PLANS FOR 2016

Looking ahead to 2016, we expect the economic headwinds to continue. We will therefore continue to focus on cost management and operational efficiency while serving our customer's needs through a holistic product platform and geographical reach. Our main emphasis will be scaling up our transaction and private banking businesses, continuing to partner with our high quality clients for cross-border deals, improving risk-adjusted return on capital (RAROC) of wholesale banking's businesses, improving client profitability through a more robust coverage and account planning model, and proactively managing the asset quality of our loan portfolio.

## GROUP ASSET MANAGEMENT & INVESTMENTS



**Effendy Shahul Hamid**  
Group Asset Management  
& Investments



Our goals are squarely focused on ensuring the Group operates **a sustainable and value accretive asset management and investments business.**

We've taken a mid to long term view on how to continue to be successful in this area of business and have begun putting our plans in motion.

Group Asset Management and Investments (GAMI) was a new business pillar formed as a result of the Group-wide restructuring exercise in March 2015. Combining all of the Group's regional asset management and investments business into GAMI allowed the cohesive management and reporting of our entire Public Markets and Private Markets practices – with a clear objective of achieving sustainable profitability levels and creating value across the portfolio.

### PUBLIC MARKETS

Our Public Markets business comprises the CIMB-Principal (CPAM) franchise across the region. We are currently present in four countries – Malaysia, Singapore, Indonesia and Thailand. At the same time and on a leverage model, we also operate CIMB-Principal Islamic Asset Management, which positions itself as a global Islamic asset management franchise.

This joint-venture with the Principal Financial Group (PFG) is one of the fastest growing businesses in the CIMB stable of companies, with five-year Assets Under Management (AUM) and PBT CAGR in the late teens.

Today, CIMB-Principal is ASEAN's leading public markets asset management franchise, manufacturing and distributing both conventional and Shariah-compliant investment products in equities, fixed income, exchange-traded funds, money markets and customised portfolio mandates to retail investors, high net worth individuals, large corporations and institutional funds, family offices, sovereign wealth funds and government entities.

2015 was yet another strong year for the CPAM Group. For the first time, AUM levels breached the RM60 billion mark. The Malaysia business remains the largest contributor and demonstrated consistently strong momentum across all segments. Our Indonesia business continued on its growth plans, steadily accumulating AUM whilst our Thai business turned profitable as we completed the integration of Finansa Asset Management. We continued to operate a very strong investment presence out of Singapore and also began to enter the retail distribution in that market.

We also spent 2015 taking a much deeper look at our business, to ensure we are taking advantage of quick-wins, and at the same time, ensure we have a solid foundation to take the CPAM Group through its next phase of growth. To that extent, we completed an extensive business diagnostic – and

have begun implementing most of the findings. For example, we reorganised and moved to a regional operating model – to ensure we tap the efficiencies a regionalised resource pool brings to the table. With this, we welcomed new management and reinvigorated the existing management with new and/or refocused roles. Our work in the distribution network was also prioritised – we went about expanding the agency force and working our distributors aggressively. We also enhanced the partnership with CIMB branches across the region to great effect. There will be lots more to do in 2016, as we work towards achieving critical mass in Indonesia and Thailand; at the same time access PFG's international capabilities to generate institutional Islamic mandates for the franchise.

As this report goes to print, I am happy to share with you that CIMB-Principal Group has been awarded the Best Overall Group Award by The Edge | Thomson Reuters Lipper Malaysia Fund Award for 2015-16. It is a wonderful recognition of our abilities and the performance we have garnered across our funds and undoubtedly, our public markets franchise will continue to win more awards as we go forward.

### PRIVATE MARKETS

Our private markets franchise was re-organised and recalibrated in 2015. New capital rules and organisational priorities required us to re-position our involvement in this area of business - with a clear line of sight towards shareholder value creation.

As such, CIMB Group's private markets business has been reorganised and bucketed into three areas. These are Private Equity Fund Management (PEFM), Strategic Investments (SI) and Passive Fund Investments (PFI).

In the PEFM area, we spent 2015 seeing through the final divestment details of two long-standing funds, Southeast Asian Strategic Assets Fund

(SEASAF) and CIMB-Mapletree. At the same time, we continued to play an active role in the two investee companies of the CIMB National Equity Fund (CNEF) as we stewarded them towards exits in line with fund closure dates in 2017. In February, together with Mitsubishi Corporation and the Development Bank of Japan, we launched an ASEAN focused middle market private equity fund, ASEAN Industrial Growth Fund (AIGF), with a total fund size of up to USD200 million. This fund attracted a marquee list of investors and we look forward to reporting on its success in time to come.

We also spent a significant amount of time on our SI portfolio in 2015. Touch 'n Go continued to forge ahead as the premier payments company in the country. Aside from welcoming a new Chief Executive, Touch 'n Go also broke new ground in terms of the definition of its future business model – as a leading digital payments provider. The Bank of Yingkou faced operating headwinds in China, but continued to deliver commendably amidst margin pressure and general weakness in its operating environment. In addition to this, we continued to rationalise and optimise numerous other holdings on our books.

In addition to the above, 2015 saw the creation of a Direct Investments discipline within GAMI, aimed at strengthening the Group's efforts in areas of investments in Financial Technology (FinTech). We see this as a strategic initiative, and will be working with various internal and external stakeholders in the coming years to ensure we are positioned well in this space.

## OUTLOOK AND STRATEGIES FOR THE FUTURE

The GAMI business is one that is extremely market driven, and as such, we are mindful of the headwinds that we are likely to face. Given this backdrop, we will continue to position in our areas of strengths, with a firm focus on growing and building a sustainable and value creating business in asset management and investments.

In the Public Markets area, we will be putting in place strategies to enable the CIMB-Principal franchise to ride the momentum that it has

created over the years. We expect to balance having to deal with difficult markets, at the same time building the right infrastructure for the future of the franchise. To that effect – we will continue to regionalise the organisation; as we expect this to give us long-term efficiency. In addition to this, we will need to take advantage of our ASEAN brand and reach, and look deeper into 'passport' type fund structures in addition to our usual country-only models. We also expect to see significant opportunity in the Islamic asset management space, and scaling out our capabilities as a known brand in the Islamic space globally. CPAM Indonesia needs to get to the right commercial levels, and, whilst CPAM Thailand has performed well, a sustainable growth track needs to be charted for it. We also see pensions as an area that will become more and more important in ASEAN, and as such, will continue to focus there.

In addition to this, we will work actively with PFG to explore how we grow our CPAM franchise further – considering operating geographies, inorganic expansion options and investments in alternative companies that will bring material value additions to the CPAM Group.

In Private Markets, we will continue to navigate the difficult markets and capital pressure

cautiously and carefully. As such, the bulk of the future work will be to stay focused on value creation through various optimisation exercises across our PEFM and SI portfolio.

We will focus on delivering the right returns and solutions to our investors in our PEFM business especially on funds that are due to close. At the same time optimise our holdings in outstanding funds and focus on developing strategic tie-ups, especially with our Japanese partners. We will continue to look at PEFM opportunities very selectively – in view of only involving ourselves in areas where the synergies created with the Group as a whole is both clear and material.

The SI area will also see a lot of activity in the coming years. We own certain significant and strategic holdings in various interesting companies and will continue to steer these stakes towards value creating events. We will watch closely the developments in Touch 'n Go, the Bank of Yingkou and the companies within Commerce Insurance Group (CIG) – amongst others. At the same time, we will keep our eyes trained on the future of the firm and continue to forge partnerships that will enable our private investments in areas that could be complementary to the Group in the future.



At the CIMB-Principal led Corporate Private Retirement Scheme (PRS) conference with key stakeholders from the Securities Commission Malaysia and the Private Pension Administrator.

## CIMB ISLAMIC



**Rafe Haneef**  
CIMB Islamic



I have the pleasure of spearheading CIMB Islamic banking business since January 2016. I am delighted that CIMB Islamic has achieved significant progress in many business areas in several core markets. We are confident that we can enhance our performance and market share by aligning the Islamic businesses with the CIMB Group businesses across the target countries, improve our product range and delivery process, and **maintain our position as the leading Islamic bank in the region.**

2015 was a year of continued growth for CIMB Islamic with the franchise's main operating entity, CIMB Islamic Bank Berhad, delivering PBT of RM541 million, a year-on-year increase of 2.9%, mainly through growth in the consumer, commercial and corporate financing businesses. Our balance sheet with Islamic financing assets grew by 10.8% year-on-year and Islamic deposits by 14.6%.

As one of the largest Islamic banking groups in Malaysia, our domestic operations continue to make the most significant contribution to our business, accounting for 78% of our total assets in 2015. Singapore and Indonesia contributed 11.5% and 4.3% respectively.

### CIMB IN SINGAPORE

In Singapore, 2015 was another great year for us. CIMB Bank Singapore has firmly established itself as a key Islamic finance provider. Islamic financing rose by 77% and represented 9.2% of total branch financing, as at the end of 2015, while Islamic deposits accounted for 6.9% of our total deposits. Islamic retail deposits stood as at SGD292.6 million - a 195% increase over 2014. The adoption of the 'Islamic First Strategy' for targeted commercial banking business means we now offer Islamic financing (by default) for all vessel companies.

### CIMB IN INDONESIA

In Indonesia, our Islamic banking sub-brand, CIMB Niaga Syariah, reported financing growth and deposits growth of 13% and 12% respectively. Furthermore, the financing portfolio composition diversified from a majority portion in consumer financing to an equal 50/50 balance against corporate and commercial financing.

The growth in deposits was driven by the Hajj deposit account and the launch of new products and savings accounts. The number of Islamic credit cards grew by 70% year-on-year, resulting in ENR in the segment increasing by 106% year-on-year.

### CIMB AND SUKUK

We continued to dominate and innovate in the Sukuk market in 2015, again topping Bloomberg's Global and Malaysian Sukuk League tables. We have held the No. 1 position on the Global Sukuk League table for seven of the last nine years and have led the ASEAN Domestic League table since 2011.

In Malaysia, we achieved market share of 25.8% of Sukuk issuances amounting to RM13,965 million. Globally, we commanded a 15.2% share with issuances valued at USD5,204.66 million.

Throughout the year, we participated in several high profile transactions, including landmark issuances by the Governments of Malaysia, Indonesia and Hong Kong.

The Government of Malaysia's Sukuk issuance is the longest tenured Sukuk issued by a sovereign and the world's first sovereign Sukuk to adopt a structure using non-physical, income generating assets. CIMB Islamic is the only ASEAN-based bank mandated for global Sukuk deals by various sovereigns and quasi sovereigns.

At home, we worked with Khazanah Nasional Berhad to establish the first programme approved under the Securities Commission Malaysia's (SC) Sustainable and Responsible Investment (SRI) Sukuk Framework. The Sukuk is the first-of-its-kind in Malaysia enabling private sector investors to participate in socially responsible financing and at the same time, receive returns from their investments.

In 2016, we expect to continue to be at the forefront, anticipating Sukuk issuances to surpass the level seen for 2015. In the Ringgit bond market, we are conservatively projecting RM70 billion to RM75 billion of corporate bonds issuances in 2016, of which Sukuk historically makes up between 70% and 80% annually.

Globally, the sustained drop in oil prices may drive government-linked entities and corporates to turn to the Sukuk market to help bridge their funding gaps.

**ISLAMIC PRODUCTS AND SERVICES**

In consumer banking, we continue to focus on meeting Bank Negara Malaysia's (BNM) requirements on implementing and segregating investment and deposit accounts.

In 2015, we continue strive to add value to customers through our range of Islamic finance solutions. We launched Takaful Suria, Malaysia's first universal takaful hajj product. Developed exclusively by our bancatakaful partner, Sun Life Malaysia Takaful Berhad, Takaful Suria provides protection, savings and financial flexibility to assist Muslims in fulfilling their religious aspirations and obligations.

In 2015, we also focused on crafting compelling products and solutions for the diverse Malay segment. As a result, Malay depositors increased the amount of Islamic current and savings accounts by 21%.

In Singapore, we introduced Islamic FX and re-launched the Islamic Profit Rate Swap with cap, generating sales of SGD45.9 million and SGD142.0 million respectively. Our Islamic corporate banking business reported almost SGD362.0 million worth of new Islamic financing. The notable achievements included a SGD184 million Islamic acquisition financing transaction for a property fund backed by institutional investors from Saudi Arabia and Brunei. The Trust acquired a light industrial building from a private equity firm for some SGD260 million,

representing the largest SGD Islamic bilateral financing facility for CIMB Bank Singapore and one of the largest Islamic financing transactions in Singapore in 2015.

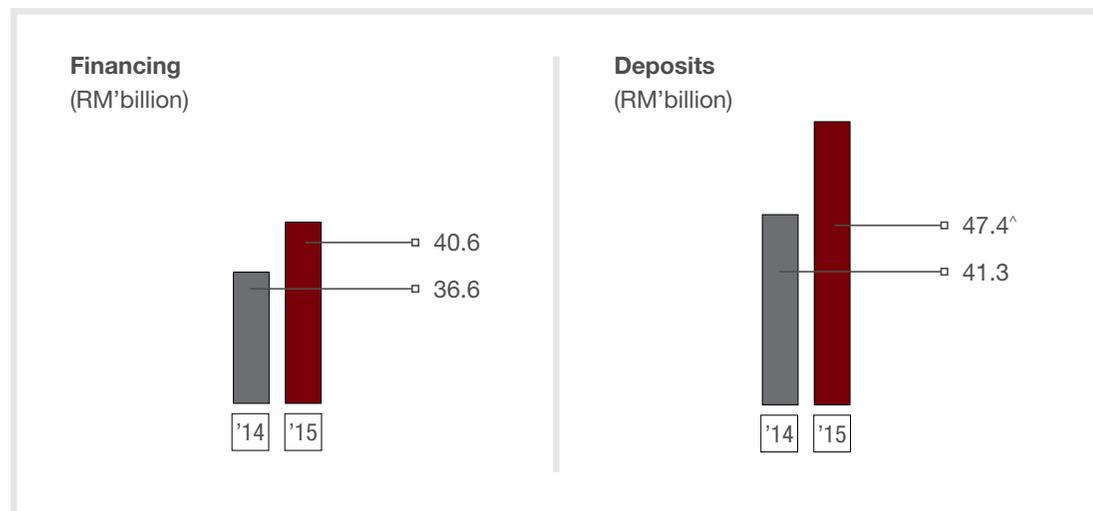
In Indonesia, CIMB Niaga Syariah launched the iB Usaha Savings account, Investor Account iB X-tra and the iB X-tra Flexi Mortgage home financing solution.

The Government of Indonesia also achieved a new milestone, completing its largest-ever global Sukuk offering raising USD2 billion.

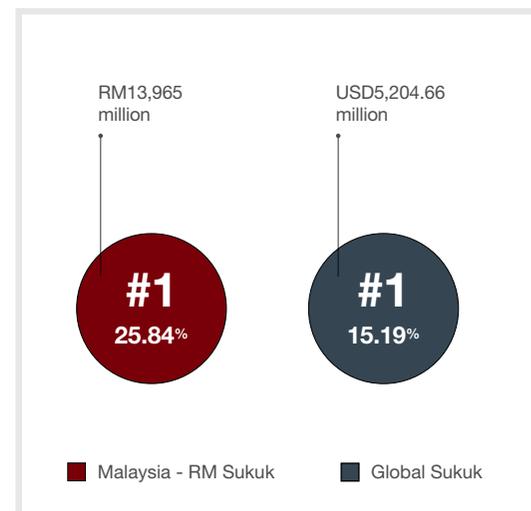
**PRIORITIES AND STRATEGIES AHEAD**

Looking ahead, competition will remain intense as banks focus on growing customer deposits. There will be consolidation and regulatory changes as the industry in ASEAN liberalises further, continued economic uncertainty generated by the volatility in oil prices, as well as attracting and retaining Islamic finance experts within local markets will remain a challenge.

**CIMB Islamic Bank  
Financing & Deposit Base**



**CIMB Islamic 2015 Sukuk League  
Table Rankings and Market Share**



<sup>^</sup> Inclusive of placements from investment accounts.



*Rafe Haneef, CEO, CIMB Islamic (right) accepting the Best Islamic Bank in Malaysia award, the Wakalah Deal of the Year award and 10 other awards, including the Deal of the Year, Equity & IPO Deal of the Year and Malaysia Deal of the Year at the Islamic Finance News Awards 2015 in Kuala Lumpur with Dato' Kong Sooi Lin, CEO, CIMB Investment Bank (fifth from left). With them are Mohamad Safri Shahul Hamid, Senior Managing Director & Deputy CEO, CIMB Islamic (third from left), Nor Masliza Sulaiman, Senior Managing Director & Global Head, Capital Markets, CIMB Investment Bank (fourth from right) and CIMB Investment Bank's capital market team.*

We anticipate opportunities for us to increase our market share through government initiatives such as Islamic finance tax exemptions, further internationalisation of Islamic finance, heightened requirements for companies to be classified as Shariah-compliant and increased needs for infrastructure funding.

Our strategies to grow our Islamic banking business in the region include reasserting profitability from our core businesses, developing further product innovation and new fee income segments, deepening customer relationships, growing our ancillary business and increasing our deposit franchise.

In Malaysia, the size of the Islamic finance market, both in terms of assets and liabilities, has been hovering at between 22% and 25% of the industry. We expect banks to continue competing for cheap and sticky deposits to maximise margin and meet Basel III Liquidity Coverage Ratio requirements.

Wholesale deposits should grow steadily in line with the government, government agencies and government-linked companies' push for Islamic products. Listed companies will also emphasise Islamic deposits to maintain their status as Shariah-compliant companies. On the asset management side, we expect substantial growth to be generated by commercial and corporate financing customers in line with the Securities Commission's quantitative screening methodology.

Singapore's reputation as an Asian financial hub presents opportunities for Islamic finance to grow. Islamic banking assets grew by 73% since 2010.

For Indonesia, we will increase our focus on developing fee-based income, such as treasury, trade finance and transaction banking, an area still nascent in the country's Islamic banking industry. On the consumer side, we will expand Islamic services and products via electronic banking, emulating the successes CIMB Niaga has had in the conventional banking space.

We are also exploring new markets, in particular frontier markets for Islamic finance such as China, Sri Lanka, India, Bangladesh and Pakistan.

## GROUP STRATEGY



**Gurdip Singh Sidhu**  
Group Strategy



We need to be the catalyst for change: to **challenge our norms** and to find ways to **become more efficient**.

At the end of this journey, we hope to reflect on this period as one that was critical in shaping the next phase of our growth story.

2015 was a year of recalibration in which Group Strategy focused on setting the Group's mid-term objectives and charting a course to achieve these targets.

In 2015, our key priorities were anchored around the key pillars of the Group's T18 Programme; Strategic Projects, Structure & Governance, Differentiation & Optimisation and Business Development. Key priorities included reducing costs through Group-wide cost management, accelerating our business through an emphasis on digital, SME and transaction banking, enhancing our structure and governance for greater efficiency and effectiveness in the years ahead, as well as promoting the transformation of the Group's culture.

Our focus on cost management resulted in a number of key interventions such as the streamlining of our investment banking business across Asia Pacific, including closing down our offices in Australia, as well as the Mutual Separation Scheme in Malaysia and Indonesia, and the setting up of a regional strategic procurement function. These headline initiatives, coupled with concerted effort from across business units and geographies, resulted in our cost-to-income ratio falling from 59% to 55.6% in one year.

Moving forward, we will continue to be disciplined and prudent in terms of spending, and will look for further opportunities to optimise our cost base.

In 2015, we invested in a number of key growth engines for the future, focusing on ROI and extracting synergies within the regional platform, as well as areas where we can leverage our competitive advantage. Our plans for our digital, SME and transaction banking businesses build upon the businesses we already have, and aim to improve on areas where we will either be market innovators or where we have traditionally punched below our weight.

We also capitalised on opportunities to expand and strengthen different areas of our businesses across the region by forming strategic partnerships. Leading tie-ups included Beat Banking, a mobile banking service created in partnership with AIS, Thailand's leading mobile phone network provider, enhancing our life and non-life bancassurance partnerships, as well as Consumer Banking's collaboration in analytics and marketing.

We are confident that innovative partnerships in the digital and financial technology space will enhance our customer value proposition and user experience and we will be stepping up our efforts in this area.

2015 was a year of recalibration, where we introduced a new organisation structure to refine our focus and to reap organisational synergies. We now comprise of five business pillars regionally, namely Group Wholesale Banking, Group Consumer Banking, Group Commercial Banking, Group Asset Management and Investments and Group Islamic Banking. We saw changes in our top leadership and management, with a number of top-notch additions to our leadership team. The appropriate foundation work has now been put in place, with harmonised business models and governance across the region, as well as an infusion of talent at the leadership level, and this sets us up for an exciting year ahead.

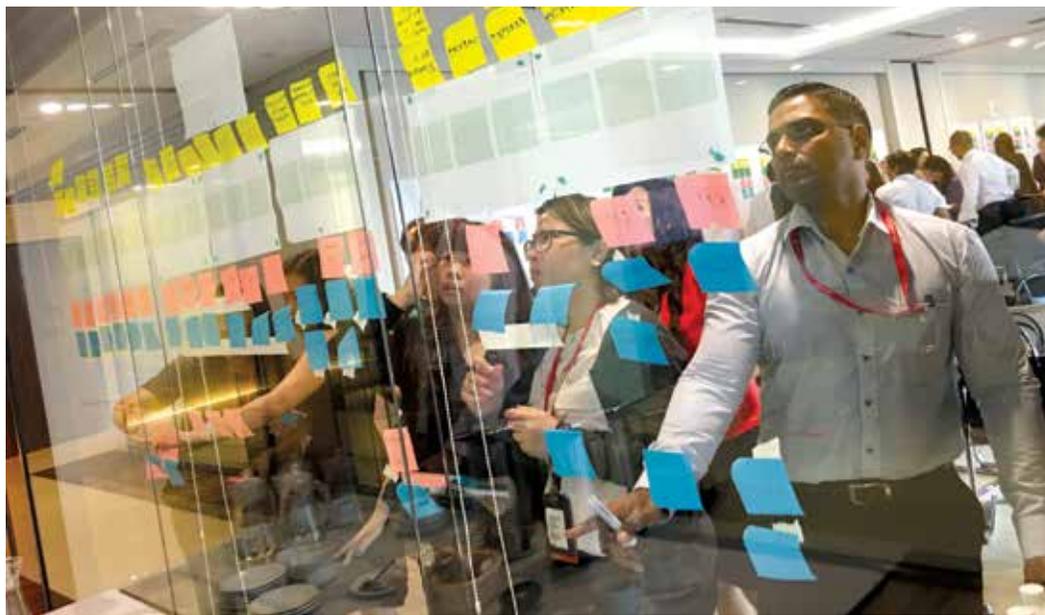
As we consolidate our position as a leading ASEAN bank, we will continue to re-align the way we operate across the region. Our aim is to extract efficiency and synergies from CIMB's existing capabilities and resources, a strategy which will see us sharing best practices and creating a robust decision-making process.

**Business Review 2015**  
Group Strategy

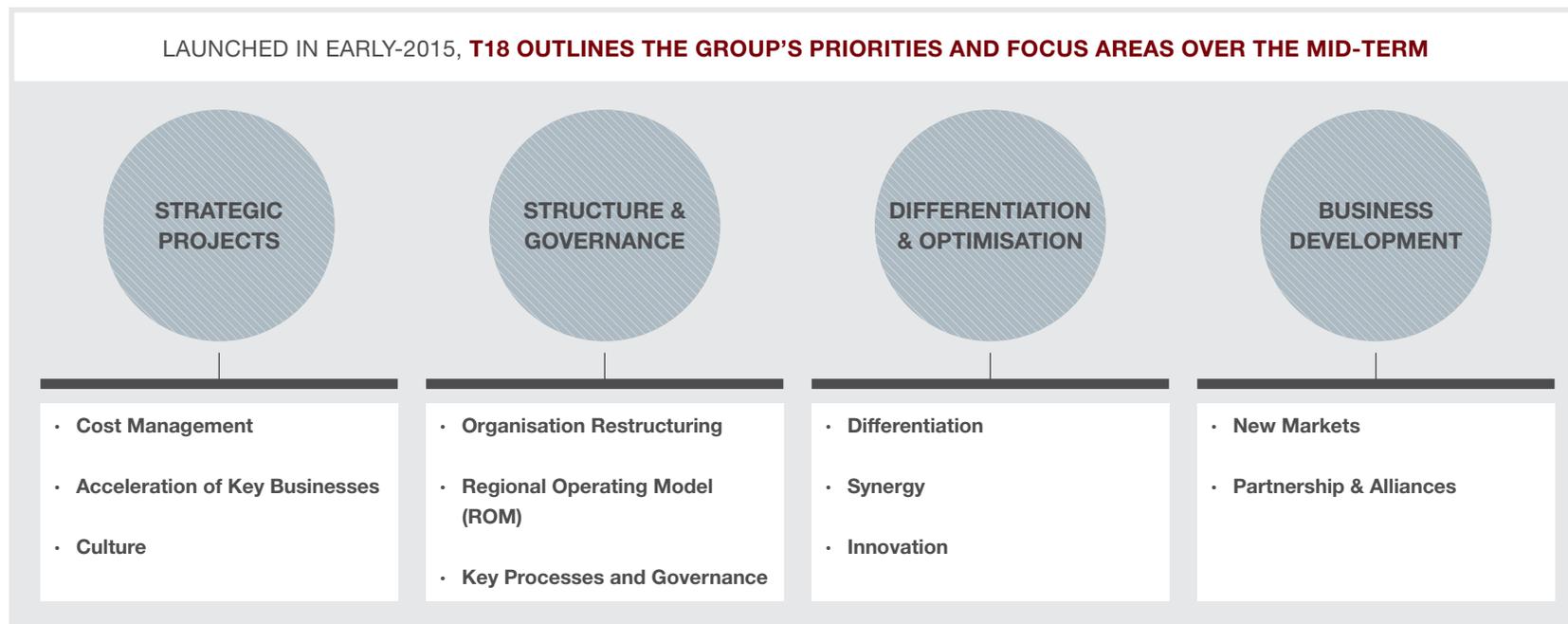
We also developed initiatives to optimise our capital and risk-weighted assets in 2015, and these plans will be carried through in 2016. In addition, we also divested selected non-core businesses and operations.

In line with our ASEAN aspirations, we are exploring new markets such as Vietnam and the Philippines to complete our ASEAN footprint. We received the approval to establish a 100%-owned subsidiary in Vietnam, and we look forward to opening our first branch there in 2016.

Throughout 2015, our T18 strategy garnered significant traction internally, and earned the confidence of our external stakeholders.



Collectively brainstorming to extract synergies.



## BUSINESS ENABLERS



*The ABC Forum inked a Memorandum of Understanding with the United States Agency for International Development (USAID) to jointly launch a research grant programme aimed at providing actionable research on policies and business procedures to expand SME access to finance. The signing was witnessed by Hon. Dato' Sri Mustapa Mohd and Blair Hall, Deputy Chief of Mission, US Embassy Singapore, Dato' Sri Nazir Razak, together with other chief executives of participating banks.*

### **CIMB ASEAN RESEARCH INSTITUTE (CARI)**

With ASEAN moving towards the formation of the ASEAN Community at the end of December, and Malaysia chairing the 10-member organisation, 2015 was an important year for the CIMB ASEAN Research Institute (CARI).

CARI's mandate is to contribute to ASEAN by providing thought leadership in ASEAN issues. CARI engages with high level policy-makers to channel the viewpoints of the private sector on ASEAN integration. Acting as the secretariat of the ASEAN Business Club (ABC), a grouping which connects the region's top executives

and companies, CARI advances its mandate in advocacy for ASEAN integration issues by mobilising the support of the private sector. In partnership with the ABC, the flagship Lifting-the-Barriers (LTB) initiative has achieved considerable recognition throughout ASEAN since launched in 2013. To date, CARI had published a total of 19 LTB reports covering 12 clusters of sectors which have been submitted to various ASEAN bodies. The six LTB reports released in 2015 covered air transportation, financial services and capital markets, tourism, healthcare, retail and infrastructure.

The LTB research has been presented to key ASEAN bodies and policy-makers, and the proposals discussed at the highest levels.

Malaysian Prime Minister Najib Razak, ASEAN chair of 2015, acknowledged publicly the importance of these reports in informed policy-making. CARI has also been able to build strong research partnerships with academic institutions, industry experts and some of the world's leading consultancy groups through the LTB initiative exercise.

Beyond the LTB, CARI continues to provide ASEAN insights through e-publications such as China ASEAN Monitor, Myanmar Monitor and CARI Captures. With the release of the new ASEAN 2025: Forging ahead together at the 27<sup>th</sup> ASEAN Summit, CARI began to provide detailed analysis on the AEC 2025 Blueprint beginning January 2016.

**Business Review 2015**

## Business Enablers

Through the ABC, CARI helps create a voice representing the top tier companies of ASEAN. As a contribution to the SME sector, the ABC inked a Memorandum of Understanding with the United States Agency for International Development (USAID) at the ABC Forum 2015 to jointly launch a research grant programme aimed at providing actionable research on policies and business procedures to expand SME access to finance. In August, the ABC hosted a special dialogue with H.E. Nguyen Tan Dung, Prime Minister of Vietnam, in Putrajaya, Malaysia in conjunction with this official two-day visit to Malaysia to strengthen trade relations between Vietnam and Malaysia. In October, ABC led a high-level delegation for a visit to London to explore two-way investments opportunities between ASEAN and the UK. The highlights of the visit included a roundtable meeting with the Right Honourable the Lord O'Neill of Gatley, Commercial Secretary to the Treasury at the UK Prime Minister's office at No. 10, Downing Street.

CARI and the ABC's work also won recognition when CIMB Group Chairman, Nazir Razak was honoured with the Asian Business Leaders Award in October 2015.

The Institute plans to widen its advocacy in 2016 to engage with working-level officials in ASEAN, and to focus more research on the issue of non-tariff barriers. It expects to appoint four new research fellows during the year.

**GROUP COMPANY SECRETARY**

The Group Company Secretary assists the Board navigate the many different jurisdictions in which CIMB operates. The role is also responsible for protecting and building on CIMB's reputation for excellent governance to enhance the stakeholders' confidence. The Group Company Secretary ensures that the Group complies with relevant regulatory requirements and internal policies and procedures.

The Group Company Secretary ensures that Board members have adequate resources to fulfill their fiduciary duties. This includes ensuring that the Directors have access to the knowledge and training they need, ensuring that information

flows smoothly between Management and the Board and highlighting any issues to the Board for its advice and counsel.

As CIMB expands throughout ASEAN, the Group Company Secretary's role becomes more dynamic. The diversity of the ASEAN regulatory environment means that each jurisdiction has different standards, regulatory requirements and different governance frameworks. The Boards in the respective countries are independent, but still work closely with our headquarters in Malaysia to realise synergies.

For the Group Company Secretary, key achievements in 2015 include CIMB being named one of the top three public-listed companies in Malaysia and Indonesia for governance. We are also proud that the Minority Shareholder Watchdog Group (MSWG) recognised our exemplary conduct at our Annual General Meeting, highlighting the fact that we addressed the issues raised by our shareholders openly and transparently. In 2015, we introduced paperless board meetings which meant we were able to save costs and lift efficiency.

Looking ahead, the Group Company Secretary will continue to ensure that CIMB operates efficiently and with synergy to bring value to all our stakeholders. Several of our Board members are due to retire this year and we will facilitate the handover to the next generation of Board members so that it is smooth and consistent with our overall vision and mission.

**GROUP HUMAN RESOURCE**

Group Human Resource works with the Group as a strategic business partner and enabler. As the company develops, our people strategies also evolve.

2015 was one of our busiest, most exciting and toughest years. Our people strategy was characterised by enhancing productivity and efficiency. Central to this was our Mutual Separation Scheme (MSS), which we carried out in Malaysia and Indonesia, and the closure of our operations in Australia.

More than 5,000 members of staff applied for the MSS. We achieved a nett 5% headcount reduction, the majority from the consumer banking side. This staff restructuring cost around RM300 million and we expect to reap the financial benefit of the exercise in about 18 months' time.

The closure of our offices in Sydney and Melbourne affected more than 100 employees and we offered full support to ensure that staff were offered satisfactory redundancy and redeployment opportunities.

Our rationalisation was driven by business needs, but we did not lose our focus on making sure we continue to invest in our people.

We also continued to emphasise on our corporate culture. CIMB has a high-performance, get-it-done environment and to achieve our goals we encourage three critical behaviours Group-wide - namely to 'go the extra mile' to delight our customers, respect each other, engage openly and work together and thirdly, recognise each other's efforts and back each other up. To further promote these behaviours, firstly, we concentrated on raising awareness by staging roadshows across the Group, reaching 17,130 employees through 143 sessions. We also used other communication channels - visuals, electronic channels, emails and speeches - to deliver our message. And thirdly, we encouraged informal leadership, and ensured that the people at the top lead by example. We have Tuesday Chats, at which top management have informal chats with skip-level staff, and we have Out and About sessions, where our leaders visit other departments to see how they operate.

Our people strategies are designed to help people perform at their best and reach their true potential. We make sure CIMB is an environment they want to work in and an organisation in which they feel they can grow and carve a career. We have a total rewards philosophy which is about pay and benefits and opportunities and recognition. As a universal bank, we offer regional opportunities and a unique rotation scheme through our different departments and countries.

## Business Review 2015

### Business Enablers



Reaching out to 17,130 CIMBians through 143 roadshows across the region as part of our A Better CIMB initiative in 2015.

We look for people with excellent communication skills who are energetic and have a desire to learn and a passion for giving back to the community. We also have a unique graduate management programme called CIMB Fusion, with PwC, Accenture, Hewlett Packard Enterprise, ZICOlaw, FCB Kuala Lumpur and Teach For Malaysia, which offers fresh graduates employment opportunities in two different industries at sign-up. This is aside from our flagship The Complete Banker™.

Our emphasis on talent development continues. Our programmes include CIMB Accelerated Career Enhancement (CIMB ACE), an upward mobility scheme to progress our non-executive employees in terms of skills, productivity and career opportunities, the Essentials of Universal Banker for our first-line managers, Accelerated Universal Banker for middle managers - customised by Singapore's Nanyang Business School - and our CIMB-INSEAD collaboration for senior management. For our middle managers, we even have the CIMB Emerald Award to recognise top performers.

We set up the CIMB Leadership Academy at Affiniti Medini in Johor in December 2015 for CIMB global training across ASEAN and Asia.

Looking to 2016, we will continue to focus on productivity and efficiency and strategic manpower planning and we intend to increase our efforts to enhance diversity, inclusivity and gender participation.

### GROUP COMPLIANCE

Group Compliance supports the Group's business and risk strategy. The division's key task is to advise and guide the Group's respective business units to ensure that they adhere to the relevant legislations, regulations and guidelines issued by the external regulators. Group Compliance works to reduce the risk of legal or regulatory sanctions, material financial loss and reputational loss that the Group may suffer if it does not comply with those regulations.

The Board sets the risk strategy and culture for the Group. As an independent risk manager, Group Compliance elevates risk exposures and non-compliance to the Board.

Compliance is embedded in everything the Group does. Staff are encouraged to lead by example in their day-to-day activities. Our employees are expected to declare their personal account dealings, gifts and entertainment to ensure there is no conflict of interest between them and the Group. We encourage staff to adopt good selling practices. We ensure that our products and transaction processes are appropriate for our customers and we emphasise fairness in our fees and charges.

Throughout 2015, we made several important contributions to the Group's culture of compliance. Our major achievements included introducing a fully-integrated regional operating model, aligning Group Compliance with the overall business and delivering the functional agenda, encouraging a solution-oriented mindset throughout our division to resolve compliance issues more quickly, initiating the implementation of a complete Compliance Control Room and improving our anti-money laundering (AML) and countering the financing of terrorism (CFT) standards in Malaysia, Indonesia, Cambodia and Hong Kong.

In 2016, we will continue to strengthen the compliance framework for the Group. A key change is that regulators have now set down their expectations for compliance. To meet those requirements we will develop new procedures on sharing information and reporting to the Board, standardise our AML processes across the entire Group, implement a conflict management system and improve our compliance monitoring processes and embedded controls.

CIMB's expansion throughout ASEAN brings additional challenges as each separate country has its own unique regulations and this will see us engage more closely with individual regulators in the various jurisdictions.

## Business Review 2015

## Business Enablers



The Launch of Risk Programme Centre of Excellence at Dewan Md Nor Menara CIMB.

## GROUP RISK

Group Risk identifies, analyses, measures, manages and controls CIMB Group's risk across all its platforms. Identifying risk forms the backbone of CIMB Group and the Group Risk team is fully engaged in the strategy planning processes with all of the Group's individual departments as well as the Board. Our Enterprise Wide Risk Management framework outlines how we identify and manage risk in the Group. We are very clear on our strategy for ASEAN. We are an ASEAN bank and we understand local nuances.

Our division has been able to attract and retain highly skilled people, conversant in how to deal with regional organisation. Our specialised Centres of Excellence, which include Market, Non-Retail Credit, Retail Credit, Operational, Shariah and Asset Liability Management Risk, as well as Risk Analytics and Infrastructure, are complemented by in-country Chief Risk Officers who are responsible for the enterprise risk within their respective countries. We are flexible enough to be able to move our specialised resources around the region, which adds to the efficiency of our division. We are at the centre

of making sure the Group's T18 strategies are within the risk appetite of the Group.

During 2015, the risk profile of many of our core markets changed dramatically. We began the year with optimism. We expected the continuation of the commodities super cycle, GDP was strong, currencies robust, interest rates low and there were no obvious signs of material issues in China.

The complexity of the evolving macro-economic environment tested our ability to manage risk effectively, be transparent around it and make sure we communicated thoroughly with the Board Risk Committee. We were put through the ultimate stress test and, in partnership with the Group's other businesses, we managed those impacts effectively.

In turbulent environments, we leverage our enhanced stress testing capabilities in order to provide macro and micro views of our risk profile under various assumptions. Last year, we conducted several Group-wide stress tests across sectors such as oil and gas, palm oil, real estate as well as assuming various currency movements.

The effective use of capital was a critical focus area during the year. In partnership with our business partners we looked to further optimise our risk weighted assets and to ensure processes were put in place to increase the focus on risk adjusted returns on capital. We are expecting 2016 to be a challenging year and anticipate we will further leverage the people and processes we have put in place to assist us in managing the risk, as well as assisting the Group in meeting its T18 target.

## GROUP INFORMATION AND OPERATIONS DIVISION (GIOD)

This is an exciting time for us. Information technology (IT) holds unprecedented influence in today's context of social, mobile, analytics and cloud services and the emergence of powerful open source alternatives. Harnessing the power of digitalisation to improve the customer experience is our key focal point.

The Group Information and Operations Division (GIOD) is a vital business partner for the Group. GIOD has over 6,000 staff working across all our businesses throughout our ASEAN footprint. As a division, we deliver software development and maintenance for the Group's applications, devise economical IT solutions aligned to the Group's business needs and manage the IT infrastructure of the Group. We enable CIMB business units to serve their customers consistently across ASEAN and we deploy innovative, new products in the region quickly. We also provide back-office fulfillment across the Group's businesses. Our division houses seven Centres of Excellence (CoE) - 1Platform (common, regional core banking), Information Highway (regionally standardised SOA/ESB framework), Regional Transaction Banking, Business Data Warehouse, 1View (CRM), Clicks (Internet/Mobile Banking) and Treasury that operate as shared service hubs to enhance and support key business applications. Our COE journey started just two years ago. We have not only replaced outsourced vendors at lower cost, the COEs are also demonstrating performance on par or better than third party service providers.

## Business Review 2015

### Business Enablers

In line with our Group-wide T18 strategy, we practice aggressive and successful cost management and at the same time support new business initiatives. For 2015, our operational expenditure is expected to be RM43 million lower than in 2014 despite implementing new system capabilities for the firm and consolidating more operational activities into GIOD's back office. Reputed industry benchmarking has applauded iCIMB, our strategic initiative to create a shared service Operations Centre, for its operational excellence in many best-in class industry practices. Our LEANovation Programme significantly lifted our efficiency through its high impact Lean Sigma projects, many of which were applauded throughout the industry.

Throughout 2015, we continued to modernise and streamline our IT processes, accelerate turnaround time for our customers and digitalise our bank. Our achievements were numerous.

We have completed our regional standardised core-banking and cross-product aggregation program, a journey which we began five years ago. Our 1Platform banking service is now available for customers in Malaysia, Indonesia, Singapore and Thailand. Built at an investment cost of RM1.2 billion, it replaces five legacy core banking applications with an integrated, streamlined solution, enabling us to seamlessly manufacture and market products for these four markets. Decommissioning our legacy core banking and capturing 1Platform's process efficiencies has delivered substantial cost reduction for the Group.

We support the Group's overall T18 digital agenda. We are pushing the boundaries with instant fulfillment, straight-through processing to deliver products and services to our customers faster and at higher convenience. We have offered instant, online account opening via Clicks in Malaysia for quite a while now and this has proved very popular with our customers. The best bank is one that allows customers to fulfill their financial service needs without needing to visit physically. Our digital roadmap successively enriches this proposition.

Over the past three years, registered Clicks users have increased by 65%. At the end of 2015, the transactions per active customer went up 42% and our mobile volumes for the same period went up close to 100%. Given the importance of the digital channel to our strategy, we have also embarked on transforming our architecture and digital channel solution this year and aim to consolidate across ASEAN over the next couple of years to drive cost benefits.

In Malaysia, our digital highlights include our instant decisioning and negative check capability for cash, loan and credit cards at our retail telemarketing centre (RTC), Clicks, our branches and via our mobile sales force and instant disbursement of cash, loans and ASB at our branches and via our mobile sales force. We are also proud of our cross-selling capability for credit cards, cash and loans at many of our ATMs throughout Malaysia.

We also enabled DSE in Indonesia, Singapore and Thailand. We launched FastSaver in Singapore, an account that can be opened entirely online, becoming the first and only bank in Singapore to offer this convenience. In Thailand, we became the first bank to allow customers to enquire about their loan eligibility instantly, using just their national identity card.

In 2015, we launched the first-ever mobile banking messaging service in Malaysia. Tied to Clicks, CIMB Messenger is a new XMPP Chat-based module which provides a secure 'always on' communication channel between the customer and us and is comparable with WhatsApp and WeChat.

The service sends real-time transaction alerts, notifications and promotions to customers and around 34% of our Clicks customers now use Messenger. The innovation won the Runner Up award in the 2015 Retail Banker International Asia Trailblazer.

We launched Data Science Labs to help us better understand our customers' specific needs and hence offer them a more personalised and targeted service. Under this strategy, we tested several business initiatives including Deep Learning, to help us detect 'hidden' high-value customers.

In 2015, we also began our roadmap to revitalise our major data centres in Malaysia and Indonesia. We launched Active-Active Data Centre initiatives to achieve higher resilience at reduced cost.

### GROUP INTERNAL AUDIT DIVISION (GIAD)

The Group Internal Audit Division provides independent appraisals of the adequacy, efficiency and effectiveness of the internal control systems implemented by the CIMB Group management. The division evaluates the Group's control environment, risk assessment practices, information sources, communication effectiveness and monitoring practices across all the geographical regions in which the Group has a presence.

GIAD works closely with the respective heads of internal audit in CIMB Niaga in Indonesia, CIMB Singapore, CIMB Thai and CIMB Cambodia to ensure conformity of best processes throughout the Group.

The growing regulatory demands and stakeholder expectations call for increasingly robust audits as GIAD strives to identify control gaps before they cause loss or damage to the Group, or before they are identified by external regulators. This includes investigating areas where there have been fraud or potential fraudulent activities by customers or wrongdoing by staff. The regulators, the public, our depositors and all of our stakeholders rely on us to cover the major risk areas in the bank, leaving none unchecked.

In 2015, GIAD completed 409 audits covering the entire spectrum of the Group's operations. GIAD employs around 130 staff. The Malaysian team supports the Group's operations in Singapore and Cambodia and also the Group's equities and investment banking businesses throughout the world.

**Business Review 2015**

## Business Enablers

The banking environment is becoming increasingly complex and external regulators are more reliant on internal audit assuming extra responsibilities. GIAD's staff therefore undergo regular training to stay abreast of new developments in the industry.

The achievements of our division in this arena are exemplary.

In 2015, six branch managers graduated from the division's Branch Management attachment programme and all 14 staff in the pioneer batch passed the advanced level of the Islamic Finance Qualification, an award supported by the Islamic Banking and Finance Institute Malaysia. The second batch of 16 staff passed the associate level examination in December 2015.

As the Group continues to expand throughout ASEAN, attracting and retaining high-calibre auditors becomes more imperative.

The Group's T18 targets have challenged GIAD to develop and motivate staff whilst adhering to aggressively defined budgets, but the strategy has also positively impacted the division by encouraging greater interaction between auditors in Malaysia and their regional counterparts.

In 2014, GIAD became the first internal audit function of a Malaysian financial institution to be awarded the ISO 9001:2008 certification by SIRIM QAS International in recognition of its adherence to the highest standards of quality management. In 2015, GIAD passed the annual ISO9001:2008 surveillance audit conducted by the same certification body.



Visitors flocked to the CIMB FIESTA to get great deals on goods and services. CIMB FIESTA is an annual event to reward its card members with special discounts and super deals.

### **GROUP MARKETING AND COMMUNICATIONS (GMCD)**

Group Marketing and Communications (GMCD) drives the enlarged positioning, marketing and communications agenda of CIMB Group and works alongside the various businesses in the region across the entire Group. GMCD's functions are grouped into four main departments, namely marketing, brand and sponsorship management; corporate events; content, social and internet and project management office. GMCD ensures the sustainable growth of the CIMB brand.

Our key sponsorship event for 2015 was the sixth edition of the CIMB Classic golf tournament, the only official PGA TOUR FedExCup tournament in Southeast Asia. The event again attracted a first class line-up of golfers which included 2013 FedExCup champion Henrik Stenson, former World No. 1 Adam Scott, Sergio Garcia, Ernie Els and eight Presidents Cup 2015 players. The CIMB Classic has established itself as a premier event on the ASEAN golfing calendar with a prize purse of USD7 million, making it one of the richest professional golf tournaments in the region. In 2015, the CIMB Classic attracted more than 38,000 spectators, of which 11% were

international visitors. This world class event was also broadcasted to over one billion potential households worldwide.

At the 2015 CIMB Classic, we also gave the top two winners of the CIMB Classic-AGF Youth Golf Challenge the opportunity to tee off with some of the world's leading professionals at the CIMB Classic Pro-Am Competition.

Indonesia staged the CIMB Niaga Indonesian Masters in Jakarta, which saw Lee Westwood again crowned champion. In March, we announced our sponsorship of Malaysia's top woman golfer, Kelly Tan, currently the only Malaysian with membership on the LPGA Tour, the richest and most competitive ladies tour in the world.

CIMB also supports the development of squash in Malaysia. We sponsor the Junior Squash Development Programme in collaboration with the Squash Racquets Association of Malaysia. Since 2006, this initiative has nurtured some 4,200 players. In 2015, we were delighted to honour our longstanding brand ambassador, Dato' Nicol David, for setting a new world record as the longest reigning world number one squash player. April 2015 marked her 108<sup>th</sup> month at the top of the Women's World Squash Rankings.

We also stage other exciting events throughout the year which are keenly anticipated by our customers. CIMB Fiesta is a three-day shopping bonanza which rewards CIMB Bank credit, debit and Kwik cardmembers with superb deals and special discounts of up to 70%. Staged in the Mid Valley Exhibition Centre, CIMB Fiesta features more than 270 booths of popular products from leading domestic and international brands. In 2015, we once again delighted our customers further afield by staging the event for the second time in Penang.

Digital remains one of our most influential platforms for progressing our engagement with our customers and we continue to be the leading brand in the internet domain, particularly in the social media space. We are the bank with the largest number of followers on Facebook, boasting a fanbase of 2.9 million across ASEAN, an increase of 8% over the number of followers in 2014.

Recent achievements in the digital arena include being the bank with the largest Instagram fanbase in Malaysia – capturing more than 16,000 followers since September 2015 - and our introduction of customer service on the digital platform.

Digital innovation also brings benefit to our internal efficiency. CIMBNET, our single intranet platform, enables our 40,000 employees to reach out to each other across the globe with ease and speed. The intranet also supports our T18 communications strategy and provides a platform for our 360° initiatives such as banners and community pages, screensavers, electronic direct mail and wallpaper. We expect this platform to continue to drive internal communication within the Group in the years ahead.

In 2016, digital marketing will be a central feature of our digital projects as we continue to make our customers more aware of the comprehensive benefits of banking with CIMB. We will place particular emphasis on exploring initiatives such as geo-targeting, remarketing and personalised dashboards.

## GENERAL COUNSEL

The General Counsel Division consists of Group Legal. In 2015, we continued to work closely with various business units and business enabler divisions, successfully completing numerous transactions, projects and initiatives undertaken by the Group. Increased focus was given to our Consumer Banking, Commercial Banking and Transaction Banking divisions - some of the key businesses which are being accelerated as part of the Group's T18 strategy.

In line with the Group's emphasis on governance framework and the streamlining of processes, we participated in various internal initiatives relating to policies and procedures. We also continued to work with the relevant local and regional business divisions to standardise legal documents within the Group.

Our people remained our key focus in 2015. We emphasised the development of technical knowledge and soft skills as we strive to nurture the right talent to support the Group's T18 targets. In line with the T18 strategy's emphasis on cultural transformation, we also foster continuous learning and the importance of building stronger relationships, both internally and externally.

We conducted a broad range of training sessions to help our colleagues enhance their knowledge of the industry, recognising that this expertise enables us to provide a better service to our customers.

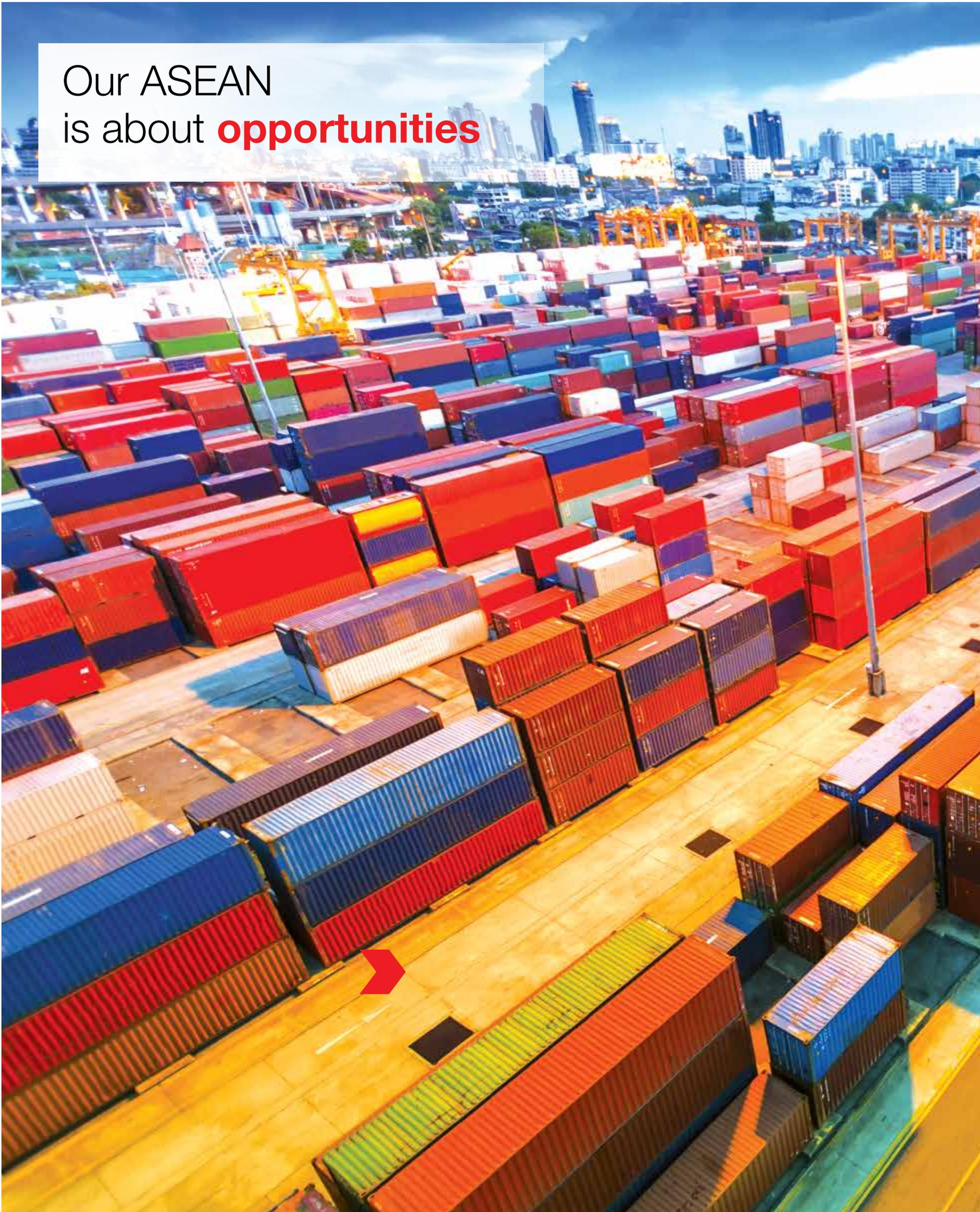
In 2015, we staged around 30 training sessions for our staff, covering subjects such as the Financial Services Act, the Personal Data Protection Act, International Swaps and Derivatives Association and Credit Support Annex documentation, land law, security documentation of credit facilities, assignment as security as well as laws relating to cheques and legal issues typically encountered by bank branches.

We also organised presentations by local and international law firms and professional associations to enable our staff to stay abreast of the changes sweeping the legal and regulatory arena. These presentations covered a broad spectrum of topics such as the International Capital Market Association, and Global Master Repurchase Agreement documentation, regulatory and compliance requirements, equity capital markets, private banking, lending and taking security in Cambodia, Indonesian regulations on financing, laws relating to housing development and strata title, corporate due diligence and security registration, legal privilege, dispute resolution, arbitration, cheque forgery and other developments in banking laws.

The General Counsel Division also provides feedback to proposed laws, guidelines and changes by the regulatory authorities. To this end, we took part in discussions and working groups organised by associations such as the Association of Banks in Malaysia, the Malaysian Investment Banking Association, Asia Securities Industry and Financial Markets Association and the International Capital Market Association.

Our members were also speakers at various external conferences such as the In-House Community's legal conference and conferences organised by the Singapore Academy of Law and the Singapore Corporate Counsel Association.

Our ASEAN  
is about **opportunities**





 **Enhancing**  
our collective future



## ACTUAL VS TARGETS FOR 2015

	FY15 ACTUAL	FY15 TARGETS
<b>ROE</b>	<b>8.6%<sup>~</sup></b>	<b>11.0%</b>
<b>DIVIDEND PAYOUT RATIO</b>	<b>41.9%</b>	<b>40%</b>
<b>TOTAL LOANS GROWTH *</b>	<b>12.8% (6.6%<sup>**</sup>)</b>	<b>10%</b>
<b>LOAN LOSS CHARGE</b>	<b>73 bps</b>	<b>40-50 bps</b>
<b>CET 1 (CIMB GROUP)</b>	<b>10.3%</b>	<b>&gt;10%</b>
<b>COST TO INCOME</b>	<b>55.6%<sup>~</sup></b>	<b>&lt;55%</b>

**Notes:**

\* Excluding bad bank

\*\* Excluding FX fluctuations

~ Excluding IB restructuring cost (RM202 mil), MY MSS cost (RM316 mil) and tax of MY MSS (RM79 mil), ID MSS cost (RM166 mil) and tax and MI on ID MSS (RM44 mil)

## FIVE YEAR GROUP FINANCIAL HIGHLIGHTS

Key Highlights	Financial Year Ended 31 December				
	2015 RM'000	2014 RM'000	2013 RM'000	2012* RM'000	2011** RM'000
<b>Consolidated Statement of Income</b>					
Operating income	15,395,790	14,145,924	14,671,835	13,494,825	12,122,029
Overheads	9,248,978	8,291,963	8,457,870	7,612,099	6,629,912
Profit before allowances	6,146,812	5,853,961	6,213,965	5,882,726	5,492,117
Allowance for impairment losses on loans, advances and financing	2,168,624	1,522,068	660,607	329,098	487,343
Profit before taxation <sup>^</sup>	3,913,993	4,276,423	5,849,229	5,677,893	5,203,142
Net profit	2,849,509	3,106,808	4,540,403	4,344,776	4,030,798
<b>Consolidated Statement of Financial Position</b>					
Gross loans, advances and financing	297,822,144	264,644,089	234,557,542	208,343,039	191,393,201
Total assets	461,577,143	414,156,356	370,912,797	336,461,160	299,737,840
Deposits from customers <sup>^^</sup>	320,509,026	284,714,019	265,408,979	247,295,039	221,933,142
Total liabilities	419,344,515	375,765,233	339,684,237	307,194,841	272,874,680
Shareholders' funds	41,050,778	37,360,436	30,271,098	28,292,994	25,936,470
Commitments and contingencies	883,583,439	702,740,799	526,572,598	460,550,153	414,197,407
<b>Financial Ratios (%)</b>					
Common equity tier 1 ratio (CIMB Bank) <sup>#</sup>	11.5	11.2	9.6	n/a	n/a
Tier 1 ratio (CIMB Bank) <sup>#</sup>	12.7	12.6	11.6	n/a	n/a
Total capital ratio (CIMB Bank) <sup>#</sup>	15.8	14.7	12.9	n/a	n/a
Core capital ratio (CIMB Bank) <sup>#</sup>	n/a	n/a	n/a	12.4	14.5
Risk-weighted capital ratio (CIMB Bank) <sup>#</sup>	n/a	n/a	n/a	15.5	16.8
Return on average equity	7.3	9.2	15.5	16.0	16.4
Return on average total assets	0.65	0.79	1.28	1.37	1.42
Net interest margin	2.66	2.80	2.85	3.07	3.12
Cost-to-income ratio	60.1	58.6	57.6	56.4	54.7
Gross impaired loans to gross loans	3.0	3.1	3.2	3.8	5.1
Allowance coverage ratio	84.7	82.7	84.8	82.8	81.1
Loan loss charge	0.73	0.58	0.28	0.16	0.25
Loan deposit ratio	92.9	93.0	88.4	84.2	86.2
Net tangible assets per share (RM)	3.63	3.28	2.67	2.47	2.15
Book value per share (RM)	4.81	4.44	3.92	3.81	3.49
CASA ratio	34.1	34.7	34.3	34.7	34.2
<b>Other Information</b>					
Earnings per share (sen)					
- basic	33.6	37.5	60.0	58.5	54.2
Gross dividend per share (sen)	14.00	15.00	23.15 <sup>^^^</sup>	23.38	22.00
Dividend payout ratio (%)	42	40	40	40	41
Number of shares in issue ('000)	8,527,272	8,423,751	7,729,346	7,432,775	7,432,775
Weighted average number of shares in issue ('000)	8,475,522	8,288,256	7,570,924	7,432,772	7,432,772
<b>Non Financial Highlights</b>					
Share price at year-end (RM)	4.54	5.56	7.62	7.63	7.44
Number of employees	40,545	41,669	40,804	41,993	40,244

For financial years 2013 to 2015, CIMB Bank's capital adequacy ratios are based on revised guideline on capital adequacy framework issued by BNM on 28 November 2012, which took effect beginning 1 January 2013. The revised guideline is in compliance with BASEL III. The capital adequacy ratios for financial years 2011 to 2012 were based on capital adequacy framework which was in compliance with Basel II.

\* The comparatives have been restated to reflect the adoption of MFRS 10, MFRS 11 and MFRS 119

\*\* The comparatives are before adoption of MFRS 1

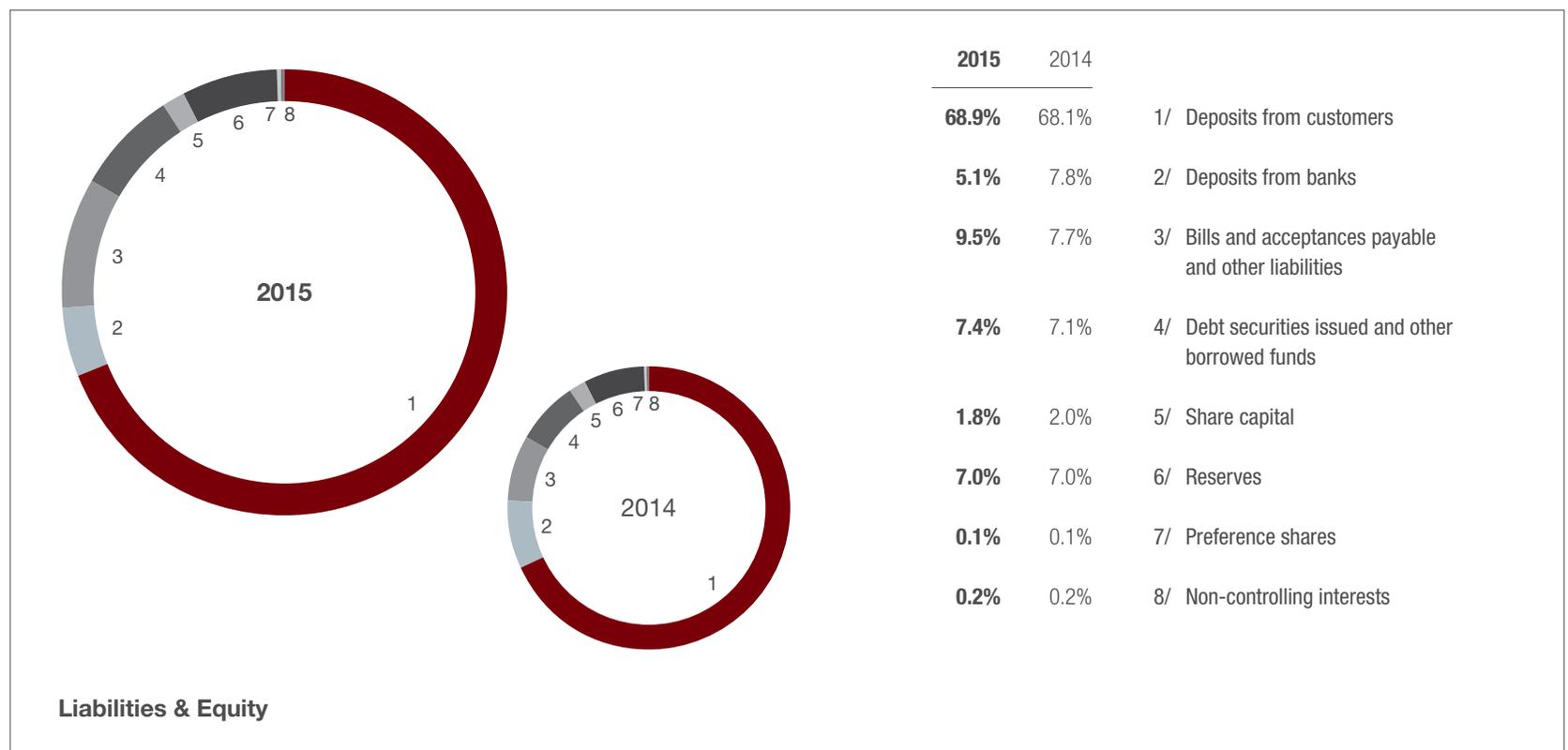
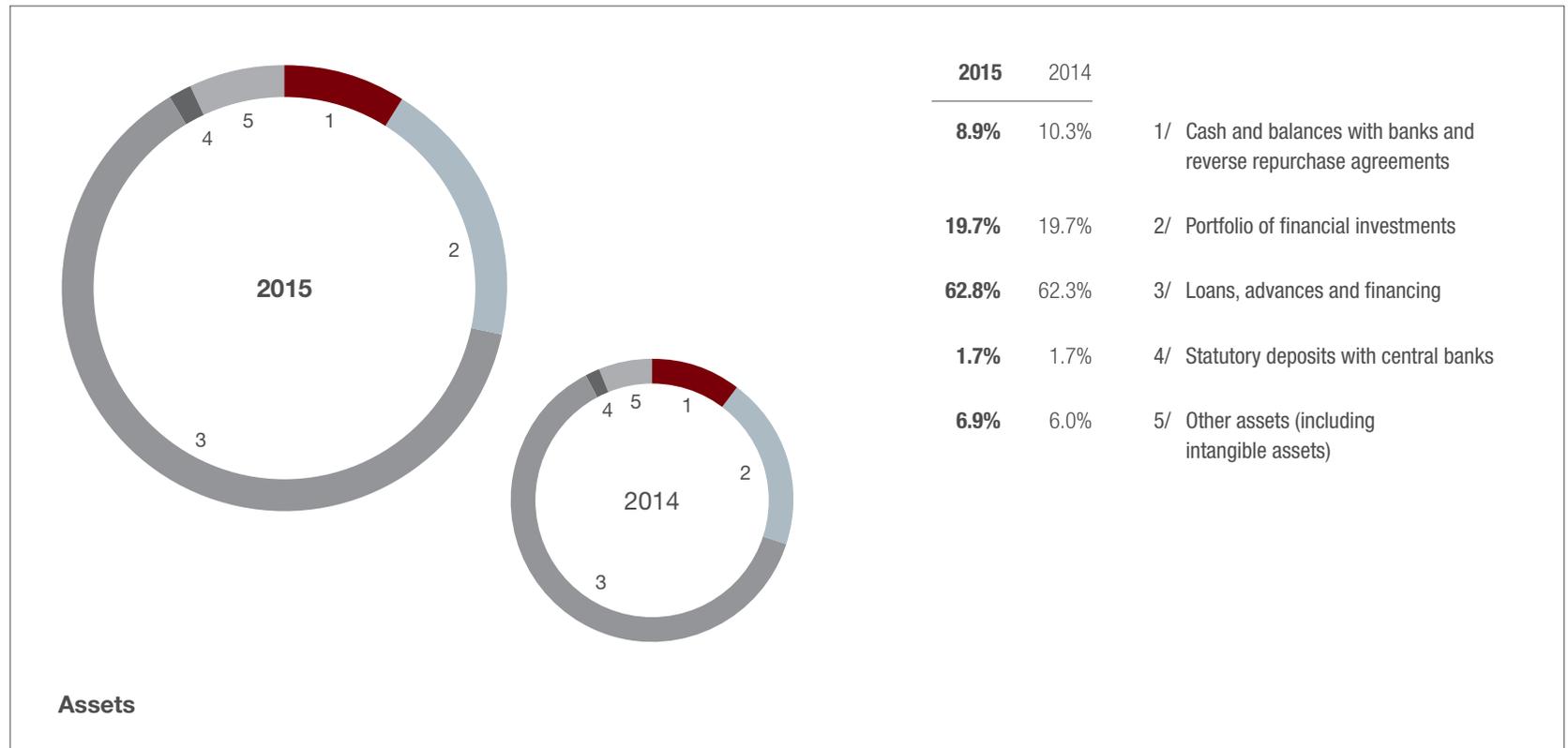
<sup>^</sup> Profit before taxation is inclusive of discontinuing operations

<sup>^^</sup> Include structured investments classified as "Financial liabilities designated as fair value" and placements from investment accounts

<sup>^^^</sup> Based on the enlarged 8,229,341,531 ordinary shares, arising from the issuance of 500 million new ordinary shares pursuant to the private placement exercise completed in January 2014

<sup>#</sup> The capital ratio computed has not taken into account the effect of reinvestment of excess cash into CIMB Bank, pursuant to DRS implementation by CIMB GH on the proposed second interim dividend for financial years ended 31 December 2012 to 31 December 2015

## SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION



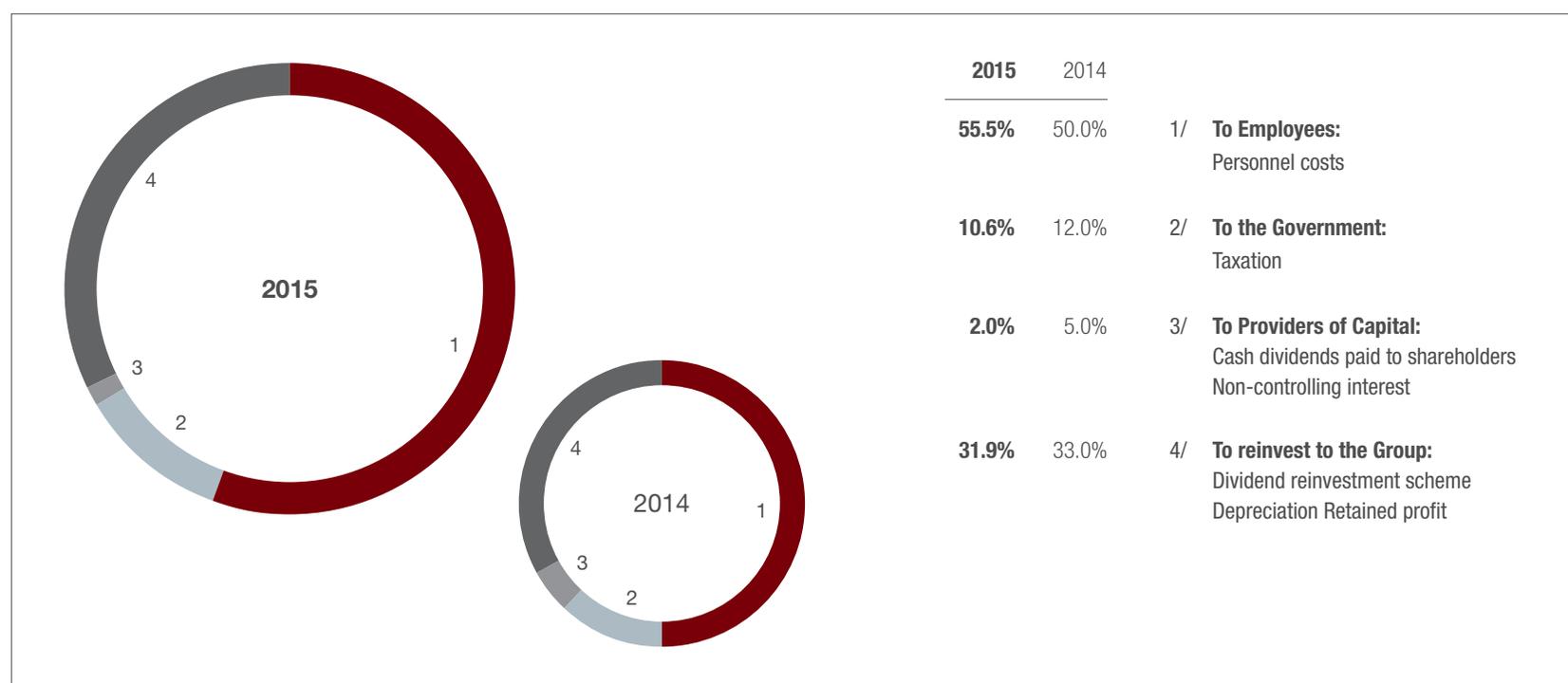
## KEY INTEREST BEARING ASSETS AND LIABILITIES

FYE 31 Dec 2015			
	As at 31 Dec RM'million	Effective interest rate %	Interest income/ expense RM'million
<b>Interest earning assets:</b>			
Cash and short-term funds & deposits and placements with banks and other financial institutions	31,148	1.98	757
Financial assets held for trading	20,680	2.69	612
Financial investments available-for-sale	32,768	4.03	1,458
Financial investments held-to-maturity	25,759	4.05	845
Loans, advances and financing	290,296	6.32	17,116
<b>Interest bearing liabilities:</b>			
Total deposits*	346,301	2.03	8,641
Bonds, debentures and other borrowings	20,314	3.64	682
Subordinated obligations	13,695	5.47	695

FYE 31 Dec 2014			
	As at 31 Dec RM'million	Effective interest rate %	Interest income/ expense RM'million
<b>Interest earning assets:</b>			
Cash and short-term funds & deposits and placements with banks and other financial institutions	37,702	1.89	734
Financial assets held for trading	23,804	2.78	704
Financial investments available-for-sale	32,287	4.02	1,231
Financial investments held-to-maturity	18,262	4.58	679
Loans, advances and financing	258,015	6.39	15,037
<b>Interest bearing liabilities:</b>			
Total deposits*	317,909	1.91	7,252
Bonds, debentures and other borrowings	16,957	3.67	567
Subordinated obligations	12,582	5.26	650

\* Total deposits include deposits from customers, placements from investment accounts, deposits and placements of banks and other financial institutions and financial liabilities designated at fair value.

## VALUE ADDED STATEMENTS



	2015	2014
	RM'000	RM'000
<b>Value added</b>		
Net interest income	9,336,744	8,655,548
Income from Islamic banking operations	1,569,017	1,461,278
Non-interest income	4,490,029	4,029,098
Overheads excluding personnel costs and depreciation	(3,573,006)	(3,360,284)
Allowance for impairment losses on loans, advances and financing	(2,168,624)	(1,522,068)
Other allowances	(149,829)	(178,823)
Share of results of jointly controlled entities	(9,863)	(1,942)
Share of results of associated entities	95,497	125,295
<b>Value added available for distribution</b>	<b>9,589,965</b>	<b>9,208,102</b>
<b>Distribution of Value Added</b>		
To employees:		
Personnel costs	5,321,958	4,609,571
To the Government:		
Taxation	1,018,048	1,101,866
To providers of capital:		
Cash dividends paid to shareholders	141,086	390,327
Non-controlling interest	46,436	67,749
To reinvest to the Group:		
Dividend reinvestment scheme	534,795	1,293,416
Depreciation	354,014	322,108
Retained profit	2,173,628	1,423,065
<b>Value added available for distribution</b>	<b>9,589,965</b>	<b>9,208,102</b>

## QUARTERLY FINANCIAL PERFORMANCE

2015				
RM'000	Q1	Q2	Q3	Q4
Operating income	3,680,327	3,833,427	3,840,473	4,041,563
Net interest income	2,190,953	2,268,700	2,416,069	2,461,022
Net non-interest income and income from Islamic banking operation	1,489,374	1,564,727	1,424,404	1,580,541
Overheads	(2,339,754)	(2,437,349)	(2,260,509)	(2,211,366)
Profit before taxation	823,580	883,744	1,074,508	1,132,161
Net profit attributable to equity holders of the Company	580,124	639,754	803,892	825,739
Earning per share (sen)	6.89	7.55	9.52	9.72
Dividend per share (sen)	-	3.00	-	11.00

2014				
RM'000	Q1	Q2	Q3	Q4
Operating income	3,538,053	3,407,174	3,528,596	3,672,101
Net interest income	2,066,765	2,175,463	2,171,051	2,242,269
Net non-interest income and income from Islamic banking operation	1,471,288	1,231,711	1,357,545	1,429,832
Overheads	(2,010,943)	(2,007,882)	(2,033,896)	(2,239,242)
Profit before taxation	1,431,069	1,281,153	1,179,263	384,938
Net profit attributable to equity holders of the Company	1,066,282	949,938	890,270	200,318
Earning per share (sen)	13.15	11.36	10.68	2.38
Dividend per share (sen)	-	10.00	-	5.00

## CAPITAL MANAGEMENT

### OVERVIEW

Capital management at CIMB Group remains focused on maintaining a healthy capital position through building an efficient capital structure. The capital position and structure of the Group are designed to meet the requirements of the Group's shareholders, customers, regulators and external rating agencies. Guided by CIMB Group's Capital Management Framework, the objectives of capital management are as follows:

(A) To maintain a strong and efficient capital base for the Group and its entities to:

- (1) always meet regulatory capital requirements;
- (2) realise returns to shareholders through sustainable return on equity and stable dividend payout; and
- (3) be able to withstand stressed economic and market conditions.

(B) To sustain adequate levels of capital which has been efficiently allocated across the business units and subsidiaries to:

- (1) support the organic growth of the Group's business units and subsidiaries;
- (2) optimise the return on capital for the Group; and
- (3) take advantage of strategic acquisitions and new businesses when opportunities arise.

(C) To maintain capital at optimal levels to meet the requirements of other stakeholders of the Group, including rating agencies and customers.

The Group's regulated banking entities have always maintained a set of internal capital targets which provide a strong buffer above the minimum regulatory requirements. The table below shows the relevant capital ratios of each of the regulated banking entities of the Group in comparison to the minimum level required by the respective central banks under the Basel III framework.

Capital Ratios (After Proposed Dividend)	Common Equity Tier 1		Tier 1		Total Capital	
	As at 31 December 2015	Minimum Regulatory Ratio	As at 31 December 2015	Minimum Regulatory Ratio	As at 31 December 2015	Minimum Regulatory Ratio
CIMB Bank	11.50%	4.50%	12.68%	6.00%	15.82%	8.00%
CIMB Islamic	12.72%	4.50%	13.56%	6.00%	16.27%	8.00%
CIMB Investment Bank	31.56%	4.50%	31.56%	6.00%	31.56%	8.00%
CIMB Niaga	N/A	N/A	14.14%	6.00%	16.13%	8.00%
CIMB Thai	10.78%	4.50%	10.78%	6.00%	15.46%	8.50%

### KEY INITIATIVES

Our goal is to continuously build capital towards full implementation of Basel III requirements, whilst optimising its use fully. Tools that are employed to achieve this include (1) active liability management to address debt that requires replacement with the enforced Basel III guidelines (2) issuance of Basel III instruments (3) dividend reinvestment scheme (DRS) (4) risk-weighted assets (RWA) optimisation and (5) analysis of the Group-wide impact of stress scenarios with different levels of severity.

Key capital management initiatives that were undertaken during the 2015 financial year include:

- (1) The DRS was continued with a reinvestment rate averaging 76.8%, reflecting investor confidence in the Group and generating an additional RM535 million of capital.

- (2) CIMB Group issued RM2.0 billion Basel III subordinated debt on 23 December 2015 to replace CIMB Bank's RM1.0 billion callable Basel II subordinated debt and USD200 million Additional Tier 1 capital that are partially recognised under BNM's Capital Adequacy Framework.

The Group achieved significant savings in credit and market RWA through optimisation initiatives during the year, largely through active loan portfolio rebalancing, system and data enhancements and parameter and methodology recalibrations. In 2015, the Group made further advancements in implementing the Internal Ratings Based Approach by product to account for its RWA, which better reflects the risk profile of the Group.

## DIVIDENDS FOR 2015

### DIVIDEND POLICY

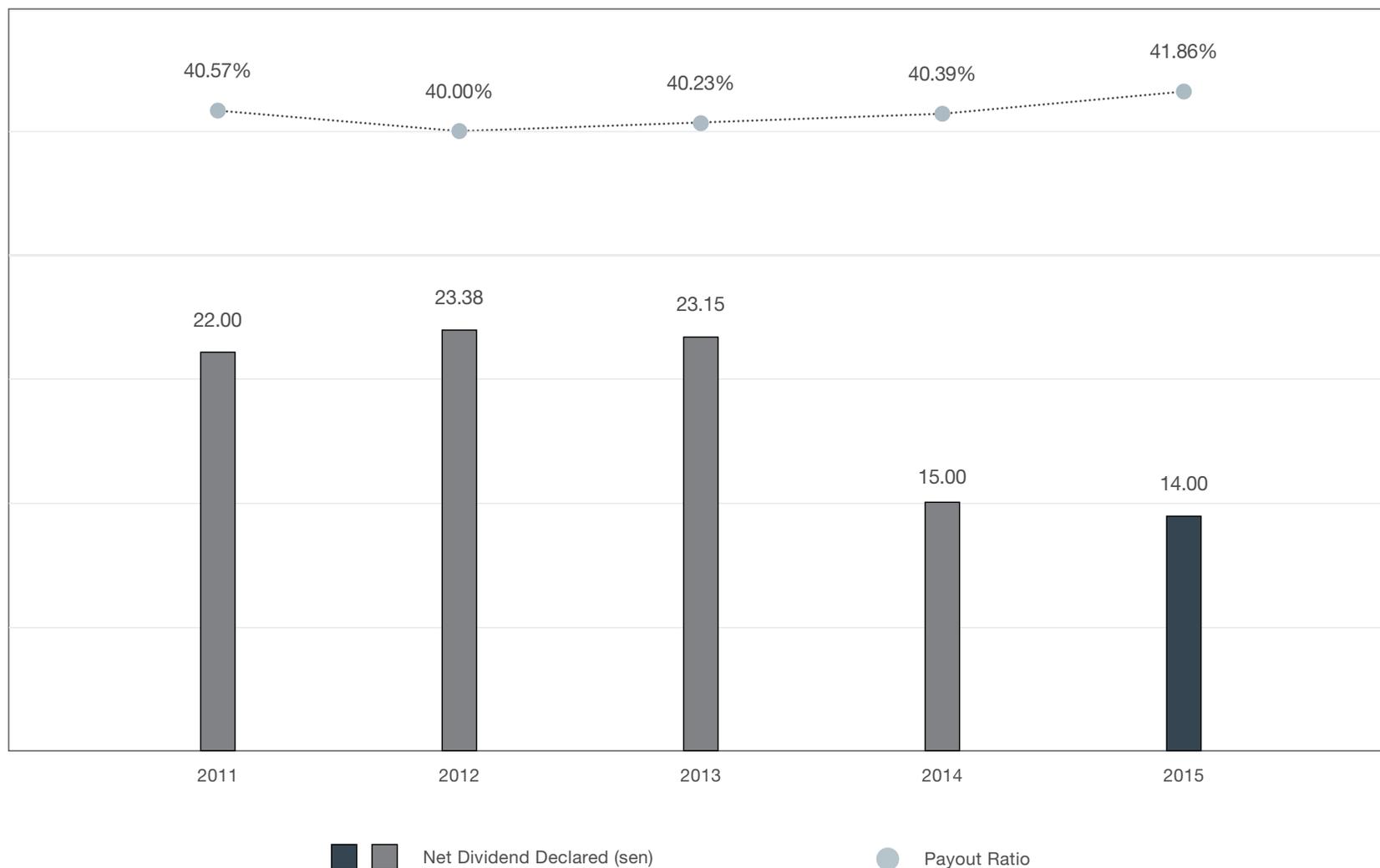
CIMB Group has maintained a dividend payout of around 40% since 2011. For the financial year ended 31 December 2015, the first interim single tier dividend of 3.00 sen per ordinary share, on 8,489,786,868 ordinary shares amounted to RM254,693,606 was approved by the Board of Directors on 13 August 2015. The dividend consisted of an electable portion of 3.00 sen per ordinary share which shareholders could elect to reinvest in new ordinary shares in accordance with the DRS. Following the completion of the DRS, a total cash dividend of RM83,781,787 was paid on 23 October 2015.

A second interim single tier dividend of 11.00 sen per ordinary share, on 8,527,267,430 ordinary shares amounting to RM938,000,000 in respect of the

financial year ended 2015 was approved by the Board of Directors on 29 January 2016 and Bank Negara Malaysia on 25 February 2016. The second interim single tier dividend will be payable in April 2016 and will consist of an electable portion of 11.00 sen per ordinary share which shareholders can elect to reinvest in new ordinary shares in accordance with the DRS.

### DIVIDEND REINVESTMENT SCHEME

The DRS was implemented in 2013 to provide shareholders with an option to reinvest dividends into new ordinary shares of CIMB and at the same time to help preserve the Group's capital. It was first applied to the Group's second interim dividend for the 2012 financial year. The dividend reinvestment rate has been encouraging, with an average rate of 80%.



## CREDIT RATINGS

### CIMB Bank Berhad

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	January 2016	<ol style="list-style-type: none"> <li>1. Long-term Foreign Currency Bank Deposits Rating</li> <li>2. Short-term Foreign Currency Bank Deposits Rating</li> <li>3. Long-term Domestic Currency Bank Deposits Rating</li> <li>4. Short-term Domestic Currency Bank Deposits Rating</li> <li>5. USD1.0 billion Multi-Currency Euro Medium Term Notes Programme</li> <li>6. USD350 million 5-year Senior Unsecured Notes</li> <li>7. USD5.0 billion Euro Medium Term Note Programme (Senior Unsecured/ Subordinated)</li> </ol>	A3 P-2 A3 P-2 (P)A3 A3 (P)A3/ (P)Ba1	Stable
Standard & Poor's Ratings Services (S&P)	December 2015	<ol style="list-style-type: none"> <li>1. Long-term Foreign Currency Rating</li> <li>2. Short-term Foreign Currency Rating</li> <li>3. Long-term Local Currency Rating</li> <li>4. Short-term Local Currency Rating</li> <li>5. Long-term ASEAN Regional Scale Rating</li> <li>6. Short-term ASEAN Regional Scale Rating</li> <li>7. USD350 million 5-year Senior Unsecured Notes</li> </ol>	A- A-2 A- A-2 axAA axA-1 A-	Stable
RAM Rating Services Berhad (RAM)	December 2015	<ol style="list-style-type: none"> <li>1. Long-term Financial Institution Rating</li> <li>2. Short-term Financial Institution Rating</li> <li>3. RM10.0 billion Tier 2 Basel III Compliant Subordinated Debt Programme</li> </ol>	AAA P1 AA <sub>1</sub>	Stable
Malaysian Rating Corporation Berhad (MARC)	November 2015	<ol style="list-style-type: none"> <li>1. Long-term Financial Institution Rating</li> <li>2. Short-term Financial Institution Rating</li> <li>3. RM5.0 billion Subordinated Debt Programme</li> <li>4. RM10.0 billion Tier 2 Basel III Compliant Subordinated Debt Programme</li> <li>5. RM4.0 billion Perpetual Non-Innovative Tier 1 Stapled Capital Securities</li> <li>6. RM1.0 billion Innovative Tier 1 Capital Securities</li> </ol>	AAA MARC-1 AA+ AA+ AA AA	Stable
Dagong Global Credit Rating Co. Ltd. (Dagong)	January 2015	<ol style="list-style-type: none"> <li>1. Long-term Foreign Currency Rating</li> <li>2. Long-term Local Currency Rating</li> </ol>	AA- AA	Stable

**Financial Insights 2015**  
 Credit Ratings

**CIMB Group Holdings Berhad**

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	January 2016	1. Long-term Issuer Rating 2. Short-term Issuer Rating	Baa1 P-2	Stable
Malaysian Rating Corporation Berhad (MARC)	December 2015	1. Long-term Corporate Credit Rating 2. Short-term Corporate Credit Rating 3. RM10.0 billion Tier 2 Basel III Compliant Subordinated Debt Programme	AA+ MARC-1 AA	Stable
RAM Rating Services Berhad (RAM)	December 2015	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM6.0 billion Conventional and Islamic Commercial Papers/ Medium-term Notes Programme 4. RM3.0 billion Subordinated Notes Programme 5. RM6.0 billion Conventional and Islamic Commercial Paper Programme	AA <sub>1</sub> P1 AA <sub>1</sub> /P1  AA <sub>3</sub> P1	Stable

**CIMB Investment Bank**

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Standard & Poor's Ratings Services (S&P)	December 2015	1. Long-term Foreign Currency Rating 2. Short-term Foreign Currency Rating 3. Long-term Local Currency Rating 4. Short-term Local Currency Rating 5. Long-term Local ASEAN Regional Rating Scale 6. Short-term Local ASEAN Regional Rating Scale	A- A-2 A- A-2 axAA axA-1	Stable
RAM Rating Services Berhad (RAM)	December 2015	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating	AAA P1	Stable
Moody's Investors Service (Moody's)	October 2015	1. Long-term Issuer Rating 2. Short-term Issuer Rating	A3 P-2	Stable

**CIMB Islamic Bank**

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	January 2016	1. Long-term Foreign Currency Bank Deposits Rating 2. Short-term Foreign Currency Bank Deposits Rating 3. Long-term Domestic Currency Bank Deposits Rating 4. Short-term Domestic Currency Bank Deposits Rating	A3 P-2 A3 P-2	Stable
RAM Rating Services Berhad (RAM)	December 2015	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating	AAA P1	Stable
Malaysian Rating Corporation Berhad (MARC)	November 2015	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM2.0 billion Tier 2 Junior Sukuk Programme 4. RM5.0 billion Tier 2 Junior Sukuk Programme (Proposed Junior Sukuk)	AAA MARC-1 AA <sub>+</sub> <sub>IS</sub> AA <sub>+</sub> <sub>IS</sub>	Stable

## Financial Insights 2015

## Credit Ratings

## CIMB Thai

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	October 2015	<ol style="list-style-type: none"> <li>1. Long-term Issuer Rating</li> <li>2. Long-term Foreign Currency Bank Deposits Rating</li> <li>3. Short-term Foreign Currency Bank Deposits Rating</li> <li>4. Long-term Domestic Currency Bank Deposits Rating</li> <li>5. Short-term Domestic Currency Bank Deposits Rating</li> </ol>	Baa2 Baa2 P-2 Baa2 P-2	Stable
RAM Rating Services Berhad (RAM)	August 2015	<ol style="list-style-type: none"> <li>1. Long-term Financial Institution Rating</li> <li>2. Short-term Financial Institution Rating</li> <li>3. RM2.0 billion Basel III Compliant Tier 2 Subordinated Notes Programme</li> </ol>	AA <sub>2</sub> P1 AA <sub>3</sub>	Stable
Fitch Ratings	March 2015	<ol style="list-style-type: none"> <li>1. Long-term National Rating</li> <li>2. Short-term National Rating</li> <li>3. THB3.0 billion 4.80% Subordinated Lower Tier 2</li> <li>4. THB3.0 billion 5.35% Subordinated Lower Tier 2</li> <li>5. THB10.0 billion Unsecured Subordinated Short-term Debenture Programme</li> </ol>	AA-(tha) F1+(tha) A+(tha) A+(tha) F1+(tha)	Stable

## CIMB Niaga

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Fitch Ratings	December 2015	<ol style="list-style-type: none"> <li>1. Long-term Issuer Default Rating</li> <li>2. Short-term Issuer Default Rating</li> <li>3. Long-term National Rating</li> <li>4. Short-term National Rating</li> <li>5. Senior Unsecured Bonds</li> <li>6. IDR8.0 trillion Senior Unsecured Debt Programme</li> <li>7. IDR1.6 trillion Subordinated Debt</li> <li>8. IDR1.38 trillion Subordinated Debt</li> </ol>	BBB F3 AAA(idn) F1+(idn) AAA(idn) AAA(idn) AA(idn) AA(idn)	Stable
Moody's Investors Service (Moody's)	June 2015	<ol style="list-style-type: none"> <li>1. Long-term Issuer Rating</li> <li>2. Long-term Foreign Currency Bank Deposits Rating</li> <li>3. Short-term Foreign Currency Bank Deposits Rating</li> <li>4. Long-term Domestic Currency Bank Deposits Rating</li> <li>5. Short-term Domestic Currency Bank Deposits Rating</li> </ol>	Baa3 Baa3 P-3 Baa3 P-3	Stable

## BALANCE SHEET MANAGEMENT

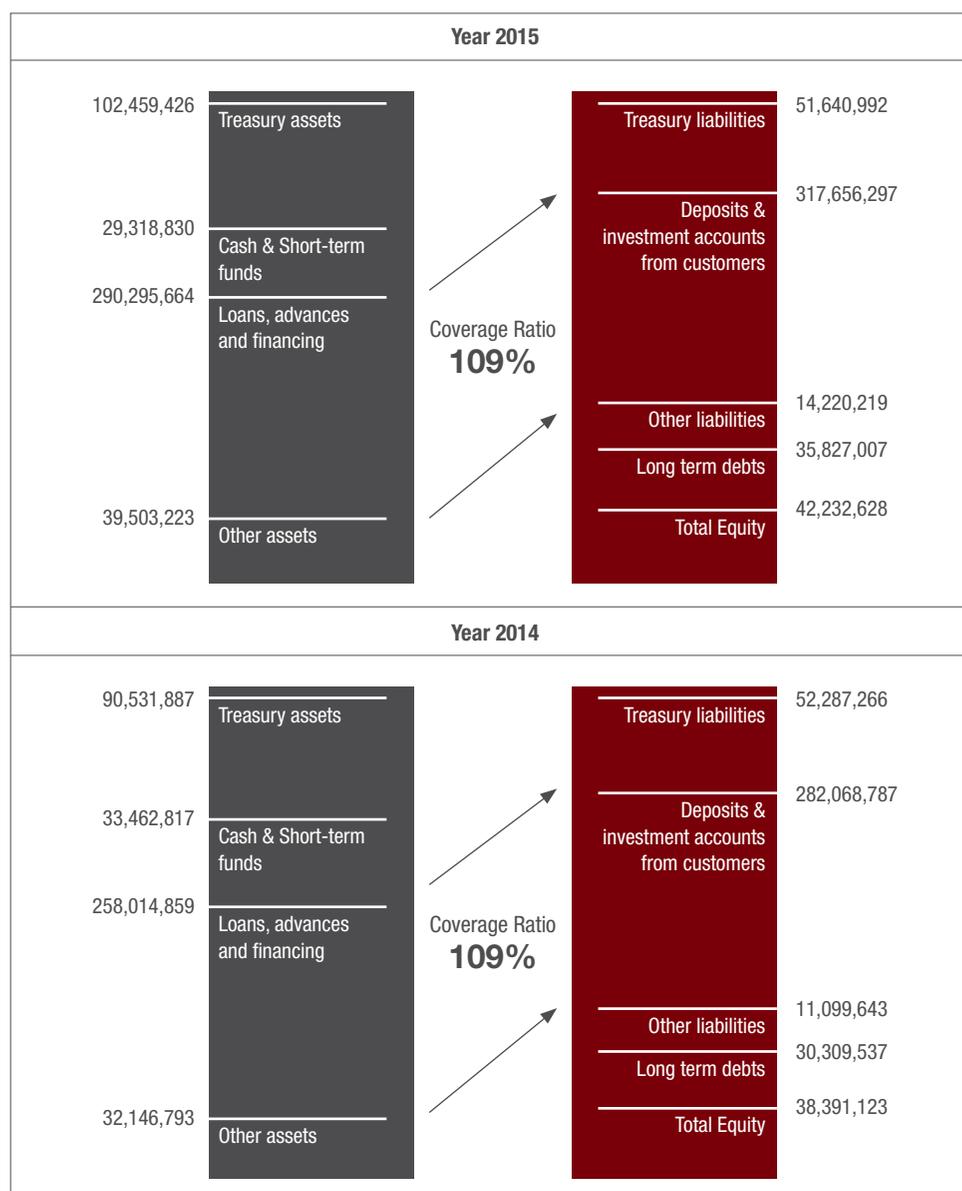
### LOAN AND DEPOSIT BOOK FUNDING STRUCTURE – 2015

Loans, advances and financing are the largest component of the Group’s assets and are generally funded by core customer deposits. In 2015, we retained a healthy buffer of 9% on the coverage ratio on top of respectable loans, advances and financing growth.

CIMB Group’s total gross loans, advances and financing has increased by RM32.3 billion or 12.5% from RM258.0 billion as at the end of 2014 to RM290.3 billion as at the end of 2015.

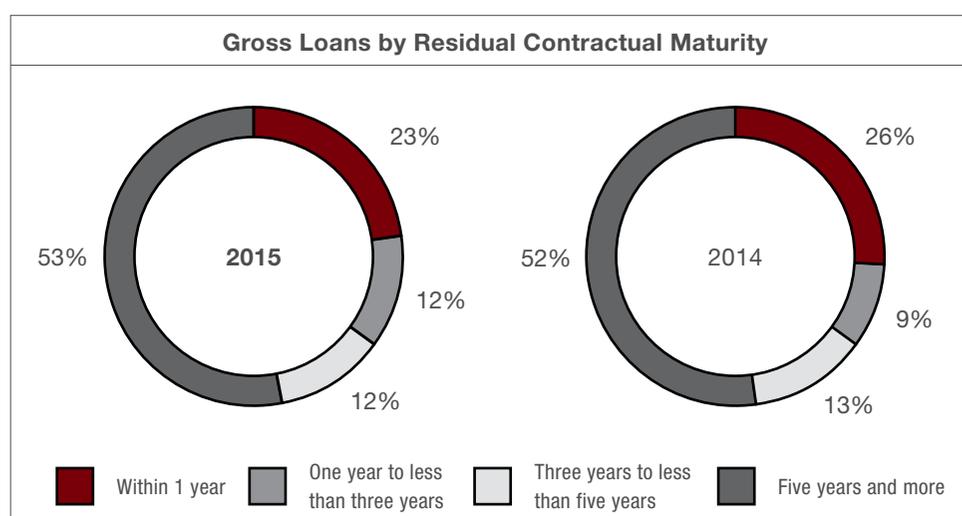
### FUNDS TRANSFER PRICING (FTP)

Balance sheet management continued to be guided by Group-wide FTP framework governed and administered by the Group Asset Liability Committee and respective local Asset Liability Committee. The FTP framework is a tool to promote selective assets growth strategy while supporting franchise-led deposits taking initiatives in ensuring sustainable balance sheet funding. In addition, the FTP framework continued to be adopted as performance management tool by allocating the real costs and benefits of the bank’s interest rate and liquidity positions to all product and business lines appropriately.



### GROSS LOANS, ADVANCES & FINANCING BY RESIDUAL CONTRACTUAL MATURITY

Long term loans, advances & financing continued to dominate the balance sheet maturity profile where exposures with residual maturity of five years and more represent more than half of total loan book exposure.



## CIMB SHARE INFORMATION

COMPANY NAME

**CIMB GROUP  
HOLDINGS BERHAD**

TICKER CODE

**CIMB MK**  
(BLOOMBERG)  
**CIMB.KL**  
(REUTERS)

SHARE REGISTRAR

**SYMPHONY SHARE  
REGISTRARS SDN BHD**

Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan

STOCK NAME

**CIMB**

FINANCIAL YEAR END

**31 DECEMBER**

STOCK CODE

**1023**  
(BURSA MALAYSIA)

PRIMARY CONTACT PERSON  
FOR INVESTOR RELATIONS

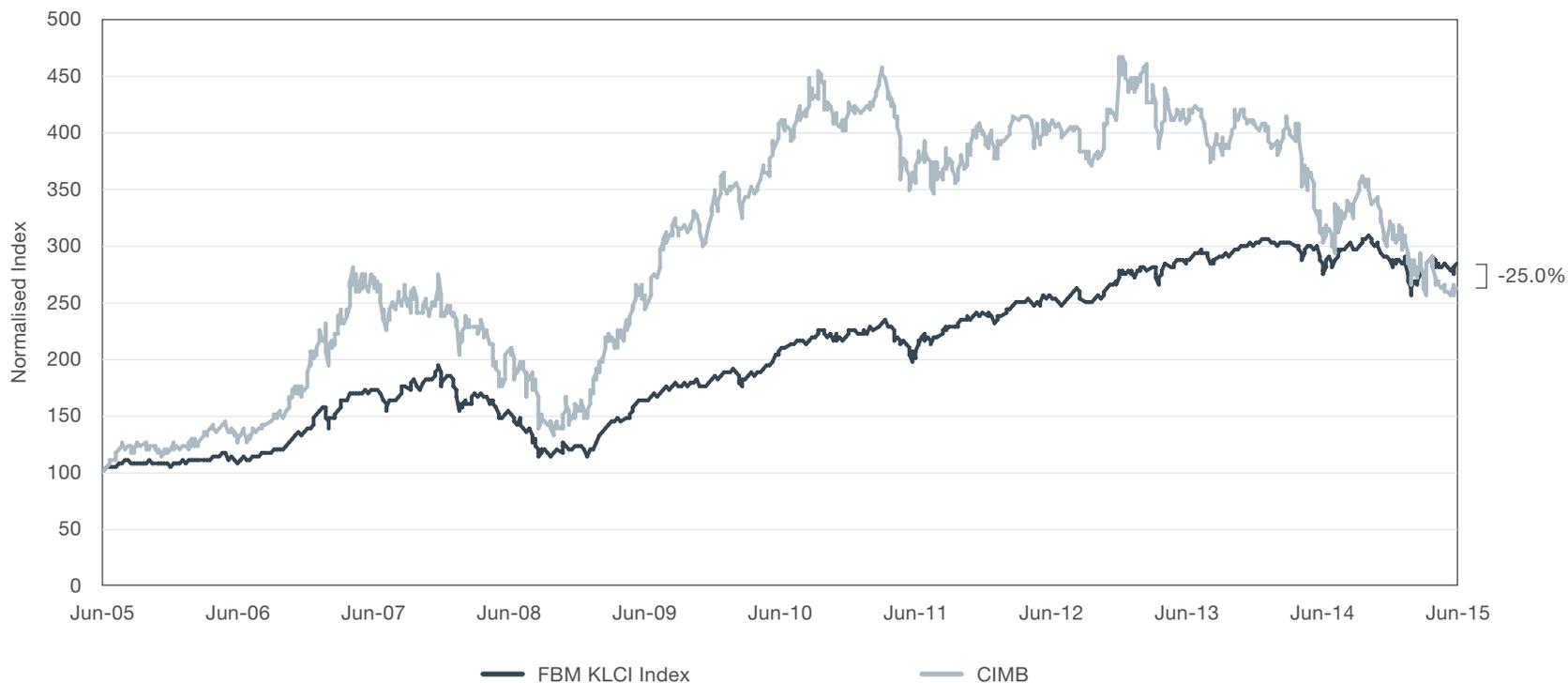
**STEVEN TAN**  
HEAD OF INVESTOR RELATIONS  
Tel: 603-2261 9696  
Email: steven.tan@cimb.com

### SHARE RELATED KEY HIGHLIGHTS

<b>Total Shareholders' Returns (%)</b>	FY14	-24.9	<b>Market Capitalisation as at 31 December (RM' billion)</b>	FY14	46.8	<b>Closing Price as at 31 December (RM)</b>	FY14	5.56
	FY15	-17.2		FY15	38.7		FY15	4.54
<b>Highest Closing Price (RM)</b>	FY14	7.62	<b>Average Closing Price (RM)</b>	FY14	6.90	<b>Lowest Closing Price (RM)</b>	FY14	5.33
	FY15	6.30		FY15	5.33		FY15	4.40

# LONG TERM VALUE CREATION

Shareholders' Returns (6 June 2005\* - 31 December 2015)



Note: \* Date of announcement of the M&A between CIMB Berhad and CAHB

	1 YEAR	10.5 YEARS
<b>CIMB</b>	-17.2%	163.7%
<b>FBM KLCI</b>	-1.0%	188.7%

Foreign Shareholding (January 2006 – December 2015)





# 2016

## QUARTERLY RESULTS ANNOUNCEMENTS

### TENTATIVE DATES

**30 MAY**  
2016

1Q16 Results Announcement

**29 AUGUST**  
2016

2Q16 Results Announcement

**21 NOVEMBER**  
2016

3Q16 Results Announcement

**FEBRUARY**  
2017

4Q16 Results Announcement

## CORPORATE INFORMATION

as at 8 March 2016

### BOARD OF DIRECTORS

**Dato' Sri Nazir Razak**

Chairman/  
Non-Independent  
Non-Executive Director

**Tengku Dato' Sri Zafrul  
Tengku Abdul Aziz**

Group Chief Executive/  
Executive Director  
(Appointed on 27 February 2015)

**Dato' Zainal Abidin Putih**

Senior Independent Director

**Glenn Muhammad Surya Yusuf**

Independent Director

**Watanan Petersik**

Independent Director

**Robert Neil Coombe**

Independent Director

**Joseph Dominic Silva**

Non-Independent  
Non-Executive Director

**Teoh Su Yin**

Independent Director

**Datuk Mohd Nasir Ahmad**

Independent Director  
(Appointed on 20 July 2015)

**Dato' Lee Kok Kwan**

Non-Independent  
Non-Executive Director  
(Appointed on 20 July 2015)

**Hiroaki Demizu**

Non-Independent  
Non-Executive Director  
(Appointed on 8 March 2016)

**Dato' Robert Cheim Dau Meng**

Non-Independent  
Non-Executive Director  
(Resigned on 27 February 2015)

**Kenji Kobayashi**

Non-Independent  
Non-Executive Director  
(Resigned on 8 March 2016)

### AUDIT COMMITTEE

**Dato' Zainal Abidin Putih**

Chairman/  
Senior Independent Director

**Datuk Mohd Nasir Ahmad**

Independent Director  
(Appointed on 20 July 2015)

**Dato' Robert Cheim Dau Meng**

Non-Independent  
Non-Executive Director  
(Resigned on 27 February 2015)

**Glenn Muhammad Surya Yusuf**

Independent Director  
(Appointed on 27 February 2015)

**Watanan Petersik**

Independent Director  
(Resigned on 20 July 2015)

### BOARD RISK COMMITTEE

**Glenn Muhammad Surya Yusuf**

Chairman/  
Independent Director

**Watanan Petersik**

Independent Director

**Datuk Mohd Nasir Ahmad**

Independent Director  
(Appointed on 20 July 2015)

**Dato' Robert Cheim Dau Meng**

Non-Independent  
Non-Executive Director  
(Resigned on 27 February 2015)

**Dato' Zainal Abidin Putih**

Senior Independent Director

**Robert Neil Coombe**

Independent Director

**Dato' Lee Kok Kwan**

Non-Independent  
Non-Executive Director  
(Appointed on 20 July 2015)

**Kenji Kobayashi**

Non-Independent  
Non-Executive Director  
(Resigned on 8 March 2016)

**Dato' Sri Nazir Razak**

Non-Independent  
Non-Executive Director

**Joseph Dominic Silva**

Non-Independent  
Non-Executive Director

**Hiroaki Demizu**

Non-Independent  
Non-Executive Director  
(Appointed on 8 March 2016)

**Teoh Su Yin**

Independent Director

**Our Structure**

Corporate Information

**GROUP NOMINATION AND REMUNERATION COMMITTEE**

**Dato' Zainal Abidin Putih**  
Chairman/  
Senior Independent Director

**Glenn Muhammad Surya Yusuf**  
Independent Director

**Joseph Dominic Silva**  
Non-Independent  
Non-Executive Director

**Teoh Su Yin**  
Independent Director

**Watanan Petersik**  
Independent Director

**GROUP COMPENSATION REVIEW COMMITTEE**

**Dato' Sri Nazir Razak**  
Chairman/  
Non-Independent  
Non-Executive Director

**Dato' Zainal Abidin Putih**  
Senior Independent Director

**Tengku Dato' Sri Zafrul  
Tengku Abdul Aziz**  
Group Chief Executive/  
Executive Director  
(Appointed on 27 February 2015)

**Datuk Dr Syed Muhamad  
Syed Abdul Kadir**  
Chairman  
CIMB Islamic Bank

**Dato' Robert Chiem Dau Meng**  
Non-Independent  
Non-Executive Director  
(Resigned on 27 February 2015)

**BOARD OVERSIGHT COMMITTEE**

**Dato' Sri Nazir Razak**  
Chairman/  
Non-Independent  
Non-Executive Director

**Teoh Su Yin**  
Independent Director

**Tengku Dato' Sri Zafrul  
Tengku Abdul Aziz**  
Group Chief Executive/  
Executive Director  
(Appointed on 27 February 2015)

**Dato' Lee Kok Kwan**  
Non-Independent  
Non-Executive Director  
(Appointed on 1 September 2015)

**Dato' Robert Chiem Dau Meng**  
Non-Independent  
Non-Executive Director  
(Resigned on 27 February 2015)

**GROUP COMPANY SECRETARY**

**Datin Rossaya Mohd Nashir**  
LS 0007591

**REGISTERED OFFICE**

Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

Tel: 603-2261 0085

Fax: 603-2261 0099

Website: [www.cimb.com](http://www.cimb.com)

Investor Relations: [ir@cimb.com](mailto:ir@cimb.com)

Senior Independent Director: [cimbSID@cimb.com](mailto:cimbSID@cimb.com)

Social media:

[www.facebook.com/CIMBMalaysia](http://www.facebook.com/CIMBMalaysia)

[www.twitter.com/CIMB\\_Assists](http://www.twitter.com/CIMB_Assists)

[www.instagram.com/cimbmalaysia/](http://www.instagram.com/cimbmalaysia/)

[www.linkedin.com/company/cimb](http://www.linkedin.com/company/cimb)

## 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: 603-7849 0777

## 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

**Tengku Dato' Sri Zafrul Tengku Abdul Aziz**  
Group Chief Executive/  
Executive Director  
Chief Executive Officer,  
CIMB Bank

**Dato' Kong Sooi Lin**  
Chief Executive Officer/  
Executive Director,  
CIMB Investment Bank  
Group Head,  
Investment Banking

**Rafe Haneef**  
Chief Executive Officer/  
Executive Director,  
CIMB Islamic Bank  
Chief Executive Officer,  
Group Islamic Banking

**Renzo Viegas**  
Chief Executive Officer,  
Consumer Banking

**Yong Jiunn Run**  
Chief Executive Officer,  
Commercial Banking

**Effendy Shahul Hamid**  
Chief Executive Officer,  
Group Asset Management  
& Investments

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

**Tigor M. Siahaan**  
Country Head, Indonesia  
President Director & Chief  
Executive Officer, CIMB Niaga  
(Appointed on 1 June 2015)

**Subhak Siwaraksa**  
Country Head, Thailand  
President & Chief Executive  
Officer, CIMB Thai Bank

**Shahnaz Farouque Jammal Ahmad**  
Group Chief Financial Officer

**Datuk Iswaraan Suppiah**  
Group Chief Information &  
Operations Officer

**Hamidah Naziadin**  
Group Chief People Officer

**David Richard Thomas**  
Group Chief Risk Officer

**Mohamed Adam Wee Abdullah**  
Group Chief Marketing &  
Communications Officer  
(Appointed on 1 October 2015)

## By Invitation

**Lim Tiang Siew**  
Group Chief Internal Auditor

**Lee Chin Tok**  
Group General Counsel

**Kwan Keen Yew**  
Group Chief Compliance Officer  
(Appointed on 16 March 2015)

**Gurdip Singh Sidhu**  
Group Chief Strategy Officer  
(Appointed on 20 April 2015)

**Thomas Meow Yoke Nean**  
Adviser, Wholesale Banking  
(Appointed on 27 July 2015)

**Chu Kok Wei**  
Group Head,  
Treasury and Markets  
(Appointed on 25 February 2016)

## Resigned

**Arwin Rasyid**  
(Resigned on 10 April 2015)

**Dato' Lee Kok Kwan**  
(Resigned on 20 July 2015)

**Badlisyah Abdul Ghani**  
(Resigned on 15 August 2015)

**Kenny Kim**  
(Resigned on 1 October 2015)

**Dato' Sulaiman Mohd Tahir**  
(Resigned on 22 November 2015)

## GROUP SHARIAH COMMITTEE

**Sheikh Associate Professor Dr Mohamed Azam Mohamed Adil**  
Chairman

**Sheikh Professor Dr Mohammad Hashim Kamali**

**Sheikh Dr Nedham Yaqoobi**

**Sheikh YAA Dato' Dr Haji Mohd Na'im Haji Mokhtar**

**Sheikh Associate Professor Dr Shafaai Musa**

**Sheikh Dr Yousef Abdullah Al Shubaily**

**Sheikha Professor Dato' Dr Noor Inayah Yaakub**

**Sheikh Muhamad Taufik Ridlo**

**Sheikh Professor Dato' Dr Sudin Haron**

## Our Structure

Boards of Major Subsidiaries

## BOARDS OF MAJOR SUBSIDIARIES


**CIMB BANK BERHAD**
**Chairman**

**Dato' Zainal Abidin Putih**  
Independent Director

**Members**

**Dato' Sri Nazir Razak**  
Deputy Chairman/  
Non-Independent Non-Executive Director

**Tengku Dato' Sri Zafrul Tengku Abdul Aziz**  
Chief Executive Officer/Executive Director  
(Appointed on 20 January 2016)

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

**Rosnah Dato' Kamarul Zaman**  
Independent Director

**Datin Grace Yeoh Cheng Geok**  
Independent Director

**Venkatachalam Krishnakumar**  
Independent Director

**Dato' Sri Amrin Awaluddin**  
Independent Director

**Ahmad Zulqarnain Che On**  
Non-Independent Non-Executive Director

**Datuk Mohd Nasir Ahmad**  
Independent Director  
(Appointed on 20 July 2015)

**Dato' Lee Kok Kwan**  
Non-Independent Non-Executive Director  
(Appointed on 20 July 2015)

**Renzo Viegas**  
Executive Director  
(Resigned on 1 May 2015)

**Secretary**

**Datin Rossaya Mohd Nashir**


**CIMB INVESTMENT BANK BERHAD**
**Chairman**

**Dato' Robert Cheim Dau Meng**  
Non-Independent Non-Executive Director  
(Appointed on 1 July 2015)

**Dato' Sri Nazir Razak**  
Non-Independent Non-Executive Director  
(Resigned on 1 July 2015)

**Members**

**Dato' Kong Sooi Lin**  
Chief Executive Officer/Executive Director  
(Appointed on 1 March 2016)

**Nadzirah Abd Rashid**  
Independent Director

**Dato' David Chua Ming Huat**  
Independent Director  
(Appointed on 13 February 2015)

**Manu Bhaskaran**  
Independent Director  
(Appointed on 1 June 2015)

**Habibah Abdul**  
Independent Director  
(Resigned 31 March 2015)

**Dato' Zainal Abidin Putih**  
Independent Director  
(Resigned on 1 July 2015)

**Tengku Dato' Sri Zafrul Tengku Abdul Aziz**  
Chief Executive Officer/Executive Director  
(Resigned on 20 January 2016)

**Secretary**

**Datin Rossaya Mohd Nashir**


**CIMB ISLAMIC BANK BERHAD**
**Chairman**

**Datuk Dr Syed Muhammad Syed Abdul Kadir**  
Non-Independent Non-Executive Director

**Members**

**Rafe Haneef**  
Chief Executive Officer/Executive Director  
(Appointed on 4 January 2016)

**Habibah Abdul**  
Independent Director

**Rosnah Dato' Kamarul Zaman**  
Independent Director

**Professor Dato' Dr Sudin Haron**  
Independent Director

**Associate Professor Dr Mohamed Azam bin Mohamed Adil**  
Independent Director

**Raja Shaharul Niza Raja Abdul Aziz**  
Independent Director  
(Resigned on 31 May 2015)

**Badlisyah Abdul Ghani**  
Chief Executive Officer/Executive Director  
(Resigned on 15 August 2015)

**Secretary**

**Datin Rossaya Mohd Nashir**


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

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

**Members**

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

**Roy Edu Tirtadji**  
Independent Commissioner

**Sri Hartina Urip Simeon**  
Independent Commissioner

**Zulkifli M. Ali**  
Independent Commissioner

**Primoehadi Notowidigdo**  
Independent Commissioner

**Ahmad Zulqarnain Onn**  
Non-Independent Commissioner

**David Richard Thomas**  
Non-Independent Commissioner

**Cooperate Secretary**

**Budiman Pudjirahardjo**


**CIMB THAI BANK PCL**
**Chairman**

**Dato' Robert Cheim Dau Meng**  
Non-Independent Non-Executive Director

**Members**

**Sukont Kanjana-Huttakit**  
Vice Chairman  
Independent Director  
(Re-designated as Vice Chairman on  
25 February 2015)

**Subhak Siwaraksa**  
President/Chief Executive Officer

**Dato' Shaarani bin Ibrahim**  
Independent Director

**Watanan Petersik**  
Independent Director

**Chitrapongse Kwangsukstith**  
Non-Independent Executive Director

**Serena Tan Mei Shwen**  
Non-Independent Non-Executive Director

**Dato' Lee Kok Kwan**  
Non-Independent Non-Executive Director  
(Appointed on 24 December 2015)

**Kenny Kim**  
Non-Independent Non-Executive Director  
(Resigned on 1 October 2015)

**Sopawadee Lertmanaschai**  
Independent Director  
(Resigned on 1 January 2016)

**Secretary**

**Thaphop Kleesuwan**


**CIMB BANK PLC**
**Chairman**

**Dato' Shaarani Ibrahim**  
Independent Director

**Members**

**Dato' Wira Zainal Abidin Mahamad Zain**  
Independent Director

**Dr Mey Kalyan**  
Independent Director

**Kua Wei Jin**  
Non-Independent Non-Executive Director

**Bun Yin**  
Executive Director  
(Appointed on 29 January 2015)

**Yew Wan Kup**  
Executive Director  
(Resigned on 29 January 2015)

**Joint Secretaries**

**Ly Sophea**  
**Datin Rossaya Mohd Nashir**

## CORPORATE PROFILE

### CIMB

#### CIMB GROUP

CIMB is a leading ASEAN universal bank, with one of ASEAN's largest investment banking as well as retail branch networks. It is also a world leader in Islamic finance.

The Group is headquartered in Kuala Lumpur, Malaysia, and offers commercial banking, wholesale banking, Islamic banking and asset management products and services. It is the fifth largest banking group by assets in ASEAN and, as at the end of 2015, has about 40,000 staff and over 12 million customers.

Products and services are complemented by partnerships and alliances with various leading companies including Touch 'n Go, Principal Financial Group, Singapore Mapletree Investments Pte Ltd., Bank of Tokyo Mitsubishi UFJ, The Rohatyn Group, Security Bank, Trust Capital Advisors Pte Ltd. and AIS.

CIMB has been listed on the Main Market of Bursa Malaysia since 1987 and was one of the largest companies at the end of 2015 with a market capitalisation of RM38.7 billion. Total assets at the end of 2015 were RM461.6 billion, with total shareholders' funds of RM41.1 billion and total Islamic assets of RM70.7 billion.

Major shareholders at the end of 2015 were Khazanah Nasional with 29.68%, Employees Provident Fund with 17.43%, Kumpulan Wang Persaraan with 3.67% and Mitsubishi UFJ Financial Group with 4.62%.

### CIMB BANK

#### CIMB BANK

CIMB Bank is the Group's commercial bank in Malaysia. It also has branches in Singapore and London and representative offices in Shanghai, Yangon and Mumbai.

### CIMB

#### CIMB INVESTMENT BANK

CIMB investment banking franchise operates in 18 countries across Asia Pacific. CIMB Securities International serves institutional clients throughout the Asia Pacific region as well as global investors in the Asia Pacific equity markets.

### CIMB ISLAMIC

#### CIMB ISLAMIC

CIMB Islamic is the Group's global Islamic banking and finance franchise. It operates in parallel with the Group's universal banking platform.

### CIMB NIAGA

#### CIMB NIAGA

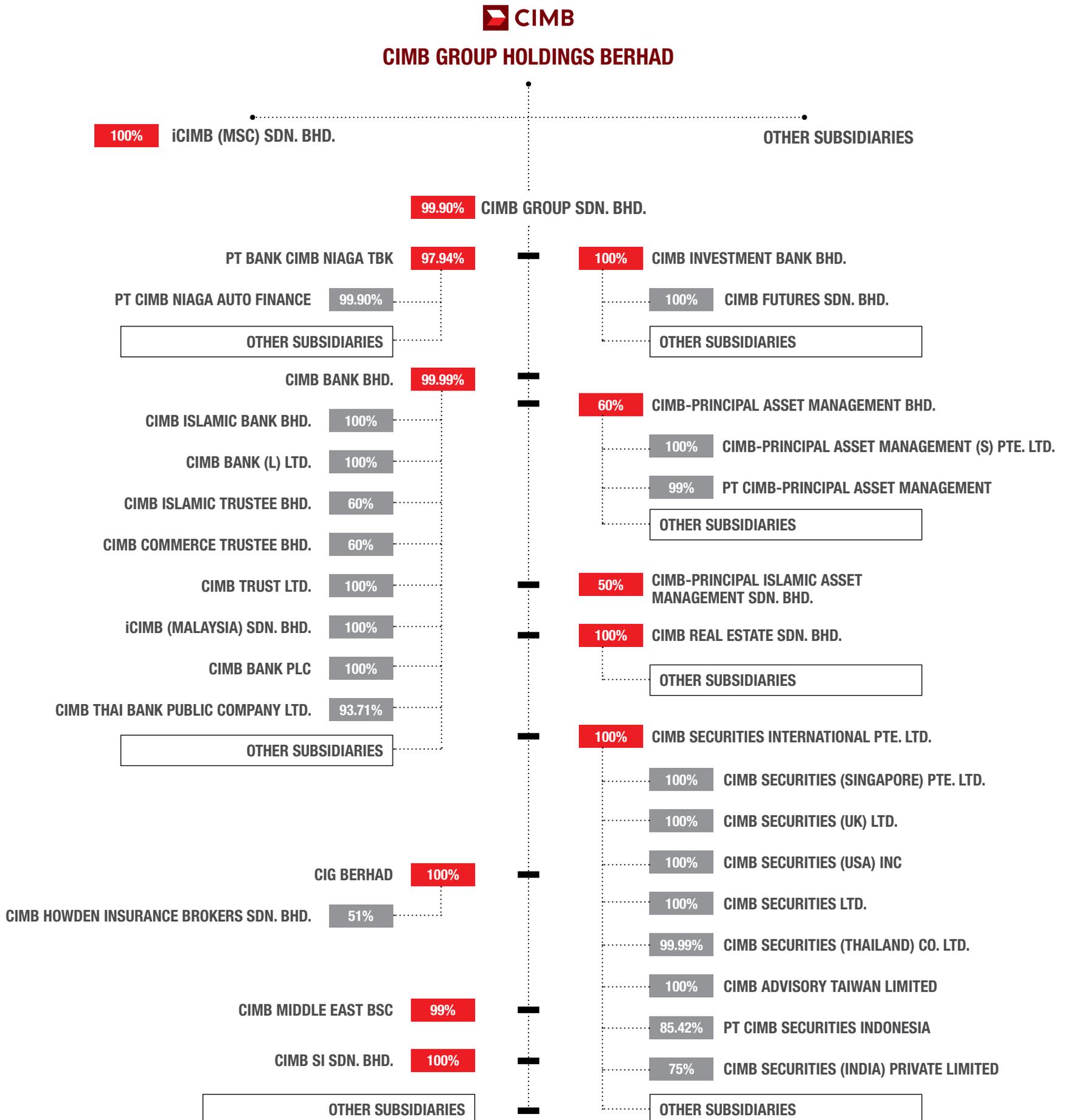
CIMB Niaga is the Group's banking franchise in Indonesia. It has been listed on the Indonesia Stock Exchange since 1989 and was the fifth largest bank in Indonesia by assets at the end of 2015.

### CIMB THAI ซีไอเอ็มบี ไทย

#### CIMB THAI BANK

CIMB Thai Bank is the Group's banking franchise in Thailand. It has been listed on the Stock Exchange of Thailand and was the ninth largest bank in Thailand by assets at the end of 2015.

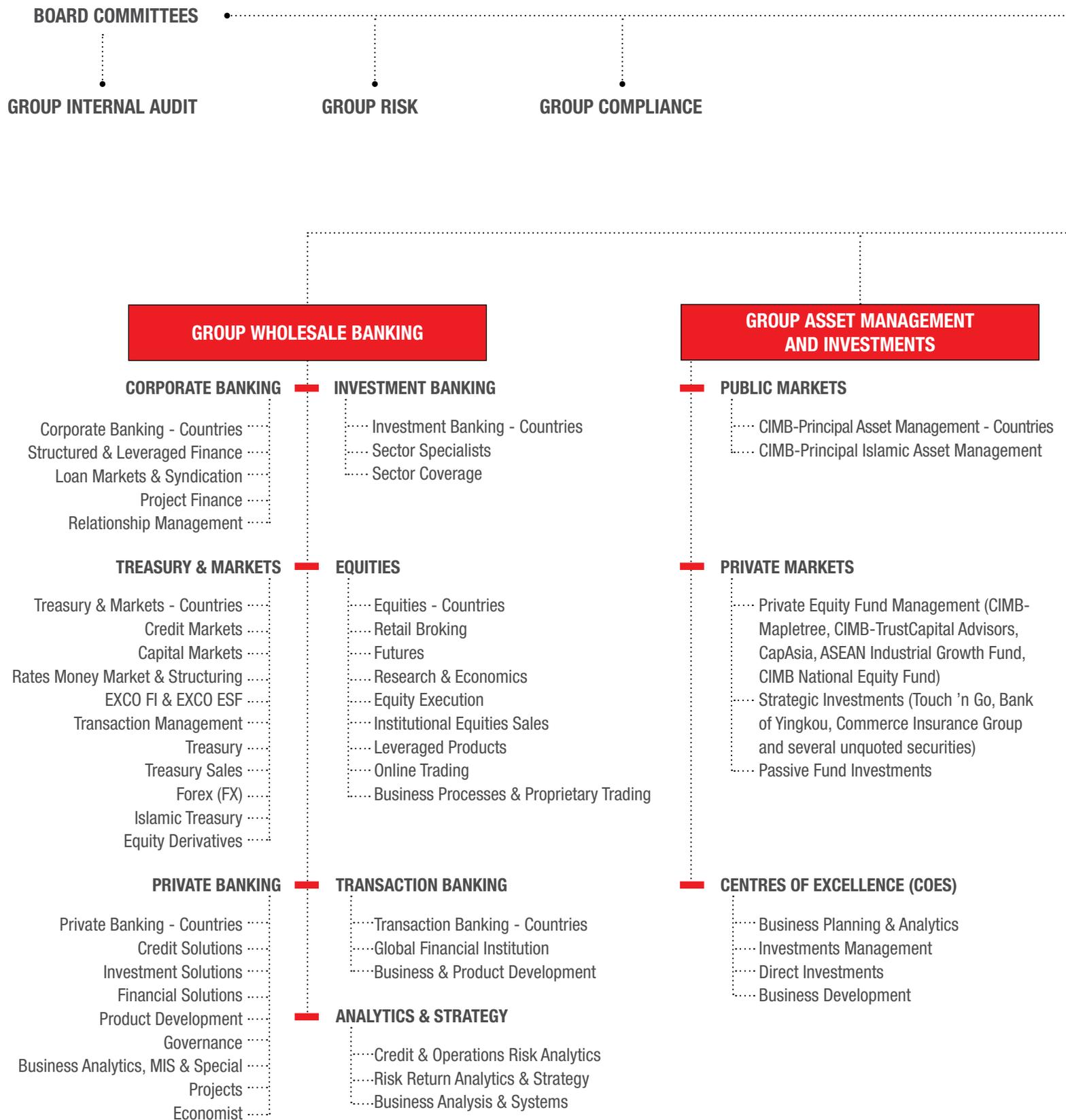
# CORPORATE STRUCTURE



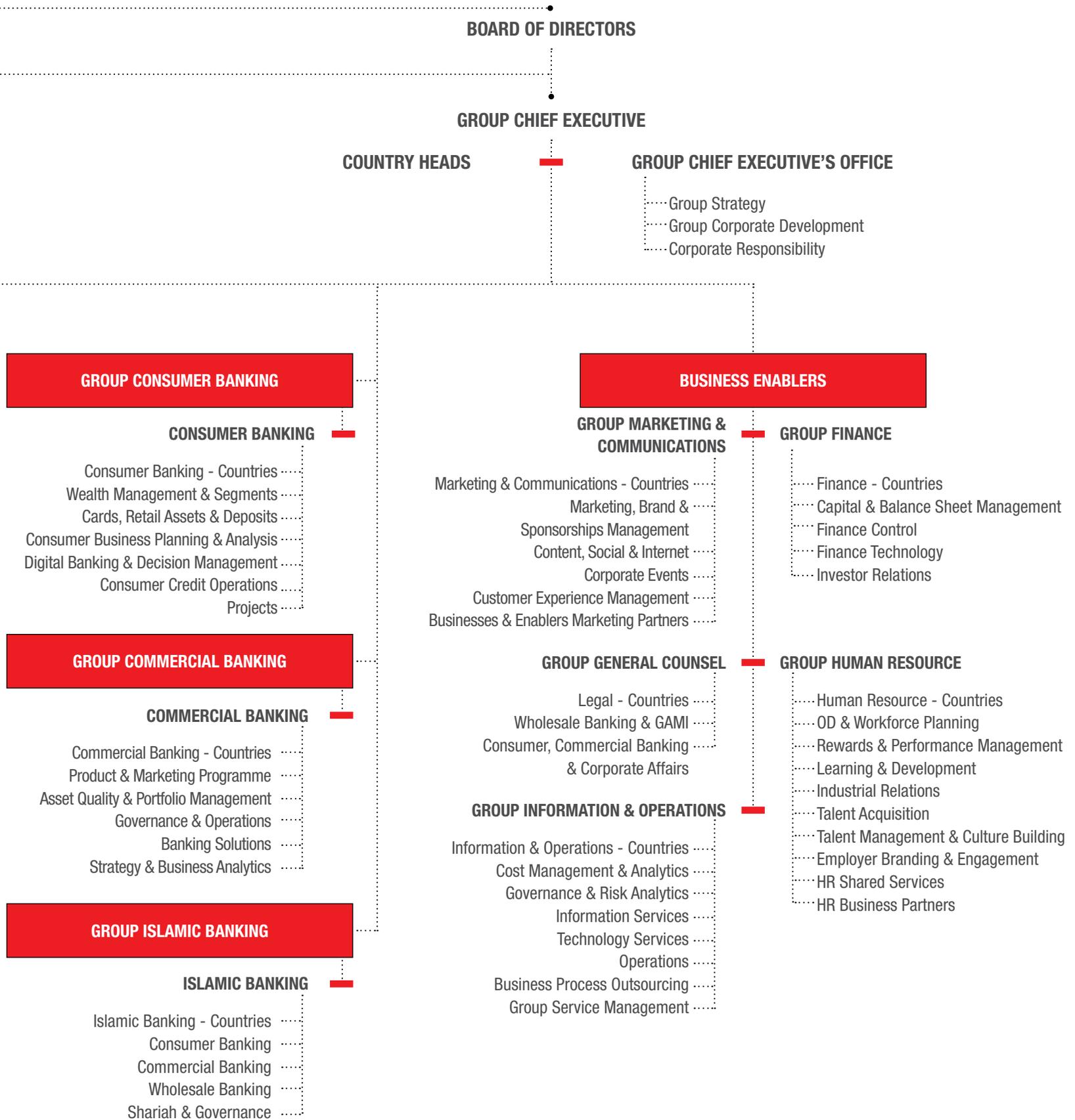
# CIMB GROUP ORGANISATION STRUCTURE



## CIMB GROUP HOLDINGS BERHAD



**Our Structure**  
CIMB Group Organisation Structure



# LEADERSHIP



**Left to right (Sitting)**

**Dato' Sri Nazir Razak**  
Chairman/  
Non-Independent Non-Executive Director

**Tengku Dato' Sri Zafrul Tengku Abdul Aziz**  
Group Chief Executive Officer/  
Executive Director

**Left to right (Standing)**

**Robert Neil Coombe**  
Independent Director

**Dato' Zainal Abidin Putih**  
Senior Independent Director

**Hiroaki Demizu**  
Non-Independent Non-Executive Director

**Watanan Petersik**  
Independent Director

**Our Structure**  
Leadership



**Teoh Su Yin**  
Independent Director

**Dato' Lee Kok Kwan**  
Non-Independent Non-Executive Director

**Joseph Dominic Silva**  
Non-Independent Non-Executive Director

**Glenn Muhammad Surya Yusuf**  
Independent Director

**Datuk Mohd Nasir Ahmad**  
Independent Director

## Our Structure

Profile Board of Directors

## PROFILE BOARD OF DIRECTORS

### DATO' SRI NAZIR RAZAK



*Position*

- Chairman
- Non-Independent Non-Executive Director
- Chairman of the Board Oversight Committee and Group Compensation Review Committee
- Member of the Board Risk Committee

*Age* 49 years old

*Nationality* Malaysian

*Date of appointment* 27 January 2006

Dato' Sri Nazir Razak, aged 49, was appointed to the Board on 27 January 2006 as a Non-Independent Non-Executive Director and was then appointed as the Group Managing Director/Chief Executive Officer of CIMB on 7 November 2006. He resigned as the Group Managing Director/Chief Executive Officer of CIMB on 31 August 2014 and was re-designated and named Chairman/Non-Independent Non-Executive Director of CIMB on 1 September 2014 following the retirement of Tan Sri Md Nor Yusof as the Chairman/Non-Independent Non-Executive Director of CIMB on 31 August 2014. He is also the President Commissioner of PT Bank CIMB Niaga Tbk.

Dato' Sri Nazir Razak 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 IB) 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 IB as Deputy Chief Executive on 1 June 1996 and became Chief Executive on 1 June 1999. He assumed the position of Group Chief Executive of CIMB on 7 November 2006.

During his tenure as Group Managing Director/Chief Executive Officer of CIMB, Dato' Sri Nazir Razak has been recognised as Malaysia's top executive/CEO on several occasions. He was the youngest recipient of FinanceAsia's 'Lifetime Achievement Award' in 2009 and was also awarded Euromoney's 2012 'Outstanding Achievement Award' in recognition of this outstanding contribution to the Asian Financial Markets. In 2015, he was conferred the prestigious Asia House Asian Business Leaders Award for his overall contribution to the economic success, professional excellence, moral leadership and service to society.

Dato' Sri Nazir Razak holds directorships in various CIMB companies. He is a Director of Khazanah Nasional Berhad and a member of the Investment Panel of the Employees Provident Fund (EPF) Board and the International Advisory Board of the Blavatnik School of Government at the University of Oxford. He is also the Chairman of the EPF's Investment Panel Risk Committee and a Trustee of the Rahah Foundation and the Pride Foundation.

He does not have any conflict of interest or any family relationship with any other Director and/or major Shareholders of the Company, except being a Director of Khazanah Nasional Berhad and the brother of Dato' Sri Mohd Najib Tun Hj Abdul Razak, the Chairman of Khazanah Nasional Berhad.

**TENGGU DATO' SRI ZAFRUL TENGGU ABDUL AZIZ**

*Position*      ➤ Group Chief Executive Officer  
 ➤ Executive Director  
 ➤ Member of the Group Compensation Review Committee and Board Oversight Committee

*Age*            42 years old

*Nationality*   Malaysian

*Date of appointment*   27 February 2015

Tengku Dato' Sri Zafrul Tengku Abdul Aziz is the Group Chief Executive Officer/Executive Director of CIMB, a leading ASEAN universal bank and a world leader in Islamic finance with presence in 17 countries worldwide. He is also the Chief Executive Officer/Executive Director of CIMB Bank Berhad.

With over 19 years of experience in the financial services sector, specialising in Investment Banking, Zafrul's last position was with Maybank Investment Bank Berhad and Maybank Kim Eng Holdings as Chief Executive Officer. He also held senior positions in Citigroup Malaysia, Kenanga Holdings Berhad and Avenue Securities (now known as ECM Libra). He also experienced being an entrepreneur by setting up Tune Money Sdn Bhd, Asia's first "no-frills" online financial service provider. He started his career as a Corporate Finance Executive in AM Investment Bank and after that joined Credit Agricole as a Senior Investment Analyst, after which he became the Adviser to the President of Tenaga Nasional Bhd.

Outside of CIMB, Zafrul is an advocate of Malaysia's socioeconomic development and currently heads the Kuala Lumpur Business Club. He is on the Boards of the Malaysian Investment Development Authority (MIDA) and Perbadanan PR1MA Malaysia. In addition, he is a member of the Secondary Market Advisory Group of Securities Commission. Zafrul is also actively involved in developing the youth of the nation – Young Corporate Malaysians. Zafrul was also appointed by the Ministry of Education of Malaysia as an Adjunct Professor at University Sains Islam Malaysia under the CEO Faculty Programme. He is also the Chairman of Enactus Malaysia Foundation, an international non-profit organisation aimed at grooming university students into future leaders.

Zafrul graduated from the University of Bristol, United Kingdom with a Bachelor of Science (Hons) Economics and Accounting and obtained a Master of Arts (MA) in Finance and Management from the University of Exeter, United Kingdom. He also holds a fellowship with the Asian Institute of Chartered Bankers.

**Our Structure**

Profile Board of Directors

**DATO' ZAINAL ABIDIN PUTIH**



*Position*      ➤ Senior Independent Director  
 ➤ Chairman of the Audit Committee and Group Nomination and Remuneration Committee  
 ➤ Member of the Board Risk Committee and Group Compensation Review Committee

*Age*              70 years old

*Nationality*     Malaysian

*Date of appointment*    7 November 2006

Dato' Zainal Abidin Putih, aged 70, 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.

He is the Chairman of CIMB Bank, Touch 'n Go Sdn Bhd and also a Director of Southeast Asia Special Asset Management Berhad.

Dato' Zainal Abidin 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 sits on the Boards of other public listed companies and is currently the Chairman of Dutch Lady Milk Industries Berhad and Land & General Berhad. He also sits on the Boards of Petron Malaysia Refining and Marketing Berhad and Tenaga Nasional Berhad (TNB). He holds directorships in a number of private companies including as Chairman of Mobile Money International Sdn Bhd. He is a Trustee of the IJN Foundation and the Perdana Leadership Foundation.

**Our Structure**  
Profile Board of Directors

## GLENN MUHAMMAD SURYA YUSUF



*Position*

- Independent Director
- Chairman of the Board Risk Committee
- Member of the Audit Committee and Group Nomination and Remuneration Committee

*Age* 60 years old

*Nationality* Indonesian

*Date of appointment* 25 January 2010

Glenn Muhammad Surya Yusuf, aged 60, graduated from the University of the Philippines in Manila with a Bachelor's degree in Economics and earned his Masters degree in Business Management from the Asian Institute of Management, Manila.

He has served on CIMB's International Advisory Panel since 2006 and was Deputy Chairman of the Bank Niaga – Bank Lippo Integration Steering Committee in 2008.

He has been a Commissioner of PT Bank CIMB Niaga Tbk since April 2010 and assumed his current position as Vice President Commissioner in June 2012.

He is a prominent figure in the Indonesian corporate scene, having over 30 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 has served as President Director/CEO PT PP London Sumatera Indonesia Tbk from June 2003 to May 2007, President Director/CEO PT Danareksa (Persero) from 1995 to 2001, Director at PT Bahana Pembinaan Usaha Indonesia from 1994 to 1995 and Finance Director at PT Bank Niaga Tbk from 1991 to 1994.

In government service, Glenn was the Head of the Minister of Finance Assistance Team for Financial Sector Restructuring, Department of Finance, Republic of Indonesia from October 2001 to October 2002.

He was the Head of Investment Banking of PT Bank Niaga from 1989 to 1991, General Manager Los Angeles Agency of PT Bank Niaga Tbk from 1985 to 1989 and Manager of Citicorp Capital Market Group in Indonesia from 1983 to 1985. He was Senior Partner of PT Nusantara Capital from June 2007 to 2010 and assumed the position of President Commissioner at PT Polyprima Karyareksa from June 2004 to 2010.

## WATANAN PETERSIK



Watanan Petersik, aged 55, graduated from Bryn Mawr College, Pennsylvania, United States of America with a Bachelor of Arts degree (Magna Cum Laude).

She joined the Board of CIMB Thai Bank PCL in 2007 as a nominee of TPG Capital. She is currently an Independent Director and Chairman of the Nomination and Remuneration Committee of CIMB Thai Bank PCL.

She has been in the financial services industry for over 30 years with her last full-time position at Goldman Sachs.

*Position*      ➤ Independent Director  
 ➤ Member of the Board Risk Committee,  
 and Group Nomination and Remuneration  
 Committee

*Age*            55 years old

*Nationality*    Thai

*Date of appointment*    25 January 2010

**ROBERT NEIL COOMBE**

*Position*      ➤ Independent Director  
                      ➤ Member of the Board Risk Committee

*Age*            52 years old

*Nationality*    Australian

*Date of appointment*    16 April 2014

Robert Neil Coombe, aged 52, graduated from the University of Technology, Sydney, Australia with a Bachelor of Laws degree (Honours).

He has over 30 years of corporate experience in Australia and Asia including over 10 years in a Chief Executive Officer capacity. He is currently the Chief Executive Officer of QSRH Ltd which owns and operates three iconic brands in the Quick Service Restaurant Sector with 18,000 people employed throughout 600 restaurants in Australia and New Zealand.

Prior to joining QSRH Ltd, he spent two years running Westpac's Retail, Business and Agri banking operations throughout Australia. For the six years before that, he was the CEO of BT Financial Group, responsible for all of Westpac's funds management, financial planning, insurance, private banking, broking, platform and superannuation businesses in Australia.

Robert is a founding Director and Deputy Chairman of the Australia Indigenous Education Foundation, Deputy Chairman of Surfing Australia and a member of the Advisory Board to the UTS Faculty of Law.

In 2011, he was awarded the prestigious UTS Alumni of the Year for Excellence in recognition of his achievements in the business community and social sector.

**Our Structure**

Profile Board of Directors

**JOSEPH DOMINIC SILVA**



Joseph Dominic Silva, aged 51, is a graduate of Finance from University of Wales, United Kingdom and completed his Senior Management Programme at Henley Management College, United Kingdom.

He joined Khazanah Nasional Berhad in August 2008 and is currently Executive Director and Head of Investments at Khazanah Nasional Berhad. He also serves as a Director on the Boards of CIMB Group Sdn Bhd, ASTRO Holdings Sdn Bhd, Aur Ventures Sdn Bhd, Avicennia Capital Sdn Bhd, Satang Investments Ltd, Greatville Pte Ltd (Singapore), PT Pantai Damai (Indonesia) and Tanjung Jara Investments Limited (Hong Kong).

Prior to joining Khazanah Nasional Berhad, he spent 18 years in the banking sector in regional and international roles across the areas of relationship management, structured finance, capital markets, risk and portfolio management and strategic business development.

He does not have any conflict of interest or any family relationship with any Director and/or major Shareholders of the Company, except by virtue of being a representative of Khazanah Nasional Berhad.

*Position*      ➤ Non-Independent Non-Executive Director  
 ➤ Member of the Board Risk Committee and Group Nomination and Remuneration Committee

*Age*            51 years old

*Nationality*    Malaysian

*Date of appointment*    30 June 2014

**Our Structure**  
Profile Board of Directors

## TEOH SU YIN



Teoh Su Yin, aged 44, graduated with a Bachelor of Arts (Hons) in Business Studies from Sheffield Hallam University, United Kingdom. Her other qualifications includes as Licensed Investment Adviser and Chartered Institute of Marketing (UK).

She has almost 20 years experience in equity research and investments. Su Yin began her career with JP Morgan Malaysia as a Junior Analyst in 1994. In 2000, she became Head of Research with sector coverage experience in infrastructure, plantations, power, gaming, real estate and conglomerates.

In 2002, she left JP Morgan to join Deutsche Bank Malaysia Berhad, initially as a Senior Analyst and later as Managing Director, Head of Malaysia and ASEAN Equity Research. As individual analyst, Su Yin was ranked Top three by Asiamoney in 2008 and 2009. She currently serves on the Board of Albizia ASEAN Opportunities Fund in Singapore.

*Position*      ➤ Independent Director  
➤ Member of the Board Risk Committee, Board Oversight Committee and Group Nomination and Remuneration Committee

*Age*            44 years old

*Nationality*   Malaysian

*Date of appointment*   8 October 2014

**Our Structure**

Profile Board of Directors

**DATUK MOHD NASIR AHMAD**



*Position*      ➤ Independent Director  
 ➤ Member of the Board Risk Committee and Audit Committee

*Age*            61 years old

*Nationality*    Malaysian

*Date of appointment*    20 July 2015

Datuk Mohd Nasir Ahmad, aged 61, was appointed as Independent Director of CIMBGH on 20 July 2015. He is a Fellow of the Association of Chartered Certified Accountants (ACCA) United Kingdom and a Chartered Accountant with the Malaysian Institute of Accountants (MIA). He was the President of MIA from August 2011 to July 2013 and elected as a Council Member of the ACCA (UK) in September 2013. Datuk Mohd Nasir holds a Master of Business Administration (Finance) from Universiti Kebangsaan Malaysia.

Datuk Mohd Nasir brings with him vast experience in the area of finance, accounting and management which spans 36 years, having started his career as a Trainee Accountant with TNB in 1979 and moving on to hold various positions in the Finance Division. In January 1993, he was seconded to TNB’s subsidiary company, Malaysia Transformer Manufacturing Sdn Bhd as the Financial Controller before being appointed as CEO in June 1994. In January 2000, he joined Sharikat Permodalan Kebangsaan Berhad as its CEO. On 1 June 2011, he was appointed CEO of Perbadanan Usahawan Nasional Berhad, a position he held until his retirement on 1 June 2011.

Currently, Datuk Mohd Nasir also sits on the Boards of Bina Darulaman Berhad, Sumatec Resources Berhad, Media Prima Berhad, MIMOS Berhad, SIRIM Berhad and Prokhas Sdn Bhd. He is the Chairman of UKM Holdings Sdn Bhd, Chairman of SIRIM Tech Venture Sdn Bhd and a member of the Board of Universiti Kebangsaan Malaysia besides being a member of the Listing Committee of Bursa Malaysia and the Board of Trustee of Yayasan Canselor UNITEN.

**DATO' LEE KOK KWAN**

*Position*      ➤ Non-Independent Non-Executive Director  
 ➤ Member of the Board Risk Committee and Board Oversight Committee

*Age*            50 years old

*Nationality*    Malaysian

*Date of appointment*    20 July 2015

Dato' Lee Kok Kwan, aged 50, was appointed as Non-Independent Non-Executive Director of CIMB and CIMB Bank Berhad on 20 July 2015. He is also a Director of CIMB Thai Bank PCL. Prior to the appointments, Dato' Lee was the Deputy CEO where his areas of responsibilities included the Sales and Trading businesses in interest rates, credit, foreign exchange, bonds, equity, commodities and their derivatives, treasury and funding for the Group, fixed income investments and debt capital markets which he developed since joining CIMB in 1996 and has since grown the businesses to be one of the largest global markets operations across ASEAN Corporate Banking and Transaction Banking.

Prior to joining CIMB 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 and return for a leading Canadian bank and a member of its Senior Asset-Liability Management Committee.

Dato' Lee is also the President of the Financial Markets Association of Malaysia, Adviser to the Securities Commission Malaysia and sits on the Board of Cagamas Holdings Berhad as a Non-Executive Director. He holds a BBA Joint Honours (First Class) and a Master of Business Administration degree from Simon Fraser University, Canada.

**Our Structure**

Profile Board of Directors

**HIROAKI DEMIZU**



Hiroaki Demizu, aged 49, was appointed as Non-Independent Non-Executive Director of CIMB on 8 March 2016. He graduated from Osaka University, Osaka, Japan with Bachelor of Engineering Science in 1989.

He is the Chief Risk Officer for Asia and General Manager of Bank of Tokyo-Mitsubishi UFJ, Ltd and Mitsubishi UFJ Financial Group, Inc., heading Asian Risk Management and Compliance Division. He is responsible for planning, promotion, guidance, support, and overall control of comprehensive management/operation of various risks including Credit risk, Market risk, Funding Liquidity risk and Operational risk in the Asian regions. He also provides Risk Management guidance to BTMU Asia & Oceania and East Asia, Mitsubishi UFJ Trust & Banking in Asia, Mitsubishi UFJ Securities Holdings in Asia. As a member of the key risk management committees, he contributes to the short to long term business planning within the region and globally.

He does not have any conflict of interest or any family relationship with any Director and/or major Shareholders of the Company, except by virtue of being a representative of Mitsubishi UFJ Financial Group, Inc.

*Position*      ➤ Non-Independent Non-Executive Director  
 ➤ Member of the Board Risk Committee

*Age*            49 years old

*Nationality*   Japanese

*Date of appointment*    8 March 2016

**Note on Board of Directors:**

**Family Relationship:** Save as disclosed, none of the Directors have any family relationship with any Director and/or major shareholder of the Company.

**Conflict of Interest:** Save as disclosed, none of the Directors have any conflict of interest with the Company.

**Conviction for Offences:** None of the Directors have convictions for any offences for the past 10 years.

## GROUP COMPANY SECRETARY

### DATIN ROSSAYA MOHD NASHIR



*Position*      ➤ Group Company Secretary

*Age*            47 years old

*Nationality*   Malaysian

Datin Rossaya Mohd Nashir, aged 47, is the Group Company Secretary and works with the Chairman and the Board, advising them on their duties and responsibilities, governance matters, including ensuring CIMB's compliance to laws and regulatory requirements, and that a corporate governance framework is deployed in a manner that supports the Group's vision and aspirations. She plays a liaison role between the Board and its key stakeholders, both in Malaysia and in the Group's regional operations.

She has more than 20 years of experience in corporate secretarial practice and has been with CIMB since 2002, when she joined the Corporate Legal Services Unit and was instrumental in setting up the Company Secretarial Department in 2004. She is also a Director of several subsidiaries in the CIMB group. Prior to working in CIMB, Datin Rossaya was with Permodalan Nasional Berhad, where she assumed the position of Joint Company Secretary for several of its subsidiaries. She began her career with Time Engineering Group.

Datin Rossaya holds a Bachelor of Laws degree (majoring in Business Law) from Coventry University, United Kingdom. She is also an affiliate of the Malaysian Institute of Chartered Secretaries and Administrators and serves as a member of 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 actively advocates greater participation of women in the boardroom.

## GROUP SHARIAH COMMITTEE



**Left to right (Sitting)**

**Sheikh Associate Professor  
Dr Mohamed Azam Mohamed Adil**  
Chairman

**Sheikh Professor  
Dr Mohammad Hashim Kamali**

**Left to right (Standing)**

**Sheikh Dr Nedham Yaqoobi**

**Sheikh Dr Yousef Abdullah  
Al Shubaily**

**Professor Dato' Dr Noor  
Inayah Yaakub**

**Sheikh Professor  
Dato' Dr Sudin Haron**

**Sheikh Yang Amat Arif Dato'  
Dr Haji Mohd Nai'm Haji Mokhtar**

**Sheikh Muhamad Taufik Ridlo**

**Sheikh Associate Professor  
Dr Shafaai Musa**

**Our Structure**

Group Shariah Committee

**SHEIKH ASSOCIATE PROFESSOR  
DR MOHAMED AZAM MOHAMED ADIL**

Position ➤ Chairman

Sheikh Associate Professor Dr Mohamed Azam Mohamed Adil is the Chairman of the CIMB Group Board Shariah Committee. He was appointed as Independent Director of CIMB Islamic Bank Berhad on 5 November 2014.

He currently also serves as Deputy Chief Executive Officer cum Principal Fellow of the International Institute of Advanced Islamic Studies (IAIS) Malaysia.

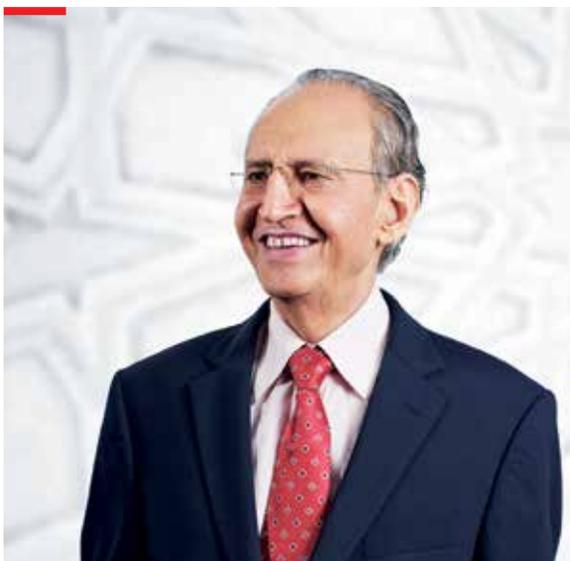
He began his career in 1990 as a lecturer at Malaysia's Universiti Teknologi MARA (UiTM). He became an Associate Professor in 2008.

He held several administrative posts within UiTM. From 1997 to 2001, he was Head of Islamic Studies Unit, Centre for Preparatory Studies and from 2006 to 2011, he was the Coordinator for Minor and Elective Programmes the Academy of Contemporary and Islamic Studies. From 2011 to 2012, he was the Head of Programme for Minor, Elective and Postgraduate Studies. Sheikh Associate Professor Dr Mohamed Azam is also a Fellow of the Centre for Human Rights Research and Advocacy, the Accounting Research Institute and UiTM's Institute of Zakat Studies. He has also served as a member of UiTM's Research Ethics Committee. He sits on the Selangor

Religious Council Legal Committee, the Shariah Community of the Attorney General's Chambers and on the advisory and editorial boards of several publications including the University of Malaya's (UM) Shariah Journal, Global Journal Al-Thaqafah, published by Kolej Universiti Islam Sultan Azlan Shah, UiTM's Journal of Contemporary Islamic Studies, Universiti Teknologi Malaysia's International Journal of Islamic and Civilisational Studies, UM's Journal of Shariah and Law Research, the Malaysian Accounting Review published by UiTM, Islam and Civilisational Renewal published by IAIS Malaysia and the ESTEEM Academic Journal published by UiTM, Penang.

From 2007 to 2009, Sheikh Associate Professor Dr Mohamed Azam served as a panel member of the Industrial Court of Malaysia. In 2007, he received the Fulbright Visiting Award from the Council for International Exchange of Scholars, Washington DC, USA. He is currently the President of the Academy of Islamic Studies, University of Malaya's Alumni.

He graduated from UM with a degree in Shariah and Law and received his Master of Laws and PhD degrees from the School of Oriental and African Studies, University of London, United Kingdom.

**SHEIKH PROFESSOR  
DR MOHAMMAD HASHIM KAMALI**

Sheikh Professor Dr Mohammad Hashim Kamali is the Founding Chief Executive Officer of the International Institute of Advanced Islamic Studies, Malaysia. He was Professor of Islamic Law and Jurisprudence at the Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia from 1985 to 2004 and Dean of the International Institute of Islamic Thought and Civilisation from 2004 to 2006.

He serves on the International Advisory Board of 13 local and international academic journals, has addressed over 200 national and international conferences and has published 31 books and more than 190 academic articles. He is a Senior Fellow of the Royal Academy of Jordan, the Institute

for Advanced Study Berlin, Germany and the Afghanistan Academy of Sciences.

His works have been translated into Bahasa Malaysia, Bahasa Indonesia, Farsi, Pashto, Dari, Arabic, Bengali, Bosnian, German, Italian, Turkish and Japanese. He is listed in a number of leading Who's Who in the world.

He holds a First Class, Bachelor of Arts (Hons.) degree in Law and Political Science from Kabul University in Afghanistan, Master of Laws degree from the London School of Economics, United Kingdom and a PhD in Islamic Law from the School of Oriental and African Studies, University of London, United Kingdom.

## SHEIKH DR NEDHAM YAQOOBI



Sheikh Dr Nedham Yaqoobi is a Bahrain national and renowned Shariah scholar. He sits on the Shariah boards of many 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 both English and Arabic. He was educated in classical Shariah in his native Bahrain and in Mecca under the guidance of eminent scholars such as Sheikh Abdulla al-Farisi, Sheikh Yusuf al-Siddiqi, Sheikh Muhammed Saleh

al-Abbasi, Sheikh Muhamed Yasin al Fadani of Mecca, Sheikh Habib-ur-Rahman A. Zaini of India, Sheikh Abdulla bin Al-Siddiq Al-Ghumar of Morocco.

Sheikh Dr Nedham Yaqoobi holds a Bachelor of Arts degree in Economics and Comparative Religion and a PhD in Islamic Law from the University of Wales, United Kingdom.

## SHEIKH YANG AMAT ARIF DATO' DR HAJI MOHD NAI'M HAJI MOKHTAR



Sheikh Yang Amat Arif Dato' Dr Haji Mohd Nai'm Haji Mokhtar is a Malaysian and is currently the Chief Judge of the Selangor Shariah Court. From 1990 to 1997, he served as a lecturer at the Ahmad Ibrahim Kulliyah of Laws at the International Islamic University Malaysia (IIUM). He then joined Zulkifli Yong Azmi & Co. as a Shariah lawyer before being appointed as a Shariah judge in 1998.

From 2003 to 2004, he was a research officer at the Malaysian Shariah Judiciary Department, Prime Minister's Department, a Shariah Subordinate Court Judge for Federal Territory from 2007 to 2008 and a Shariah Prosecutor, Federal Territory and a Shariah Officer in 2008. One year later, he served as Director,

Family Support Division at the Shariah Judiciary Department of Malaysia before being elevated to Selangor Shariah Chief Judge. He also served as a Visiting Fellow, Islamic Legal Studies Programme at Harvard University's Law School in the USA and from 2008 to 2009, he was a Chevening Visiting Fellow at Oxford University's Centre for Islamic Studies.

He received his Bachelor of Laws degree from the IIUM, a Master of Laws degree from the University of London, United Kingdom and a PhD in Shariah from Universiti Kebangsaan Malaysia. He also holds a Diploma in Shariah Law and Practice and a Diploma in Administration and Islamic Judiciary from IIUM.

**Our Structure**

Group Shariah Committee

**SHEIKH ASSOCIATE PROFESSOR  
DR SHAFAAI BIN MUSA**

Sheikh Associate Professor Dr Shafaii Musa is a Malaysian, currently serving as an Associate Professor at the Ahmad Ibrahim Kulliyah of Laws at the International Islamic University Malaysia (IIUM). He is also the Chairman of the Shariah Committee at Sun Life Malaysia Takaful Berhad. He has more than fifteen years of experience in teaching Islamic law and jurisprudence and has written several research papers and articles. Since 2005, he has also served on the Shariah Expert Panel for the Department of Islamic Development Malaysia.

He formerly served as Chief Executive Officer of the Johor Institute of Integrity, Leadership and Training, Executive Director of IIUM's Centre for Continuing Education and Chief Executive Officer of the International Islamic College cum Chief Executive Officer, International Islamic University Malaysia Higher Education Sdn. Bhd.

Sheikh Associate Professor Dr Shafaii holds a degree in Shariah from Al-Azhar University in Egypt, a Master's degree in Comparative Laws from IIUM and a PhD from the Glasgow Caledonian University, United Kingdom.

**SHEIKH DR YOUSEF ABDULLAH  
AL SHUBAILY**

Sheikh Dr Yousef Abdullah Al Shubaily is a citizen of the Kingdom of Saudi Arabia and currently lectures in the Department of Comparative Jurisprudence, High Institute of Judiciary at Saudi Arabia's Imam Muhammad ibn Saud Islamic University in Riyadh. He also serves as a Cooperating Professor for the American Open University.

Beyond his academic career, Sheikh Dr Yousef has extensive experience in serving on Shariah boards of a number of banks and financial institutions in Saudi Arabia, Bahrain, Kuwait, the United Arab Emirates, Qatar, the United States of America and the United Kingdom. He also performs advisory functions within numerous religious and charitable organisations both within and outside Saudi Arabia.

Sheikh Dr Yousef has written many books, academic papers and articles on Islamic jurisprudence and commercial law and has participated in numerous seminars and conventions in related areas. He participates in religious and economic programmes on television and radio in Saudi Arabia and abroad.

He obtained a Bachelor's degree from the Faculty of Shariah and Fundamentals of Islam and a Master's degree from the Department of Comparative Jurisprudence at Imam Muhammad ibn Saud Islamic University in 1993 and 1996 respectively.

In 2001, he was awarded a PhD in Islamic Jurisprudence from the same university.

**Our Structure**

Group Shariah Committee

**PROFESSOR DATO' DR NOOR  
INAYAH YAAKUB**

Professor Dato' Dr Noor Inayah Yaakub is Malaysian and Head of the International Institute of Waqf and Islamic Finance Management at Universiti Islam Malaysia. She is also a Professor in the university's Pusat Kebijaksanaan Sejagat (Global Wisdom Centre).

She was admitted to the Malaysian Bar as an advocate and solicitor of the High Court of Malaya in 1996 and in the same year she obtained her Shariah Lawyer Certificate. She practised law with Abraham Ooi and Partners from 1996 to 1997 before joining Universiti Kebangsaan Malaysia as a lecturer in 1998.

She has more than 18 years' experience in teaching Islamic Law, Islamic and Conventional Banking Law, Takaful and Insurance Law, Equity and Trust Law and Business Law and Ethics. She has

produced several academic research papers and articles, mainly focussing on Islamic and Conventional Banking Law and Takaful and Insurance Law of which some have been presented in Islamic banking and finance proceedings and conferences and published in Malaysian and international high refereed impact journals.

She received her Bachelor of Shariah Laws (Hons.) and Bachelor of Laws (Hons.) degrees from International Islamic University Malaysia and her Master of Comparative Conventional and Banking Laws from the University of Bristol, United Kingdom. Her PhD in Comparative Conventional and Islamic Banking Law of Guarantee was awarded by the University of Manchester, United Kingdom. She holds a certificate of Product Management from the University of Oxford's Isis Innovation Centre.

**SHEIKH MUHAMAD TAUFIK RIDLO**

Sheikh Muhamad Taufik Ridlo is an Indonesian Islamic scholar who is currently Chairman of Yayasan Bina Tsaqofah Legal Institution of Shariah Economic Banking Institute (SEBI) College. He is also a Senior Consultant in SEBI Consulting and a Senior Trainer at Indonesia's Management Zakat Institute. He teaches Islamic Jurisprudence, Islamic Law of Transaction, Islamic Banking Management, Introduction to Islamic Economy and any subject on Zakat and Waqf. He was awarded a degree in Islamic Studies from Mu'tah University in Jordan in 1996 and obtained his postgraduate qualifications in Islamic Banking from Jordan's Arab Academy for Banking and Financial Sciences in 1999.

He has been actively involved in the development of Islamic finance both domestically and in the international arena. He is a regular speaker at conferences and seminars on Islamic finance. He is currently a pleno member of Indonesia's National Shariah Board, Chairman of the Shariah Supervisory Board at PT. Asuransi Sinar Mas and also Chairman of the Shariah Supervisory Board at PT. Permodalan BMT Ventura.

## Our Structure

### Group Shariah Committee

## SHEIKH PROFESSOR DATO' DR SUDIN HARON



Sheikh Professor Dato' Dr Sudin Haron was appointed an Independent Director of CIMB Islamic Bank Berhad on 5 November 2014 and is a Member of the Group Shariah Committee. He is currently the Chief Executive Officer of the Malaysian Waqaf Foundation. He is one of the world's renowned scholars in Islamic banking and finance and business and management. He has published more than 10 books and 70 articles in international journals.

Sheikh Professor Dato' Dr Sudin was the founding Chief Executive Officer of Perbadanan Tabung Pendidikan Tinggi Nasional and in 2006, was appointed Deputy Chief Executive of the International Centre for Education in Islamic Finance. From 2005 to 2006, he was attached to Bank Negara Malaysia (BNM) as a Specialist in the Islamic Banking and Takaful Department. Before joining the Central Bank, he served in various capacities as an academican and administrator at the Universiti Utara Malaysia. Prior to that, he was a banker for more than 12 years, rising to the level of branch manager.

Sheikh Professor Dato' Dr Sudin was also a consultant with the Asian Institute of Finance, an organisation established by BNM to elevate human capital in Malaysia's finance industry.

Sheikh Professor Dato' Dr Sudin sits on the Shariah Advisory Committee for Bank Persatuan Malaysia Berhad and is an Independent Director of Melati Ehsan Holdings Berhad, a company listed on Bursa Malaysia. At the international level, Sheikh Professor Dato' Dr Sudin was previously Chairman of the International Advisory Panel of the Russian International Centre for Islamic Economics and Finance, and on several occasions, was appointed by the Islamic Development Bank in Jeddah as their resource person for training related to Islamic banking and finance. He has made an important contribution to the world by writing a landmark textbook entitled "Islamic Banking and Finance System". The book has been translated into Russian, Mandarin and Uzbek. Sheikh Professor Dato' Dr Sudin holds a Bachelor's (Hons.) degree in Economics from Universiti Kebangsaan Malaysia and an MBA from Northrop University in Los Angeles, USA. His PhD in Economic Studies, Finance and Banking was awarded by the University of New England, Australia.

## GROUP MANAGEMENT COMMITTEE



**Left to right (Sitting)**

**Gurdip Singh Sidhu\***

**Tigor M. Siahaan**

**Dato' Kong Sooi Lin**

**Tengku Dato' Zafrul Tengku Abdul Aziz**

**Mak Lye Mun**

**Hamidah Naziadin**

**Subhak Siwaraksa**

**David Richard Thomas**

*\* By Invitation*

**Our Structure**  
Group Management Committee



**Left to right (Standing)**

Rafe Haneef

Renzo Viegas

Lee Chin Tok\*

Thomas Meow Yoke Nean\*

Shahnaz Farouque Jammal Ahmad

Effendy Shahul Hamid

Mohamed Adam Wee Abdullah

Kwan Keen Yew\*

Lim Tiang Siew\*

Yong Jiunn Run

Datuk Iswaraan Suppiah

Chu Kok Wei\*

## Our Structure

Group Management Committee

## DATO' KONG SOOI LIN

*Position* ➤ CEO, CIMB Investment Bank/  
Group Head, Investment Banking



Dato' Kong was appointed as Chief Executive Officer of CIMB Investment Bank on 1 March 2016. Previously, she was Deputy CEO of CIMB IB since September 2011 and is the Group Head of Investment Banking Division. She also holds other offices within the Group such as being a member of the Group Management Committee, the Group Wholesale Bank Committee and the Investment Bank's Business Review Group Committee. Dato' Kong was appointed as Chairperson of CIMB Private Limited Sri Lanka in January 2012. She also serves as a Commissioner on the Board of Commissioners of CIMB Securities Indonesia.

Being responsible for CIMBGH Group-wide corporate client coverage for Asia Pacific, Dato' Kong oversees the management and

integration of client relationships to strategic marketing and building of the bank's brand value and market share.

Backed by 27 years of investment banking experience, Dato' Kong has extensive equity and debt transaction expertise, having advised on numerous highly profiled and industry-shaping corporate exercises in Malaysia and Asia Pacific.

Dato' Kong joined CIMB IB in 1994 from Bumiputra Merchant Bankers Berhad where she was actively involved in debt capital market, project financing and corporate banking transactions. She began her career at Ernst and Young and Arthur Andersen.

Dato' Kong is 55 years old and graduated with an honours degree in Commerce from the University of New South Wales, Australia.

## RAFE HANEEF

*Position* ➤ CEO, Group Islamic Banking/  
CEO, CIMB Islamic Bank



Rafe became the Chief Executive Officer of CIMB Islamic Bank Berhad on 4 January 2016 and is in charge of the CIMB Group's Islamic banking and finance franchise. CIMB Islamic operates as a parallel franchise to the Group's conventional operations and covers Islamic wholesale banking, Islamic consumer banking, Islamic commercial banking and Islamic asset management and investment.

Rafe has 20 years of experience covering a range of businesses and functional roles gained from three global banks, an international asset management company and a legal firm, at various financial centers including London, Dubai and Kuala Lumpur.

He read Law at the International Islamic University Malaysia and also holds an LL.M degree from the Harvard Law School. He was admitted to the Malaysian Bar in 1995 and qualified for the New York State Bar in 1997.

Rafe first joined HSBC Investment Bank plc, London in 1999 and thereafter HSBC Financial Services Middle East, Dubai where he set up the global sukuk business in 2001. Subsequently, he became the Global Head of Islamic Finance business at ABN AMRO Dubai in 2004 covering both consumer and corporate businesses. In 2006, he moved back to Malaysia with Citigroup Asia as the Regional Head for Islamic banking, Asia Pacific. He later joined HSBC Amanah in 2010 as the CEO, Malaysia and Managing Director of Global Markets, ASP.

**Our Structure**  
Group Management Committee

## RENZO VIEGAS

*Position* ➤ CEO, Group Consumer Banking



**Renzo Viegas is the Chief Executive Officer of Group Consumer Banking.**

Renzo has extensive experience in the banking industry and started his working career with Citibank in 1985 where he progressively held senior positions in various Asia Pacific countries including regional responsibilities. In 2008, he joined a Malaysian bank where he rose to the position of Deputy Managing Director before joining CIMB Group in April 2012 as Deputy Chief Executive Officer.

Renzo holds a Bachelor Degree in Commerce from University of Mumbai and is a Chartered Accountant and Fellow Member of ICAI.

## YONG JIUNN RUN

*Position* ➤ CEO, Group Commercial Banking



**As the Chief Executive Officer of Group Commercial and SME Banking Division, Jiunn Run oversees the Group's banking activities for small and medium-sized corporates and is involved in the planning and execution of long-term strategies to grow the segment across ASEAN. He also serves as the Head of Commercial Banking, CIMB Singapore, where he played a critical role in the rapid expansion of the franchise.**

Jiunn Run has accumulated a wealth of experience in corporate and commercial banking business over the last 25

years. He started his career in the front line and progressed to take on several key assignments and management responsibilities in his previous tenures with Maybank, BNP Paribas and Oversea-Chinese Banking Corporation. Prior to joining CIMB Bank, Jiunn Run served as the Business Head of the Enterprise Banking Division at OCBC Bank from 2004 to 2011.

Jiunn Run is 51 years old and holds a Bachelor of Arts in Economics and Political Science from the National University of Singapore.

**Our Structure**

Group Management Committee

**EFFENDY SHAHUL HAMID***Position* ➤ CEO, Group Asset Management & Investments

**Effendy Shahul Hamid is the Chief Executive Officer of Group Asset Management & Investments.**

Effendy oversees all of the Group's asset management and investments business across both public and private markets. This includes the Group's regional asset management business (CIMB-Principal), its private equity fund management business and the Group's strategic investments portfolio in companies such as Touch 'n Go and Bank of Yingkou. Amongst others, he serves as Chairman of CIMB-Mapletree and CIMB-TCA, is a Director on the board of several CIMB-Principal companies, and also a Director of Touch 'n Go and the R.E.A.L. Education Group.

Most recently, Effendy was the Group's Chief Marketing and Communications Officer where he managed the Group's entire marketing and communications

initiatives, and lead franchise-wide efforts to ensure a consistent and differentiated CIMB brand for all of the Group's businesses across the region. Prior to that, he served as a Director in the Group's Investment Banking Division, primarily focusing on corporate advisory and origination. The early years of Effendy's career was spent in several international companies in a corporate development capacity, mostly involved in private equity, merger and acquisition activities across Asia Pacific and general business expansion initiatives.

Effendy is 43 years old and has spent most of his professional life in a regional capacity, working in Hong Kong, Singapore and Malaysia. On full scholarship, Effendy graduated with Honours in Electronic Engineering with Optoelectronics from University College London, and is also an alumni of the CIMB-INSEAD Leadership Programme.

**MAK LYE MUN***Position* ➤ CEO, Singapore

**Mak Lye Mun is the Chief Executive Officer of CIMB Bank, Singapore and Country Head of CIMB Singapore. In addition to these roles, he is the Regional Head of CIMB Group's Private Banking business.**

Lye Mun is also director of CIMB Securities (Singapore) Pte. Ltd. and 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 is 58 years old and 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.

**Our Structure**

Group Management Committee

**TIGOR M. SIAHAAN***Position* ➤ CEO, Indonesia

**Tigor M. Siahaan is the President Director and Chief Executive Officer of PT Bank CIMB Niaga Tbk., and the Country Head of CIMB Indonesia.**

He graduated from the University of Virginia, Charlottesville, United States, with a double major in Finance and Accounting. He is also an alumnus of the IMD BPSE program (Breakthrough Program for Senior Executives) in Lausanne, Switzerland.

Prior to joining CIMB Niaga, he spent 20 years in Citi, starting as a Management Associate in 1995. His last position was the Chief Country Officer of Citi Indonesia, a role he assumed from 2011. He was the first Indonesian to be appointed to the post. Previously, he held several key positions in Citi Indonesia, including Country Head for Institutional Clients Group, Head of Corporate & Investment Banking, and

Country Risk Manager. In addition, he had also served as Vice President in Institutional Remedial Management Group in Citi Head Office in New York from 2000 to 2003.

Tigor M. Siahaan was awarded as ASEAN Rising Star from the US – ASEAN Business Council in 2010 and Asian Promising Young Banker from The Asian Banker in 2011.

Other than his professional career, Mr. Siahaan concurrently holds several positions such as a Supervisory Board Member of ASPI (Association of Payment Systems of Indonesia) from 2013, Member of the Board of Trustees of JIS (Jakarta International School) from 2014, National Board Member of PJI (Prestasi Junior Indonesia) from 2013, Mentor in Endeavor Indonesia from 2012, and Member of YPO (Young Presidents Organisation) Indonesia from 2008.

**SUBHAK SIWARAKSA***Position* ➤ CEO, Thailand

**Subhak Siwaraksa is the President and Chief Executive Officer of CIMB Thai and the Country Head for Thailand.**

Subhak is also the Chairman of Sathorn Asset Management Co., Ltd. He is the Board Governor, Member of Audit Committee and Member of Corporate Governance and Social Responsibility Committee of the Stock Exchange of Thailand (SET). Previously, he was the Board Governor, Member of its Audit Committee and Member of the Listing Expansion and Development Committee of the Stock Exchange of Thailand (SET) during 2011 to 2013. He was also the Director 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 from 1990, where he was the President and Chief Executive Officer from 2003 to 2008.

Subhak is 59 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.

**Our Structure**

Group Management Committee

**SHAHNAZ JAMMAL***Position* ➤ Group Chief Financial Officer

Shahnaz Jammal is the Group Chief Financial Officer of Group. Shahnaz joined the Group in March 2009 and has worked in various capacities in the Group, including Group Risk Management, Corporate Client Solutions and CIMB Niaga, Indonesia. He was most recently the Deputy Group Chief Financial Officer and Head of Capital and Balance Sheet Management. He has over 17 years of banking experience, covering M&A Advisory, Risk Advisory, Trading and Risk Management. Prior to joining the Group, Shahnaz was with Goldman Sachs in

London. He has also worked at Bankers Trust and Dresdner Kleinwort Wasserstein in London, as well as ABN AMRO Bank in Kuala Lumpur.

Shahnaz is 41 years old and holds Bachelor (Double First Class) and Master of Arts degrees in Economics from the University of Cambridge and an MPhil in Economics from the University of Oxford.

**DATUK ISWARAAN SUPPIAH***Position* ➤ Group Chief Information & Operations Officer

**Datuk Iswaraan Suppiah is the Group Chief Information & Operations Officer.**

Datuk Iswaraan is the custodian of the Group's regionally integrated technology and operating vision to deliver a unified, seamless financial services value proposition across our footprint. He oversees operations, information technology, transformation, business process development and operational governance & assurance functions for the Group's businesses. His key focus area is to partner with the business in digitising the bank by applying technology innovation to radically enhance customer experience.

He started his career with the accountancy firm Arthur Andersen in 1984. He joined the Bank of Commerce in 1990 and moved to CIMB Securities in 1994. The positions he held there included Executive Director of Operations and Head of Equity Risk Management, before he assumed the position of Head of Strategic Risk and Compliance with CIMB.

Datuk Iswaraan is 52 years old and a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Financial Planning Association of Malaysia.

**Our Structure**

Group Management Committee

**HAMIDAH NAZIADIN***Position* ➤ Group Chief People Officer

**Hamidah Naziadin is the Group Chief People Officer.**

Hamidah holds regional responsibilities for Group Human Resource, which encompasses Organisation Design and Workforce Planning, Recruitment, Rewards & Performance Management, Talent Management & Culture Building, Learning & Development including the Commerce Leadership Institute, Employer Branding & Engagement, Industrial Relations and HR Services. The respective country HR heads also report to her functionally.

Hamidah has 29 years of experience in human resource in the financial industry, of which 25 years was with the Group. She transformed Human Resource from an administrative function into a strategic business partner and a key enabler for CIMB's rapid growth and success. She works closely with business to develop effective people strategies for a high performing workforce.

Hamidah is 52 years old and holds a Bachelor of Laws degree from the University of Wolverhampton, United Kingdom.

**DAVID RICHARD THOMAS***Position* ➤ Group Chief Risk Officer

**David Thomas is the Group Chief Risk Officer. He oversees the risk management function of CIMB Group, including Credit, Market, Operational, Shariah, Asset Liability Management risk, and Risk Analytics & Infrastructure.**

The Group Risk Department is responsible for ensuring the consistent implementation of the Group's risk management policies and frameworks, including operationalising the Risk Appetite Statement. The Division identifies, assesses, measures, controls and reports the material risks that may impact the Group's business operations, profitability, capital and reputation.

Before joining the Group, David served as the Chief Risk Officer – Asia Pacific for the Royal Bank of Scotland (RBS). Prior to RBS, he served as the Chief Credit Officer – Asia Pacific for Bank of America. He has held various senior level risk positions based in Singapore, Hong Kong, Thailand and Taiwan throughout his 22-year tenure in Asia. Before moving to Asia, he was with Bank of America in Los Angeles, California as a sector banker, covering the Fortune 500 Aerospace & Defense sector. He serves on the Board of Commissioners of CIMB Niaga.

**Our Structure**

Group Management Committee

**MOHAMED ADAM WEE ABDULLAH***Position* ➤ Group Chief Marketing Officer

**Mohamed Adam Wee Abdullah is CIMB's Group Chief Marketing Officer. Adam oversees CIMB's Group-wide marketing and brand management function across all its geographies and business.**

Adam holds a Master in Business Administration degree from the University of Southern Queensland, Australia. He is a veteran in the marketing field with a career spanning more than 25 years. He brings with him diversity, depth and breadth of experience across the entire marketing value chain from sales, advertising, strategic planning, branding and marketing management. Almost half of his career was spent in multinational advertising and brand agencies where he held senior and regional positions working on a diverse range of categories which included financial services, fast moving consumer goods (FMCG), hospitality and travel, automotive,

property and telecommunications sectors, as well as managing category leading brands.

Prior to joining CIMB, Adam was the Group Chief Marketing Officer in Maybank Group from 2011 to 2015. He also held the position of Chief Marketing Officer of Sunrise Berhad and before that, as Director of Brand and Advertising in ASTRO. Adam's marketing experience also includes regional marketing management for BMW Group's regional headquarter based in Singapore, where he was responsible for directing marketing strategies and activities for BMW Group distribution partners in 17 countries across India, China, Southeast Asia and the South Pacific Islands nations.

**LIM TIANG SIEW***Position* ➤ Group Chief Internal Auditor

**Lim Tiang Siew is the Group Chief Internal Auditor. He ensures that the Group Internal Audit Division supports the CIMBGH Audit Committee in discharging its responsibilities, as well as managing its governance, risk and control functions. He oversees a staff force of approximately 140 people in Malaysia, as well as regional Internal Audit functions.**

Tiang Siew joined CIMB in January 1991 as an assistant manager in the Corporate Finance Department and rose to head of department. Following the acquisition of Bumiputra-Commerce Bank by CIMB and the subsequent merger with Southern Bank, 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 corporate finance involved mergers, acquisitions and fund raising transactions for some of the largest companies listed on Bursa Malaysia then. He was actively involved in the formulation and amendments to guidelines, regulations and law reforms in relation to capital market matters during his tenure in Corporate Finance.

Tiang Siew, 59 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.

**Our Structure**

Group Management Committee

**LEE CHIN TOK***Position* ➤ Group General Counsel

**Lee Chin Tok is the Group General Counsel for CIMBGH. In this role, Chin Tok provides the strategic leadership for Group Legal as well as legal issues that apply to the Group.**

Prior to his appointment as the Group General Counsel, Chin Tok was with the Capital Markets Department of CIMB since 1996 and was later appointed as the Co-Head of Debt Capital Markets in the Corporate Banking, Treasury & Markets Division, a role which he had helmed from 2002 to April 2014. In his role as Co-Head of Debt Capital Markets, Chin Tok was responsible for the debt capital markets and equity-linked origination franchises

of CIMBGH across Southeast Asia, North Asia, Australia and Middle East.

Before he joined CIMB in 1996, Chin Tok spent about six years working in various law firms, namely Mallesons Stephen Jaques (Australia), Drew & Napier (Singapore) and Rashid & Lee (Kuala Lumpur) with primary focus in the areas of banking, capital markets and corporate finance.

Chin Tok is 50 years old and holds two degrees, a Bachelor of Law (Hons) degree and a Bachelor of Commerce degree from the University of Melbourne, Australia.

**KWAN KEEN YEW***Position* ➤ Group Chief Compliance Officer

**Kwan Keen Yew is the Group Chief Compliance Officer. In this role, he leads the Group Compliance function which is responsible for the identification and management of regulatory and compliance risks across CIMB.**

Prior to joining CIMB, he served in various roles in Standard Chartered Bank which included, Legal Adviser, Head of Legal and Compliance, and Regional Head of Compliance for Malaysia, Australia, Brunei and Vietnam. In 2011, he moved to Standard Chartered Bank Hong Kong which he held as roles which included, the Head of Wholesale Bank Compliance. His last role before joining CIMB was Head of Legal and Compliance for Standard Chartered

Bank Malaysia. Keen Yew had previously been in private practice at a leading law firm in Malaysia and has over 18 years of legal and compliance experience in financial services law and regulations.

Keen Yew holds a Bachelor of Laws (Hons.) from the University of Sheffield.

**Our Structure**

Group Management Committee

**GURDIP SINGH SIDHU***Position* ➤ Group Chief Strategy Officer

**Gurdip heads Group Strategy which drives and oversees key strategic initiatives across the firm.**

As Group Chief Strategy Officer, Gurdip manages the Group's corporate strategy and planning, mergers and acquisitions, partnerships as well as all programme management office functions. He works alongside the Group CEO and senior management in setting the strategic direction of the Group and supports the execution of key transformational and growth initiatives. Gurdip also works closely with the key business pillars and geographies to ensure business strategies are fully aligned Group wide. He also serves on the boards of CIMB Sri Lanka Pvt. Ltd. and Proton Commerce Bhd.

Prior to assuming his current role, Gurdip was the Head of Strategy and Business

Development within the Group Strategy and Strategic Investments division of the Group. In that role, he had led key strategic and investment initiatives including the Group's streamlining of its insurance businesses, development of the private equity business as well as creation of the Group's medium term strategic roadmap. Prior to joining CIMB, Gurdip spent a decade in an international management consulting firm advising banks, telecommunications companies and governments across ASEAN, India, South Korea and Spain.

Gurdip is 42 years old and graduated with Honours in Accounting and Finance from the London School of Economics and Political Science on a full scholarship from the Malaysian Government. He is also a Chartered Financial Analyst (CFA) and an alumni of the CIMB-INSEAD Leadership Program.

**THOMAS MEOW YOKE NEAN***Position* ➤ Adviser, Wholesale Banking

**Thomas Meow assists the CEO of Group Wholesale Banking in an advisory role in running the wholesale banking franchise of CIMB Group. He looks into issues of strategic importance to the business.**

Prior to assuming this role, Thomas was most recently the Head of Credit Markets and Banking, overseeing the corporate financing, trading and investment franchises in credit markets and banking for CIMB Group. His portfolio included the Debt Capital Markets origination and loan syndication in the ASEAN region, corporate banking covering Thailand, Singapore, North Asia and Cambodia, fixed income trading and investment. Thomas was also the Chairman of the

Debt Capital Markets Committee of the Malaysian Investment Banking Association and a member of the ASEAN+3 Bond Market Forum established under the auspices of the ASEAN+3 Bond Markets Initiative.

Thomas has 25 years experience in the financial markets in ASEAN. Under his leadership, CIMB has been consistently the largest underwriter for local currency bond issuances in ASEAN and one of the world's largest underwriters for sukuk issuances, as published by Bloomberg. Thomas holds a Bachelor of Accounting (Honours) degree from University of Malaya.

**CHU KOK WEI**

*Position* ➤ Group Head, Treasury & Markets



Mr Chu Kok Wei is the Group Head of Treasury & Markets. His areas of responsibility include CIMB Group's markets, sales, trading and structuring businesses in interest rates, credit, foreign exchange, commodities, equity and their derivatives; capital markets origination for equity, debt and convertibles; fixed income investments; and the funding and liquidity management operations for the CIMB Group.

Prior to joining CIMB in 2003, Mr Chu had six years experience with a major European bank developing its local

currency fixed income business in both Malaysia and Singapore. Since joining Commerce International Merchant Bankers Berhad, Mr Chu played an active role in the formation of group wide treasury and market businesses across the various organic and inorganic growth of the Group.

Mr Chu holds a MSc in Finance and Economics with Distinction and First Class Honours of BSc (Econ) Economics from The London School of Economics and Political Science, University of London. He is also a CFA charter holder.

## Corporate Governance

Chairman's Statement on Corporate Governance

## CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE



**Dear Shareholders,**

I am pleased to present our Corporate Governance Report for the 2015 financial year. Our report explains how we strive for the highest standards of corporate governance, integrity and professionalism in everything we do.

**NAZIR RAZAK**

Chairman

As we continue to consolidate our position as a leading bank for ASEAN, we are mindful of the fact that our growing prominence brings with it additional responsibilities. We take very seriously the high expectations of all our stakeholders, and as we continue to move forward, we constantly re-assess our performance and delivery in order to match those ideals.

Our sustainable success depends on our stakeholders knowing that we are conducting our business in the right way and that we are promoting the right values.

We are confident that throughout 2015, our Boards continued to meet their key targets and carried out their responsibilities diligently. To further strengthen our governance, we also initiated several changes at the Board and senior Management levels across the Group.

The Boards of our key companies had several fresh faces. We welcomed Dato' Lee Kok Kwan and Datuk Mohd Nasir Ahmad on the Boards of CIMB Group and CIMB Bank, Rafe Haneef on the Board of CIMB Islamic, Dato' Robert Cheim as Chairman of CIMB Investment Bank and Tigor M. Siahaan as President Director of CIMB Niaga.

In January 2016, our Group CEO, Tengku Dato' Sri Zafrul Tengku Abdul Aziz, assumed the additional role of CEO of CIMB Bank, and we welcomed Rafe Haneef, a globally-renowned Islamic banker, as CEO of CIMB Islamic. In March 2016, Dato' Kong Sooi Lin was appointed CEO of CIMB Investment Bank.

We also initiated the adoption of the ASEAN Corporate Governance Scorecard throughout our regional businesses. The scorecard enables our entities to share and benefit from international best practices so that we can improve our corporate disclosure and transparency to the general investing public.

We rationalised our regional operating model (ROM) guidelines with our regional entities, strengthening our lines of reporting and communication among the different regions. This enables us to tap into a far larger talent pool from across the region.

Implementing these measures across the region was not without challenges. The biggest hurdle we faced was addressing the diversity in language and culture as we communicate across national boundaries, as well as regulatory limitations which restricted the full cascading of our ROM initiative.

As we progress to the next stage of our ASEAN journey, we firmly believe that our commitment to building on our corporate governance framework will continue to generate the trust and confidence of our stakeholders, and further strengthen our reputation as the leading bank in ASEAN.

We are grateful to our stakeholders for their support throughout last year, and look forward to continuing to serve you with pride this year.

Yours sincerely

**Nazir Razak**

Chairman

## STATEMENT ON CORPORATE GOVERNANCE

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



CIMB continued to win prestigious top awards and accolades in 2015 for sound corporate conduct and governance.

### CIMB Group Holdings Berhad (CIMB) aspires to attain the highest standards of governance

and has put in place a well-defined Corporate Governance Framework to support the Group's pursuit of achieving long-term and sustainable value.

CIMB continuously benchmarks its governance policies and procedures against local and international standards to ensure its approach to governance remains relevant. The Board of Directors recognises the importance of governance and has given full commitment to ensure the adoption of high standards of practices in both the Group's business and operations.

The Corporate Governance Framework adopted by CIMB is guided by the following requirements and guidelines:

- Malaysian Code of Corporate Governance 2012 (MCCG 2012).
- Bank Negara Malaysia (BNM)'s Revised Guidelines on Corporate Governance for Licensed Institutions (BNM CG Guidelines).
- The Green Book: Enhancing Board Effectiveness (Green Book) by the Putrajaya Committee on Government-Linked Companies (GLC)'s High Performance.
- Corporate Governance Guide Towards Boardroom Excellence 2<sup>nd</sup> Edition (CG Guide) by Bursa Malaysia.
- Minority Shareholders Watchdog Group's (MSWG) Malaysia-ASEAN Corporate Governance Scorecard.
- Developments in market practice and regulations.

In 2015, CIMB received several accolades as testament to its efforts in maintaining high standards of governance and compliance. CIMB and PT Bank CIMB Niaga (CIMB Niaga) were ranked as the top three public-listed companies

in Malaysia and Indonesia respectively and were listed amongst the top 50 public-listed companies in ASEAN according to the ASEAN Corporate Governance Scorecard published by the ASEAN Corporate Governance Association. The scorecard assesses the state of corporate governance practices of public-listed companies based on globally accepted parameters of corporate governance as well as other international best practices.

CIMB received several other awards which further attest to its Group-wide efforts in enforcing commitment to upholding the highest standards of corporate governance and ethical conduct.

**Corporate Governance**  
Statement on Corporate Governance

**Corporate Governance**

- Best Bank in Malaysia – The Corporate Treasurer Awards
- Merit Award for Corporate Governance Disclosures – MSWG
- Merit Award for AGM Conduct and Minutes Disclosure (Overall Category) – MSWG
- Gold Award on Inclusiveness and Diversity Reporting – National Annual Corporate Report Awards

**Leadership**

- Asian Business Leaders Award: Dato’ Sri Nazir Razak – Asia House

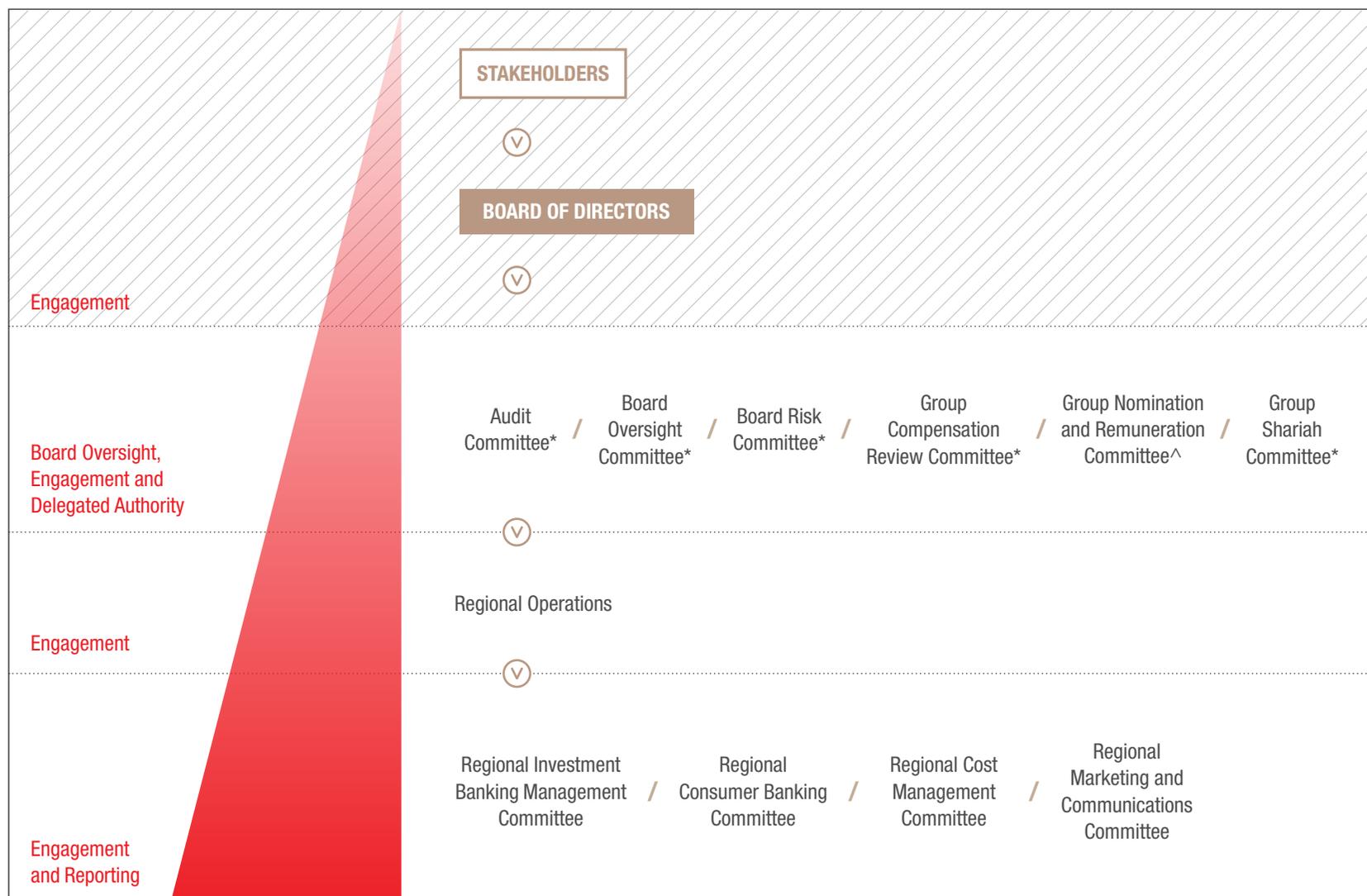
**Risk**

- House of the Year, Malaysia – Asia Risk Awards
- House of the Year, Indonesia – Asia Risk Awards

**Corporate Social Responsibility**

- Indonesia Green Awards 2015 (Development of Biodiversity): CIMB Niaga – La Tofi School of Corporate Social Responsibility
- Sustainability Reporting Awards 2015 for Best Disclosure: CIMB Niaga - National Centre for Sustainability Reporting

**CIMB’S GOVERNANCE FRAMEWORK**



\* The Terms of Reference of each Board Committee is available at [www.cimb.com](http://www.cimb.com), Who We Are > Overview > Corporate Governance > Board Committees

CIMB's established structures, processes and policies help ensure compliance with laws and regulations and provide clear lines of sight for decision-making and accountability.

Shareholders and Board of Directors jointly provide oversight of the control and management of CIMB. The ultimate decision-making authority rests with the Shareholders at the Annual General Meeting where the re-appointment of the Board of Directors and appointment of External Auditors are approved, amongst others. The Board of Directors represents the interests of the Shareholders and exhibit high standards of integrity, commitment and independence of thought and judgement. It oversees and appraises CIMB's overall strategic direction and performance, some of which are delegated to the Board Committees. The Group Chief Executive Officer/Executive Director (Group CEO/ED), who also sits on the board as the sole Executive Director, is responsible for managing CIMB's business and ensuring the implementation of its strategic and operational plans. The Board of Directors delegates to the Group CEO/ED, together with other senior officers of CIMB, the authority for managing the business of the Company to achieve CIMB's corporate targets and plans.

## **ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES**

### **Board of Directors**

The Board of Directors oversees the business affairs of the Group and aims to create value for Shareholders. It also seeks to align the interests of all stakeholders and sets the tone for the Group where ethics and values are concerned.

The role of the Board of Directors is contained in its Terms of Reference which forms part of the Board Charter. The Terms of Reference also prescribe matters specifically reserved for the Board of Directors, covering amongst others, areas such as strategy, business planning and budget, financial management, investments, divestments, mergers, acquisitions and corporate restructuring, acquisition and disposal of significant assets, risk and controls, human capital including succession planning, related party transactions and capital financing.

The Board Charter also includes a section on the role of the Group CEO/ED, who is responsible for implementing action plans to achieve CIMB's goals and vision in accordance with the strategies, risk appetite, policies and performance requirements approved by the Board of Directors. The Group CEO/ED leads the Management team in carrying out the strategy and vision of the Group and is accountable to the Board of Directors for the day-to-day management and operations of the Group.

In 2014, the Board of Directors had met with Management to deliberate and set the Group's strategy for 2015 and beyond. The annual strategy planning process for 2015 started with a meeting on 11 August 2014 where the Board of Directors and Management discussed and determined the risk posture for the ensuing year. Based on the approved risk appetite which outlines the amount and type of risk that the Group is able and willing to accept, Management undertook a comprehensive strategic review exercise on the medium-term direction for the Group. The proposed

strategy and business plans were then presented by Management at the Annual Management Summit (AMS), which is a yearly offsite meeting for the Board of Directors to interact directly with senior leaders across CIMB. The AMS was held on 28 and 29 November 2014 and various key messages and business strategies were deliberated to determine the key thrusts for CIMB's 2015 business plan and budget. Subsequent to the AMS, the Board of Directors met on 17 December 2014 and the Group's detailed business plan and budget for 2015 were deliberated at length. Upon deliberation, the Board of Directors agreed on a medium-term plan named 'Target 2018' (T18), a strategy which is centred on a number of key strategic imperatives to grow the Group's revenue base while recalibrating internally to achieve cost efficiencies. A task force chaired by the Group CEO/ED was then established to articulate and execute this medium-term strategy.

The AMS is a key highlight of the Board's activities. This event gives the Directors the opportunity to interact with CIMB's Senior Management and vice versa.

### **Board Committees**

The Board of Directors delegates certain of its authority to Board Committees, which operate within clearly defined Terms of Reference, primarily to assist the Board of Directors in the execution of its duties and responsibilities. Although the Board of Directors has granted such discretionary authority to these Board Committees to deliberate and decide on certain key and operational matters, the ultimate responsibility and the final decision on specific matters lies with the Board. The Audit Committee, the Board Risk Committee and the Group Nomination and Remuneration Committee are chaired by Independent Directors. The Board Oversight Committee and the Group Compensation Review Committee are chaired by the Chairman of the Board who is a Non-Independent Director. The Chairman of the respective Committees is responsible for the effective operations of that Committee and the fulfilment of their duties which are clearly outlined in the Terms of References approved by the Board.



The Terms of Reference of the Board Committees are regularly reviewed to ensure that they remain aligned with CIMB's corporate mission and vision, and is available at [www.cimb.com](http://www.cimb.com); Who We Are > Overview > Corporate Governance > Board Committees.

Board Committee members are appointed by the Board of Directors on the recommendation of the Group Nomination and Remuneration Committee, which reviews the composition of each Committee from time-to-time. Committee members are expected to attend each Committee meeting, unless there are exceptional circumstances that prevent them from doing so.

The Chairmen of the Board Committees report on matters dealt with at their respective Board Committee meetings to the Board, with the exception of the Group Shariah Committee, whose Chairman reports to the Board of CIMB Islamic Bank Berhad. Minutes of the Audit Committee, Board Risk Committee, Group Nomination and Remuneration Committee and Board Oversight Committee meetings are also presented at Board meetings for further discussion and direction, if any.

**Corporate Governance**  
Statement on Corporate Governance

The Board Committees are as follows:

Board Committee	Main Areas of Oversight	Composition	Number of Meetings in 2015
Audit Committee (AC)	<ul style="list-style-type: none"> <li>Financial Reporting</li> <li>Internal controls</li> <li>Internal audit</li> <li>External audit</li> </ul>	Comprises three members, who are Independent Directors.	20 meetings held to discuss the following: <ul style="list-style-type: none"> <li>Seven meetings to deliberate on matters relating to CIMB.</li> <li>Eight meetings to deliberate on matters relating to the three Malaysian banking institutions under CIMB.</li> <li>Three meetings to deliberate on matters relating to other subsidiaries of the Group</li> <li>Three meetings with the External Auditors without the presence of Key Senior Management.</li> </ul>
Board Oversight Committee (BOC)	<ul style="list-style-type: none"> <li>Review and provide input and guidance on the implementation and monitoring of strategy</li> <li>Review strategy, business plans and budget of the Group</li> <li>Review potential investments, mergers, acquisitions and divestments of businesses and other assets of the Group</li> </ul>	<ul style="list-style-type: none"> <li>Comprises four members of whom three are Non-Executive Directors and one Independent Director.</li> <li>The Chairman of the Board and the Group CEO/ED are members.</li> </ul>	10 meetings to deliberate on the following: <ul style="list-style-type: none"> <li>T18 Strategy</li> <li>Cost Saving and Efficiency Measures</li> <li>Regional Expansion</li> <li>Company Culture and Talent Acquisition</li> <li>Innovation and Strategic Initiatives</li> <li>IT Infrastructure and Initiatives</li> <li>Regulatory Compliance</li> </ul>
Board Risk Committee (BRC)	<ul style="list-style-type: none"> <li>Risk appetite</li> <li>Risk governance</li> <li>Risk frameworks</li> <li>Risk management practices and policies</li> </ul>	Comprises 10 members of whom six members (including the Chairman) are Independent Directors. All members are Non-Executive Directors.	Six meetings to deliberate, amongst others, on the following: <ul style="list-style-type: none"> <li>Risk Management Policies</li> <li>Risk Appetite</li> <li>Risk Profile</li> <li>Risk Strategy</li> <li>Risk Management Objectives</li> </ul>
Group Nomination and Remuneration Committee (GNRC)	<ul style="list-style-type: none"> <li>Membership and performance of Board and Board Committees</li> <li>Independence of Director</li> <li>Fit and Proper Assessment of Directors, CEO/ED and Group Shariah Committee Members</li> <li>Succession planning for Key Senior Management</li> </ul>	Comprises five members of whom four members (including the Chairman), are Independent Directors. All members are Non-Executive Directors.	13 meetings to deliberate on the following: <ul style="list-style-type: none"> <li>Board Composition</li> <li>Board Effectiveness Assessment</li> <li>Board and CEO/EDs Remuneration</li> <li>Board Nomination</li> <li>Setting of KPIs for Group CEO/ED</li> </ul>
Group Compensation Review Committee (GCRC)	<ul style="list-style-type: none"> <li>Compensation policies</li> <li>Remuneration framework for employees</li> <li>Fit and Proper Assessment of Key Responsible Persons</li> <li>Management development and succession planning</li> </ul>	Comprises four members of whom one is an Independent Director.	Six meetings to deliberate on the following: <ul style="list-style-type: none"> <li>Employees' Remuneration and Compensation Framework</li> <li>Provision and Allocation of Staff Bonuses and Salary Increments</li> </ul>

**Notes:**

	Further information on the Committees can be found in their respective Terms of Reference, available at <a href="http://www.cimb.com">www.cimb.com</a> , Who We Are > Overview > Corporate Governance > Board Committees.
	The members of the Committees can be found within the table that details the Directors attendance at Meetings on page 139 of this Annual Report.

### Audit Committee

The Audit Committee is chaired by Dato' Zainal Abidin Putih and the members are Glenn Muhammad Surya Yusuf and Datuk Mohd Nasir Ahmad, all of whom are Independent Directors.

All members have the relevant accounting or related financial management experience or expertise, with the Chairman having more than 30 years of experience in audit, management consulting and taxation. The Audit Committee keeps the Board informed of its activities and recommendations from time-to-time.

	A summary of the activities undertaken by the Audit Committee during the financial year under review are set out in the Audit Committee Report on pages 166 to 168 of this Annual Report.
	Its Terms of Reference is available at <a href="http://www.cimb.com">www.cimb.com</a> ; Who We Are > Overview > Corporate Governance > Board Committees.

### Board Risk Committee

The Board Risk Committee is chaired by Glenn Muhammad Surya Yusuf and is responsible for formulating and reviewing the risk management policies and risk appetite of CIMB.

The Board Risk Committee, together with the Group Chief Risk Officer, define the risk management objectives across risk categories and business lines with a view to setting CIMB's risk appetite. The Board Risk Committee reviews the overall risk profile on a periodic basis and approves the methodology to be followed for risk-based economic capital computation and the contingency plan for dealing with various events. In formulating the risk strategy, the Board Risk Committee ensures due regard is given to "risk-aware" culture and discipline.

	Details of CIMB's Risk Management Framework are elaborated on pages 158 to 165 of this Annual Report.
	The Board Risk Committee's Terms of Reference is available at <a href="http://www.cimb.com">www.cimb.com</a> ; Who We Are > Overview > Corporate Governance > Board Committees.

### Group Nomination and Remuneration Committee

The Group Nomination and Remuneration Committee is chaired by Dato' Zainal Abidin Putih, the Senior Independent Director.

The Group Nomination and Remuneration Committee recognises the importance of an appropriate balance and diversity of knowledge, skills, backgrounds, experience, professional qualifications, gender and nationalities in building an effective Board. It has established policies, criteria and a clear methodology in accordance with its Terms of Reference and the relevant regulatory requirements which provide the guidelines and framework for the Committee in discharging its duties. The Group Nomination and Remuneration Committee also oversees the nomination process and remuneration framework of Non-Executive Directors and Key Senior Management of the local and regional subsidiaries and joint-venture entities of CIMB.

In 2015, the activities of the Group Nomination and Remuneration Committee included the following:

#### Nomination Matters

- Conducting individual Assessment of Directors eligible for appointment and re-appointment by BNM.
- Conducting Annual Assessment of Directors of CIMB eligible for re-appointment at the Annual General Meeting.
- Evaluating new candidates to be appointed as Directors, Group Shariah Committee members and Key Senior Management positions.

#### Remuneration Matters

- Setting of Key Performance Indicators for the Group CEO/ED and other Executive Directors in the Group.
- Appraising and determining the compensation and remuneration package of Non-Executive Directors of CIMB.

	The Group Nomination and Remuneration Committee's Terms of Reference is available at <a href="http://www.cimb.com">www.cimb.com</a> ; Who We Are > Overview > Corporate Governance > Board Committees.
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### Board Oversight Committee

The Board Oversight Committee is chaired by Dato' Sri Nazir Razak, the Chairman of the Board. The primary role of the Board Oversight Committee is to oversee the implementation and monitoring of the Board's decisions and to provide strategic guidance for the Group as delegated by the Board in its Terms of Reference.

The Board Oversight Committee acts on behalf of the Board of Directors and is responsible for the following:

- Review and provide input and guidance in the implementation and monitoring of strategies approved by the Board;
- Review strategic and business plans/budgets of the Group;
- Review potential investments, mergers, acquisitions and divestitures of businesses and other assets of the Group;
- Review management reports from business and support units on key initiatives undertaken by the Group; and
- Monitor and evaluate political, economic and business conditions and development in the financial markets with Management to ensure that any potential material impact is identified and managed accordingly.

	The Board Oversight Committee's Terms of Reference is available at <a href="http://www.cimb.com">www.cimb.com</a> ; Who We Are > Overview > Corporate Governance > Board Committees.
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### Group Compensation Review Committee

The Group Compensation Review Committee is chaired by Dato' Sri Nazir Razak, the Chairman of the Board. The Group Compensation Review Committee assists the Board in ensuring that there is a common oversight of the employees' remuneration and compensation framework. The scope covered by the Group Compensation Review Committee includes the provision and allocation of staff bonuses as well as salary increments.

	The Group Compensation Review Committee's Terms of Reference is available at <a href="http://www.cimb.com">www.cimb.com</a> ; Who We Are > Overview > Corporate Governance > Board Committees.
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**Corporate Governance**

Statement on Corporate Governance

**Other Group Committees**

CIMB has also established other Board and Management Committees to assist the Board of Directors and Management in managing its activities and operations. The composition of the Group Committees is regularly reviewed and revised to ensure the Committees operate effectively.

**Group Shariah Committee**

The Group Shariah Committee was established to cater for CIMB's Islamic banking and capital markets businesses. The Group Shariah Committee resides at CIMB Islamic Bank Berhad and is leveraged by the Group.

This structure is 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/RH/GL 012-1), and Islamic Financial Services Act 2013. The objective of the establishment of the Group Shariah Committee is to ensure that the operations of the Islamic banking and capital markets businesses of CIMB are Shariah-compliant. In advising on such matters, the Group Shariah Committee ensures that the rulings relating to the Islamic banking and capital markets products and services comply with the judgements or the ijthihad of the relevant Shariah authorities, including published Shariah Courts' judgements and rulings.

Any non-compliance with Shariah matters is reported to the Group Shariah Committee and deliberated before reports are presented to the Board of Directors via the Board Risk Committee. The Chief Compliance Officer presents a periodic report on Shariah non-compliance and highlights rectification plans undertaken to address any non-compliance.

	The members of the Group Shariah Committee can be found within the table that details their attendance at Meetings held in 2015 on page 170 of this Annual Report.
	The Group Shariah Committee's Terms of Reference is available at <a href="http://www.cimb.com">www.cimb.com</a> ; Who We Are > Overview > Corporate Governance > Board Committees

**International Advisory Panel**

The International Advisory Panel acts as an advisory body to CIMB's Senior Management in the formulation and implementation of its international expansion policies. The Panel meets annually to review CIMB's international expansion strategies and plans. The Panel comprises members of various nationalities whose combined experience 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)
- Tan Sri Andrew Sheng
- Datuk Tong Kooi Ong
- Glenn Muhammad Surya Yusuf
- Goh Geok Khim
- Tan Sri Rainer Althoff

- Robby Djohan
- Tira Wannamethee
- Watanan Petersik
- Auyeung, Rex Pak Kuen
- Nicholas Rupert Heylett Bloy
- Dr. Roberto F. de Ocampo
- Tan Sri Dato' Md Nor Yusof

**Management Committees**

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

Group-wide Committees

- Group Management Committee
- Group Executive Committee
- Group Information Technology Strategy Committee
- Group Human Resource Committee
- Group Crisis Management Committee
- Group Data Governance Committee
- Group Risk Committee
- Group Operational Risk Committee
- Group Asset Liability Management Committee
- Group Market Risk Committee
- Group Credit Committee
- Group Asset Quality Committee

Divisional Committees

- Group Wholesale Banking Committee
- Group Consumer Banking Committee
- Group Commercial Banking Management Committee
- Group Islamic Banking Committee

**Succession Planning**

The Group Nomination and Remuneration Committee has oversight of the succession planning of Key Senior Management positions across CIMB. Part of this authority on succession planning has been delegated to the Talent Review Board of CIMB. The Talent Review Board comprises the following members:

- Dato' Sri Nazir Razak
- Dato' Zainal Abidin Putih (also Chairman of CIMB Bank)
- Datuk Dr. Syed Muhammad Syed Abdul Kadir (Chairman of CIMB Islamic Bank)
- Dato' Robert Cheim Dau Meng (Chairman of CIMB Investment Bank)
- Tengku Dato' Sri Zafrul Tengku Abdul Aziz (Group CEO/ED)
- Renzo Viegas (Management)
- Tigor M. Siahaan (Management)
- Hamidah Naziadin (Management)
- David Richard Thomas (Management)

## Corporate Governance

### Statement on Corporate Governance

The Terms of Reference of the Talent Review Board are as follows:

- Review and endorse strategic talent management-related policies that ensure the right managers and leaders are in the right roles at the right time, and that the Group has the talent required to grow the organisation in order to meet its mission, vision and strategic plan.
- Ensure issues related to talent management are undertaken with a strategic perspective that is in line with the business objectives and expectations of the various stakeholders across the region.
- Endorse key strategic decisions regarding the acquisition, development and retention of key talents of our Group's leadership team.
- Provide oversight on leadership development initiatives for building a 'leadership succession pipeline' in the short, medium and long-term period (immediate, one to two years, three to five years).
- Mandate a coaching and mentoring culture across the Group to institutionalise CIMB and to engage leaders to contribute to the future success and sustainability of the Group.

Since 2014, the focus has been to increase the effectiveness of the existing Talent Management Framework by:

- Institutionalising an end-to-end talent management framework across the region.
- Establishing Talent Review Councils to execute end-to-end talent management at the country level and in key business divisions.

As such, eight Talent Review Councils have been set up within the core businesses and regional business units. The Terms of Reference of the Talent Review Council are as follows:

- Drive implementation of Talent Management Framework.
- Nominate and agree on talent and successor listings.
- Address critical vacancies and succession concerns.
- Commit to development interventions.
- Meet bi-annually to review progress and endorse decisions.

Post the endorsement by the Talent Review Board on 4 May 2014, eight Talent Review Councils have been set up across geographies and businesses, these being Group Consumer Banking, Group Asset Management, Group Information and Operations, Group Risk, Group Wholesale Banking, CIMB Bank Berhad, Singapore, CIMB Thai Bank PCL and CIMB Niaga. This will continually be the focus in 2016 to establish Talent Review Councils for the rest of the businesses. The review focus in 2015 was on Key and Senior Management levels. Career conversations were carried out to establish bespoke development plans and Management focused on expanding critical experiences for career growth. Development actions were emphasised around job mobility and stretched assignments predominantly, with agreed development actions documented and tracked accordingly.

CIMB intensified its initiative in validating leadership capabilities through talent assessments and providing feedback coaching for the talent pool through the CIMB Executive Assessment Centre with the primary objectives of building leadership competencies and embedding a leadership culture across CIMB to support the corporate vision of becoming the leading ASEAN company. The talent will be given opportunities to identify relevant development opportunities and create their learning paths through post-assessment feedback coaching, followed by a three-way career conversation with the supervisor and Group Human Resource division. Agreed development actions are documented and tracked via an Individual

Development Plan. The Assessment Centre conducts assessments and provides feedback coaching through its own internal pool of assessors, in partnership with globally-recognised consultants.

In terms of leadership development, CIMB continues to groom its future leaders through its flagship leadership programme, the CIMB-INSEAD Leadership Programme, which was launched in 2010. The programme boasts 170 alumni.

Core leadership development initiatives transcend beyond the Senior Leadership group to permeate every level of Management to build and develop a deep pool of talent across the organisation. Regional team building programmes and universal banking capabilities are core focus areas for developing the next generation of CIMB leaders.



Further details on CIMB Group's Human Capital and Talent Development initiatives are set out on pages 178 to 183 of this Annual Report.

### Code of Conduct

The Board of Directors understands that it plays an important role in establishing strong ethical values within CIMB that support a culture of integrity, fairness, trust, forthrightness and the pursuit of excellence. To this effect, the Board of Directors has formalised a Code of Conduct that sets out the principles and standards of behaviour that are expected of all employees of the Group and Board of Directors when dealing with customers, business associates, regulators, colleagues and other stakeholders.

CIMB employees and Directors are individually responsible for ensuring they are familiar with the Code of Conduct as well as complying with it. This applies as well to any other policies that may be prescribed from time to time.



Details of the Code of Conduct can be found in CIMB's website at [www.cimb.com](http://www.cimb.com), Who We Are > Overview > Corporate Governance.

### Promoting Sustainability

The Board of Directors continues to address the concerns of stakeholders regarding the long-term, sustainable impact of the Group's business by working to implement Bursa Malaysia's latest rules on Sustainability Reporting. CIMB publishes a comprehensive Sustainability Report which outlines in detail the efforts and initiatives of CIMB as a responsible corporate citizen for the benefit of its stakeholders. CIMB's Sustainability Report is guided by the Global Reporting Initiative (GRI) G4 standards of reporting which complies to a 'Core' level disclosure. The Sustainability Report forms part of this Annual Report.

### Board Access to Information

The Board of Directors and Board Committees have a right to complete, relevant and timely information concerning financial performance, updates on corporate development, business progress, risk, compliance and proposals. The Board of Directors also requires sufficient time to evaluate reports and proposals and has a right to request additional information, to enable the Board to discharge its duties effectively.

The Board of Directors may communicate directly with Senior Management to seek advice and request further information on any aspect of CIMB's operations and business concerns. This will enable the Board to effectively

## Corporate Governance

### Statement on Corporate Governance

discharge its duties with adequate input from Senior Management and access to legal, accounting and financial advice, where necessary.

The Board of Directors has unrestricted and independent access to the advice and services of the Group Company Secretary. The Group Company Secretary is responsible for providing support and guidance to the Board on policies and procedures, rules and regulations and relevant laws as well as best practices on governance.

In addition, the Board of Directors has the right to seek independent advice on specific matters that in their opinion requires unbiased evaluation, at the expense of CIMB. A formal procedure is in place to facilitate the Board of Directors in seeking independent professional advice, as follows:

- (1) A Director may speak to the Chairman or the Senior Independent Director on the request, providing the following details:
  - The nature of the independent advice;
  - The likely cost of seeking the independent advice; and
  - Details of the independent adviser proposed.
- (2) The Chairman or Senior Independent Director will consult the Group Company Secretary whether the request should go directly to the Board of Directors or whether it warrants a thorough feasibility study in accordance with relevant CIMB policies.
- (3) Depending on the complexity of the request, the Group Company Secretary will initiate the process to engage the required advisors.
- (4) A copy of the report or independent advice will be made available to the Chairman and, if deemed appropriate, be circulated to the Board of Directors for deliberation.
- (5) All documentation seeking the independent advice must clearly state that advice is sought for the benefit of CIMB and must not concern matters of a personal or private nature to the Director or any other individual.

### Board Charter

The Board Charter is the primary document that sets out the roles and responsibilities of the Board of Directors and the Board Committees. The Charter also elaborates on the fiduciary and leadership functions of the Directors and serves as a primary induction literature on the functions of the Board. The Board Charter is subject to review by the Board of Directors every two years to ensure CIMB remains at the forefront of best practices in governance. The Board Charter was last reviewed in December 2015 and once completed will be tabled to the Board of Directors for approval.



The current Board Charter is available at [www.cimb.com](http://www.cimb.com), Who We Are > Overview > Corporate Governance.

### Group Company Secretary

The Group Company Secretary is responsible for advising and assisting the Board of Directors on matters relating to the affairs of the Company, including but not limited to matters pertaining to governance and best practices, boardroom effectiveness and Board of Directors' duties and responsibilities. Under Section 139(3) of the Companies Act, 1965, the appointment and removal of the Group Company Secretary is a matter reserved for the Board. The Board ensures that all its Directors have access to the advice and services of the Group Company Secretary who is qualified and competent, in line with Recommendation 1.6 of the MCGG 2012 and Section 139A of the Companies Act 1965.

The Group Company Secretary, Datin Rossaya Mohd Nashir, was appointed to her role in 2002. She has more than 20 years' experience in corporate secretarial practice. She holds a Bachelor of Laws degree from Coventry University, United Kingdom, is an affiliate of the Malaysian Institute of Chartered Secretaries and Administrators and has been active in the Companies Commission Malaysia's Corporate Practice Consultative Forum.

Datin Rossaya's main duties includes ensuring that the Board of Directors, Board Committees and Shareholders' meetings are properly convened in accordance with the laws and best practices and that records of proceedings at these meetings are duly minuted and kept. She also oversees the corporate secretarial practices of local and regional subsidiaries, with support from the respective regional Company Secretaries. The Group Company Secretary facilitates the communication of key decisions of the Board of Directors and Board Committees to Senior Management for their further action.

Apart from assisting the Chairman in formulating the agendas and conduct of meetings, the Group Company Secretary also undertakes the following roles in three key areas:

#### Company

- Facilitating the highest standards of governance practices among CIMB entities and identifying areas for enhancements.
- Ensuring that CIMB complies with the statutory obligations under the relevant laws and regulations.
- Monitoring and ensuring that CIMB's governance framework complies with the Financial Services Act 2013, the Islamic Financial Services Act 2013, the MCGG 2012, BNM/RH/GL 001-1, the Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements (MMLR) and the relevant laws, regulations and guidelines.
- Maintaining the safe keeping of statutory records of the companies within CIMB in compliance with applicable laws and regulations.

#### Board

- Managing Board processes Group-wide.
- Ensuring procedures for the appointment of Directors are 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 relevant laws, regulations and guidelines, and the impact on CIMB's business in the jurisdictions within which CIMB operates.
- Assisting Directors and Senior Management in the execution of various corporate proposals by ensuring Board 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 queries.
- Organising Shareholders' meetings as well as the preparing of meeting agendas, invitations and documents required for the meetings,
- Managing CIMB's relationship with external stakeholders.

In ensuring the uniformity of Board conduct and effective boardroom practices throughout CIMB, the Group Company Secretary has oversight

on the overall corporate secretarial functions of CIMB, both in Malaysia and in countries where CIMB operates. The Group 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.

In 2015, the Group Company Secretary facilitated the following:

- Review of the Board Charter
- Review of the Board of Directors' and Board Committees' remuneration framework
- Review of the composition of the Board of Directors and Board Committees
- Implementation of paperless meetings of the Board of Directors and Board Committees
- Strengthened lines of reporting and communication between subsidiaries in the region through the implementation of the Regional Operating Model

## STRENGTHENING COMPOSITION

### Board Composition and Balance

The size and composition of the Board of Directors are reviewed from time to time. Given the scope and geographical footprint of the Group's operations, the Board of Directors is of the view that the current size of the Board is appropriate in terms of experience, knowledge, diversity and skills to meet the Board's needs. In order to ensure CIMB continues to be able to meet the challenges and demands of the markets in which the Group operates, the Board of Directors is focused on enhancing the diversity of skills, expertise and perspectives of the members.

The Board comprises 11 Directors, of whom six are independent. The Group CEO/ED is a Non-Independent Director by virtue of his position. Similarly, the Chairman and one other Director is Non-Independent due to their previous executive positions in the Group. The other Non-Independent Directors represent two substantial shareholders, Khazanah Nasional Berhad and The Bank of Tokyo-Mitsubishi UFJ, Ltd/Mitsubishi UFJ Financial Group, Inc.

The composition of the Board of Directors saw the following changes in 2015/2016:

- Tengku Dato' Sri Zafrul Tengku Abdul Aziz was appointed as Group CEO/ED on 27 February 2015.
- Dato' Robert Cheim Dau Meng resigned from the Board on 27 February 2015.
- Datuk Mohd Nasir Ahmad was appointed as Independent Director on 20 July 2015.
- Dato' Lee Kok Kwan was appointed as Non-Independent Non-Executive Director on 20 July 2015.
- Kenji Kobayashi resigned from the Board on 8 March 2016.
- Hiroaki Demizu was appointed as Non-Independent Non-Executive Director on 8 March 2016.

### Appointments to the Board

The Group Nomination and Remuneration Committee reviews the procedure for the appointment of the Board of Directors, Board Committees and Key Senior Management of the Group and their remuneration package.

It also oversees the nomination and remuneration package of the Board of Directors and Key Senior Management of subsidiaries within the Group and undertakes Individual Assessment of Directors eligible for new appointment and re-appointment prior to submission to regulators for approval.

The appointment process is conducted in accordance with the BNM CG Guideline and the Group's Fit and Proper Policies and Procedures for Key Responsible Persons. The policy sets out a formal and transparent process for the appointment, re-appointment and annual assessment of Chairman, Directors, CEOs/Executive Directors, Group Shariah Committee members and Key Senior Management. Before recommending a candidate, the Group Nomination and Remuneration Committee undertakes a thorough and comprehensive evaluation based on a set of criteria adopted by the Board of Directors, as follows:

- Relevant skills and expertise
- Competence in specialised areas of practice, for example accounting, finance, law, banking and investment
- Demonstrated a track record of success
- Independence (where relevant) and objectivity
- Willingness to challenge prevailing opinion
- Sufficient time committed for meetings of Board of Directors and Board Committees
- Able to bring different perspective and enhance diversity of the Board

The appointment and re-appointment of Directors are subject to BNM's vetting and prior approval.

In 2015, the Board of Directors approved the nominations of Tengku Dato' Sri Zafrul Tengku Abdul Aziz, Datuk Mohd Nasir Ahmad, Dato' Lee Kok Kwan and Hiroaki Demizu which were duly approved by BNM.



The selection criteria and process for appointments and re-appointments to the Board of Directors are detailed under item 4 in the Board Charter available at [www.cimb.com](http://www.cimb.com): Who We Are > Overview > Corporate Governance > Board Charter

### Re-appointment and Re-election

In 2015, the Board of Directors recommended the re-appointment of the following Directors which were duly approved by the Shareholders at the Annual General Meeting held on 28 April 2015:

- Dato' Zainal Abidin Putih
- Kenji Kobayashi
- Robert Neil Coombe
- Joseph Dominic Silva
- Teoh Su Yin
- Tengku Dato' Sri Zafrul Tengku Abdul Aziz

For the forthcoming Annual General Meeting, the Board of Directors has recommended the re-appointments of the following Directors for approval by the Shareholders:

- (1) Pursuant to Article 76 of the Company's Articles of Association and Paragraph 7.26(2) of the MMLR, whereby no Director should serve more than 3 years without seeking re-election at the Annual General Meeting, and after considering any Directors that are retiring due to age and any newly appointed Directors, one-third of the Directors shall retire from office at the Annual General Meeting.

**Corporate Governance**  
Statement on Corporate Governance

Based on the above, Dato’ Sri Nazir Razak, Glenn Muhammad Surya Yusuf and Watanan Petersik, shall be retiring at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-election.

(2) Datuk Mohd Nasir Ahmad and Dato’ Lee Kok Kwan who were both appointed to the Board on 20 July 2015, and Hiroaki Demizu who was appointed to the Board on 8 March 2016 shall be retiring at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-election pursuant to Article 83 of the Articles of Association and Paragraph 7.26(2) of the MMLR.

The election of each director will be conducted separately.

Dato’ Zainal Abidin Putih, who was appointed to the Board on 7 November 2006 and having attained the age of 70 years on 14 January 2016, has informed the Board of Directors of his intention not to seek re-election. Accordingly, he will retire at the conclusion of the forthcoming Annual General Meeting.

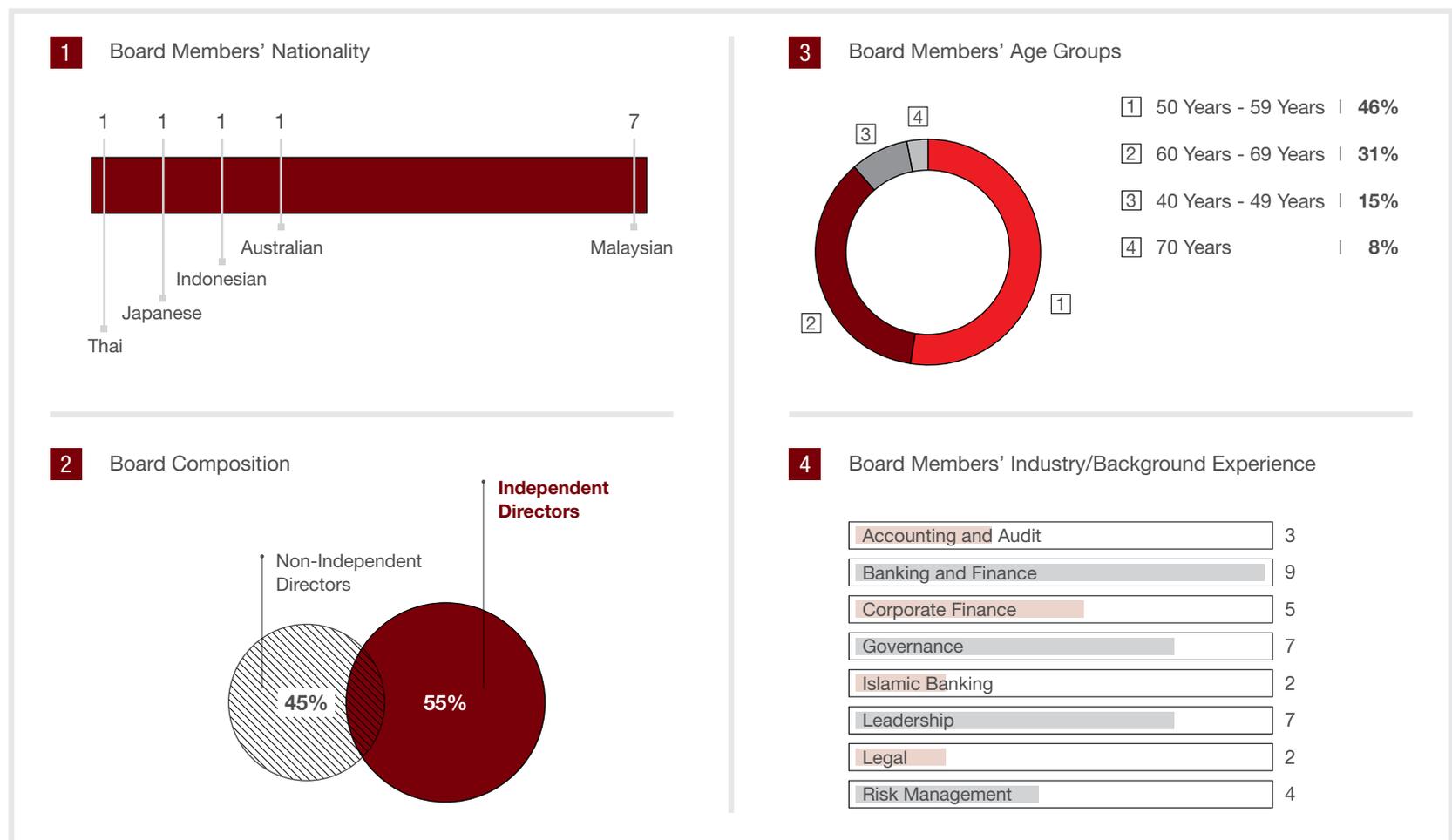
**Board Diversity**

The Board of Directors promotes and welcomes diversity and gender mix in its composition and gives due recognition to the financial, technical and business experience of the Directors.

The Board of Directors aims to maintain a diversity of expertise, skills, and attributes among the Directors and is committed to pursuing diversity in terms of gender, age and nationality/ethnicity across the Group as the combination of personalities provides a comprehensive range of perspectives and experiences, resulting in improved decision making.

 The experience and background of Directors are described in their profiles as set out in pages 96 to 106.

The following diagram gives a brief overview of the Board of Directors’ diversity in terms of age, ethnicity/nationality, independence and skills/experience.



**Directors' Remuneration**

CIMB has established a remuneration framework for its Board of Directors and Key Senior Management. 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 assumed by them. The framework is sufficient to attract and retain Directors for their contributions to CIMB.

In order that the remuneration framework remains competitive and consistent with CIMB's high performance culture, objectives and strategy, the framework for Non-Executive Directors is reviewed periodically or at least once every three years to ensure that it remains market-competitive. The remuneration for Non-Executive Directors or any proposed increase in the remuneration is tabled to the Shareholders for approval.

In reviewing the remuneration package, the criteria for determining the fee quantum is based on the Directors' responsibilities and contribution level. CIMB recognises the different expertise and role played by each and every member of the Board which at the same time, reflects the size and complexity of CIMB's operations. Where necessary, independent advisers or consultants are engaged to provide independent advice to the Group Nomination and Remuneration Committee on specific areas. To avoid any conflict of interests, no individual Director has any influence on the decision pertaining to his or her own remuneration. The remuneration of the Directors in office during the financial year is also disclosed in CIMB's Financial Statements.

Independent Directors do not receive options, performance-related shares or bonuses from CIMB.

The aggregate remuneration paid to the Directors by CIMB in 2015, is as follows:

Directors	Fees RM'000	Salary and/ or Other Remuneration RM'000	Benefits-in- Kind RM'000	Remuneration from Subsidiaries RM'000	Total RM'000
<b>Non-Executive Directors</b>					
Dato' Sri Nazir Razak	132	1,019	-	409	1,560
Dato' Zainal Abidin Putih	126	121	-	574	821
Glenn Muhammad Surya Yusuf	124	82	-	13	219
Watanan Petersik	121	80	-	12	213
Robert Neil Coombe	102	49	-	12	163
Joseph Dominic Silva	114	56	-	12	182
Teoh Su Yin	127	124	-	12	263
Datuk Mohd Nasir Ahmad* <sup>1</sup>	51	32	-	100	183
Dato' Lee Kok Kwan* <sup>2</sup>	50	33	-	92	175
Hiroaki Demizu* <sup>3</sup>	-	-	-	-	-
Dato' Robert Cheim Dau Meng* <sup>4</sup>	-	-	-	164	164
Kenji Kobayashi* <sup>5</sup>	102	40	-	13	155
<b>Group Chief Executive/Executive Director</b>					
Tengku Dato' Sri Zafrul Tengku Abdul Aziz	-	-	-	6,922	6,922
<b>Grand Total</b>	<b>1,049</b>	<b>1,636</b>	<b>-</b>	<b>8,335</b>	<b>11,020</b>

**Notes:**

\*<sup>1</sup> and \*<sup>2</sup> Appointed on 20 July 2015

\*<sup>3</sup> Appointed on 8 March 2016

\*<sup>4</sup> Resigned on 27 February 2015

\*<sup>5</sup> Resigned on 8 March 2016

**Corporate Governance**

Statement on Corporate Governance

**Board Effectiveness Assessment**

The Board of Directors undertakes a formal and comprehensive Annual Assessment of its own performance, its Committees and individual Directors.

The Group Nomination and Remuneration Committee reviews annually, the effectiveness of the Board of Directors and Board Committees as well as the performance of individual Directors. Since 2006, CIMB has implemented the Board Effectiveness Assessment (BEA) exercise to evaluate the performance of the Board of Directors and Board Committees.

After nine years of successful implementation, and in line with recommended best practice, the Board of Directors agreed to engage an independent external consultant to perform the BEA for 2015. The process of selecting an independent external consultant is formal and transparent, complying with CIMB's procurement policy and procedures. Proposals from various external consultants were reviewed before the Group Nomination and Remuneration Committee recommended the preferred external consultant to the Board of Directors based on quality, rigour and overall value-add to the Board's current BEA process.

The decision to engage an independent external consultant to perform the 2015 BEA is expected to strengthen the in-house BEA practices.

The results of the comprehensive assessment will be reported to the Board of Directors by the second quarter of 2016 and will include identification of key areas for improvement and a board improvement plan.

The Group Nomination and Remuneration Committee also conducts Individual Assessment of Directors, CEOs/Executive Directors, Group Shariah Committee members and Key Senior Management annually to determine the fitness and propriety of key responsible persons. Individual assessments are set out in CIMB's Fit and Proper Policies and Procedures for Key Responsible Persons, based on the following framework:

- (1) Individual assessments are conducted for Directors, Committee members and Key Senior Management whose tenure of appointments are expiring and seeking re-appointments from BNM.
- (2) Assessments are based on both quantitative and qualitative parameters, comprising the following:
  - Attendance at Board and Committee Meetings;
  - Level of Participation at Board and Committee meetings including Contribution of Ideas, Teamwork Spirit, Knowledge and Competency in Subject Matters, Sound Judgement and Broad Perspective and Willingness to Challenge Prevailing Opinion;
  - Subjective Assessment on the Director's character, personality, communication and interpersonal skills, commitment to CIMB events and peer relationship, amongst others.
- (3) The Group Nomination and Remuneration Committee ensures that inputs on the Director being assessed are also obtained from the Chairman of each Board or Committee, if necessary.

**REINFORCING INDEPENDENCE****Directors' Independence**

The Board of Directors recognises the importance of Independent Directors to CIMB particularly in ensuring impartiality and objectivity. Independent Directors provide the necessary checks and look after the interests of stakeholders. In 2015, none of the Independent Directors engaged in the day-to-day management of CIMB, participated in any business dealings or were involved in any other relationships with the Group, other than in situations permitted by the applicable regulations.

In line with Recommendation 3.2 of the MCCG, CIMB has adopted a policy that limits an Independent Director's tenure of service to a maximum of nine years or upon reaching the age of 70 years, whichever is earlier. An Independent Director who has served the Company for nine years or who has reached the age of 70 years may, subject to the Group Nomination and Remuneration Committee's recommendation and Shareholders' approval, continue to serve the Group in the capacity of Independent Director.

Over time, the Board also recognises that material relationship with CIMB other than solely as a result of being a Director may materialise. The Board of Directors, through the Group Nomination and Remuneration Committee therefore, assesses the independence of its Independent Directors annually, using the BEA questionnaire, in line with Recommendation 3.1 of the MCCG 2012. Additional criteria that are assessed to determine each individual Director's ability to exercise independent judgement are:

- The individual is free from any business or other relationship which can materially pose any conflict of interest or interfere with the exercise of Director's judgement or will be disadvantageous to CIMB or CIMB's interest.
- The individual's ability to provide objective challenges and constructive feedback to Management, focusing on root cause of issues and potential actions required to rectify the issues discussed.
- The individual's readiness to challenge others' assumptions, beliefs or viewpoints for the good of CIMB.

The Board of Directors is satisfied with the level of independence demonstrated by all of its Independent Directors and that they are free from business relationships or other circumstances that could materially interfere with their exercise of objective, unfettered and independent judgement.

Any Director who considers that he or she has or may have a conflict of interest or a material personal interest in any matter concerning CIMB, is required to give the Board and/or the Group Company Secretary immediate notice of such interest.

As an additional measure to reinforce the independence of the Board, CIMB constantly ensures that Independent Directors constitute a majority of the Board at all times, in line with Recommendation 3.5 of the MCCG 2012. This exceeds the required ratios of Independent Directors set out in the MMLR, BNM CG Guidelines and BNM's Shariah Governance Framework for Islamic Financial Institutions (collectively 'BNM Guidelines') and The Green Book.

**Corporate Governance**  
Statement on Corporate Governance

Details on the independent status of the Board of Directors, their roles in Board Committees and their attendance at meetings in 2015 are as follows:

	Position	Date of Board Appointment	Independent of the company/Major Shareholder	Attendance at meetings					
				Board	AC	BRC	GNRC	GCRC	BOC
Dato' Sri Nazir Razak	Chairman/ Non-Independent Non-Executive Director	27 January 2006	No (Group Managing Director/Chief Executive Officer until 31 August 2014)	11/11		6/6		6/6 Chair	10/10 Chair
Tengku Dato' Sri Zafrul Tengku Abdul Aziz	Executive Director	27 February 2015	No (Group CEO/ED)	8/8				6/6	9/9
Dato' Zainal Abidin Putih	Senior Independent Director	7 November 2006	Yes	10/11	18/18	6/6	13/13 Chair	5/6	
Glenn Muhammad Surya Yusuf	Independent Director	25 January 2010	Yes	9/11	14/15	5/6 Chair	10/13		
Watanan Petersik	Independent Director	25 January 2010	Yes	10/11	9/9	5/6	13/13		
Robert Neil Coombe	Independent Director	16 April 2014	Yes	11/11		6/6			
Joseph Dominic Silva	Non-Independent Non-Executive Director	30 June 2014	No (Nominee of Khazanah Nasional Berhad)	10/11		6/6	10/13		
Teoh Su Yin	Independent Director	8 October 2014	Yes	11/11		6/6	10/10		10/10
Datuk Mohd Nasir Ahmad	Independent Director	20 July 2015	Yes	4/4	8/9	2/2			
Dato' Lee Kok Kwan	Non-Independent Non-Executive Director	20 July 2015	No (CEO of Corporate Banking, Treasury & Markets until 20 July 2015)	4/4		2/2			3/3
Hiroaki Demizu	Non-Independent Non-Executive Director	8 March 2016	No (Nominee of The Bank of Tokyo-Mitsubishi UFJ, Ltd, and Mitsubishi UFJ Financial Group, Inc.)						
Dato' Robert Cheim Dau Meng * Resigned on 27 February 2015	Non-Independent Non-Executive Director	7 November 2006	No (Adviser to CIMB)	4/4	1/3	2/2		2/2	
Kenji Kobayashi * Resigned on 8 March 2016	Non-Independent Non-Executive Director	16 April 2014	No (Nominee of The Bank of Tokyo-Mitsubishi UFJ, Ltd, and Mitsubishi UFJ Financial Group, Inc.)	9/11		5/6			

#### Segregation of the Positions of Chairman and Group Chief Executive Officer/Executive Director

CIMB adopts a leadership model which clearly delineates the roles and responsibilities between the Chairman and the Group CEO/ED. These two positions are held by different individuals with distinct and separate functions, ensuring an optimal balance and resulting in increased accountability and enhanced decision-making.

#### Chairman

Dato' Sri Nazir Razak helms the Board of Directors as Chairman. He is responsible for ensuring that the Board discharges its duties effectively and for enhancing the Group's standards of governance. The Chairman provides clear and distinct leadership while maintaining open lines of communication with Senior Management, as well as oversees, guides, advises and provides support to the Group CEO/ED and subsequently, Senior Management, particularly in strategic matters with respect to the Group's long-term growth. A healthy relationship is forged between the Chairman and the Group CEO/ED.

The Chairman also encourages constructive relations within the Board and between the Board of Directors and Senior Management. He encourages effective dialogues between the Shareholders, Board members and Management.

**Corporate Governance**

Statement on Corporate Governance

Group Chief Executive Officer/Executive Director

Tengku Dato' Sri Zafrul Tengku Abdul Aziz is the Group CEO/ED and chairs the Group Management Committee, which is the highest Management Committee within CIMB. He is tasked with leading the development and execution of CIMB's long-term strategy with a view to creating Shareholder value. The Group CEO/ED is ultimately responsible for all the day-to-day management decisions and for implementing the long and short-term plans for the Group. Tengku Dato' Sri Zafrul also acts as a direct liaison between the Board and Management; and communicates to the Board on behalf of Management and to Shareholders, employees and other stakeholders on behalf of CIMB.

Senior Independent Director

Dato' Zainal Abidin Putih was appointed to the Board on 7 November 2006 and assumed the role of Senior Independent Director on 7 April 2014.

He serves as the point of contact between Independent Directors and the Chairman on sensitive issues and acts as a designated contact to whom stakeholders' concerns or queries may be raised, as an alternative to the formal channel of communication with stakeholders. The role of the Senior Independent Director is included in the Board Charter which is accessible on CIMB's website.

Stakeholders' queries can be e-mailed directly to the Senior Independent Director at [cimbSID@cimb.com](mailto:cimbSID@cimb.com) or directed to the following address:

Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

**FOSTERING COMMITMENT**

Each Board member is expected to commit sufficient time to carry out his or her role as a Director and if applicable, as a member of the Board Committees. In any given situation, in accordance with the MMLR and the Green Book, the number of directorships for each Director is limited to five in public-listed companies and 10 in non-listed companies. This is to ensure the Directors have the time to focus and fulfill their responsibilities effectively. For 2015, none of the Directors serve on the boards of more than five other public-listed companies. The Group CEO/ED adheres strictly to the limit of directorships as stated in the BNM Guidelines. He currently holds two other directorships within the Group; CIMB Bank Berhad and CIMB Group Sdn. Bhd.

The Board of Directors values the experience and perspective gained by Directors from their services on the Board of other companies, organisations and association. Directors, however, are expected to advise the Chairman of the Board and the Group Nomination and Remuneration Committee of their intention to join the Board of another public-listed company outside the Group, and indicate the time commitment of the new appointment.

The Board of Directors is informed of changes to the directorships held by its members on a quarterly basis and is satisfied that the current external directorships held by the Directors would not impair their ability to contribute to CIMB and that they are able to devote sufficient time in discharging their duties effectively.

**Board Meetings**

The Board of Directors meets as often as necessary to fulfill its roles and responsibilities. There were five scheduled Board meetings and six Special Board meetings held in 2015. Key matters deliberated in 2015 include:

- Budget, Financial and Performance Review
- Capital Management
- Mergers and Divestments
- Risk Appetite and Posture

A Director who has interest, either direct or indirect, in any proposal or transaction being considered must declare his or her interest and abstain from participating in discussions and any decision-making on that proposal. The minutes of the meeting will reflect as such.

The calendar for Board meetings providing scheduled dates for meetings of the Board of Directors and Board Committees are fixed in the third quarter of the preceding year, to enable the Directors to plan ahead. Special Board meetings are held when necessary, to deliberate on major transactions and ad-hoc matters that require the Board's urgent attention and decision. Every fourth quarter of the year, a Special Board meeting is held to plan and discuss CIMB's strategy, together with the Business Plan and Budget for the ensuing year.

Participation in Board meetings is expected to be in person. Article 99 of the Company's Articles of Association, however, allows the use of teleconference and tele-presence if Directors are unable to attend physically. In the event Directors are still unable to participate, they are encouraged to provide feedback to the Chairman/Group Company Secretary on matters to be deliberated for their views to be given due consideration at the meeting.

Board approvals for routine matters in the ordinary course of business are permitted under the Articles of Association of CIMB to be obtained through resolutions approved by circulation.

**Dealings in Securities**

The Board of Directors recognises CIMB's role in preserving the integrity of the capital market and the risks of insider trading for financial institutions, particularly for investment banks. Therefore, the Board of Directors has adopted a more stringent policy in relation to dealings in securities by Directors and Key Senior Management than that required by the MMLR. No dealing in the securities of CIMB 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.

Dealings by Directors and Key Senior Management are reported to the Group Company Secretary within three business days and announced immediately through Bursa upon receipt of such notice. Dealings by Directors and Key Senior Management in the Company's shares are disclosed to the Board of Directors on a quarterly basis.

**Training and Development of Directors**

The Board of Directors recognises that Directors' development is integral to effective governance and is mindful of the need for Directors to keep abreast with industry developments, regulatory changes, changing commercial risks

**Corporate Governance**  
Statement on Corporate Governance

and latest market trends regionally and globally affecting the banking and financial industry. As such, CIMB is committed to keep Directors regularly informed of relevant training courses in advance for their consideration.

Directors are encouraged to participate in training courses or activities, seminars and speaking engagements, as well as company activities, as these will serve to enhance their knowledge and performance. The role to review the training needs and professional development of Directors is delegated to the Group Nomination and Remuneration Committee.

Every newly appointed Director receives an information pack comprising relevant updated corporate information on CIMB and the Board Charter. Additionally, a comprehensive and tailored induction is arranged as part of the on-boarding programme to assist the Directors in familiarising themselves with the discharge of their duties. It also serves to introduce CIMB's businesses, operations and governance practice and arrangements, amongst others. The relevant Heads of Divisions brief the Directors on the functions and areas of responsibility of their respective divisions during the induction programme. This serves a dual function, which is to familiarise the Directors with the operations and organisational structure of CIMB, as well as serve as a platform to establish an effective channel of communication and interaction with Key Senior Management. Directors are also encouraged to visit CIMB's regional entities to familiarise themselves and have a holistic view of the Group's regional businesses.

Directors that have never been appointed to a public-listed company are required under Practice Note 5 of the MMLR to attend the Mandatory Accreditation Programme (MAP) organised by an approved body corporate within four months of their appointment. Both Datuk Mohd Nasir Ahmad and Dato' Lee Kok Kwan have complied with the MAP requirement in 2015 while Hiroaki Demizu has been enrolled for the MAP in April 2016.

The Group Company Secretary facilitates the Directors' attendance in training programmes, briefings, workshops and seminars that are conducted in-house or by external providers. A comprehensive list of training programmes covering topics relevant to the Directors is sent to all Directors at the beginning of the financial year. CIMB'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 organised by Bursa Securities and the Securities Commission.

Details of training programmes attended by the Directors in 2015 and time spent by each Director are summarised below:

<b>Titles/Topics</b>	<b>Mode of Training</b>	<b>Duration</b>
<b>Banking and Finance</b>		
• Oxfam Stakeholder Exchange on Fair Finance and Sustainable Investing in Southeast Asia	Forum	1 Day
• Securities Commission's World Capital Markets Symposium 2015	Conference	1 Day
<b>Compliance and Regulatory</b>		
• Bursa Listing Committee Offsite Retreat	Workshop	1 Day
• Briefing to Investors - Quoting of Corporate Bonds/Private Debt Securities on Credit Spread Basis	Workshop	1 Day

<b>Titles/Topics</b>	<b>Mode of Training</b>	<b>Duration</b>
<b>Corporate Governance</b>		
• Mandatory Accreditation Programme for Directors of Public Listed Companies	Course	2 Days
• CIMB Group Director Induction Programme	Course	1 Day
<b>Economics</b>		
• PEMANDU's Malaysia's Economic Update 2015	Forum	1 Day
• World Economic Forum 2015, Davos	Conference	4 Days
• World Chinese Economic Summit, London	Conference	2 Days
• World Islamic Economic Forum, Kuala Lumpur	Conference	3 Days
<b>Leadership and Business Transformation Management</b>		
• FT ASEAN Economic Summit, Kuala Lumpur	Forum	1 Day
• Khazanah Megatrends Forum 2015 - Harnessing Creative Disruption	Conference	2 Days
• MINDA's Corporate Directors Advanced Programme on Strategy and Risks	Course	2 Days
• FIDE's Core Programme on Board Dynamics	Course	1 Day
• CIMB Annual Asia and Frontiers Leaders Conference, London	Conference	2 Days
<b>Audit, Compliance and Risk Management</b>		
• CIMB Group: Risk Posture Workshop	Workshop	1 Day
• CIMB Group: Risk Appetite Workshop	Workshop	1 Day
• Credit Risk Rating Communication with Board of Directors	Forum	1 Day
• CIMB Group: Asset Management, Compliance, Audit and Risk Conference	Conference	1 Day
• Internal Audit Workshop	Workshop	1 Day

**Time Spent on Training**

<b>Directors</b>	<b>Time Spent</b>
Dato' Sri Nazir Razak	39 Days
Tengku Dato' Sri Zafrul Tengku Abdul Aziz	16 Days
Dato' Zainal Abidin Putih	8 Days
Glenn Muhammad Surya Yusuf	13 Days
Watanan Petersik	1 Day
Robert Neil Coombe	8 Days
Joseph Dominic Silva	2 Days
Teoh Su Yin	13 Days
Datuk Mohd Nasir Ahmad* <sup>1</sup>	6 Days
Dato' Lee Kok Kwan* <sup>2</sup>	1 Day
Hiroaki Demizu* <sup>3</sup>	-
Kenji Kobayashi* <sup>4</sup>	19 Days

**Notes:**

\*<sup>1</sup> and \*<sup>2</sup> Appointed on 20 July 2015

\*<sup>3</sup> Appointed on 8 March 2016

\*<sup>4</sup> Resigned on 8 March 2016

**Corporate Governance**

Statement on Corporate Governance

**UPHOLDING INTEGRITY IN FINANCIAL REPORTING****Financial Statements**

Pursuant to the Companies Act, 1965, the Financial Services Act, 2013 and the Islamic Financial Services Act, 2013, 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 Annual Audited Financial Statements are prepared on a going concern basis and give a true and fair view of the state of affairs of CIMB as at 31 December 2015.

The Audit Committee assists the Board of Directors in overseeing the financial reporting, internal control, risk management and governance processes. In 2015, the Audit Committee reviewed the quarterly, semi-annual and year-end financial results, audit plan, audit report, and functions of the Group Internal Audit Division (GIAD), related party transactions, conflict of interest situations and the independence of External Auditors. Within three months of the close of the financial year, the Audit Committee submits a written confirmation to BNM that CIMB has complied with BNM's requirements on financial reporting.

The Group Chief Financial Officer provided assurance that appropriate accounting policies have been applied consistently in preparing the Financial Statements for 2015, supported by reasonable and prudent judgement and estimates. The Board of Directors has been assured that proper accounting records are kept so as to enable the preparation of the Financial Statements with reasonable accuracy. The Board of Directors has overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of CIMB and have ensured that CIMB's financial reporting presents a balanced and comprehensive assessment of its financial position and prospects.

Based on the Audit Committee's recommendation and confirmation, the Board of Directors is satisfied that it has met its obligation to present a balanced and understandable assessment of CIMB's position and prospects in the Annual Audited Financial Statements.



The Directors' Report is set out on pages 13 to 19 of the Financial Statements Report 2015.

**Relationship with Internal and External Auditors**

GIAD performs the internal audit function and conducts regular audits on the risk management, internal control and governance processes implemented by Management and reports significant findings to the Audit Committee with recommended corrective actions. Management is responsible to ensure that corrective actions on reported weaknesses are executed within an appropriate timeframe. The deadlines committed by Management on corrective actions are closely monitored and undue delays have to be explained to the Audit Committee.

GIAD also assists the Board of Directors in overseeing that Management has in place a sound risk management, internal control and governance system. The internal audit function is reviewed periodically by the Audit Committee to ensure its adequacy and competency in performing its role.

GIAD works closely with CIMB's External Auditors on audit and internal control issues. The External Auditors review the effectiveness of CIMB's internal controls and risk management during the audit exercise. Any

material non-compliance with procedures and regulations noted during the audit, as well as any internal control weaknesses, are reported together with the recommendations by the External Auditors to the Audit Committee and Management for Management's consideration and action. The Audit Committee ensures that high risk audit issues are given top priority for Management's action.

The Board of Directors and the Audit Committee maintain a formal and appropriate relationship with the External Auditors. For the period under review, the Audit Committee had three meetings with the External Auditors without the presence of Management. This has encouraged a greater exchange of independent views and opinions/dialogue between both parties. The External Auditors are also invited to attend CIMB's meetings such as Audit Committee meetings (where appropriate) and Annual General Meetings.

CIMB has established a framework for the appointment/re-appointment of External Auditors, which is in line with BNM/RH/GL 018-4 and Guidelines for the Appointment/Re-appointment of External Auditors by Banking Institutions, which require the Audit Committee to assess the independence, objectivity and performance of External Auditors.

The framework contains detailed procedures to assess the independence and service level of the External Auditors, which amongst others, include reviewing the External Auditors' performance and quality of work, timeliness of service deliverables, non-audit services provided and the Engagement Partner's and the Concurring Partner's rotation. The External Auditors' service level is rated based on the Assessment Questionnaire issued to selected personnel across the Group who have a working relationship with the External Auditors. They are requested to review the service level of the External Auditors and confirm that the External Auditors have a reasonable understanding of CIMB's business and are able to support CIMB from an accounting standpoint.

The Audit Committee reviews the independence of External Auditors annually and ensures that any provision of non-audit services by the External Auditors is not in conflict with their audit function. The Audit Committee also ensures that there is a rotation of the External Auditor's Engagement Partner and the Concurring Partner at least once every five years.

The Audit Committee had on 29 January 2016, completed the External Auditor assessment pursuant to CIMB's Guidelines for the Appointment/ Re-appointment of External Auditors, where the following were evaluated:

- Level of knowledge, capabilities, experience and quality of previous work;
- Level of engagement with the Audit Committee;
- Ability to provide constructive observations, implications and recommendations in areas requiring improvements;
- Adequacy in audit coverage, effectiveness in planning and conduct of audit;
- Ability to perform audit work within agreed timeframe;
- Non-audit services rendered by the External Auditor does not impede independence; and
- The External Auditor demonstrates unbiased stance when interpreting standards/policies adopted by the Company.

The assessment of the appointment/re-appointment of External Auditors also includes an independent review by GIAD to determine their suitability.

In the addition to the above assessment, the Audit Committee had in 2015 mandated an additional review on the independence of the External Auditors to gauge any risk of familiarity due to their long association with CIMB. The review included interviews and conflict checks with all key business and support units in CIMB. During this exercise, the Audit Committee had also obtained written confirmation on the status of independence of the External Auditors and the internal processes undertaken by them to determine their independence.

The current External Auditors, Messrs. PricewaterhouseCoopers, were appointed by the Shareholders at the last Annual General Meeting held on 28 April 2015, and their tenure of appointment would lapse at the conclusion of the forthcoming Annual General Meeting. The Board of Directors, having assessed the objectivity, performance and independence of the External Auditors, is satisfied that Messrs. PricewaterhouseCoopers had met the criteria set by the Board of Directors and recommends their re-appointment for the financial year ending 31 December 2016.

### Related Party Transactions

All related party transactions (RPTs), including transactions with Directors and employees, are conducted at arm's length and in accordance with CIMB's Policy and Procedures on RPTs. This policy ensures that RPTs are undertaken in the best interest of CIMB and the Shareholders, and determines the mechanism to monitor and report on such transactions. The Group Company Secretary, together with Group Strategy and Corporate Finance, assists Management in ensuring RPTs are conducted in line with the Policy and the relevant laws and requirements, before it is submitted to the Audit Committee for review and deliberation, prior to obtaining Board approval.



Details of the RPTs are set out under Notes 44 to the Financial Statements which are in the Financial Statements Report 2015.

## RECOGNISING AND MANAGING RISKS

### Internal Control

The Board of Directors is responsible for establishing a sound system of internal control, determining CIMB's level of risk tolerance and for continuously identifying, assessing and monitoring key business risks to safeguard Shareholders' investments and CIMB's assets. These functions are carried out by the Audit Committee and the Board Risk Committee which are responsible for risk management functions, financial reporting, disclosures, regulatory compliance and internal control processes. The Board of Directors ensures that the business processes, risk management, policies and procedures, and control mechanisms are adequate and appropriate through periodic testings and assessments.

The size, geographical presence and complexity of CIMB's business as well as the dynamic operating environment require the Board of Directors to constantly review and monitor the effectiveness of its system of internal control. Regular self-testings and high-level risk assessments are conducted, followed by reviews and updates on a periodic basis. In 2015, CIMB invested considerable time in areas of core banking system replacement, security monitoring and data loss prevention.

Based on the review undertaken throughout 2015, the Board of Directors concluded that CIMB's system of internal control is adequate in meeting its needs and the regulatory requirements.



The Statement on Risk Management and Internal Control on pages 149 to 157 of this Annual Report sets out the various internal control processes and explains the control mechanisms in place in CIMB.

Matters pertaining to Internal Controls can be addressed to the following persons overseeing Internal Control matters:

#### Internal Controls:

##### Lim Tiang Siew

Group Chief Internal Auditor

Tel: 603-2619 3288

Email: tiangsiew.lim@cimb.com

#### Risk Management:

##### David Richard Thomas

Group Chief Risk Officer

Tel: 603-2261 7180

Email: david.thomas@cimb.com

#### Operational Control and Information Technology Security:

##### Datuk Iswaraan Suppiah

Group Chief Information and Operations Officer

Tel: 603-2261 7777

Email: iswaraan.suppiah@cimb.com

#### Whistle-Blowing Policy

A well-disciplined and professional workforce is the cornerstone of the success of CIMB. All employees of CIMB are expected to be vigilant about any wrongdoings, malpractices or irregularities at the workplace and report such instances promptly through designated channels for immediate rectification or for other necessary measures in minimising potential financial or reputational loss.

The whistle-blowing policy provides employees of CIMB with an accessible avenue to report suspected fraud, corruption, dishonest practices or other similar matters. It aims 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.

Reporting may be made by telephone call or e-mail to the Group Chief Internal Auditor or in the event that it is associated with the Group Chief Internal Auditor, to the Group CEO/ED.

## ENSURING TIMELY AND HIGH QUALITY DISCLOSURE

The corporate website at [www.cimb.com](http://www.cimb.com) plays a crucial part in the Group's environmental awareness initiatives and is utilised as another public communication tool, with a dedicated Corporate Governance section consisting of various materials including the Code of Conduct and Board Charter. Pertinent notifications and publications like the quarterly financial results, Annual Reports, notices of general meetings, circulars to Shareholders, notification of change in substantial Shareholders, and other notable information which are announced via Bursa LINK are made available at the corporate website. Corporate news, Stock Information and Analyst Coverage are also made available under the Investor Relations section for the information of the investing community. CIMB ensures that its website is current, informative and contains information relevant to all stakeholders.

**Corporate Governance**

Statement on Corporate Governance

**STRENGTHENING RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS****Shareholders' Rights**

CIMB fully respects the rights and equitable treatment of its Shareholders. The basic legal rights comprise, amongst others, the right to buy, sell, or transfer securities held, the right to receive dividend and the right to attend Shareholders' meetings or assign proxies.

In accordance with the Companies Act, 1965, CIMB's Shareholders exercise their decision-making powers at general meetings. Shareholders attend meetings in person or through an appointed proxy or authorised representative. Each share entitles the holder to one vote on important meeting agenda items set forth by the Board of Directors.

Matters reserved for Shareholders' approval at the Annual General Meeting include the following:

- The adoption of Financial Statements.
- Distribution of final dividend, if any.
- The election and re-election of Directors.
- Payment of fees to Directors.
- Appointment/re-appointment of External Auditors.
- Amendments to the company's constitution.
- Authorisation of additional shares.
- Transfer of substantial assets.

When considered necessary by the Board of Directors, or when requested in writing by the Shareholders representing at least one-tenth of all of the Company's shares, an Extraordinary General Meeting is convened to address specific matters.

In 2015, CIMB held its Annual General Meeting on 28 April 2015, which was attended by all the Directors, Group Management Committee members and 2,366 Shareholders. The Chairman, who chaired the proceedings at the Annual General Meeting, provided fair opportunity and time to all Shareholders in exercising their rights to raise questions and make recommendations. The proceedings at the Annual General Meeting were recorded in the minutes of the meeting and disclosed to Shareholders on CIMB's website within two weeks after the meeting.

In accordance with Part B.1.1 (B) of the ASEAN Corporate Governance Scorecard, Notice and Agenda of the Annual General Meeting was delivered to the Shareholders 28 days before the meeting.

The Notice and Agenda were also published in the local English and Bahasa Malaysia newspapers and made available on CIMB's website at [www.cimb.com](http://www.cimb.com). The Notice and Agenda were accompanied by explanatory notes and a statement explaining the rationale behind each Agenda item requiring Shareholders' approval.

Voting at the Annual General Meeting is conducted by show of hands unless a poll is requested by the Chairman or Shareholders in accordance with Article 62 of the Company's Articles of Association.

**Proactive Communication with Stakeholders**

CIMB recognises the various rights and roles of its stakeholders, both internally and externally.

The Board of Directors ensures that the investing public is kept up-to-date and informed on CIMB's business strategy and direction. Two-way communication with the stakeholders is essential in ensuring successful implementation of CIMB's strategies and helps to foster Shareholders' confidence in CIMB's success.

In an effort to raise the level of corporate credibility and governance as well as investor confidence, CIMB has designed a structured approach in the CIMB Group Communication Policy. This Policy clearly sets out the principles of communication, the various mediums of communication, policies and procedures relating to dissemination of information to the Shareholders, media and other stakeholders, a step-by-step approach in handling material information and the mechanism used to gauge external opinions. It is CIMB's policy to ensure dissemination of information which is factual, accurate and clear in a timely manner. Material information is to be accessed equally by all stakeholders through broad public dissemination and the Policy strictly prohibits individual or selective dissemination. Contact and communication with stakeholders are conducted through the designated spokespersons approved by the Board or the Group CEO/ED.

CIMB embraces social media as an important communication channel with stakeholders that allow immediate and easy access to information as well as a platform to gain feedback from the stakeholders. CIMB uses various social media channels such as Facebook, Instagram, Twitter, LinkedIn and YouTube to engage with stakeholders and monitors these social media conversation to improve the way CIMB operates.

**Investor Relations**

Investor Relations has the primary responsibility of managing and engaging institutional Shareholders, led by the Group CEO/ED and the Group Chief Financial Officer, and supported by the Head of Investor Relations as well as selected members of Key Senior Management. This is conducted via a combination of direct one-to-one meetings and teleconferences with institutional Shareholders, participation in investor conferences and roadshows in Malaysia and globally, as well as quarterly analyst briefings and conference calls for the announcement of the Group's financial results. These meetings allow Management to engage and update all external institutional stakeholders, be it existing, former or prospective Shareholders. The Group Company Secretary maintains the relationship with individual and non-institutional stakeholders, and engages them prior to Shareholders' Meetings to facilitate more effective communication of their views and feedback to the Board of Directors. Opinions and views of major shareholders are also sought and the Board is kept informed through regular Board of Directors and Board Committee meetings.

The Annual Report is a crucial mode of Shareholders' communication with comprehensive information on CIMB such as the review of the year's financial performance, business updates, growth strategies and corporate milestones.

**Corporate Governance**  
Statement on Corporate Governance

Institutional and retail Shareholders are provided the opportunity to meet CIMB's Directors and Key Senior Management at its Annual General Meeting to raise their queries and comments. The Annual General Meeting also provides individual Shareholders an opportunity to view CIMB up close as the Group CEO/ED presents CIMB's performance for the year which includes an overview of the financials, key accomplishments, strategic overview, future prospects, priorities and targets for the year ahead. From the Company's perspective, the Annual General Meeting serves as a forum for Directors and Key Senior Management to personally engage with Shareholders; to listen and understand their opinions and views. The Board of Directors welcomes questions and feedback from Shareholders during and at the end of the Annual General Meeting and ensures their queries are responded to in a proper and systematic manner.

The Company's Annual General Meeting held on 28 April 2015 had a turnout of 2,366 Shareholders, maintaining the high attendance seen in the previous year. This is a result of CIMB's continued efforts to encourage increased Shareholder participation and interaction. With this in mind, the Board of Directors has agreed to serve a longer notice period for the Annual General Meetings than the statutory minimum notice period. The Chairman, together with the Senior Independent Director, ensures that the Board is accessible to Shareholders and an open channel of communication is cultivated.

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

Annual Reports	Date of Issue/Release
Annual Report 2015	(Date of notice of AGM) 21 March 2016

2015 Quarterly Results	Date of Issue/Release
First Quarter	20 May 2015
Second Quarter	28 August 2015
Third Quarter	25 November 2015
Fourth Quarter	25 February 2016

The primary contact for Investor Relations is as follows:

**Steven Tan Chek Chye**  
Head of Investor Relations  
Tel: 603-2261 9696  
Email: steven.tan@cimb.com

#### Investor Relations Activities in 2015

	Number of meetings/ roadshows	Number of fund managers/ analysts met
Conference meetings	56	180
Non deal road show meetings	13	38
Direct one-on-one meetings	88	390
Teleconferences	20	61



CIMB's Investor Relations activities are set out on pages 15 to 19 of this Annual Report.

#### EMPLOYEE ENGAGEMENT AND INCLUSIVENESS

As a responsible and caring employer, CIMB realises and appreciates the immense contribution of its employees who form the core driving force of the organisation. With this in mind, CIMB gives due regard to the importance of employee engagement and talent development and at the same time provides opportunities to create inclusiveness in the workplace. CIMB believes that creating an engaged workforce and inclusive culture will not only add value by boosting the overall productivity, but will also reduce risks that may damage CIMB's reputation.



Further details on Employee Engagement are in the Human Capital Growth and Talent Development Initiative section of this Annual Report.

#### CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Corporate Responsibility remains a high priority at CIMB with many socially beneficial projects and programmes being underwritten by the Group. In 2015, CIMB contributed approximately RM7 million through its philanthropic arm, CIMB Foundation, towards the development of the community. This was broken down to CIMB Foundation's three core areas of focus: Community Development (RM1.25 million), Sports (RM2.3 million) and Education (RM2.8 million) with Humanitarian Relief and donations taking up the rest of the budget.

2015 saw CIMB play an active role in national flood relief programmes where approximately 78 tonnes of food and supplies were shipped to the areas worst affected by flooding. CIMB also helped to reinvigorate communities by underwriting their water supplies through the building of water wells in Kelantan, Terengganu and Pahang. This venture brought clean drinking water to Malaysians who had lost that facility to the floods.

In Sports, CIMB's Junior Development Programme for squash brought one of the highest number of medals for Malaysia in regional and international tournaments. CIMB's junior footballers have played against and beaten top clubs in the region with some of the more senior players graduating to the Harimau Malaya team.

CIMB works closely with all stakeholders in the realm of CSR and this includes customers, Government agencies, regulators, consumer groups, non-Governmental organisations, neighbourhood associations, suppliers and the media. These close relationships keep CIMB at the forefront of the CSR world in Malaysia.

The Annual Audited Financial Statements of CIMB Foundation are published in this Annual Report and are also contained in the Sustainability Report which outlines the initiatives undertaken by CIMB Foundation.

#### CONCLUSION

The Board is fully satisfied that in 2015, CIMB had taken additional steps and observed good governance practices in accordance with the principles and recommendations of MCCG 2012, the Main Market Listing Requirements, Bank Negara Malaysia Guidelines, the Green Book, MSWG's Malaysia-ASEAN Corporate Governance Scorecard and Bursa Malaysia's 2<sup>nd</sup> Edition Corporate Governance Guide.

This Statement on Corporate Governance was approved by the Board of Directors on 24 February 2016.

**Corporate Governance**

Compliance with the Malaysian Code  
on Corporate Governance 2012

## COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2012

The table below outlines CIMB's compliance with the MCCG 2012:

### PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

MCCG Recommendations	Status of Compliance	Remarks
<b>Recommendation 1.1</b> – The Board should establish clear functions reserved for the Board and those delegated to management.	Complied	<ul style="list-style-type: none"> <li>The Terms of Reference of the Board and Board Committees have been established.</li> <li>Schedule of Matters Reserved for the Board is incorporated in the Board Charter.</li> </ul>
<b>Recommendation 1.2</b> – The Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions.	Complied	<ul style="list-style-type: none"> <li>Roles and Responsibilities of the Board are incorporated in the Board Charter.</li> <li>Roles and Responsibilities of the Board Committees in discharging its functions, as well as the authority that has been delegated by the Board are incorporated in its Terms of Reference</li> </ul>
<b>Recommendation 1.3</b> – The Board should formalise ethical standards through a Code of Conduct and ensure its compliance.	Complied	<ul style="list-style-type: none"> <li>The Board has approved its Code of Ethics which is incorporated in the Board Charter and Code of Conduct for employees.</li> </ul>
<b>Recommendation 1.4</b> – The Board should ensure that the company's strategies promote sustainability.	Complied	<ul style="list-style-type: none"> <li>Sustainability strategies are encapsulated in CIMB's Vision and Mission and forms part of the published Corporate Responsibility Report.</li> </ul>
<b>Recommendation 1.5</b> – The Board should have procedures to allow its members access to information and advice.	Complied	<ul style="list-style-type: none"> <li>Procedure for Directors to seek Independent Advice has been established.</li> </ul>
<b>Recommendation 1.6</b> – The Board should ensure it is supported by a suitably qualified and competent Company Secretary.	Complied	<ul style="list-style-type: none"> <li>The Board is supported by a qualified and competent Company Secretary.</li> </ul>
<b>Recommendation 1.7</b> – The Board should formalise, periodically review and make public its Board Charter.	Complied	<ul style="list-style-type: none"> <li>A review of the Board Charter was initiated in the last Quarter of 2015. The updates once approved by the Board of Directors will be made available on the Company's website.</li> </ul>

### PRINCIPLE 2 – STRENGTHEN COMPOSITION

MCCG Recommendations	Status of Compliance	Remarks
<b>Recommendation 2.1</b> – The Board should establish a Nominating Committee which should comprise exclusively of Non-Executive Directors, a majority of whom must be Independent.	Complied	<ul style="list-style-type: none"> <li>Members of the Group Nomination and Remuneration Committee comprise only Non-Executive Directors.</li> <li>Four (4) of the total five (5) members of the Group Nomination and Remuneration Committee are Independent Directors.</li> </ul>
<b>Recommendation 2.2</b> – The Nominating Committee should develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors.	Complied	<ul style="list-style-type: none"> <li>The Terms of Reference of the Group Nomination and Remuneration Committee is in line with this recommendation.</li> <li>The criteria on the recruitment process and annual assessment of Directors is contained in the Fit and Proper Policy and Procedures for Key Responsible Persons.</li> </ul>
<b>Recommendation 2.3</b> – The Board should establish formal and transparent remuneration policies and procedures to attract and retain Directors.	Complied	<ul style="list-style-type: none"> <li>The Terms of Reference of the Group Nomination and Remuneration Committee is in line with this recommendation.</li> <li>A Remuneration Framework has been established and is subject to review every three years.</li> </ul>

### PRINCIPLE 3 – REINFORCE INDEPENDENCE

MCCG Recommendations	Status of Compliance	Remarks
<b>Recommendation 3.1</b> – The Board should undertake an assessment of its Independent Directors annually.	Complied	<ul style="list-style-type: none"> <li>The Group Nomination and Remuneration Committee undertakes assessment of all Directors' annually via the Board Effectiveness Assessment exercise.</li> </ul>
<b>Recommendation 3.2</b> – The tenure of an Independent Director should not exceed a cumulative term of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director.	Complied	<ul style="list-style-type: none"> <li>The tenure of an Independent Director is capped at nine years and this is incorporated in the Terms of Reference of the Board of Directors.</li> </ul>
<b>Recommendation 3.3</b> – The Board must justify and seek Shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than nine years.	Complied	<ul style="list-style-type: none"> <li>The Terms of Reference of the Group Nomination and Remuneration Committee and the Board of Directors is in line with this recommendation.</li> </ul>
<b>Recommendation 3.4</b> – The positions of Chairman and CEO should be held by different individuals, and the Chairman must be a Non-Executive member of the Board.	Complied	<ul style="list-style-type: none"> <li>The positions of Chairman and Group Chief Executive are held by different individuals.</li> <li>The Chairman is a Non-Independent Non-Executive member of the Board.</li> </ul>
<b>Recommendation 3.5</b> – The Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director.	Complied	<ul style="list-style-type: none"> <li>The Chairman is a Non-Independent Non-Executive member of the Board</li> <li>The Independent Directors make up 55% of the total Board composition.</li> </ul>

### PRINCIPLE 4 – FOSTER COMMITMENT

MCCG Recommendations	Status of Compliance	Remarks
<b>Recommendation 4.1</b> – The Board should set out expectations on time commitment for its members and protocols for accepting new directorships.	Complied	<ul style="list-style-type: none"> <li>This recommendation is incorporated in the Board Charter and the Fit and Proper Policy and Procedures for Key Responsible Persons.</li> </ul>
<b>Recommendation 4.2</b> – The Board should ensure its members have access to appropriate continuing education programmes.	Complied	<ul style="list-style-type: none"> <li>The Company Secretary facilitates the Directors' participation in training programmes and ensures the Directors undergo ongoing training.</li> </ul>

**Corporate Governance**

Compliance with the Malaysian Code on Corporate Governance 2012

**PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING**

MCCG Recommendations	Status of Compliance	Remarks
<b>Recommendation 5.1</b> – The Audit Committee should ensure financial statements comply with applicable financial reporting standards.	Complied	<ul style="list-style-type: none"> <li>Directors' Responsibility Statement in relation to financial reporting standards is tabled to the Audit Committee during presentation of Annual Audited Financial Statements.</li> </ul>
<b>Recommendation 5.2</b> – The Audit Committee should have policies and procedures to assess the suitability and independence of External Auditors.	Complied	<ul style="list-style-type: none"> <li>Procedures to assess the suitability, independence and performance of External Auditors have been established.</li> </ul>

**PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS**

MCCG Recommendations	Status of Compliance	Remarks
<b>Recommendation 6.1</b> – The Board should establish a sound framework to manage risks.	Complied	<ul style="list-style-type: none"> <li>The long-term (3-5 years) Risk Appetite Statement and the annual Risk Appetite Review forms part of the Terms of Reference of the Board. Through the Board Risk Committee, the Board of Directors has established a framework to formulate and review risk management policies and risk strategies.</li> </ul>
<b>Recommendation 6.2</b> – The Board should establish an internal audit function which reports directly to the Audit Committee.	Complied	<ul style="list-style-type: none"> <li>The Group Internal Audit Division reports directly to the Audit Committee.</li> </ul>

**PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE**

MCCG Recommendations	Status of Compliance	Remarks
<b>Recommendation 7.1</b> – The Board should ensure the Company has appropriate corporate disclosure policies and procedures.	Complied	<ul style="list-style-type: none"> <li>This recommendation is reflected in the Group Communications Policy.</li> </ul>
<b>Recommendation 7.2</b> – The Board should encourage the Company to leverage on information technology for effective dissemination of information.	Complied	<ul style="list-style-type: none"> <li>Corporate announcements are made via Bursa LINK and Information is disseminated via the Company's website, and social media such as Twitter, Facebook, Instagram and LinkedIn.</li> </ul>

**PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS**

MCCG Recommendations	Status of Compliance	Remarks
<b>Recommendation 8.1</b> – The Board should take reasonable steps to encourage Shareholder participation at general meetings.	Complied	<ul style="list-style-type: none"> <li>The Board of Directors has agreed to serve longer than the required minimum notice period for Shareholders' meetings when possible, and actively engage stakeholders prior to each meeting.</li> </ul>
<b>Recommendation 8.2</b> – The Board should encourage poll voting.	Complied	<ul style="list-style-type: none"> <li>Poll voting is available upon request by the Shareholders.</li> </ul>
<b>Recommendation 8.3</b> – The Board should promote effective communication and proactive engagements with Shareholders.	Complied	<ul style="list-style-type: none"> <li>Communication and engagement with Shareholders are through investor conferences, roadshows, direct one-on-one meetings and teleconferences.</li> </ul>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### BOARD RESPONSIBILITY

The Board is cognisant of its overall responsibility and oversight of CIMB Group's system of internal control and is constantly keeping abreast with developments in areas of risk and governance. To this end, the Board continues to be involved in determining the group's level of risk appetite and in identifying, assessing and monitoring key business risks to safeguard shareholders' investments and the group's assets, in a manner which enables the CIMB Group to maximise profitable business opportunities. For this purpose, the Board has ensured the establishment of key processes for reviewing the effectiveness, adequacy and integrity of the group's system of internal controls and risk management. Whilst it is not possible to eliminate risks of failure in achieving the group's objectives, the system of internal controls is designed to reduce these risks by identifying, managing and controlling risks, including operational risk.

The Board is satisfied that CIMB Group has a sound system of internal controls in place that is functioning adequately and that integrity is maintained throughout the group's business. A number of policies and procedures have been formalised to further enhance the system of internal controls and mitigate risks. Delegated Authority and authority limits are established and periodically reviewed to facilitate smooth daily banking and financing operations, trading activities, extension of credit facilities, restructuring, investments as well as acquisitions and disposals of assets. Continual testing of the adequacy, effectiveness, efficiency and integrity of the internal controls systems and processes is conducted to ensure it is viable and robust, in line with the requirements of the guidance entitled Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Malaysia Securities Berhad.

The Board has also obtained assurance from the Group Managing Director/Chief Executive Officer and Group Chief Financial Officer that CIMB Group's risk management and internal controls system is operating adequately and effectively.

### Risk Management and Control Framework

The Board recognises that sound risk management and internal controls are integral parts of CIMB Group's business and operations, and are critical in ensuring the group's success and sustainable growth.

The emphasis of a strong risk management culture is the foundation of the control mechanisms within the Group's Enterprise-Wide Risk Management (EWRM) framework. The framework involves an on-going process of identifying, assessing, controlling, monitoring and reporting material risks affecting the achievement of the CIMB Group's business objectives. It provides the Board and the Senior Management with tools to anticipate and manage both the existing and potential risks, taking into consideration changing risk profiles and the group's business strategies and risk appetite.

In order to further enhance the cultivation of risk management culture within the organisation, CIMB Group adopts the three lines of defence model in implementing the EWRM framework, which provides clear accountability of risk management across the group. The business and support units which are the first lines of defence are primarily responsible for the identification and management of risks within their day-to-day operations. Group Risk Division and Group Compliance Department, within the second line of defence provides oversight functions; including measuring, performing independent evaluation and monitoring and reporting to the Board and Senior Management, to ensure that the group is conducting business and operating within the approved risk appetite and in compliance with the relevant regulations. Group Internal Audit Division, as the third line of defence, provides independent assurance to the Board that the internal controls and risk management activities are functioning as designed. The Board has also established the Board Risk Committee, whose responsibilities, amongst others, include overseeing the effective implementation of the EWRM framework.

### INFORMATION TECHNOLOGY SECURITY

Information Security requires integrated strategy governing discipline over people, process and technology. In 2015, the Group enhanced its Information Security strategies planning on each of the three components for adequate overall risk mitigations.

In order to strengthen and enhance the level of information security management, in addition to adhering to Bank Negara Malaysia's Guidelines on Management of IT Environment, CIMB Group had 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 – Information security management system standard defined by ISO and internationally accepted best practice 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 2015, we had successfully maintained our WebTrust certification for the CIMB Clicks retail banking platform. The certification requires consistent maintenance and enhancement to enable effective information security management controls to examine information security risks, taking into account the threats, vulnerabilities and impacts. A comprehensive suite of information security controls and risk treatments were designed and implemented to mitigate such risks.

**Corporate Governance**

Statement on Risk Management and Internal Control

In line with the banking business growth and IT Infrastructure expansions, our technology design was constantly reviewed in 2015 and improved to effectively mitigate both internal and external risks and threats. The improvement is evidenced by completion of projects to strengthen security controls according to our IT Security Blueprint roadmap. We have also enhanced our Security Operation Center to monitor and respond to potential cyber-attacks in a more effective manner. In addition, we have expanded our security intelligence sources for early warning of threats. This allows us to strengthen our controls before the attacks arrive.

At the network security level, the network access control system was expanded to cover more user groups and buildings to prevent unauthorised devices to enter the corporate network. CIMB 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 security risks when data traverses the network. The definition files and configurations of these tools were and continue to be updated as and when required to mitigate newly discovered vulnerabilities.

CIMB Group has implemented information security awareness programmes targeted at employees to raise awareness about privacy, leakage of information and security responsibility. These programmes consist of e-learning and 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, governance practices and monitoring of internal control processes in the Group. Senior 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 ascertains that mitigation plans are implemented by senior management to safeguard the interests of the Group and upkeep proper governance. Management of business and support units that are rated as ‘Unsatisfactory’ or ‘Unacceptable’ by internal audit are counseled by the respective subsidiary’s audit committee.

The Group AC also reviews all related party transactions, and audit and non-audit related fees proposed by the external auditors of the Group.

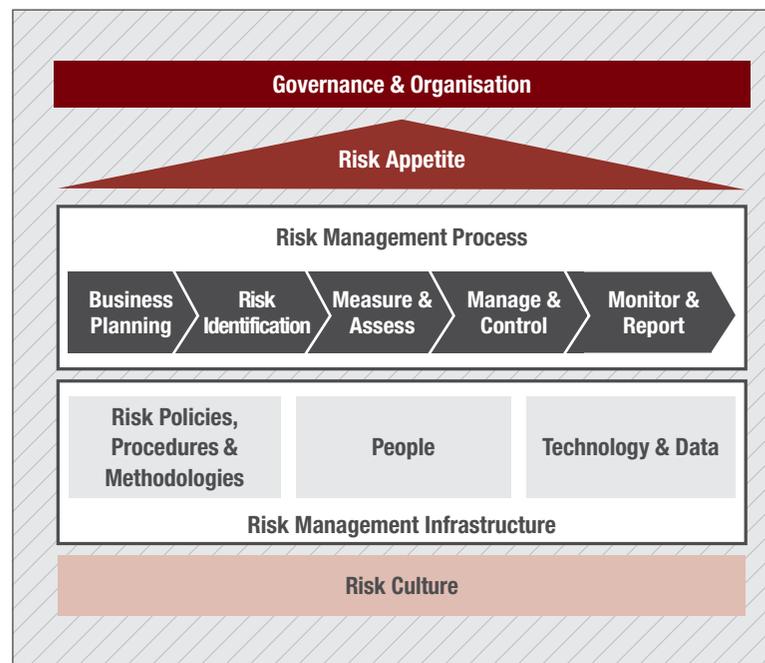
Presentations of business plans, current developments, operations, risks of the business and controls to mitigate risks are made by the relevant business and support units as and when deemed necessary by the Group AC.

Group AC members are also invited to attend the Group’s Annual Management Summit where key business and support divisions review their operations for the year and present strategies and plans for the coming year.

- **Enterprise-Wide Risk Management Framework**

CIMB Group employs the EWRM framework as a standardised approach to manage its risks and opportunities across the group. The EWRM framework is consistently adopted by all risk management teams across all jurisdictions, save for some necessary adjustments as required by local regulations.

The key components of the EWRM framework are represented in the following diagram:



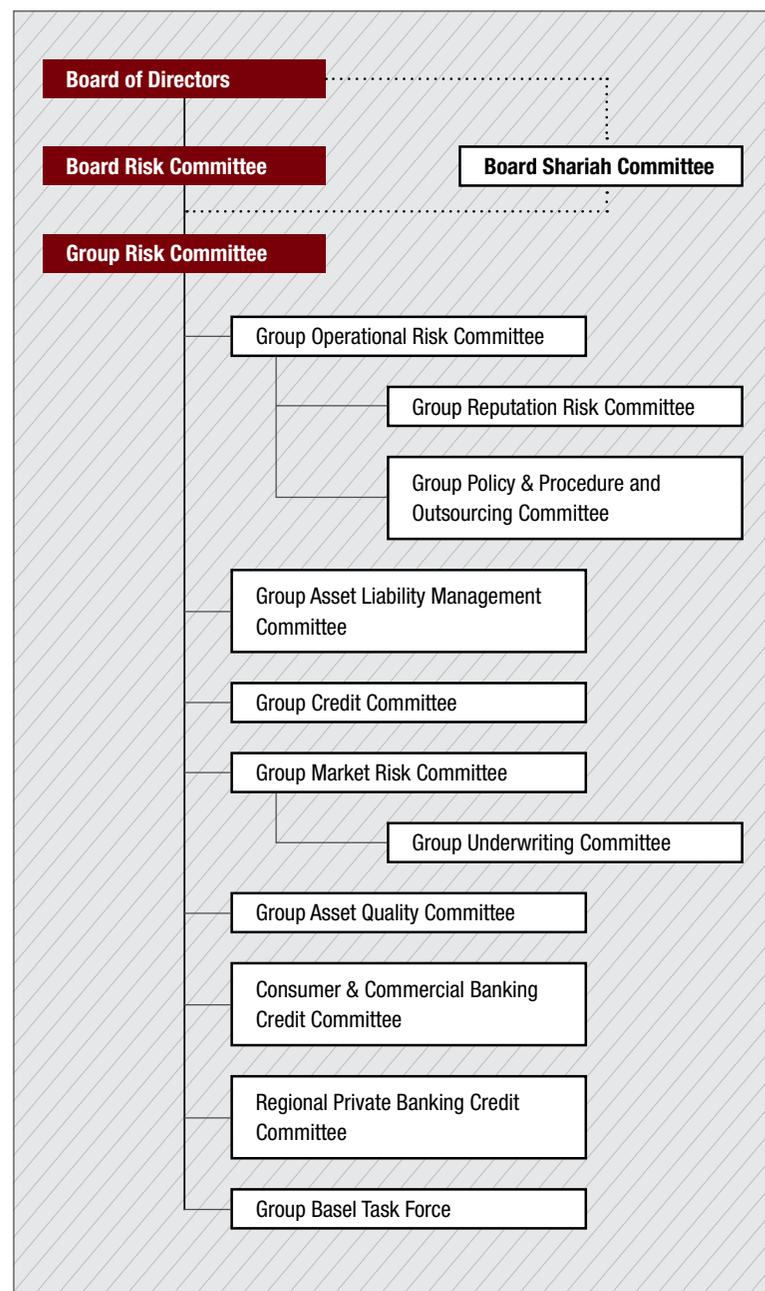
The design of the EWRM framework involves a complementary ‘top-down strategic’ and ‘bottom-up tactical’ risk management approach with formal policies and procedures addressing all areas of significant risk for the Group.

The key features of the EWRM framework are:

- (i) **Governance & Organisation:** A strong governance structure is important to ensure an effective and consistent implementation of the Group's EWRM framework. The Board is ultimately responsible for the Group's risk management activities, sets the strategic directions, risk appetite and relevant frameworks for the Group. The Board is assisted by various risk committees and control functions in ensuring that the Group's risk management framework is carried out effectively.
- (ii) **Risk Appetite:** It is defined as the amount and type of risks that the Group is able and willing to accept in pursuit of its strategic and business objectives. Risk appetite is set in conjunction with the annual strategy and business planning process to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital and risk.
- (iii) **Risk Management Process:**
  - **Business Planning:** Risk is central to the business planning process, including setting risk appetite, risk posture and new product/new business activities.
  - **Risk Identification:** Risks are systematically identified through the robust application of the Group's risk frameworks, policies and procedures.
  - **Measure and Assess:** Risks are measured and aggregated using Group wide methodologies across each of the risk types, including stress testing.
  - **Manage and Control:** Controls and limits are used to manage risk exposures within the risk appetite set by the Board. Controls and limits are regularly monitored and reviewed in the face of evolving business needs, market conditions and regulatory changes. Corrective actions are taken to mitigate risks.
  - **Monitor and Report:** Risks on an individual as well as a portfolio basis are regularly monitored and reported to ensure they remain within risk appetite. Risk adjusted performance is monitored.
- (iv) **Risk Management Infrastructure:**
  - **Risk Policies, Procedures and Methodologies:** Well-defined risk policies by risk type provide the principles by which the Group manages its risks. Procedures provide guidance for day-to-day risk taking activities. Methodologies provide specific requirements, rules or criteria to be met to comply with the policy.
  - **People:** Attracting the right talent and skills are key to ensuring a well-functioning EWRM Framework. The organisation continuously evolves and proactively responds to the increasing complexity of the Group as well as the economic and regulatory environment. Performance measurement and compensation are aligned to the strategy plan and risk appetite.
  - **Technology and Data:** Appropriate technology and sound data management are enablers to support risk management activities.
- (v) **Risk Culture:** The Group embraces risk management as an integral part of its culture and decision-making processes. The Group's risk management philosophy is embodied in the Three Lines of Defence approach, whereby risks are managed at the point of risk-taking activity. There is clear accountability of risk ownership across the Group.

• **Risk Governance Structure**

The structure of CIMB Group Risk Committees is depicted as follows:



## Corporate Governance

Statement on Risk Management  
and Internal Control

### • Board Risk Committee

At the apex of the governance structure are the respective Boards, which decides on the entity's Risk Appetite corresponding to its business strategies. In accordance to the Group's risk management structure, the Board Risk Committee (BRC) reports directly into each Board and assumes responsibility on behalf of the Board for the supervision of risk management and control activities. The BRC determines the Group's risk strategies, policies and methodologies, keeping them aligned with the principles within the Risk Appetite. The BRC also oversees the implementation of the EWRM framework and provides strategic guidance and reviews the decisions of the Group Risk Committee.

In order to facilitate the effective implementation of the EWRM framework, the BRC has established various risk committees within the Group with distinct lines of responsibilities and functions, which are clearly defined in the terms of reference.

### • Group Risk Committee

The responsibility of the supervision of the risk management functions is delegated to the Group Risk Committee (GRC), which reports directly to the BRC. The GRC performs the oversight function on overall risks undertaken by the Group in delivering its business plan vis-à-vis the stated risk appetite of the Group. In this regard, the GRC reviews the Internal Capital Adequacy Assessment Process annually to ensure that all relevant risks have been identified and captured, and that CIMB Group has sufficient capital resources to undertake such risks in normal and stressed business conditions.

The GRC supervises the periodic group wide stress testing exercises by endorsing the appropriate scenarios based on the projected macroeconomic conditions and recommending the results of the Stress Test exercise for the BRC's approval.

The GRC is also responsible to recommend the Group's Risk Appetite Statement to the BRC taking into consideration the budget, annual business plans and expected macroeconomic conditions. In implementing the Risk Appetite Statement across CIMB Group, GRC, supported by the Group Risk Division, encourages timely escalation of all events which may materially impact the Group's financial condition or reputation to the GRC for appropriate action.

The GRC is further supported by specialised risk committees, namely Group Credit Committee, Group Market Risk Committee, Group Operational Risk Committee, Group Asset Liability Management Committee and Group Asset Quality Committee, with each committee providing oversight and responsibility for specific risk areas namely, credit risk, market risk, operational risk, liquidity risk and capital risk.

Similar risk committees are set-up in each of the Group's overseas subsidiaries in their respective jurisdictions. Whilst recognising the autonomy of the 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 relevant Group and Regional committees have consultative and advisory responsibilities on regional matters across the Group. This structure increases the regional communication, sharing of technical knowledge and support towards managing and responding to risk management issues, thus allowing the Board to have a comprehensive view of the activities in the Group.

### • Board Shariah Committee

The Board Shariah Committee (Shariah Committee) is responsible for overseeing all Shariah matters of the group in accordance with the relevant regulatory frameworks in the jurisdictions where CIMB Group operates in. The Shariah Committee, amongst others, ensures that the Shariah rulings relating to Islamic banking and capital market products and services comply with the fundamental Shariah precepts and resolutions by the relevant Shariah authorities.

The Shariah Committee is assisted by the Shariah and Governance department that functions as an internal adviser on Shariah matters to all business and support units within the group in carrying out their Islamic banking, capital market and finance activities. It serves as the intermediary between such units and the Shariah Committee. In addition to recommending the relevant and appropriate Shariah policies and procedures for the Shariah Committee's approval, the Shariah and Governance department also provides training across the group on the Shariah Governance Framework (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;
- (b) Shariah Compliance Review;
- (c) Shariah Risk Management COE;
- (d) Shariah Audit.

The Shariah and Governance department facilitates the implementation of Shariah Research, whilst Shariah Compliance Review, Shariah Risk Management COE and Shariah Audit functions are performed by the Group Compliance, Group Risk and Group Internal Audit respectively.

#### (a) Shariah Research

The Shariah Research unit comprises qualified Shariah officers who conduct the pre-product approval process, research, vetting of issues for submission and undertake administrative and secretarial duties relating to the Shariah Committee. This unit is divided into two functions:

- (i) *Research*  
Responsible for performing in-depth research and studies on Shariah issues, including providing day-to-day Shariah advice and consultation to the business and support units and/or those involved in the product development process.
- (ii) *Secretariat*  
Responsible for coordinating meetings, compiling proposal papers, disseminating Shariah decisions to relevant stakeholders and engaging with relevant parties who wish to deliberate issues with the Shariah Committee.

The responsibility also includes coordinating submission of proposals to the Group Nomination and Remuneration Committee, the respective Bank Boards and Bank Negara Malaysia on the appointment and reappointment of the Shariah Committee members.

**Corporate Governance**  
Statement on Risk Management  
and Internal Control

In carrying out both tasks, the Shariah Research Unit is guided by the Group Shariah Compliance Policy and General Procedures Manual. All communication between CIMB Group and the Shariah Committee will be facilitated solely by this unit.

**Islamic Business Governance Committee (IBGC)**

In addition to the above, a sub-committee namely Islamic Business Governance Committee (IBGC) was established to assist the Chief Executive Officer (CEO) of Group Islamic Banking and the Group Islamic Banking Committee in the management and overall oversight on the governance of Islamic business of CIMB Group including without limitation the implementation of the Shariah Governance and the review of structures, mechanism, techniques and process for the purpose of end-to-end products development and other processes related to Islamic business in the respective geographies and/or legal entities of CIMB Group.

This sub-committee serves as the forum for the overall reporting of the governance of Islamic business within the CIMB Group.

**(b) Shariah Compliance Review**

In line with the Bank Negara Malaysia's Shariah Governance Framework for Islamic Financial Institutions, the Shariah Compliance Review Unit of the Group Compliance Department, comprising qualified Shariah officers, is responsible for conducting the Shariah compliance review function.

The Shariah Compliance Review unit has established the CIMB Group Shariah Compliance Review Policy and Procedures Manual which sets out the Shariah compliance review function, encompassing regular assessment on Shariah compliance in the activities and operations of CIMB Group, including examining and evaluating CIMB Group's level of compliance to the Shariah, remedial rectification measures to resolve non-compliances and control mechanisms to avoid recurrences.

In ensuring the activities and operations of the group are Shariah compliant, the Shariah compliance review officer conducts pre and post-review of CIMB Group's activities and operations as per the Shariah compliance review work plan approved by the Shariah Committee and the respective Boards.

**(c) Shariah Risk Management COE**

As part of the EWRM framework, Shariah non-compliance (SNC) risk is identified as one of the material risks for CIMB Group, specifically under its Islamic banking business. In this regard, CIMB Group has established a dedicated Shariah Risk Management (SRM) team to facilitate a systematic and consistent approach in managing SNC risk.

The Shariah Risk Management Framework (SRMF) was revised in May 2015. The SRMF articulates the objectives, mission, guiding principles, governance structure as well as methodology and approach adopted by CIMB Group in managing SNC risk. The SRMF defines SNC risk as the group's possible failure to comply with Shariah rulings as determined by the relevant Shariah Committees and as prescribed in the group's internal policies and procedures. The SRMF also lists out incidences of SNC and

illustrates the cause and impact of non-compliance with Shariah rulings as well as controls that have been put in place by CIMB Group to mitigate SNC risk. The framework provides guidance and enables the first line of defence to systematically identify, monitor and control SNC risks in their respective areas, thus minimising potential SNC events.

In 2015, the SRM team initiated several training programmes with a view to increasing the level of awareness on SNC risks.

**(d) Shariah Audit**

Shariah Audit, under the purview of Group Internal Audit Division (GIAD), reports independently to both the Board Audit Committee and the Shariah Committee on Islamic business operations and activities particularly on Shariah compliance related matters. The principal objective is to provide independent assessment and assurance designed to add value and improve the degree of compliance in relation to the Group's Islamic business operations, as well as ensuring a sound and effective internal control system for Shariah-compliance.

In general, Shariah Audit adopts a similar methodology implemented by GIAD in carrying out the function which includes engagement activities, audit planning, test of controls, substantive procedures, reporting and follow-up on remedial actions. The scope of Shariah Audit is established in line with the areas stipulated in BNM's Shariah Governance Framework as well as accepted auditing standards.

As the function requires auditors to possess adequate Shariah-related knowledge and training, they are required to attend various related training programmes conducted internally and externally. GIAD, in collaboration with Group Human Resource (Learning and Development Department), have made arrangement with a reputable Islamic banking association to provide relevant Islamic banking certification to the auditors. In 2014, the first batch of 16 auditors completed the certification programme which encompassed three stages namely Associate Qualification in Islamic Finance, Intermediate Qualification in Islamic Finance and Advance Qualification in Islamic Finance. Currently, another batch of 17 auditors is undergoing the similar programme.

• **Board Oversight Committee**

The Board Oversight Committee was established by the CIMB Group Holdings Board in 2014 with the delegated authority to act on the Board's behalf to ensure that the decision of the Board, strategic matters, business plans, budgets, daily business and operational issues are carried out, implemented and/or monitored efficiently and effectively by Management and that the requirements of good corporate governance practices are observed.

The primary role of the Board Oversight Committee is to oversee the implementation and monitoring of the Board's decisions and to provide strategic guidance for CIMB Group as delegated by the Board in its terms of reference.

## Corporate Governance

### Statement on Risk Management and Internal Control

- **Group Management Committee**

The Group Management Committee (GMC) assists the Group Chief Executive Officer in ensuring that the daily operations of the group are conducted in accordance with the corporate objectives, strategies, approved annual budget, applicable laws and regulations as well as CIMB Group's internal policies and procedures, that goes to the heart of how the group conducts business. The results of core divisions and operating units are reported monthly at the GMC meetings and compared with the approved budget.

The GMC members review their respective business plans and report to the Group Chief Executive Officer the performance of their respective business divisions in line with the Group's strategy and other matters as directed by the Board and the Group Chief Executive Officer.

- **Internal Policies and Procedures**

Policies are formulated to govern standard day-to-day operations and to manage the expected risks of CIMB Group. As such, CIMB Group's policies are developed from the baseline of current regulatory requirements and industry best practices to govern the business and operations of the group. The policies of the business and support units are documented, endorsed by the GRC or its sub-committee(s) and approved by the relevant Boards or Board Risk Committee for implementation across the Group, where applicable. Operational procedures, on the other hand, are approved by the Group Policy and Procedure and Outsourcing Committee (GPOC) for implementation. The approved policies and procedures are timely disseminated to stakeholders. Reviews and updates are performed regularly on approved policies and procedures 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 CIMB Group and its major subsidiaries receive periodic management reports which highlight the key financial and operating statistics, including legal and regulatory matters. The Boards deliberate on these matters and where necessary, ensure that prompt actions are taken in executing and resolving the matters in a timely and satisfactory manner. Each core division presents its respective management report at the monthly GMC meetings. The performance of each division is assessed against the approved budgets and corporate objectives; and justification is required for significant variances. The reviews cover, amongst others, monthly financial performance, new business proposals and listing of defaulted accounts as well as discussions on pertinent issues, strategy and 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 appraisal on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by Management. In evaluating internal controls, GIAD adopts the five components set out in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations

of the Treadway Commission (COSO); namely control environment, risk assessment, control activities, information and communication, and monitoring activities. COSO is an internationally recognised organisation providing thought leadership and guidance on internal control, enterprise risk management and fraud deterrence.

GIAD's scope of coverage encompasses all business and support units, including subsidiaries that do not have their own audit units. 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. Areas 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 areas that must be audited annually due to regulatory requirements, recent incidence of fraud or rated as "Unsatisfactory" or "Unacceptable" in the past year. 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'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 regulatory 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, response of management, and comments and recommendations by GIAD for improvement. The Group AC reviews any exceptions or non-compliance raised and ascertains that appropriate and prompt remedial actions are taken by the management.

GIAD conducts training routinely for relevant staff of the Bank on governance and internal control matters, including attachment of certain staff with GIAD for both classroom and on-the-job training.

The domestic and foreign banking subsidiaries have their own Audit Committees. The foreign banking subsidiaries have their own internal audit divisions. The asset management subsidiaries in Malaysia and overseas, and the electronic collection system subsidiary in Malaysia, also have their own audit committees but the internal audit function for these subsidiaries is carried out by GIAD. The Group AC meets with the relevant subsidiary's audit committee once a year to discuss governance and audit matters. The internal audit divisions of the foreign banking subsidiaries submit a report to the Group AC once every quarter. These internal audit divisions follow the same audit planning and audit rating methodology as GIAD with such modifications as necessary to suit local environment and regulations.

As a means to objectively evaluate its service quality and to ensure it continues to improve its service delivery, GIAD appointed a leading certification body to conduct an assessment on its quality management system in 2014 and has been awarded the ISO 9001:2008 Certification for the internal audit services, a first for a financial institution in Malaysia. In 2015, GIAD passed the annual ISO 9001:2008 surveillance audit conducted by the same certification body.

**Corporate Governance**  
Statement on Risk Management  
and Internal Control

- **Compliance Framework**

The Board recognises that compliance function forms an integral part of CIMB Group's risk management and internal controls, as a strong compliance culture reflects a corporate culture of high integrity and ethics.

The CIMB Group compliance function is driven by the Group Compliance (GC) Division and which is headquartered in Malaysia. Its main function is to advise, monitor and educate the business and support units/entities to act in accordance with laws, regulations and guidelines.

In line with good governance, the GC Division reports independently to the Board. Appropriate governance has also been established with clear reporting lines by the local and regional compliance officers to the Group Chief Compliance Officer and the respective local entity Boards, to the extent permitted by the regulations of the local jurisdictions.

As it is vital to have a robust and effective compliance framework in place to safeguard the interest of CIMB Group, stakeholders, customers/clients and employees, CIMB Group has in place a GC Framework whereby the setting of compliance policies and standards with appropriate mechanisms and tools are driven at the group level to ensure consistency in managing compliance risk within CIMB Group. The GC Framework requires all local and regional entities within the group to adopt and implement the GC Policies and Procedures, Chinese Walls Policies and Procedures Manual and Conflict Management Policies and Procedures, which are reviewed on a periodic basis or as and when required to reflect current practices and the applicable legal/regulatory requirements. Training are conducted regularly to create compliance awareness of the GC Framework and to facilitate its implementation within the group.

Under the GC Framework, all business and support units/entities are required to establish Compliance Matrix to ensure CIMB Group complies with regulatory requirements. The Compliance Matrix is a document that encompasses relevant laws, regulations and guidelines which are applicable to the business and support units/entities. Business and support units/entities are required to conduct a self-testing exercise on the Compliance Matrix and GC Division will conduct verification of the self-testing conducted by business and support units/entities independently. Additionally, the GC Division also conducts scheduled compliance reviews on business and support units/entities. GC has unrestricted access to all information, records and business premises of the group and has the authorisation to speak to any employee of the group about any conduct, business practice, ethical matter or other issue relevant to discharging GC's duties. The GC annual compliance risk assessment and compliance programme is tabled and approved by the respective entity Boards.

The respective entity Boards, as well as the CIMB Group Holdings Berhad 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.

- **Group-Wide Chinese Walls Policy and Group Conflict Management Policy**

It is CIMB Group's policy to take all reasonable steps to identify and properly manage any conflict or potential conflict of interest that might arise from the provision of investment banking services, ancillary services or a combination of both. The CIMB Group Conflict Management and Chinese Walls Policies set out the policies on management of conflict of interest and its escalation and policy governing confidential and inside information (the Policy). The Policy is also adopted and implemented by the relevant entities within CIMB Group to ensure that confidential and/or inside information are properly dealt with thus helping to make sure that clients' and internal data is treated appropriately and that clients are treated fairly.

- **Code of Ethics**

CIMB Group has adopted and institutionalised Bank Negara Malaysia's Code of Ethics for banking institutions in all its entities. It is the minimum code of conduct that is expected from all employees encompassing all aspects of its daily business operations. CIMB Group inculcates good and ethical banking standards in its employees from the moment they join the organisation, when they are required to acknowledge in writing their understanding of the code. The code is emphasised at the Group Orientation programme and training programmes when certain aspects are highlighted.

- **Human Resources Policies and Procedures**

The Human Resources Policies and Procedures (HRPP) of CIMB Group provides clarity for the organisation in all aspects of the human resource management in the Group. CIMB Group reviews its HRPP periodically to ensure that the policies and procedures remain relevant, and appropriate controls are in place to manage operational risks.

Group Human Resource updates employees of changes to policies and procedures via email messages/memoranda. These policies and procedures are also easily accessible by all employees via CIMB Group's intranet portal, for employees to refer to at their convenience.

- **People Development**

CIMB Group acknowledges that people development is critical to ensure that there is a constant pool of talents to fuel the business' growth needs. Therefore employees need to have the right competencies to perform in their roles and exercise sound judgement when fulfilling those responsibilities.

To ensure that we leverage of the right talents to fit the various needs of the organisation, the Performance-Potential Nine-Box Grid talent mapping standardises the identification and segmentation of our talent pools across the Group. This enables leadership teams across the business units deploy necessary interventions by the different talent pools to best develop and maximise their potential. This practice also enables the identification of a pool of high potentials and suitable successors who could potentially take on critical leadership roles in the organisation and mitigate vacancy risk.

**Corporate Governance**

Statement on Risk Management  
and Internal Control

Our Talent Review Council (TRC) which consists of key members of the leadership team governs the talent management for each country and business functions with its members held accountable for the development of their employees. Individual development plans are co-created between the individuals and their managers through career conversations. Focused predominantly on building breadth and/or depth in one's career experiences, a blended development approach of building experiences, learning from others and formal learning is adopted as a best practice within the organisation. Through CIMB's Global Employee Mobility, we cultivate a collaborative work culture within the Group and enrich our talents' regional work exposure.

CIMB's formal learning programmes span across leadership, universal banking and role-based certifications and development programmes. An example of a senior leadership programme is the CIMB-INSEAD Leadership Programme, which allows the development of leadership skills for senior management with a more global outlook of the business. Another is the Accelerated Universal Bankers Programme that emphasises the competency of universal banking for middle management employees. The Branch Manager Entrepreneur (BME) programme is an example of a role-based programme to develop future branch managers on top of functional skills trainings and certification programmes through business academies.

To mitigate readiness risk in placing an internal talent into a senior leadership role, the individuals will then be assessed to clarify their competencies and readiness. A combination of best-in-class, world-wide recognised tools of international standards are used to assess their competencies aligned with the CIMB Competency Framework. Feedback coaching post assessment is provided to the individuals to further work on their development gaps.

In mobilising talents into new roles and to other parts of the region, mitigation of their transition risk is critical to ensure they adapt and grow into their roles successfully. The TRC monitors and reviews transition progress and provides necessary support including executive coaching, first 90 days guidance and check-point discussions with supervisors.

- **Remuneration**

CIMB Group's remuneration philosophy aims to reinforce a pay-for-performance culture while ensuring appropriate risk-taking behaviour.

The governance is established on all remuneration-related matters through the Group Compensation Review Committee, which reviews and approves remuneration policies and payouts together with the Board of Directors. Decisions on variable remuneration are made based on the performance of the respective units in CIMB Group and taking into consideration risk-adjusted performance measures such as Economic Profit and Risk Adjusted Return on Capital, which are incorporated in our scorecards and reporting. The Committee is also guided on their decisions according to the advice and assessment provided by the Group's risk, audit and compliance functions on the respective units in CIMB Group.

CIMB Group has a deferred remuneration structure in place through an equity ownership plan, where the share awards are vested over three years. This share-based long term incentive plan applies to key personnel and senior management of CIMB Group, as well as identified material risk takers. The plan serves to align the interest of this group of employees to that of our shareholders and to increase focus towards long-term sustainability, as well as retaining them with CIMB Group.

- **Culture**

Integrity is one of the core values that are persistently emphasised by the Management. This goes beyond non-tolerance of fraud, and also covers professionalism, being honest and respectful. Many programmes and initiatives have been put in place to reinforce this value in employees. Through the practice of giving back, leaders share experiences that help others understand business issues from the perspective of integrity and also help each other deal with existing challenges. This is further emphasised via e-learning.

Where suspected fraud is detected, however, the Group ensures prompt investigations and disciplinary actions are taken against offending employees. Disciplinary actions taken can include dismissal of employment and filing of civil suit for the recovery of losses.

- **Whistle Blowing**

A well-disciplined and professional workforce is the cornerstone of a successful organisation. Therefore, all employees are expected to be vigilant about wrong doings, malpractices or irregularities at their workplace. All employees are made aware of CIMB Group's whistle blowing policy and its processes and to promptly report/disclose any such instances to the Management for immediate rectification or for other necessary measures in minimising potential financial or reputational loss. Meanwhile, the Group is wholly committed to ensure strict confidentiality and will not only protect the identity of the complainant but will also protect the complainant from any harassment and victimisation at work due to the disclosure.

- **Anti-Bribery and Corruption**

One of the core values of CIMB Group is integrity, and the group will not tolerate any acts which are in breach of this value. CIMB Group firmly believes in acting professionally, fairly and with integrity in all business dealings and relationships. Whilst the group already has in place various policies and processes, which address some of the issues relating to bribery and corruption, a more comprehensive policy to cover areas of concern is deemed necessary in view that the group operates in many jurisdictions with anti-corruption laws. As such, in line with global best practices and good governance approach, CIMB Group has established the Anti-Bribery and Corruption Policy. As commitment to this Anti-Bribery and Corruption Policy, CIMB has also developed a No Gift Policy in our conduct with our customers in relation to entertainment and the receipt and giving of gifts.

- **Business Continuity Management**

We are committed to safeguard the interests of all our stakeholders by ensuring an appropriate level of continuity of business processes and functions throughout our Group. The responsibility for implementing and running Group BCM programme lies with Group Board and management.

The objective of business continuity is to deliver organisational resilience by ensuring that critical business processes can continue, or be recovered in a timely manner, following a disruption, thus ensuring that:

- (i) commitment made to the customers and quality of services continue to be met, or be managed, in such a way that customers are retained and new business opportunities are enabled;

**Corporate Governance**  
Statement on Risk Management  
and Internal Control

- (ii) operations are not adversely affected, thus maintaining the quality of management;
- (iii) minimal impact to business operations and hence to profitability and shareholder value;
- (iv) CIMB Group's reputation and image are not negatively affected following business disruption; and
- (v) compliance with relevant country regulatory guidelines and legislations on BCM.

This is to ensure that, when there is a crisis, we are equipped to respond to the crisis in a planned and rehearsed manner.

This BCM process is based on a framework, a guidance which is regularly updated and aligned with international standards. The BCM process includes understanding the business functions and continuity strategies, responses, continuity culture, exercises and plan maintenance.

Business Continuity Plans have been documented for mission critical functions and processes within our organisation whilst Disaster Recovery Plans were documented for critical application systems. The Business Continuity Plans and Disaster Recovery Plans are rehearsed and tested on a regular basis.

We have a BCM department, whose primary role is to ensure effective coordination and supervision of all Banking entity BCM activities by introducing integrated and standardised BCM approach across the region.

Annual BCM workshops are conducted for business units within the Group with support from the Crisis Management Committee and Group Human Resources in our effort to increase employee awareness and efficiency and grow the BCM programme maturity.

- **Fraud Detection**

CIMB Group constantly monitors new trends and developments on fraud to implement controls and detection tools. In recent years, digital forensics has emerged as an essential tool for digital recoveries especially for the protection and investigation of evidence that had been deleted. In view of this threat, a Digital Forensic Lab has been set up to enable us to retrieve e-mail messages that had been deleted. A fraud intelligence system is used to detect suspicious staff transactions. The Key Risk Indicator (KRI) depends not only on the latest local financial frauds but also financial frauds committed internationally. The KRI is dynamic, as it changes according to the trend of international banking fraud and CIMB Group would be able to check on whether the latest modus operandi in banking fraud had been applied to defraud the bank.

- **Anti-Money Laundering/CounterFinancing of Terrorism**

CIMB Group, places importance on, and is committed to enforcing an effective internal control system for Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) in compliance with all related laws, regulations, guidelines and industry leading practices.

The Group AML Office, within the Group's Compliance Division maintains the Group AML/CFT Policies and Procedures, duly approved by the Board to facilitate consistency in managing the AML/CFT compliance across the local and regional Reporting Institutions (RIs). The Group's AML Compliance Officer and the alternate AML

Compliance Officer appointed in accordance with Malaysian Laws and Regulations, facilitate the implementation and enforcement across the group's RIs.

Pursuant to the Group AML/CFT Policies and Procedures, the respective RIs are to adopt and implement the AML/CFT Compliance Programme framework which includes the establishment of documented policies and procedures on Customer Due Diligence (CDD), staff roles and responsibilities, including the roles and responsibilities of the AML/CFT Compliance Officer, monitoring and reporting of suspicious transactions, record retention, employee training and audits of the internal AML/CFT measures. The country will adopt the local regulations or the Group Policy whichever is stricter.

CIMB Group's AML/CFT systems and supporting systems facilitate the AML risk, customer and transaction monitoring framework, including Watchlist and Sanction Management, CDD or 'Know Your Customer', Account and Transaction AML/CFT Monitoring, as well as Payment and Sanction Filtering.

CIMB Group's AML/CFT and customer screening systems are supported with databases of sanctioned or high risk individuals and entities identified, defined and/or enforced by international, regional and domestic regulators and law enforcement agencies, for purposes of due diligence and subject matter checking.

The Group's Board and Senior Management and its RIs are aware and will continue to maintain oversight and the management 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**

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide (RPG) 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of CIMB Group.

## **CONCLUSION**

The Board, through the Audit Committee, Board Risk Committee and the Board Shariah Committee, confirms that it has reviewed the effectiveness of the risk management and internal control framework and considers CIMB Group's system of internal control as adequate in safeguarding the shareholders' interests and assets of the Group. The Board also confirms 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 entire control, compliance and risk management controls.

# RISK MANAGEMENT

## RISK MANAGEMENT OVERVIEW

A robust and effective risk management system is critical for our Group to achieve continued profitability and sustainable growth in shareholder value in today’s globalised and inter-linked financial and economic environment.

Our Group embraces risk management as an integral component of our Group’s business, operations and decision-making processes. In ensuring that our Group achieves optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of risk taking process by providing independent inputs including relevant valuations, credit evaluations, new product assessments and quantification of capital requirements. 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.

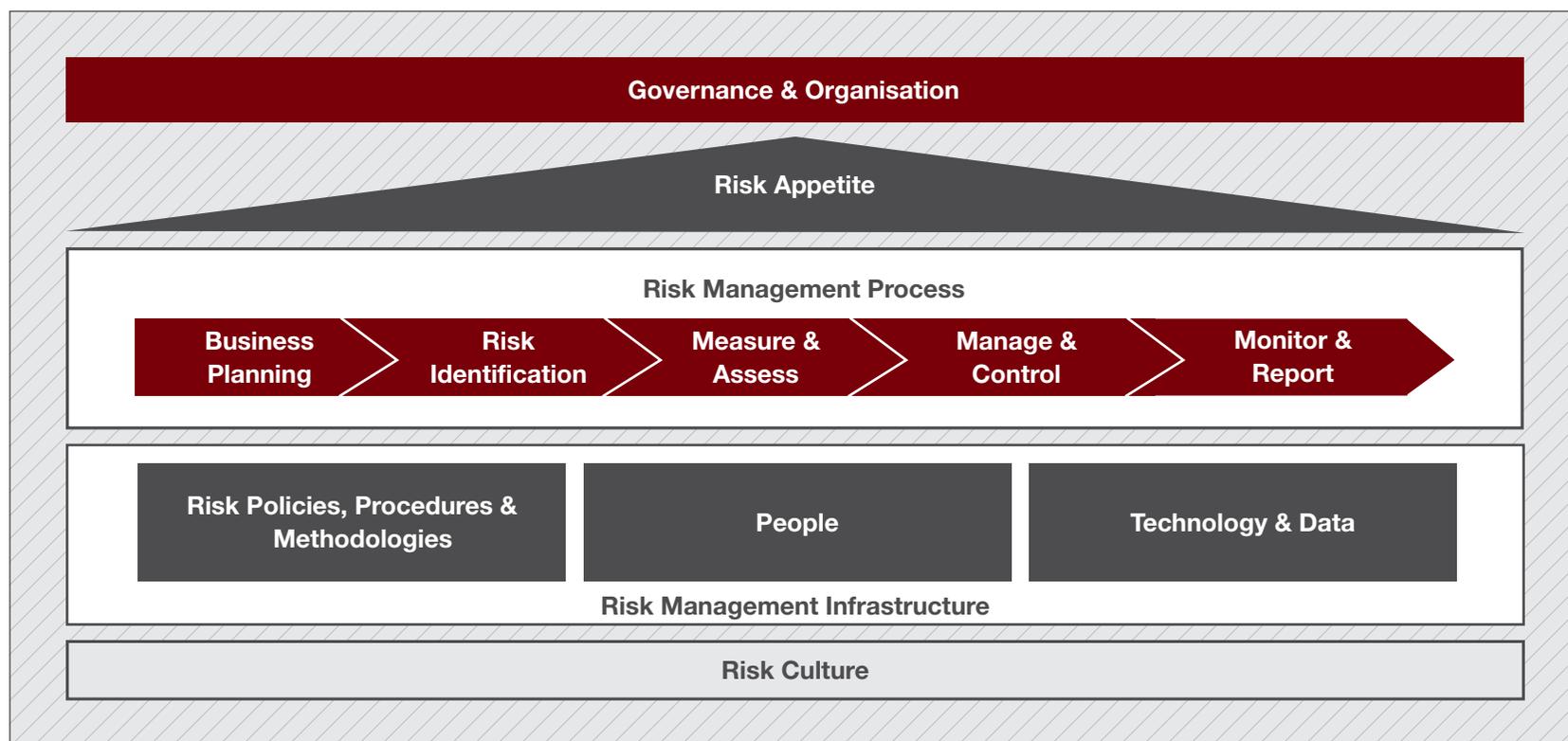
Generally, the objectives of our risk management activities are to:

- (i) identify the various risk exposures and capital requirements;
- (ii) 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
- (iii) create shareholder value through proper allocation of capital and facilitate development of new businesses.

## ENTERPRISE WIDE RISK MANAGEMENT FRAMEWORK

Our Group employs the enterprise-wide risk management (EWRM) framework as a standardised approach to manage our risks and opportunities effectively. The EWRM framework provides our Board and management with a tool to anticipate and manage both the existing and potential risks, taking into consideration changing risk profiles as dictated by changes in business strategies, operating and regulatory environment and functional activities.

The key components of the Group’s EWRM framework are represented in the diagram below:



The design of the enterprise-wide risk management framework involves a complementary 'top-down strategic' and 'bottom-up tactical' risk management approach with formal policies and procedures addressing all areas of significant risks for our Group.

The key features of the EWRM framework are:

- (i) **Governance & Organisation:** A strong governance structure is important to ensure an effective and consistent implementation of the Group's EWRM framework. The Board is ultimately responsible for the Group's risk management activities, sets the strategic directions, risk appetite and relevant frameworks for the Group. The Board is assisted by various risk committees and control functions in ensuring that the Group's risk management framework is carried out effectively.
  - (ii) **Risk Appetite:** It is defined as the amount and type of risks that the Group is able and willing to accept in pursuit of its strategic and business objectives. Risk appetite is set in conjunction with the annual strategy and business planning process to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital and risk.
  - (iii) **Risk Management Process:**
    - **Business Planning:** Risk is central to the business planning process, including setting risk appetite, risk posture and new product/new business activities.
    - **Risk Identification:** Risks are systematically identified through the robust application of the Group's risk frameworks, policies and procedures.
    - **Measure and Assess:** Risks are measured and aggregated using Group wide methodologies across each of the risk types, including stress testing.
    - **Manage and Control:** Controls and limits are used to manage risk exposures within the risk appetite set by the Board. Controls and limits are regularly monitored and reviewed in the face of evolving business needs, market conditions and regulatory changes. Corrective actions are taken to mitigate risks.
    - **Monitor and Report:** Risks on an individual as well as a portfolio basis are regularly monitored and reported to ensure they remain within risk appetite. Risk adjusted performance is monitored.
  - (iv) **Risk Management Infrastructure**
    - **Risk Policies, Procedures and Methodologies:** Well-defined risk policies by risk type provide the principles by which the Group manages its risks. Procedures provide guidance for day-to-day risk taking activities. Methodologies provide specific requirements, rules or criteria to be met to comply with the policy.
    - **People:** Attracting the right talent and skills are key to ensuring a well-functioning EWRM Framework. The organisation continuously evolves and proactively responds to the increasing complexity of the Group as well as the economic and regulatory environment. Performance measurement and compensation are aligned to the strategy plan and risk appetite.
- **Technology and Data:** Appropriate technology and sound data management are enablers to support risk management activities.
  - (v) **Risk Culture:** The Group embraces risk management as an integral part of its culture and decision-making processes. The Group's risk management philosophy is embodied in the Three Lines of Defence approach, whereby risks are managed at the point of risk-taking activity. There is clear accountability of risk ownership across the Group.

## RISK GOVERNANCE

At the apex of the governance structure are respective Boards, which decide on the entity's risk appetite corresponding to its business strategies. Our Board Risk Committee reports directly to each Board and assumes responsibility on behalf of the Board for the supervision of risk management and control activities. Our Board Risk Committee determines the Group's risk strategies, policies and methodologies, keeping them aligned with the principles within the Risk Appetite. Our Board Risk Committee also oversees the implementation of the enterprise-wide risk management framework and provides strategic guidance and reviews the decisions of our GRC.

In order to facilitate the effective implementation of the enterprise-wide risk management framework, our Board Risk Committee has established various risk committees within our Group with distinct lines of responsibilities and functions, which are clearly defined in the terms of reference.

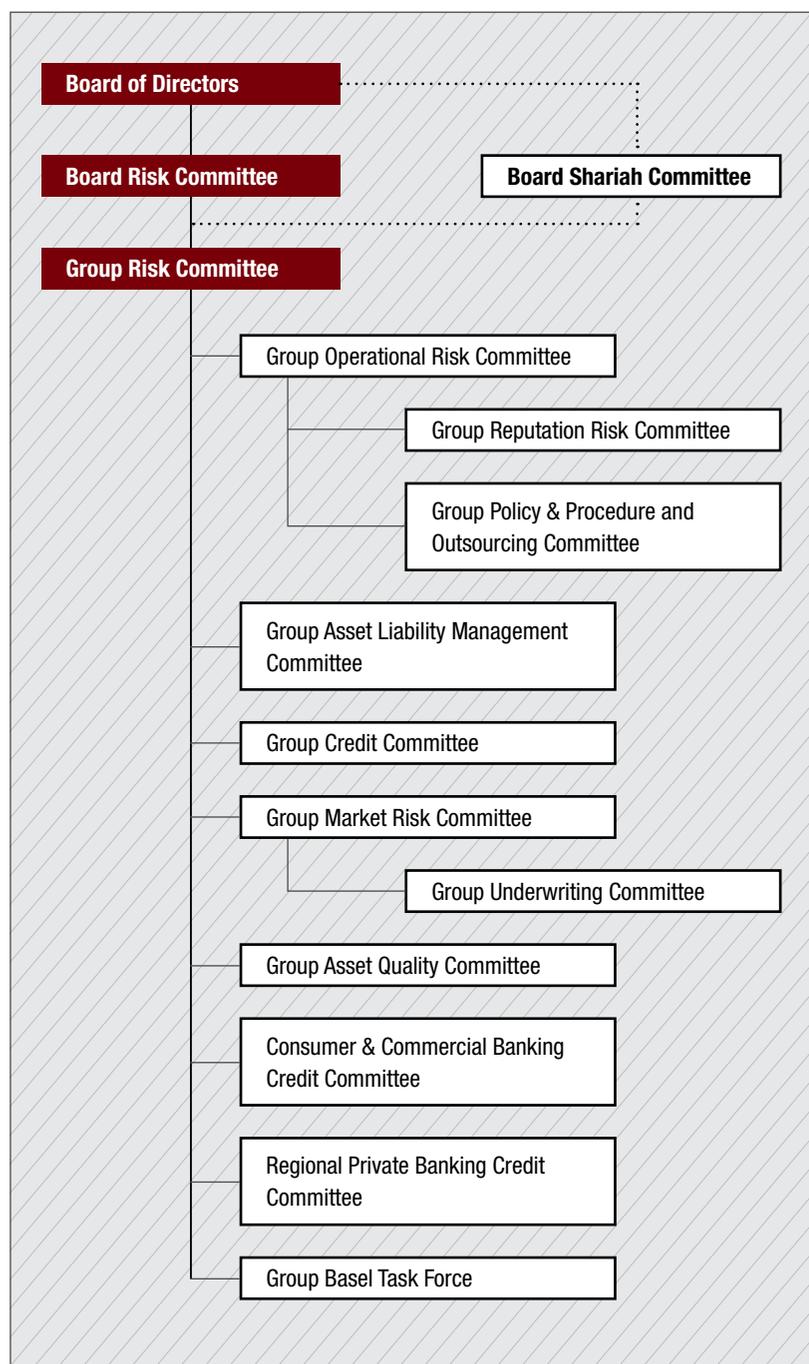
The responsibility of the supervision of risk management functions is delegated to our GRC comprising senior management of our Group and reports directly to our Board Risk Committee. Our GRC performs the oversight function on the overall risks undertaken by the Group in delivering its business plans vis-à-vis the stated risk appetite of our Group. Our GRC is supported by specialised risk committees, namely Group Credit Committee, Group Market Risk Committee, Group Operational Risk Committee, Group Asset Liability Management Committee and Group Asset Quality Committee, each addressing one or more of the following:

- (i) **Market risk,** arising from fluctuations in the market value of the trading or investment exposure arising from changes to market risk factors such as interest rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility;
- (ii) **Credit risk,** arising from the possibility of losses due to the obligor, market counterparty or issuer of securities or other instruments held, failing to perform its contractual obligations to our Group;
- (iii) **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;
- (iv) **Operational risk,** arising from risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events;

**Corporate Governance**  
Risk Management

- (v) Interest rate risk in the banking book, which is the current and potential risk to the Group’s earning and economic value arising from movement in interest rates;
- (vi) Capital risk, arising from the failure of not meeting the minimum regulatory and internal requirements that could incur regulatory sanction of our Group, resulting in a potential capital charge; and
- (vii) SNC risk, arising from failure to comply with the Shariah rulings as determined by SAC of BNM and SC, BSC of the Group and other Shariah regulatory authorities of the jurisdictions in which the Group operates.

The structure of CIMB Group Risk Committees is depicted in the following chart:



Our 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, our Group strives to ensure a consistent and standardised approach in its risk governance process. As such, our group and regional committees have consultative and advisory responsibilities on regional matters across our Group. This structure increases the regional communication, sharing of technical knowledge and support towards managing and responding to risk management issues, thus allowing our Board to have a comprehensive view of the activities within our Group.

**THREE LINES OF DEFENCE**

Our Group’s risk management approach is based on the three lines of defence concept whereby risks are managed from the point of risk-taking activities. This is to ensure clear accountability of risk across our Group and risk management as an enabler of the business units. As a first line of defence, the line management, including all business units and units which undertake client facing activities, are primarily responsible for risk management on a day-to-day basis by taking appropriate actions to mitigate risk through effective controls. The second line of defence provides oversight functions, performs independent monitoring of business activities and reporting to management to ensure that our Group is conducting business and operating within the approved appetite and also in compliance to regulations. The third line of defence is GIAD who provides independent assurance to our Board that the internal controls and risk management activities are functioning effectively.

**THE ROLES OF GROUP CHIEF RISK OFFICER (GROUP CRO) AND GRD**

Within the second line of defence, is GRD, a function independent of business units that assist our Group’s management and the various risk committees in monitoring and controlling our Group’s risk exposures.

The organisational structure of GRD is made of two major components, namely the Chief Risk Officers (CRO) and the Risk Centres of Excellence. GRD is headed by our Group CRO who is appointed by our Board to spearhead risk management functions and implementation of the enterprise-wide risk management. Our Group CRO:

- (a) actively engages our Board and senior management on risk management issues and initiatives.
- (b) maintains an oversight on risk management functions across all entities within our Group. In each country of operations, there is a local Chief Risk Officer or a Country Risk Lead Officer, whose main function is to assess and manage the enterprise risk and regulators in the respective country.

The GRD teams are organised into several Risk Centres of Excellence in order to facilitate the implementation of the Group’s enterprise-wide risk management framework. The Risk Centres of Excellence consisting of Risk Analytics and Infrastructure, Market Risk, Operational Risk, Asset Liability Management, Credit Risk and Shariah Risk Management Centres of Excellence are specialised teams of risk officers responsible for the active oversight of group-wide functional risk management.

**(a) Risk Analytics and Infrastructure Centre of Excellence**

Risk Analytics and Infrastructure Centre of Excellence designs, builds and implements standardised infrastructure used to measure, monitor and manage risk across the region.

**(b) Market Risk Centre of Excellence**

In propagating and ensuring compliance to the market risk framework, the Market Risk Centre of Excellence reviews treasury trading strategies, analyses positions and activities vis-à-vis changes in the financial market and performs mark-to-market valuation. It also coordinates capital market product deployments.

**(c) Operational Risk Centre of Excellence**

The Operational Risk Centre of Excellence provides the methodology, tools and processes for the identification, assessment, reporting, mitigation and control of operational risks by the respective risk owners across the Group. Management of operational risks is present in the Group's products, services, activities, processes and systems.

**(d) Asset Liability Management Centre of Excellence**

It is primarily responsible for the independent monitoring and assessment of the Group's asset and liability management process governing liquidity risk and interest rate risk in the banking book as well as recommending policies and methodologies to manage the said risks. It conducts regular stress testing of the liquidity risk profile, ensuring CIMB Group's adherence and compliance with internal and regulatory requirements, and maintains the early warning system indicators and Contingency Funding Plan (CFP).

**(e) Credit Risk Centre of Excellence**

The Credit Risk Centre of Excellence is dedicated to the assessment, measurement, management and monitoring of credit risk of CIMB Group. It ensures a homogenous and consistent approach to:

- Credit risk policies and procedures;
- Credit risk models;
- Credit risk methodologies; and
- Portfolio analytics,

as well as a holistic and integrated approach to identification, assessment, decision-making and reporting of credit risk of our Group.

**(f) Shariah Risk Management Centre of Excellence**

The Shariah Risk Management Centre of Excellence (SRM CoE) facilitates the process of identifying, measuring, controlling and monitoring Shariah Non Compliance (SNC) risks inherent in the Group's Islamic banking businesses and services. It formulates, recommends and implements appropriate SRM policies and guidelines; and develops and implements processes for SNC risk awareness.

In addition to the above Risk Centres of Excellence, the Regional Risk & International Offices team oversee the risk management functions of the regional offices, our Group's unit trust and securities businesses and also houses the validation team.

The regional offices and the respective teams in risk management units within the unit trust business and securities businesses identify, measure and assess, manage and control, monitor and report the relevant material risk exposures of each individual country and/or businesses.

The Regional Risk Validation Team is independent from the risk taking units and model development team. The function of this unit is to perform validation, as guided by regulatory guidelines and industry best practices on Basel related risk models and components comprising credit risk, traded risk, non traded risk and other Basel related risk models. The unit provides recommendations to the modelling team and the business users. The findings and recommendations will be reported to Model Risk Management Working Group (MRMWG), thereafter to GRC and Board Risk Committee (BRC) for approval.

In ensuring a standardised approach to risk management across our Group, all risk management teams within our Group are required to conform to our Group's enterprise-wide risk management framework, subject to necessary adjustments required for local regulations. For branches and subsidiaries without any risk management department, all risk management activities will be centralised at the relevant Risk Centres of Excellence. Otherwise, the risk management activities will be performed by the local risk management team with matrix reporting line to the respective Risk Centres of Excellence.

**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 our Group.

Credit risk arises primarily from traditional financing activities through conventional loans, financing facilities, trade finance 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 our 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 derivatives 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 our Group's investment in that entity's financial instruments to fall. Without effective credit risk management, the impact of the potential losses can be overwhelming.

Credit Risk Management

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.

Consistent with the three lines of defence model on risk management where risks are managed from the point of risk-taking activities, our Group implemented the risk-based delegated authority framework. This risk-based delegated authority framework promotes clarity of risk accountability whereby the business unit, being the first line of defence, manages risk in a proactive manner with GRD as a function independent

## Corporate Governance

### Risk Management

from the business units as the second line of defence. This enhances the collaboration between GRD and the business units.

The risk-based delegated authority framework encompasses joint delegated authority, enhanced credit approval process and a clear set of policies and procedures that defines the limits and types of authority designated to the specific individuals.

Our Group adopts a multi-tiered credit approving authority spanning from the delegated authorities at business level, joint delegated authorities holders between business units and GRD, to the various credit committees. The credit approving committees 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. For corporate and commercial loans, credit applications are independently evaluated by the Credit Risk Centre of Excellence team prior to submission to the relevant committees for approval. For retail loans, all credit applications are evaluated and approved by Consumer Credit Operations according to the designated delegated authority with exceptions approved at Consumer & Commercial Banking Credit Committee (CBCC).

The GRC with the support of Group Credit Committee, Group Asset Quality Committee, Consumer and Commercial Banking Credit Committee, Regional Private Banking Credit Committee and GRD is responsible for ensuring adherence to the Board approved credit risk appetite as well as the effectiveness of credit risk management. This amongst others includes the reviewing and analysing of portfolio trends, asset quality, watch-list reporting and policy review. It is also responsible for articulating key credit risks and mitigating controls.

Adherence to and compliance with single customer, country and global counterparty limits as well as the 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 GRD, 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 our 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 our Group's retail and non-retail exposures.

Credit reviews and rating are conducted on the credit exposures at least 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 regularly to GRC and Board Risk Committee so that deteriorating exposures are identified, analysed and discussed with the relevant business units for appropriate remedial actions including recovery actions, if required.

### Credit Risk Mitigation

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 is considered secondary recourse to the obligor for the credit risk underwritten.

All extension of secured credit facilities as deemed prudent, must be appropriately and adequately collateralised. A credit proposal is considered secured only when the entire proposal is fully covered by approved collateral/securities within their approved margins as set out in the relevant credit policy guides. Group Credit Committee is empowered to approve any inclusion of new acceptable collaterals/securities.

Recognised collaterals include both financial and physical assets. Financial collaterals consist of mainly cash deposits, shares, unit trusts and debt securities, while physical collateral includes land and buildings and vehicles. Guarantors accepted are in line with BNM's Capital Adequacy Framework (Basel II – Risk-Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) guidelines. Eligible credit protection is also used to mitigate credit losses in the event that the obligor/counterparty defaults.

Our Group has in place policies which govern the determination of eligibility of various collaterals including credit protection, to be considered for credit risk mitigation which includes the minimum operational requirements that are required for the specific collaterals to be considered as effective risk mitigants.

The collateral is valued periodically ranging from daily to annually, depending on the type of collateral. Specifically for real estate properties, a framework for valuation of real estate properties is established to ensure adequate policies and procedures are in place for efficient and proper conduct of valuation of real estate properties and other related activities in relation to the interpretation, monitoring and management of valuation of real estate properties.

In mitigating the credit risks in swaps and derivatives transactions, our Group enters into master agreements that provide for closeout and settlement netting with counterparties, whenever possible. A master agreement that governs all transactions between two parties, creates the greatest legal certainty that credit exposure will be netted. In effect, it enables the netting of outstanding obligations upon termination of outstanding transactions if an event of default occurs.

The net credit exposure with each counterparty are monitored based on the threshold agreed in the master agreement and our 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.

Our Group avoids unwanted credit or market risk concentrations by diversifying our portfolios through a number of measures. Amongst others, there are guidelines in place relating to maximum exposure to any products, counterparty, sectors and country.

## 2. Market Risk

Market risk is defined as any fluctuation in the market value of the trading or investment exposure arising from changes to market risk factors such as interest rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility.

Market risk resulting from trading activities may arise from customer-related businesses or from proprietary positions. Our Group hedges the exposures to market risk by employing various strategies, including the use of derivatives instruments.

Our Group adopts various measures in our risk management process to manage market risk. An accurate and timely valuation of position is critical in ensuring current market exposures are not mismatched. Our GRC with the support of Group Market Risk Committee and Group Underwriting Committee ensure that the risk exposures undertaken by our Group is within the risk appetite approved by our Board. GRC, Group Market Risk Committee and Group Underwriting Committee supported by the Market Risk Centre of Excellence in GRD are responsible to measure and control market risk through robust measurement and market risk limit monitoring while facilitating business growth within a controlled and transparent risk management framework.

Market Risk Centre of Excellence values the market exposures using the applicable market price and pricing model. The valuation process is carried out on held for trading and available for sale positions on a daily basis in compliance with the independent price verification requirements. This valuation methodology is applied to restate the security value to its current value for the purpose of calculating the profits and losses or to confirm that margins requirements are met.

Treasury products approval processes shall be coordinated by the Market Risk Centre of Excellence to ensure operational readiness before launching. The proposed new products are assessed to ensure financial risks are accurately identified, monitored and effectively managed.

The 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 to ensure that they remain relevant to changing market conditions.

Our Group also adopts the VAR approach in the measurement of market risk. Backtesting 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. Backtesting 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 scenarios, 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, Market Risk Centre of Excellence undertakes monitoring and oversight process at Treasury & Markets 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, shareholder funds or our reputation arising from our Group's inability to efficiently meet our present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they are due, which may adversely affect our daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the timing of cash flows.

The objective of our Group's liquidity risk management is to ensure that our Group can meet our cash obligation in a timely and cost-effective manner. To this end, our 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, our Group is able to maintain a diversified core deposit base comprising savings, demand and term deposits, thus providing our Group with a stable large funding base. Our Group maintains some 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 in each individual entity is delegated to the respective Country Asset Liability Management Committee which subsequently report to Group Asset Liability Management Committee. Group Asset Liability Management Committee meets at least once a month to discuss the liquidity risk and funding profile of the Group. The Asset-Liability Management function, which is responsible for the independent monitoring of our Group liquidity risk profile, works closely with Treasury and Markets in its surveillance on market conditions. Business units are responsible for establishing and maintaining strong business relations with their respective depositors and key providers of funds. For overseas branches and subsidiaries, they should seek to be self-sufficient in funding at all times. Treasury and Markets only acts as a global provider of funds on a need-to or contingency basis. Each entity has to prudently manage its liquidity position to meet its daily operating needs. To take account of the differences in market and regulatory environments, each entity measures and forecasts its respective cash flows arising from the maturity profiles of assets, liabilities, off balance sheet commitments and derivatives over a variety of time horizons under normal business and stress conditions on a regular basis.

Liquidity risk undertaken by our Group is governed by a set of established liquidity risk appetite limits and Management Action Triggers (MAT). The limits and MATs were established to alert management to potential and emerging liquidity pressures. Our Group Liquidity Risk Management Policy is subjected to periodic 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.

## Corporate Governance

### Risk Management

Our Group's contingency funding plan is in place to alert and to enable the management to act effectively and efficiently during a liquidity crisis and under adverse market conditions. The plan consists of two key components: an early warning system and a funding crisis management team. The early warning system is designed to alert our Group's management whenever our Group's liquidity position may be at risk. It provides our Group with the analytical framework to detect a likely liquidity problem and to evaluate our Group's funding needs and strategies in advance of a liquidity crisis. The early warning system is made up of a set of indicators (monitored against pre-determined thresholds) that can reliably signal the financial strength and stability of our Group. Consolidated stress test, including liquidity stress test, is performed on a semi-annual basis to identify vulnerable areas in its portfolio, gauge the financial impact and enable management to take pre-emptive actions. Two scenarios, namely bank specific crisis and systemic crisis, are modelled. The assumptions used, including run-off rates on deposits, draw down rates on undrawn commitments, and haircuts for marketable securities; are documented and the test results are submitted to the Country and Group Asset Liability Management Committees, GRC, and Board Risk Committees/ Board of our Group. The test results to date have indicated that our Group possesses sufficient liquidity capacity to meet the liquidity requirements under various stress test conditions.

#### 4. Interest Rate Risk in the Banking Book

Interest rate risk in the banking book is defined as the current and potential risk to our Group's earnings and economic value arising from movement in interest rates.

Our Group manages its exposure of fluctuations in interest rates through policies established by Group Asset & Liability Management Committee. Interest rate risk in the banking book undertaken by our Group is governed by an established risk appetite that defines the acceptable level of risk to be assumed by our Group. The risk appetite is established by the Board. Group Asset Liability Management Committee is a Board delegated committee which reports to the GRC. With the support from Asset Liability Management Centre of Excellence under GRD and Capital and Balance Sheet Management under Group Finance, our Group Asset Liability Management Committee is responsible for the review and monitoring of Group's balance sheet, business and hedging strategies, the overall interest rate risk profile and ensuring that such risk profile is within the established risk appetite. Treasury & Markets is responsible for day-to-day management of exposure and gapping activities, including execution of hedging strategies.

Interest rate risk in the banking book is measured by:

- (i) Economic Value of Equity (EVE) sensitivity which measures the long term impact of sudden interest rate movement across the full maturity spectrum of our 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. This measure helps the Group to quantify the risk and impact on capital with the focus on current banking book positions.

Our Group's EVE sensitivity is computed using a simulation method that analyses interest rate risk in the banking book in terms of changes in the EVE resulting from various rate shock scenarios. This method takes into account varying degree of rate sensitivities which 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.

- (ii) Earnings at Risk (EaR) which measures the short term impact of sudden interest rates 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.

Our Group's EaR is computed using a dynamic simulation method that analyses interest rate risk in the banking book 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.

#### 5. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. It encompasses legal risk that also carries a Shariah component.

Our Group manages operational risks through the following key measures:

- Sound risk management practices in accordance with Basel II and regulatory guidelines;
- Board and senior management oversight;
- Well-defined responsibilities for all personnel concerned;
- Establishment of a risk management culture;
- Deployment of ORM tools that include:
  - Operational Event and Loss Data Management;
  - Risk and Control Self-Assessment;
  - Control Issue Management;
  - Key Risk Indicators; and
  - New Product Assessment.

These tools form part of the operational risk framework that allows CIMB Group to effectively identify, measure, mitigate and report its operational risks.

Each new or varied product with changes to the process flow are subjected to a rigorous risk review through sign-offs from the relevant stakeholders where all critical and relevant areas of risk are being appropriately identified and assessed independently from the risk takers or product owners.

The promotion of a risk management culture within our Group whereby the demand for integrity and honesty is non-negotiable remains the core theme in our operational risk awareness programme. Additionally, the e-learning module on operational risk management will be used to enhance the awareness of operational risk amongst our staff.

## 6. Reputation Risk

Reputation Risk is defined as the risk arising from a negative perception on the part of customers, counterparties, shareholders, debt-holders, regulators or other relevant parties that may adversely affect the Group's ability to maintain existing, or establish new, business relationships and continued access to sources of funding. This may arise through negative publicity, whether true or not, about its business practices, behaviours, operations, people, financial condition or the manner in which it handles crises. Reputation risk exists throughout the organisation and is essentially a function of the adequacy of the Group's internal risk management processes, as well as the manner and efficiency with which management responds to external influences.

The framework for managing reputational risk identifies the sources of reputational risks, and monitors and manages these within a defined risk appetite. The Group Reputation Risk Committee provides oversight over the framework execution.

## 7. Shariah Non-Compliance Risk

SNC risk is the risk that arises from the Group's possible failure to comply with the Shariah rulings as determined by SAC of BNM and SC, BSC and the other Shariah regulatory authorities of the jurisdictions in which the Group operates. SNC may result in financial and non-financial impact to the Group such as nullification of contract, non-recognition of income or earnings, regulatory breach, reputation risk, etc. The appropriate treatment of any SNC income or earnings shall be based on advice by the BSC, which may include but is not limited to, channelling the SNC income or earnings to charitable organisation or returning the SNC income or earnings to customers.

Our Group has in place a Shariah Compliance Policy and General Procedures Manual that governs the roles and responsibilities of the BSC, overall Shariah compliance functions and Shariah governance processes of CIMB Group. Monitoring of Shariah compliance and Shariah governance is carried out through Shariah Compliance Review and Shariah Audit functions, supported by SRM control measures and Shariah & Governance.

SRM is facilitated by the SRM CoE by implementing a systematic and consistent approach to the management of SNC risk. The objectives, mission, guiding principles, governance structure as well as methodology and approach adopted by the Group in managing SNC risk is articulated in the Shariah Risk Management Framework (SRMF). In addition, SRM CoE provides training and guidance to enable the first line of defence to systematically identify, assess, monitor and control SNC, thus minimising the potential SNC events.

Apart from monitoring and analysing the SNC events/incidences submitted by Designated Compliance and Operational Risk Officers to Shariah Compliance Review Unit for escalation to BSC and reporting to the relevant risk committees, SRM CoE also actively participates in the Islamic products and services development process to ensure that all

SNC risk are appropriately identified, assessed, managed and mitigated. SRM CoE also reviews internal policies and procedures to ensure Shariah requirements are embedded in the documents that would guide business and support units in their Islamic operations and business activities. The new products and services as well as internal policies and procedures that are applicable to Islamic banking businesses and services are subject to prior approval from BSC before implementation.

## 8. Basel Implementation

Since July 2010, BNM has approved CIMB Group's migration to Internal Rating Based Approach for credit risk. The Group's Basel Task Force which is chaired by the Group CRO provides oversight on the implementation initiatives across the Group with the assistance of various sub-committees. The Group Basel Task Force shall continue to oversee initiatives towards complying with the requirements, including for the Group's material overseas subsidiaries, within the stipulated timeframe.

The approach adopted by CIMB Bank Group for credit risk is Advanced Internal Ratings-Based Approach for retail exposures and Foundation Internal Ratings-Based Approach for corporate exposures whilst CIMB Investment is currently on Standardised Approach. The Group's operational risk is based on the Basic Indicator Approach and the Group has progressively set the various foundations to move towards Basel II Standardised Approach. The Group's market risk is based on Standardised Approach.

On 16 December 2010, the Basel Committee of Banking Supervision (BCBS) released the Basel III liquidity framework, introducing two new liquidity risk measures: the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR).

On 31 March 2015, BNM issued a final guideline on Basel III Liquidity Coverage Ratio (LCR), consistent with the final text of the LCR issued by BCBS in January 2013 with local customisation in certain areas. BNM adopts the phased-in implementation approach effective from 1 June 2015 at 60%, thereafter the minimum requirement will increase by 10% on 1 January of the each subsequent year until it reaches 100% on 1 January 2019.

The LCR is intended to ensure that banks have sufficient high quality liquid assets (HQLA) to withstand an acute liquidity stress scenario over a 30-day horizon. The implementation of the Group's LCR framework is governed by the Group Asset Liability Management Committee, which is chaired by the Group CEO. The Group's LCR strategy is focused on the HQLA, and stability of deposits and other funding sources, which are the critical components of the LCR. The Group continues to build its balance sheet strength and invest in infrastructure to ensure that it is well-positioned to meet the LCR requirements within the regulatory timeframe.

BCBS released the final text of the NSFR on 31 October 2014. Subsequently, BNM released the Observation Period guideline on 7 August 2015 and the Group is currently computing and submitting the NSFR in accordance to the stated guideline.

## AUDIT COMMITTEE REPORT

### OVERVIEW

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

#### 1. ATTENDANCE OF MEETINGS

The details of the Audit Committee membership and meetings held in 2015 are as follows:

Name of Committee Member	Status	Number of Committee Meetings	
		Held	Attended
Dato' Zainal Abidin Putih	Chairman/ Senior Independent Non-Executive	18	18
Watanan Petersik <i>(resigned on 20 July 2015)</i>	Independent Non-Executive	9	9
Dato' Robert Cheim <i>(resigned on 27 February 2015)</i>	Non-Independent Non-Executive	3	1
Glenn Muhammad Surya Yusuf <i>(appointed on 27 February 2015)</i>	Independent Non-Executive	15	14
Datuk Mohd Nasir Ahmad <i>(appointed on 20 July 2015)</i>	Independent Non-Executive	9	8

In addition to the 18 meetings held to deliberate on matters relating to the Group, 24 other meetings were held by members of the Banking Group Audit Committee to deliberate on matters relating to the three Malaysian banking institutions, making a total of 42 meetings for the year.

The details of the Banking Group Audit Committee membership and meetings held in 2015 are as follows:

Name of Committee Member	Status	Number of Committee Meetings	
		Held	Attended
Dato' Zainal Abidin Putih	Chairman/Senior Independent Non-Executive	24	24
Datuk Dr. Syed Muhammad Syed Abdul Kadir	Non-Independent Non-Executive	24	24
Puan Rosnah Dato' Kamarul Zaman	Independent Non-Executive	24	24
Dato' Prof. Dr. Sudin Haron	Independent Non-Executive	24	22
Puan Nadzirah Abd Rashid	Independent Non-Executive	13	13
Datuk Mohd Nasir Ahmad	Independent Non-Executive	13	13

Deliberations at the meetings were robust and detailed. 409 assignments were completed by the Group Internal Audit Division (GIAD) during the year and presented to the relevant 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. 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. The Audit Committee shall have the necessary resources made available 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.

### 3. SUMMARY OF ACTIVITIES IN 2015

#### Audit Committee

- a. Reviewed and approved the annual audit plan, scope of work and resource requirements 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, effectiveness and remuneration.
- 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 28 January 2015, 29 July 2015 and 13 October 2015 without the presence of the Group Management and Executive Directors to discuss relevant issues and obtain feedback.
- h. Reviewed the internal control issues identified by internal, external and regulatory auditors, and Management's response to audit recommendations and the 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, CIMB Thai, CIMB Cambodia and CIMB Bank Singapore branches on their findings and made appropriate recommendations for improvements.
- k. Reviewed the proposals for non-audit services rendered by the External Auditors.
- l. Reviewed write-off proposals as presented by the Management before recommending them for the Board's approval.
- m. Discussed and deliberated with relevant Heads of Divisions and Departments, where heads presented their business strategies, operational concerns and challenges and their relevant Management action plans for the year.
- n. Attended meetings with the respective Audit Committees and Management of CIMB Niaga, CIMB Thai, CIMB Cambodia, CIMB Principal Asset Management and Touch 'n Go. In each of the meetings, the businesses and issues of the 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 Annual Management Summit where relevant businesses and support units reviewed their operations for the year and presented strategies and plans for the coming year.

### 4. TRAINING

Listed below are the seminars and training events which the members of the Audit Committee attended to keep abreast of latest developments:

#### Dato' Zainal Abidin Putih

- IPO Preparedness Session for Tenaga Nasional Berhad (TNB)
- TNB Top Management Risk Forum
- CIMB Group Asset Management, Compliance, Audit and Risk Conference - Synergising A Robust Governance Culture with Business
- Land and General Directors' In House Training - Detecting Financial Frauds
- FIDE Core Programme: Board Dynamics - A conversation with a Chairman
- Briefing Session on BNM Annual Report 2014 and Financial Stability and Payment Systems Report 2014 - Commercial Banks
- TNB Board Breakout Session
- CIMB Invest Malaysia 2015
- CIMB Group 2015 Risk Appetite Workshop
- CIMB Group Risk Posture Workshop
- TNB Accountants Conference - Value of Finance Community in TNB
- All-Energy Australia Exhibition and Conference 2015, Melbourne
- Directors' CEP Training 2015
- FT ASEAN Economic Summit

**Corporate Governance**  
Audit Committee Report

- CIMB Group Wholesale Banking Annual Management Summit (PAUM) Club House
- Briefing to Investors - Quoting of Corporate Bonds/PDS on Credit Spread Basis Bank Negara
- CIMB Group Annual Management Summit

**Watanan Petersik**

- Oxfam Stakeholder Exchange on Fair Finance and Sustainable Investing in Southeast Asia

**Dato' Robert Cheim**

- CIMB Group International Advisory Panel 2015

**Glenn Muhammad Surya Yusuf**

- CIMB Group Risk Appetite Workshop

**Datuk Mohd Nasir Ahmad**

- CIMB Group Risk Posture Workshop
- Corporate Directors Advanced Programme: Strategy and Risks - Managing Uncertainty, Malaysian Directors Academy (MINDA)
- Bursa Listing Committee Offsite Retreat
- CIMB Group Annual Management Summit
- CIMB Directors' Induction Programme
- Internal Audit Workshop @ MIMOS

**Datuk Dr. Syed Muhammad Syed Abdul Kadir**

- Universiti Islam Malaysia's International Convention on Wisdom, Cyberjaya
- PowerTalk Series by MINDA: Executing Your Growth Strategy with Certainty with Mr. Anand Sharma (USA)
- FIDE Forum - Focus Group Discussion on Islamic Banking and Investment Banking Businesses and Insurance, Takaful and Reinsurance Businesses
- Briefing Session on BNM Annual Report 2014 and Financial Stability and Payment Systems Report 2014 - Takaful Operators
- Briefing on Shariah Risk Management Framework
- Bursa Invest Malaysia 2015
- FIDE Forum - Invitation to Industry Consultation Session
- FIDE Forum - Special Invite to Board's Strategic Leadership: Innovation and Growth in Uncertain Times
- FIDE Forum - Impact of the New Accounting Standards on Insurance Companies - What Directors should be Aware of
- Asian World Summit's 7<sup>th</sup> Annual Corporate Governance and Risk Appetite Workshop
- Panel Speaker at the Malaysian Institute of Chartered Secretaries and Administrators Annual Conference for the session on 'Integrity - A Principle of Life'
- FIDE Forum - Board Leadership Series on Board Leading Change - Organisational Transformation Strategy as Key to Sustainable Growth in Challenging Times
- Khazanah Megatrends Forum
- FIDE Directors Register Focus Group Session. Target Group: Insurance Companies (Takaful and Conventional)
- Guest panelist for MINDA Advanced Women Directors' Training Programme (AWDTP) session on 'The State of Board Leadership Today - What Must Change?'

- CIMB Group Annual Management Summit
- Panel Session - INSKEN Onboard SME Directors Programme (IDP)
- Panel Session - MINDA's Corporate Directors Onboarding Programme (CDOP)
- Panel Session - Corporate Board Leadership Symposium

**Puan Rosnah Dato' Kamarul Zaman**

- FIDE Industry Consultative Forum
- FIDE Forum - Board Leadership Series
- CIMB Foundation Strategy with PwC
- CIMB Group Risk Appetite Workshop
- CIMB Group Risk Posture Workshop
- Khazanah Megatrends Forum
- FIDE Forum - 5<sup>th</sup> Distinguished Board Leadership Series
- CIMB Group Annual Management Summit

**Dato' Prof. Dr. Sudin Haron**

- Seminar Pembudayaan Wakaf Terengganu
- FIDE Forum - Focus Group Discussion
- Workshop on Exploring Policy and Regulatory Issues
- Bengkel Pemurnian Penerbitan Buku 7 Pintu Asas Kefahaman Wakaf Siri 1
- Seminar Tahunan Agama: Indahnya Perjalanan ke Syurga, Hebatnya Dugaan di Dunia
- FIDE Forum - Impact of the New Accounting Standard on Banks
- Seminar Pembudayaan Wakaf Peringkat Negeri Kedah
- Seminar PERKESO
- Corporate Governance Breakfast Series - How to Maximise Internal Audit
- Seminar Wakaf Wilayah Persekutuan
- Forum Muzakarah
- Persidangan Wakaf Kebangsaan Bertemakan Sosialisasi Wakaf Pemacu Pembangunan Ekonomi Ummah

**Puan Nadzirah Abd Rashid**

- FIDE Forum - Financial Services in Turbulent Times
- FIDE Forum - Impact of New Accounting Standard on Banks
- CIMB Group Risk Posture Workshop
- FIDE Forum - Board Leading Change - Organisational Transformation Strategy as Key to Sustainable Growth in Challenging Times
- CPA Congress
- FIDE Forum - 5<sup>th</sup> Distinguished Board Leadership Series
- Capital Market Director Programme - Business Challenges and Regulatory Expectations
- Capital Market Director Programme - Risk and Compliance Oversight
- Capital Market Director Programme - Emerging and Current Regulatory Issues in the Capital Market

## TERMS OF REFERENCE OF THE AUDIT COMMITTEE

### 1. COMPOSITION

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

- (a) The Audit Committee must comprise of not fewer than three (3) members.
- (b) All Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors.
- (c) At least one member of the Audit Committee must be a qualified accountant.

All three members of the Audit Committee are 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). Datuk Mohd Nasir Ahmad was appointed on 20 July 2015 and is also a Chartered Accountant and a member of the MIA.

### 2. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

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

Area	Responsibility		
Internal Controls/ Risk Management/ Governance	To review the effectiveness of internal controls, risk management processes and governance within the Group, taking into account the requirements in the Malaysian Code on Corporate Governance, the Listing Requirements of Bursa Malaysia Securities Berhad, Bank Negara Malaysia (BNM) Guidelines and other relevant guidelines issued by regulators.		
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Audit Findings/ Internal Control/ Compliance	To review the findings of major investigations, routine audit findings, internal controls and compliance issues reported by the internal, external and regulatory auditors and to ascertain that appropriate and prompt remedial actions are taken by Management.		
Others	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <ol style="list-style-type: none"> <li>(a) To engage on a continuous basis with Senior Management in order to be kept informed of matters affecting the Group.</li> <li>(b) To convene meetings with Internal Auditors, External Auditors or both whenever deemed necessary.</li> <li>(c) To review the semi-annual and annual financial statements for submission to the Board of Directors of the Company and the respective Malaysian financial institutions within CIMB Group Holdings Berhad and ensure prompt publication of annual financial statements.</li> </ol> </td> <td style="width: 50%; vertical-align: top;"> <ol style="list-style-type: none"> <li>(d) To review the quarterly results of the Group, prior to the approval by the Board of Directors, focusing particularly on:               <ul style="list-style-type: none"> <li>- any change in accounting policies and practices.</li> <li>- significant adjustments arising from the audit.</li> <li>- the going concern assumption.</li> <li>- compliance with applicable financial reporting standards and other legal or regulatory requirements.</li> </ul> </li> <li>(e) To review all related party transactions and keep the Board of Directors informed of such transactions.</li> </ol> </td> </tr> </table>	<ol style="list-style-type: none"> <li>(a) To engage on a continuous basis with Senior Management in order to be kept informed of matters affecting the Group.</li> <li>(b) To convene meetings with Internal Auditors, External Auditors or both whenever deemed necessary.</li> <li>(c) To review the semi-annual and annual financial statements for submission to the Board of Directors of the Company and the respective Malaysian financial institutions within CIMB Group Holdings Berhad and ensure prompt publication of annual financial statements.</li> </ol>	<ol style="list-style-type: none"> <li>(d) To review the quarterly results of the Group, prior to the approval by the Board of Directors, focusing particularly on:               <ul style="list-style-type: none"> <li>- any change in accounting policies and practices.</li> <li>- significant adjustments arising from the audit.</li> <li>- the going concern assumption.</li> <li>- compliance with applicable financial reporting standards and other legal or regulatory requirements.</li> </ul> </li> <li>(e) To review all related party transactions and keep the Board of Directors informed of such transactions.</li> </ol>
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## SHARIAH COMMITTEE REPORT

The CIMB Group Board Shariah Committee (Group Shariah Committee), which was established under CIMB Islamic Bank Berhad, **is tasked with the responsibility to assist CIMB Group’s Board of Directors (the Board) in conducting oversight on Shariah matters** pertaining to the Group’s Islamic banking and financing activities.

Although the Board is ultimately responsible and accountable for all Shariah matters under the Group, the Board relies on the independent advice of the Group Shariah Committee on the same.

The main role of the Group Shariah Committee is to assure and advise the Board that the Group’s Islamic banking and finance operations do not contain elements or activities that are not permissible under Shariah. In undertaking their duties in overseeing the Islamic operations in Malaysia, the Board and the Group Shariah Committee shall be guided by the decisions, views and opinions of the Shariah Advisory Council of Bank Negara Malaysia (BNM), the Securities Commission of Malaysia (SC) and the Labuan International Business and Financial Centre, while for operations in other countries, they shall take into consideration the decisions, views and opinions of the relevant authority on Shariah matters (if any), sanctioned by law/regulation to be followed by the Group, and where such competent views and opinions on Shariah are not available, then they shall be guided by the Shariah as generally practiced in the respective countries as well as international best practice, where practicable.

The Group Shariah Committee is also responsible for providing an independent assessment that the operations of the Islamic banking and finance business of CIMB Group have been done in conformity with the Shariah, as decided and opined by the Group Shariah Committee and with such Notices, Rules, Standards, Guidelines and Frameworks on Shariah matters as announced and implemented by relevant financial regulators in the relevant jurisdictions that the Group’s Islamic banking and finance businesses are undertaken at any point in time. The Group Shariah Committee consists of nine (9) Independent Members, two (2) of whom are members of the Board of Directors. All nine (9) members have the prerequisite Shariah qualifications imposed by BNM.

Name of Group Shariah Committee Member	Nationality	Status	Number of Main Committee Meetings Attended
Sheikh Associate Professor Dr. Mohamed Azam Mohamed Adil	Malaysian	Chairman/ Independent Member	0 1 2 3 4 5 6 
Sheikh Professor Dr. Mohammad Hashim Kamali	Canadian (Malaysia PR)	Independent Member	0 1 2 3 4 5 6 
Sheikh Dr. Nedham Yaqoobi	Bahraini	Independent Member	0 1 2 3 4 5 6 
Sheikh Yang Amat Arif Dato’ Dr. Haji Mohd Nai’m Haji Mokhtar	Malaysian	Independent Member	0 1 2 3 4 5 6 
Sheikh Associate Professor Dr. Shafaai Musa	Malaysian	Independent Member	0 1 2 3 4 5 6 
Sheikh Dr. Yousef Abdullah Al Shubaily	Saudi Arabian	Independent Member	0 1 2 3 4 5 6 
Professor Dato’ Dr. Noor Inayah Yaakub	Malaysian	Independent Member	0 1 2 3 4 5 6 
Sheikh Muhamad Taufik Ridlo	Indonesian	Independent Member	0 1 2 3 4 5 6 
Sheikh Professor Dato’ Dr. Sudin Haron	Malaysian	Independent Member	0 1 2 3 4 5 6 

**MAIN ACTIVITIES IN 2015**

Throughout 2015, the Group Shariah Committee reviewed and advised on new products and services proposals by CIMB Group together with their documents; out of which ten (10) proposals for new consumer banking, ten (10) proposals for new wholesale banking and three (3) proposals for asset management and investment were approved. The Group Shariah Committee also reviewed, advised and approved 88 new wholesale banking, asset management and investment deals and their documents, out of which nine (9) of the approved proposals are from overseas branches. Other than new products and services proposals, the Group Shariah Committee also noted and endorsed 413 across-the-board product variation and enhancement proposals by CIMB Group.

The Group Shariah Committee also noted, reviewed and endorsed the following and was satisfied that each had been done effectively and in conformity to relevant requirements:

- (1) The allocation of profit and charging of losses relating to investment accounts.
- (2) All contracts, transactions and dealings entered into by CIMB Group during the year ended 31 December 2015.
- (3) All earnings that may have been realised from sources or by means prohibited by Shariah for the purpose of disposal to charitable causes.

The Group Shariah Committee also reviewed and approved CIMB Group's new policies and procedures manual, including variations and amendments to the existing policies and procedures manual, marketing and branding collaterals, sales brochures for products and campaign materials.

The Group Shariah Committee has also reviewed and updated the system of monitoring and reporting which provides the necessary internal controls in line with the Islamic Financial Services Act 2013 (IFSA) and Shariah Governance Framework to ensure that any new Islamic financial transactions are properly authorised and transacted in accordance with the requirements of Shariah; the Group's assets and liabilities under its Islamic banking and finance balance sheets are safeguarded against possible Shariah non-compliance; and that the day-to-day conduct of its Islamic banking and finance operations does not contradict Shariah principles.

The Group Shariah Committee also assessed the independent work carried out for Shariah Review and Shariah Audit under the established system of internal control, which included the examination, on a test basis, of each type of transaction and of relevant documentation and procedures adopted by CIMB Group. Apart from the above, the Group Shariah Committee also reviewed and approved CIMB Group Shariah Risk Management Framework, the revision of CIMB Group Shariah Compliance Policy and General Procedures Manual, CIMB Group Islamic Operational Risk Management Framework and CIMB Group Shariah Compliance Review Policies and Procedures Manual for 2015.

**INTERNAL CONTROL FOR SHARIAH COMPLIANCE**

In making an independent assessment and confirmation on Shariah compliance of the Islamic banking and finance business of the Group, the Group Shariah Committee recognises the importance of the need for CIMB Group to maintain and reinforce the highest possible standards of conduct in all of its actions, including the preparation and dissemination of statements presenting fairly the Shariah compliant status of its Islamic banking and finance businesses through the establishment of a system of internal controls that is augmented by written policies and procedures, the careful selection and training of Shariah qualified staff, the establishment of an organisational structure that provides an appropriate and well-defined division of responsibility within the Management and the effective communication of Shariah policies and guidelines to all staff throughout CIMB Group. The internal control system is based on the following parameters:

- (1) The Management has a professional and qualified staff of Shariah researchers that support the Group Shariah Committee in the decision-making and deliberations process, providing check and balance through independent assessment of all matters to be presented to the Group Shariah Committee by the Management.
- (2) The Management has a Shariah review framework that operates on a front-to-back basis comprising of a self-assessment/self-reporting mechanism and periodic independent review undertaken by the Group Compliance Department under the Group General Counsel Division.
- (3) The Management has a robust Shariah Risk Management Framework covering the first, second and third line of defences with strong independent oversight undertaken by Group Risk Management as the second line of defence.
- (4) The availability of a strong team of internal auditors who conduct periodic Shariah audits of all of the Group's Islamic banking and finance operations on a scheduled and periodic basis.

The Group Shariah Committee is further supported by external auditors that would have full and free access to, and meet periodically with, the Group Shariah Committee as well as the Group Audit Committee to discuss their audit processes and findings as to the integrity of the Group's Shariah compliance in its Islamic banking and finance activities and the adequacy of the system of internal controls to detect non-compliance to Shariah.

**Corporate Governance**  
Shariah Committee Report

## TRAINING

Listed below are the seminars and training events which Group Shariah Committee Members attended to keep abreast of the latest market trends and developments:

### Sheikh Associate Professor Dr. Mohamed Azam Mohamed Adil

- Shariah Leaders Education Programme (Briefing), BNM, Kuala Lumpur, Malaysia.
- BNM Shariah Leaders Education Programme (Module 1), Kuala Lumpur, Malaysia.
- Kuala Lumpur Islamic Finance Forum (KLIFF) 2015, Kuala Lumpur, Malaysia.
- BNM Shariah Leaders Education Programme (Module 2), Kuala Lumpur, Malaysia.
- World Halal Conference, KLCC, Kuala Lumpur, Malaysia.
- Workshop on Risk Posture, CIMB Group BRC, Kuala Lumpur, Malaysia.
- ICLIF/BNM Shariah Leaders Education Programme, Kuala Lumpur, Malaysia.
- Muzakarah Penasihat Syariah Kewangan Islam 2015 Kali ke-10, Kuala Lumpur, Malaysia.

### Sheikh Professor Dr. Mohammad Hashim Kamali

- Special Remarks and Book Introduction at the Book Launch of “The Middle Path of Moderation in Islam: The Qur’anic Perspective of Wasatiyyah” by HRH Sultan of Perak, Kuala Lumpur, Malaysia.
- Presented on “Matrimony and Women’s Rights: A Critique of the Afghan Civil Code 1976” at the Second Afghan Legal Studies Conference, Kabul, Afghanistan.
- Keynote Address “Sustainable Development from an Islamic Perspective” at the International Conference on Islam, Science and Sustainable Development: Maqasid Al-Shariah and Humanity’s Well-being, Kuala Lumpur, Malaysia.
- Presented on “Sustainability and Higher Education: An Islamic Perspective” at the World Islamic Countries University Leaders Summit 2015, Putrajaya, Malaysia.
- Keynote Address at International Conference on Maqasid al-Shariah in Public Policy and Governance, Kuala Lumpur, Malaysia.
- Shariah Leaders Education Programme (BNM-ICLIF Leadership and Governance Centre), Kuala Lumpur, Malaysia.
- Presented at the Perdana Discourse Series 19, “Islam and Islamisation” in Putrajaya, Malaysia.
- Discussant at the seminar on “Shariah Courts in Malaysia: Major Themes and Development,” Kuala Lumpur, Malaysia.
- Discussant at the “Roundtable Discussion on Tolerance in a People-Centred ASEAN,” Kuala Lumpur, Malaysia.
- Presented on “Guiding Principles of Islamic Public Policy: SiyÉsah SharŒiyyah and MaqÉlid al-Shari’ah Approach” at the First International Conference on Shariah-Oriented Public Policy In Islamic Economic System 2015, Aceh, Indonesia.
- Presented at the “Roundtable Discussion on Extremism, Terrorism and Islam: Toward a Better Understanding of Issues,” Kuala Lumpur, Malaysia.

### Sheikh Dr. Nedham Yaqoobi

- The Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) Shariah Conference 2015, Manama, Bahrain.
- Dallah Barakah Symposium on Islamic Economy, Jeddah, Saudi Arabia.
- Muzakarah Penasihat Syariah, Kuala Lumpur, Malaysia.
- 10<sup>th</sup> International Shariah Scholars Forum 2015, Kuala Lumpur, Malaysia.
- Discussant at the Bank Rakyat International Shariah Scholar Roundtable Discussion 2015, Kuala Lumpur, Malaysia

### Sheikh Yang Amat Arif Dato’ Dr. Haji Mohd Nai’m Haji Mokhtar

- ICLIF/BNM Shariah Leaders Education Programmes 2015, Kuala Lumpur, Malaysia.

### Sheikh Associate Professor Dr. Shafaai Musa

- KLIFF 2015, Kuala Lumpur, Malaysia.
- ICLIF/BNM Shariah Leaders Education Programme 2015, Kuala Lumpur, Malaysia.

### Sheikh Dr. Yousef Abdullah Al Shubaily

- 14<sup>th</sup> AAOIFI Annual Shariah Conference, Manama, Bahrain.
- Eighth Research and Studies Consulting Islamic Banking Conference, Doha, Qatar.
- Albarakah 36<sup>th</sup> Annual Conference, Jeddah, Saudi Arabia.
- Sixth Abu Dhabi Islamic Bank Conference, Abu Dhabi, United Arab Emirates.
- Seventh Shura Fiqh Conference, Kuwait City, Kuwait.

### Professor Dato’ Dr. Noor Inayah Yaakub

- Keynote Address at the International Conference on Cash Waqf 2015, Putrajaya, Malaysia.
- Guest Speaker representing Majlis Profesor Negara and Universiti Islam Malaysia; “Ke Arah Melahirkan Warga Kerja Sektor Agama yang Berkepercayaan Tinggi melalui Sistem Latihan yang Konfrehensif: Halangan dan Cadangan,” Kuala Lumpur, Malaysia.
- Keynote Address; “The Transformation of Roles of Waqf in Islamic Finance” at the KLIFF 2015, Kuala Lumpur, Malaysia.
- Guest Speaker; “Legal and Shariah Framework for the Halal Industry” at the Malaysia International Halal Research & Education Conference 2015 (MIHREC 2014), Kuala Lumpur, Malaysia.
- Guest Speaker at the Second Conference on Islamic Wealth Management and Financial Planning 2015, Kuala Lumpur, Malaysia.

**Sheikh Muhamad Taufik Ridlo**

- Rapat Pleno FATWA DSN - MUI, Nomor 96/DSN-MUI/IV/2015 Tentang Transaksi Lindung Nilai Syariah (al-Tahawwuth al-Islami/Islamic Hedging) atas Nilai Tukar, Jakarta, Indonesia.
- Rapat FATWA DSN-MUI, Nomor 97/DSN-MUI/XII/2015, Tentang Sertifikat Deposito Syariah, Jakarta, Indonesia.
- Rapat Pleno FATWA DSN-MUI, Nomor 99/DSN-MUI/XII/2015, Tentang Anuitas Syariah Untuk Program Pensiun, Jakarta, Indonesia.
- Rapat Pleno FATWA DSN - MUI Nomor 100/DSN-MUI/XII/2015 Tentang Pedoman Transaksi Voucher Multi Manfaat Syariah, Jakarta, Indonesia.
- Rapat Pleno FATWA DSN - MUI Nomor 101/DSN-MUI/XII/2015 Tentang PEDOMAN PENYELENGGARAAN JAMINAN SOSIAL KESEHATAN, Jakarta, Indonesia.
- Majelis Ulama Annual Meeting (Ijtima Sanawi) Dewan Pengawas Syariah (DPS) XI 2015 bertajuk "Optimalisasi Peran DPS Melalui Pengawasan Syariah yang Profesional dan Terintergritas dalam Rangka Penguatan Industri Jasa Keuangan Syariah," Bandung, Jawa Barat, Jakarta, Indonesia.
- Third International Ijtima for Ummah Solidarity 2015, Terengganu, Malaysia.
- Islamic Studies Discussion for Indonesian Muslim Community 2015, Rotterdam, Netherland and Berlin, Germany.
- Sixth National Convention of Jamaah Salamah Sri Lanka 2015, Sri Lanka.
- Seventh International Economic Summit of Rusia and OIC countries, Kazan Summit 2015, Kazan, Russia.
- Speaker on "2015-led Fitri Occasion for Indonesian Muslim Community" at the Indonesian Embassy, Brussels, Belgium.

**Professor Dato' Dr. Sudin Haron**

- Seminar Pembudayaan Wakaf Terengganu, Terengganu, Malaysia.
- FIDE FORUM'S Focus Group Discussion in preparation for dialogue with the Governor, Sasana Kijang, Bank Negara Malaysia, Kuala Lumpur, Malaysia.
- Workshop on "Exploring Policy and Regulatory Issues," Universiti Teknologi Malaysia, Kuala Lumpur, Malaysia.
- FIDE FORUM Dialogue with the Governor, Bank Negara Malaysia, Kuala Lumpur, Malaysia.
- Invest Malaysia Kuala Lumpur 2015, Kuala Lumpur, Malaysia.
- Workshop on Risk Appetite, Kuala Lumpur, Malaysia.
- Seminar PERKESO, Wisma Perkeso, Kuala Lumpur, Malaysia.
- Seminar Wakaf Wilayah Persekutuan, Kuala Lumpur, Malaysia.

**TERMS OF REFERENCE OF THE GROUP SHARIAH COMMITTEE**

Areas	Responsibilities
Shariah Advisory	<ul style="list-style-type: none"> <li>• To advise CIMB Group's Board of Directors and/or the Management on Shariah matters in order to ensure that the Islamic banking and finance business of CIMB Group is Shariah-compliant at all times.</li> <li>• To advise for the referral of issues to the Shariah Advisory Council BNM and/or any other competent authority on Shariah in any relevant financial regulators on any Shariah matter that requires their endorsement.</li> </ul>
Settings of Policy and Framework	<ul style="list-style-type: none"> <li>• To set the policies and procedures for CIMB Group's Islamic banking and finance business, to endorse the Shariah Compliance Manual and all the Manuals governing the Islamic banking business of CIMB Group including the Terms of Reference of the Group Shariah Committee and to suggest for their revision, improvement and updates from time to time as may be necessary.</li> <li>• To review and endorse BNM Shariah Governance Framework (SGF) as provided by various tools such as the Shariah Compliance Manual and various implementation functions within CIMB Group including Shariah research, Shariah review, Shariah audit and Shariah risk management.</li> </ul>
Shariah Rulings	<ul style="list-style-type: none"> <li>• To ensure high standards in arriving at Shariah decisions through a proper Shariah deliberation process.</li> <li>• To supervise and monitor the decision making of the other Shariah Committees formed within CIMB Group in Malaysia or other jurisdictions.</li> </ul>
Others	<ul style="list-style-type: none"> <li>• To keep abreast of the latest development of Islamic banking business globally, regulatory changes affecting CIMB Group's business, the rulings made by the Shariah Advisory Councils of BNM and SC and the changes in the latest Shariah research, Ijtihad, Fatwas or findings.</li> <li>• To engage actively in deliberating Shariah issues presented before the Group Shariah Committee.</li> </ul>

## FUNCTIONS AND REPORTS

### Internal Shariah Audit Function

In carrying out an audit, the Group Internal Audit Division (GIAD) provides independent assurance on the efficiency and effectiveness of the internal control systems and related policies and procedures implemented by Management governing Islamic products and services. Evaluation of governance, risk management, controls and compliance with Shariah rules and principles is carried out by conducting a process walk through, interviews with staff, and testing of samples of transactions or documentations. GIAD makes recommendations for improvements and enhancements where appropriate. Findings related to Islamic products and services are reported to the Group Shariah Committee. GIAD's scope of Shariah Audit coverage encompasses all business and support units that deal in Islamic products and services, except for CIMB Niaga which has its own internal audit division and CIMB Middle East (BSC) (C) for which its internal audit function is outsourced. All material findings arising from audits carried out by GIAD, whether relating to Islamic or conventional products and services are presented to the Group Audit Committee. The selection of the units to be audited from the audit universe is based on an annual audit plan that 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 rated as "Unsatisfactory" or "Unacceptable" in the past year. 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.

A pioneer batch of 17 staff successfully completed the foundation and intermediate levels of the Islamic Finance Qualification. Of these, 11 went on to pass the advanced level. The Islamic Finance Qualification is supported by the Islamic Banking and Finance Institute Malaysia.

The other three (3) sat for the advanced level examination in December 2015 and are awaiting results. The second batch of seventeen (17) GIAD staff sat for the foundation level examination in December 2015 and are awaiting results.

As a means to objectively evaluate its service quality and to ensure it continues to improve its service delivery, GIAD appointed a leading certification body to conduct an assessment on its quality management system in 2015 and has been awarded the ISO 9001:2008 Certification for internal audit services, a first for a financial institution in Malaysia. In 2015, GIAD passed the annual ISO9001:2008 surveillance audit conducted by the same certification body.

### Internal Shariah Audit Reports

Audit reports prepared by GIAD specifically highlight Shariah related matters where applicable. During the year, GIAD completed 284 audit assignments covering Islamic products and services.

### Internal Shariah Risk Management Function

Shariah Risk Management (SRM) is a function to systematically identify, measure, monitor and control Shariah non-compliance (SNC) risks inherent in the Group's Islamic banking business and services activities to mitigate any possible SNC events. This control function is part of the Group's Enterprise-Wide Risk Management Framework. The Group adopts the BNM SGF definition of SRM and accordingly, scopes the SRM activities to manage SNC risks.

Monitoring of Shariah compliance and Shariah governance process is carried out through Shariah Compliance Review and Shariah Audit functions, supported by SRM control measures and internal Shariah Research capacity. In CIMB Group, the Shariah Compliance Review, Shariah Audit and SRM functions reside in the Group Compliance, Group Internal Audit and Group Risk divisions respectively, supported by Shariah and Governance. The SRM Centre of Excellence (CoE) also actively participates in the development process for Islamic products and services to ensure that all SNC risks are appropriately identified, assessed, managed and mitigated. The SRM CoE also reviews internal policies and procedures to ensure Shariah requirements are embedded in the documents that would guide business and support units in their Islamic operations and business activities. The new products and services as well as internal policies and procedures that are applicable to Islamic banking businesses and services are subject to prior approval from the Group Shariah Committee before implementation.

The SRM CoE leverages on the existing Operational Risk Management (ORM) system, namely, ShARP for the Designated Compliance and Operational Risk Officer (DCORO) to register SNC risk inherent in their areas and assess the effectiveness of their existing controls in the Risk Control and Self Assessment (RCSA) report. All RCSAs submitted by the BUs/BEs will be validated by SRM CoE, taking into account existing controls that have been put in place.

In 2015, the SRM CoE initiated and conducted several training programmes for DCORO and staff of BUs/BEs to increase the level of awareness on SNC risks. The SRM CoE will continue to provide such trainings, hence facilitating risk identification and SNC event reporting.

The SRM CoE analyses the potential impact of any SNC events, based on the historical trends and actual SNC income. The effectiveness of existing controls is also reviewed and additional measures will be introduced, if necessary, to avoid recurrences.

**Internal Shariah Risk Management Reports**

In May 2015, the CIMB Group Shariah Risk Management Framework (SRMF) was revised. The SRMF articulates the objectives, mission, guiding principles, governance structure as well as methodology and approach adopted by the Group in managing SNC risk.

SNC risk is the risk that arises from the Group's possible failure to comply with Shariah rulings as determined by the Shariah Advisory Council (SAC) of BNM and SC, the Group Shariah Committee of CIMB Group; and other Shariah regulatory authorities of the jurisdiction in which the Group operates. SNC may result in financial and non-financial impact to the Group such as nullification of contract, non-recognition of income or earnings, regulatory breach, reputation risk, etc. It may be due to people, process, system and external events.

To increase the level of awareness amongst staff on SNC risk, the SRMF provides examples of SNC events, their causal factors as well as their impact to the Group. In addition, a list of internal controls that have been put in place by CIMB Group to mitigate SNC risk is also provided. This would enable the first line of defence to systematically identify, monitor and control SNC risks in their respective areas, thus minimising potential SNC events.

The appropriate treatment of any SNC income or earnings shall be based on advice by the Group Shariah Committee, which may include but not be limited to channelling the SNC income or earnings to charitable organisations or returning the SNC income or earnings to customers.

**Internal Shariah Compliance Review Function**

In line with the Central Bank's Shariah Governance Framework for Islamic Financial Institutions, the Shariah Compliance Review Unit (SCRU) of the Group Compliance division, comprising qualified Shariah officers, is responsible for conducting the Shariah compliance review function.

The CIMB Group Shariah Compliance Review Policy and Procedures Manual sets out the Shariah compliance review function, encompassing regular assessment on Shariah compliance in the activities and operations of CIMB Group, including examining and evaluating CIMB Group's level of compliance to the Shariah, remedial rectification measures to resolve non-compliances and control mechanisms to avoid recurrences.

**Internal Shariah Compliance Review Reports**

In ensuring the activities and operations of CIMB Group are Shariah compliant, the Shariah compliance review officer shall conduct pre- and post-implementation review of CIMB Group's activities and operations as per the Shariah compliance review work plan approved by the Group Shariah Committee and the respective Boards.

In 2015, SCRU investigated reported/identified potential Shariah non-compliance observations in CIMB Group where thirteen (13) of the observations were confirmed as Shariah non-compliance events by the Group Shariah Committee.

The Group Shariah Committee and the respective Boards are provided with Shariah compliance reports on a regular basis to facilitate the Group Shariah Committee/Boards having a holistic and overall view of all Shariah compliance matters.

**Shariah Research Function**

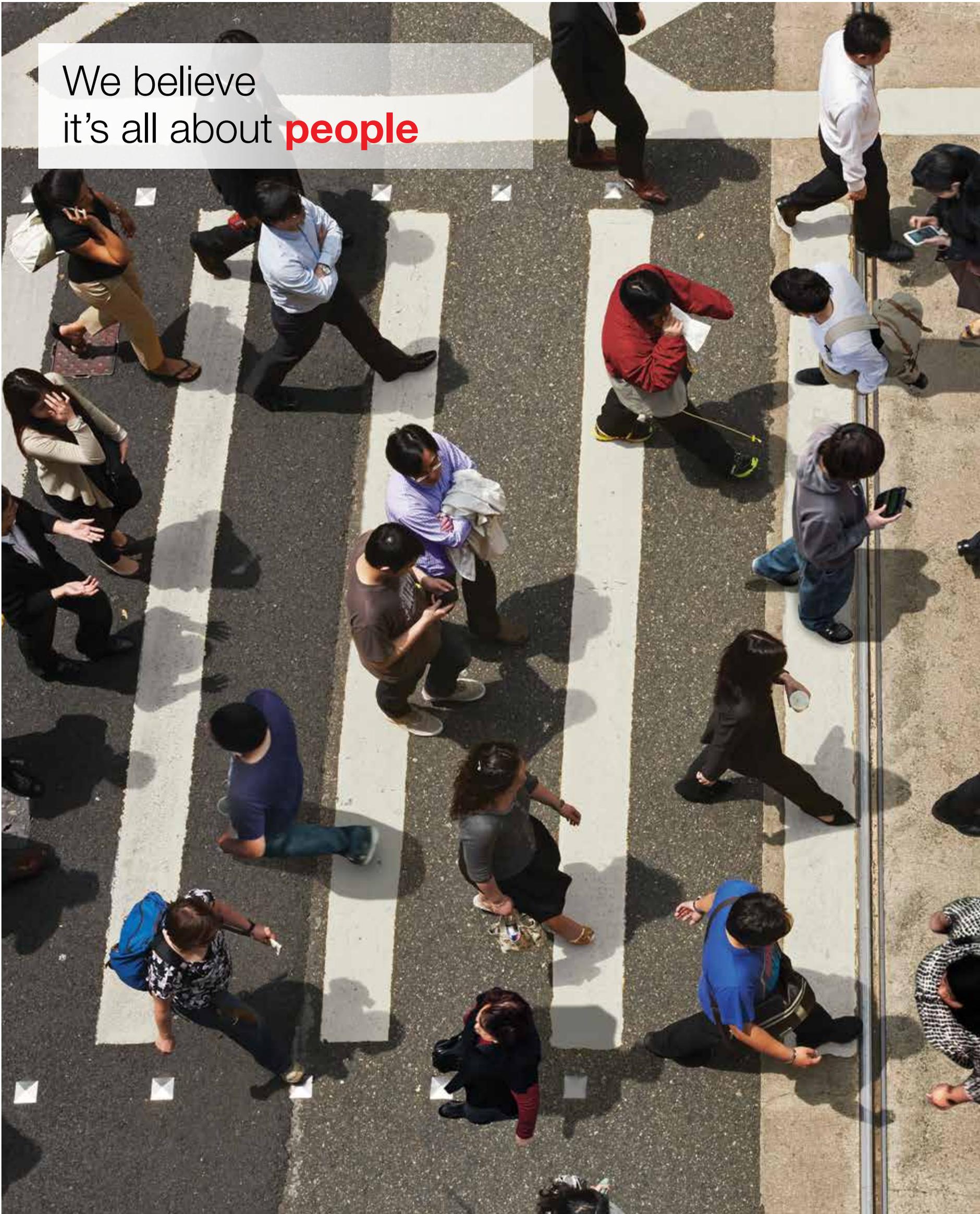
The Shariah Research Function is undertaken by the Shariah Research Unit, which reports directly to the Group Shariah Committee and administratively to the Head of Shariah and Governance. The Shariah Research Function basically assists and supports the Group Shariah Committee to conduct pre-approval review, perform in-depth comprehensive research and studies of Shariah issues in proposals submitted by various business and support units throughout CIMB Group for the Group Shariah Committee's approval, and provides an independent assessment of the same. This function ensures proper deliberation by the Group Shariah Committee. This also includes the provision of day-to-day advice based on the decisions and Shariah rulings of the Group Shariah Committee to those units throughout CIMB Group. This function also undertakes the administrative and secretarial matters relating to Group Shariah Committee. In carrying out its tasks, the Shariah Research Unit is guided by the CIMB Group Shariah Compliance Policy and General Procedures Manual and the BNM SGF.

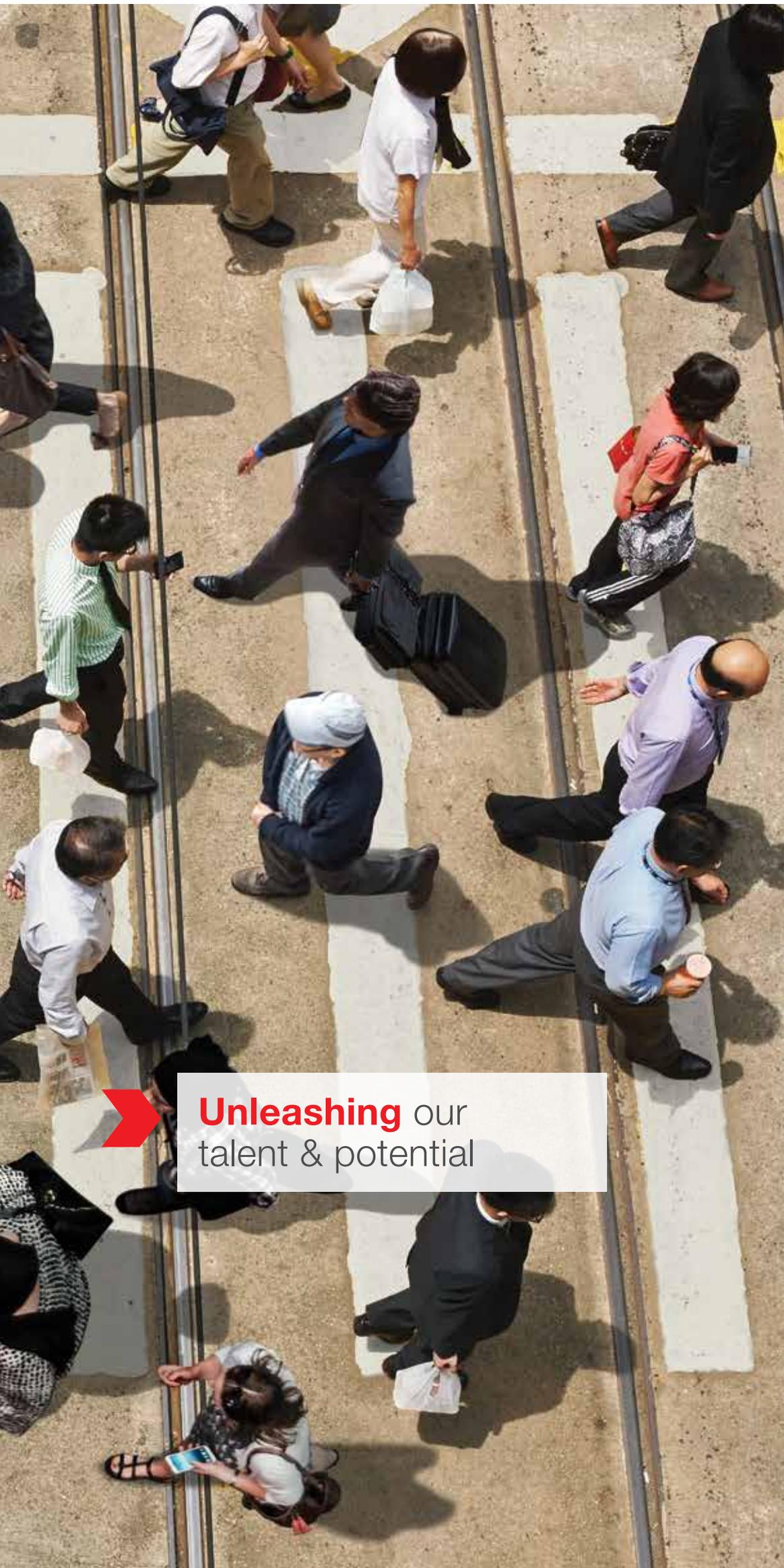
**Shariah Research Reports**

The Shariah Research Unit provides direct input to the Group Shariah Committee on issues related to new products, services, business deals, policies, procedures and marketing materials and reviews and conducts research where necessary to assist members of the Group Shariah Committee in making appropriate deliberations and decisions. Together with the Group Company Secretarial Department, the unit facilitates the issuance of Group Shariah Committee approvals where appropriate and disseminates such approvals to the relevant business units.

In addition, the unit attends meetings and briefings on Shariah matters with industry regulators and associations, raises the awareness of Shariah compliance within CIMB Group and maintains records of Shariah rulings and decisions of the Group Shariah Committee for internal research and advisory purposes.

We believe  
it's all about **people**





**Unleashing** our talent & potential



**Our People**

Human Capital Growth and  
Talent Development Initiatives

## HUMAN CAPITAL GROWTH AND TALENT DEVELOPMENT INITIATIVES

### Our Focus in 2015

We have more than **40,000 employees** with a market presence in **17 countries**. Our people built CIMB to be the regional brand that it is today. We see our employees as individuals who deserve opportunities to develop. We engage with our staff in an open, honest and respectful manner and we provide a workplace that cares about employee safety and promotes their health and well-being.

Our human capital initiatives through 2015 were geared to support the Group's T18 Recalibration efforts, which can be grouped under three main areas:

- 1 **Culture Transformation:** CIMB launched an initiative called "A Better CIMB" (ABC) in late 2014, to better support our high performance culture and to help us achieve our business goals. We landed on three critical behaviours, namely, going the extra mile to delight customers, respecting each other, engaging openly and working together, and recognising each other's efforts and always backing each other up. We spent 2015 going all out to create awareness of ABC and reinforcing these behaviours through various means, with commitment from top management, mindful that this transformation should lead to enhanced customer experience and help CIMB achieve its business goals.
- 2 **Strategic Manpower Planning:** Lean times call for greater productivity and efficiency. We focused on business process improvements, leveraged on the Regional Operating Model to centralise and eliminate duplication (and drive standardisation of regional policies), reviewed organisational structures and roles that included delayering, combined jobs, identify redundant or unnecessary roles, and increased efficiency and productivity through innovative ways. As part of business rationalisation, we offered the Mutual Separation Scheme in Malaysia (1,892 employees) and Indonesia (1,710 employees). Together, with greater discipline on cost and headcount, we achieved a nett 5% headcount reduction. To ensure that business continues smoothly, we emphasised grooming and developing staff, and ramped up internal hiring.
- 3 **Performance Management Framework:** Our performance management framework and practices were strengthened to ensure alignment of KPIs with T18 goals and that there is sustained focus on our key initiatives. Areas worked on include governance of KPIs, risk-adjusted performance metrics, education of managers and closer linkage between performance and rewards.

### TALENT MANAGEMENT

Our talent management philosophy is grounded on our ambition to become the ASEAN talent and leadership factory. As we consolidate our position as a leading regional franchise, we need leaders with distinctive traits and competencies so that we have a competitive edge and grow. This demands rigour and consistency in our talent management process as well as line management ownership and direct involvement in executing end-to-end talent management throughout the business.

In 2015, the Talent Review Council, overseen by the Talent Review Board, ramped up its efforts to identify and develop high potential candidates, and address critical vacancies, succession concerns, strategic hiring and transition plans. The council also reviewed and endorsed strategic talent management related policies to ensure they match the business objectives and expectations of our various stakeholders across the region. The Talent Review Council is an integral component of our Talent Management Framework to help us plan, manage and execute our Talent Succession Framework.

### TRAINING AND DEVELOPMENT

One of our Employee Value Propositions is 'Obsessed with Talent Growth.' We care about our people at each milestone in their professional journey. Our employees work in an environment that nurtures high performance and empowers every individual to innovate and deliver value in the workplace and in the community we serve. To attract the best minds, talented people need to know they will be part of an organisation where they can grow. Working in CIMB is rewarding beyond the financial remuneration; it is also about career development, recognition, regional opportunities and job rotation.

Internal development programmes are essential to develop the skills which the workforce needs to lead CIMB forward. We inspire people to do their best and that is the ultimate aim of all of our talent development programmes. Our workplace programmes remain a key strength and employee-attraction factor, and we are widely regarded as an employer of choice in ASEAN.

## Our People

Human Capital Growth and  
Talent Development Initiatives



*Management trainees after breakfast with Chairman Dato' Sri Nazir Razak and Group People Officer, Hamidah Naziadin, who shared stories from their extensive experience with #teamCIMB.*

### GRADUATE MANAGEMENT PROGRAMMES

We value both 'Diversity within Banking' and 'Diversity Beyond Banking', and to this end offer a number of popular and award-winning graduate programmes. CIMB won the HR Excellence 2015 Award – Excellence in Graduate Development for its two sets of graduate management programmes.

Our flagship universal banking management training initiative, 'The Complete Banker' has so far produced 829 graduates. The programme which focuses on 'Diversity within Banking' is a two-year bond. It offers three tracks: investment banking, consumer banking and asset management. The first year focuses on giving our management trainees a strong overall foundation in the banking industry. The second year provides a more specialised grounding depending on each individual's career aspirations and the availability of those roles.

On the other hand, the 'CIMB Fusion' programme has provided dual industry career opportunities to 52 graduates since 2013. Trainees are given the opportunity to explore one other industry outside banking i.e. accounting, consulting, IT, law, advertising and teaching/leadership. To this end, CIMB partners with PwC, Accenture, Hewlett Packard Enterprise, ZICOLaw, FCB Kuala Lumpur and Teach For Malaysia. CIMB Fusion

was also named the Best Graduate Management Trainee Programme at the Malaysia's 100 Leading Graduate Employers Awards 2014.

Our trainees are given constant feedback, and their progress and performance is tracked closely. All of them embrace strength in diversity by working with colleagues of different academic disciplines, work experience, cultures and nationalities to help them develop into truly broad-minded universal bankers.

### MIDDLE MANAGER PROGRAMMES

We give high priority to our middle managers who are our communications lynchpins between senior management and staff, and are our culture builders. They are also our talent source for senior management. In 2015, we held our second CIMB Emerald Award, designed to help middle managers discover their strengths so that they can be groomed to become tomorrow's leaders. The initiative rewards top performing middle managers across the Group. In 2015, of the 155 participants, 25 winners were celebrated in a special event, with 10 rewarded with a cash prize of RM5,000 each, mentoring by a senior leader in CIMB Group, a learning attachment of between one and three months at a business unit in a CIMB country of choice performing a role of his choice as well as a tour to Jogjakarta.

We also offer our middle managers the CIMB-Nanyang Technological University Accelerated Universal Bankers Programme that also serves as a platform for networking and collaboration amongst middle management across the region. The six-month programme builds on the universal banking perspective of CIMB and offers cross-border and cross-department perspectives.



*Celebrating our top middle managers at the CIMB Emerald 2015 Awards Ceremony. Of the 155 nominations Group HR received from Malaysia, Indonesia, Singapore, Thailand, Cambodia and Hong Kong, 25 were picked to vie for the 10 awards given out for exemplary leadership.*

## Our People

Human Capital Growth and  
Talent Development Initiatives



*Happy graduates of CIMB ACE, a programme exclusively as CIMB's non-executive staff to accelerate their growth professionally.*

Our Middle Management Development Series held bi-monthly are a hit among middle managers. All six sessions in 2015 with engaging topics such as Translating Strategy into Action, Driving Engagement at the Workplace, and Leadership Insights, received full attendance.

We believe in continuous learning and development. Our leaders are actively involved in coaching, mentoring and teaching our emerging talent. They understand both CIMB Group and the intricacies of the banking industry. To help institutionalise their knowledge, we have a dedicated leadership development centre, the Commerce Leadership Institute. It 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 foster bonds between our current and emerging leaders. Our top management talent also takes part in the CIMB-INSEAD Leadership Programme.

On top of that, we also launched the CIMB Leadership Academy (CLA) at Afinity Medini in Johor. Housed within the mixed-use development project of Afinity Medini which features residences, training and wellness facilities and retail outlets, CLA complements our Akademi CIMB Putra in hosting leadership programmes and large group training. We also have Academies for Treasury and Markets, Credit and Corporate Advisory which provide technical learning, allow the leveraging of knowledge 'stored' in different parts of the organisation and help to institutionalise expertise across CIMB.

We are constantly evolving, thus we offer a broad range of training so that our staff stay abreast of changes. As we strive to initiate proper training with cost management in mind, we have leveraged on our internal capabilities and saved RM16.9 million. This included learning sessions and platforms such as e-learning, leadership and management, culture, credit and sales and service.

One of our most significant initiatives is the CIMB Accelerated Career Enhancement (CIMB ACE), an upward mobility scheme for non-executives in Malaysia. Launched in 2014, CIMB ACE develops their skills, productivity, career growth opportunities and income-generation power. The three-month long programme is in line with the Government's 'Program Majudiri 1Malaysia' (PR1ME) national initiative to help non-executives grow professionally and ultimately drive the country towards becoming a high-income nation.

At the start of 2015, 233 CIMB non-executives graduated from the CIMB ACE programme and received their certificates of completion at a ceremony held at Universiti Tun Abdul Razak (UNIRAZAK). CIMB ACE's suite of learning modules is endorsed by UNIRAZAK which also delivers the Structured Programme for English Enhancement and Development at UNIRAZAK's Centre for English Language.

Based on the results of assessments and available vacancies, non-executives are eligible for job upgrading opportunities if they consistently perform above average and as

their capabilities for higher responsibilities grow. Monetary rewards are offered to non-executives who have obtained higher qualifications during their own time. The monetary award is on top of the corporate sponsorship and scholarship schemes that CIMB Group offers apart from CIMB ACE.

We have recently signed a Memorandum of Understanding (MOU) with the Foreign and Commonwealth Office of the UK to establish the first-ever Chevening-CIMB ASEAN Scholarship. Through this partnership, CIMB will sponsor five students from the ASEAN region to pursue a one-year Master's degree programme at prestigious university partners of Chevening in the UK. The MOU supports the launch of 'Education is GREAT,' a campaign in which Malaysia and the UK have renewed their commitment to strengthen partnerships and engagement in education, as part of the larger drive to promote trade and investment.

## HOLISTIC REWARDS SYSTEM

CIMB has a comprehensive rewards system to ensure that our people are competitively remunerated while enjoying opportunities for learning and progression. We place a premium on high performance and our rewards are performance-based. Variable bonuses are paid based on how well the company, business units and individuals perform. We also offer share equity to our senior staff so that they enjoy commensurate rewards from the success of the organisation. We keep CIMB competitive with regular benchmarking exercises of our pay and benefits across the region.

We offer broad-ranging employee benefits including hospitalisation, medical and dental benefits, three months' paid maternity leave, subsidised child care and special rates for car loans and home mortgages. We have mothers' rooms at our main offices and we set up our second childcare centre in 2015.

We also offer a staff rejuvenation programme that gives unpaid leave for up to six months without loss of seniority or benefits. The programme is open to everyone, but we find that over 80% of those who take up this programme are women, who often opt for the programme to care for elderly parents or to extend their maternity leave.

We encourage our employees to balance work and family commitments, manage stress and pursue a healthy lifestyle. Supporting employees'

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Talent Development Initiatives

CIMB senior management at a ceremony honouring colleagues for their long service of over 20 years with #teamCIMB.

physical and mental wellbeing improves their performance and reduces absenteeism. Our health, safety and wellbeing practices demonstrate our commitment to this and we offer facilities such as gymnasiums and regular sports and recreational activities.

For employees who have been with us for a long time, we offer CIMB Long Service and Retirement Awards to recognise their contribution, loyalty and commitment to the firm.

**DIVERSITY IN HUMAN CAPITAL GROWTH**

Diversity is part of our DNA and we embrace the diversity in each of our markets. We respect different cultures, we value varied perspectives and we recognise diversity as a source of strength across our network of employees. As a regional franchise, CIMB employees embrace multicultural perspectives to better serve our customers.

One of our Employee Value Propositions is 'Thriving on Diversity.' It is our ability to leverage on the talents of different cultures, educational backgrounds, gender, and age groups and harness its value that gives us the competitive edge. Diversity, coupled with an open culture, often brings creative solutions and positive results. Diversity in leadership ensures that the firm is able to appreciate the multitude of

opportunities and risks in the market, and not least, appreciate its diverse workforce. On a very basic level, we need sales teams of various age groups, cultures, and even personalities to reach out to our diverse customer base.

At CIMB, our leaders are always on a lookout to ensure that there is balance in terms of ethnicity, gender and age group. Our rule is that operations must be run predominantly by locals, but we also subscribe to diversity as an asset and business driver. As such, we engage expatriates if they can contribute to the business. We aim for a composition of 70% locals and 30% regional staff. Regional employees may be direct hires or recruited through our Global Mobility Scheme. We place high priority on performance. As such, our hiring is based on needs as well as the ability of the potential employee to excel in a setting that demands high performance. We do not discriminate based on gender, race, religion, orientation or nationality.

Our leadership training also emphasises diversity. We use the '2 x 2 x 2 principle' - two functions, two businesses and two geographies. This means that senior leaders must serve in such capacities as they grow with CIMB.

Without fixing a gender target, we have a strong gender diversity ratio. In 2015, 54% of our employees were women.

We fully subscribe to the firm's ASEAN agenda. One of our Employee Value Propositions is 'Towards an ASEAN Champion.' We emphasise to our existing and potential employees the advantages of working for an ASEAN organisation.

Several of our HR initiatives were developed with the ASEAN ambition in mind. For example, in our regional training programmes, we endeavour to have a mix of staff from different countries. We hire talent from all walks of life, creating a platform to learn from each other's life experiences. We also provide cross-function and cross-border opportunities and we encourage our people to gain exposure in different roles and markets, allowing them to develop personally and in their career.

In 2015, we were awarded the Gold Award on Inclusiveness and Diversity Reporting at the National Annual Corporate Reports (NACRA). This is a milestone achievement and an endorsement of the collaborative efforts of CIMBians in embracing diversity. NACRA 2015 is organised by Bursa Malaysia Berhad, the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. The Inclusiveness and Diversity Reporting Award is an inaugural award jointly introduced with TalentCorp.

**Our People**

Human Capital Growth and Talent Development Initiatives

**CULTURE TRANSFORMATION AND STAFF ENGAGEMENT**

CIMB’s culture has been an integral part of our remarkable growth. With that understanding, in 2014, we embarked on our ‘A Better CIMB’ (ABC) drive. ABC sums up our initiative to recalibrate and fortify our culture, embracing both our employees and our leaders. We believe that culture is a key lever in driving organisational success and as we embrace a high performing culture, we proactively encourage three critical behaviours to build ‘A Better CIMB’ - namely, going the extra mile to delight customers, secondly, respecting each other, engaging openly and working together and lastly, recognising each other’s efforts and always backing each other up.

We go all out to educate and create awareness and encourage our people to live the behaviours. We use a variety of communication platforms to remind us that ABC is alive and kicking and to act out the three critical behaviours, including sending out bi-monthly emails to share updates and events, setting up a community page on CIMBNet entitled ‘A Better CIMB’, distributing ABC posters to branches across Malaysia, localising ABC posters and buntings by translating the three critical behaviours, displaying ABC wall murals in Menara CIMB and a ‘flash mob’ launch in Menara Bumiputra-Commerce, distributing ABC videos across Malaysia, Indonesia, Singapore, Thailand and Cambodia, creating an ABC screensaver across the Group as well as various localised merchandise such as bookmarks, badges and t-shirts.

We have also brought to life ABC Roadshows across the Group to act as a platform for employees to understand CIMB, its successes



*CIMB Group CEO Tengku Dato’ Sri Zafrul spending time with Regional Shared Services (RSS) team to better understand their role as the gatekeeper for CIMB’s core model.*

and areas for improvement so we can work towards a common goal. In 2015, we reached out to 17,130 staff through 143 sessions in Malaysia, Indonesia, Singapore, Thailand, Cambodia and the UK.

We have identified individuals who naturally exhibit the three critical behaviours and inspire others, and lead in their own ways. We have tapped on the energy and idea of some 80 such leaders and helped them to set up network to share best practices and success stories.

Our Group Management Committee (GMC) members lead by example, in sync with the three critical behaviours, with activities such as Tuesday chats, in which Management hold informal chats with their skip level reports, and through Out and

About initiatives where they regularly visit other departments to better understand the business and its people. The success of these activities had prompted CIMB to expand this to the direct reports of GMC members.

We believe in giving back to the communities we serve. Corporate responsibility is a virtuous cycle and our support helps to build and grow sustainable environments in which everyone prospers. Under these conditions, we are able to grow our businesses and work towards our vision to be the leading ASEAN company. In the past seven years, we have run projects that have benefited more than three million people across ASEAN.



*#teamCIMB senior management taking part in the ‘A Better CIMB’ workshop at the Annual Management Summit.*

**Our People**

Human Capital Growth and  
Talent Development Initiatives



*Winners of the 2015 ASEAN Stock Challenge, a regional stock trading competition for university students in Malaysia, Indonesia, Singapore, Thailand and Cambodia.*

Managing how our business affects the environment is key to being a responsible organisation. We are committed to reducing our impact on the environment and creating value for stakeholders by enabling our staff and our business to become more environmentally-friendly, and empowering communities to go green by promoting environmental awareness projects and campaigns, especially at schools and universities. Our main office is a green building and we continuously encourage careful use of energy and other resources like paper.

We frequently bring together employees from different businesses and units for non-work activities. This is achieved through two main channels, namely sports and recreation and corporate social responsibility (CSR) and humanitarian acts. Our Sports and Recreation Department organises many activities throughout the year for staff. CSR is part of our DNA. When we support people in our community, workplace, marketplace and environment, we build social sustainability and create long term value.

For more details on corporate responsibility and other aspects of the CIMB workplace, please read the accompanying Sustainability Report.

Over and above the direct contribution of CIMB as a corporate body, we encourage all our employees to give back to the community and have a policy to reward community service days. We have Community Link projects that are proposed and championed by employees themselves.

We also have a Staff Welfare Fund which has helped many employees and their families get back on their feet after unexpected problems including natural disasters. CIMB also encouraged team spirit by introducing 'Adopt a Family' – an initiative for CIMBians to help their fellow CIMBians who suffered from the 2014/2015 floods. Staff enthusiastically formed teams, provided moral support through the phone while some travelled to the affected areas to help clean up and rebuild the homes of their colleagues. This is over and above from making personal donations to families they adopted.

**TALENT DEVELOPMENT FOR CIMB MARKETPLACE**

As a leader in ASEAN, CIMB recognises that the development of entrepreneurship and technical expertise in the field of capital markets is crucial.

The annual CIMB ASEAN Stock Challenge competition supports the development of innovation in learning and growing talent for the ASEAN capital markets.

It provides university undergraduates from Malaysia, Indonesia, Singapore, Thailand and Cambodia with the opportunity to gain hands-on experience of cross-border stock trading in a fully simulated online trading environment across five stock exchanges, namely Bursa Malaysia, the Indonesia Stock Exchange, the Singapore Exchange, the Stock Exchange of Thailand and the Hong Kong Stock Exchange. As an ASEAN company, the Finals are held in a different country each year; the 2015 Finals were held in Kuala Lumpur.

In 2015, a total of 2,444 teams involving 6,700 students from 188 universities across ASEAN were given the chance to win an educational trip to the London Stock Exchange on top of cash prizes worth USD38,000. The panel of experts who evaluated the teams' investment strategies looked at investment knowledge, analytical skills and judgement. The 2015 team that won the Finals is from Singapore.

The CIMB Bumiputera Entrepreneur Skills Transformation (CIMB BEST) Programme supports the growth of Bumiputera entrepreneurs with multi-track programmes based on entrepreneurs' level of experience and sector-based public seminars. CIMB also awarded scholarships to two CIMB BEST graduates to study the Bachelor of Business Management (Entrepreneurship) (Hons) at UNIRAZAK.

**RECOGNITION FOR CIMB'S HUMAN CAPITAL MANAGEMENT**

Throughout 2015, we were proud to accept several awards in recognition of our commitment to our human capital. These included the Excellence in Graduate Development Programme in the HR Excellence Awards 2015.

# SUSTAINABILITY STATEMENT

## INTRODUCTION

In 2015, our sustainability efforts continued to evidence innovation and adaptability. We incorporated economic, environmental and social aspects into many areas of our business. The reason for our focus is simple - sustainability has always been entrenched in our values and strategies. Although external environments may pose various challenges, our internal strength supports our efforts.

Responsible and ethical practices are the bedrock of our business as we work everyday to improve the delivery of our products and services. These values and principles are applied in all our dealings with customers, suppliers and other stakeholders.

## SCOPE

The scope of this Sustainability Statement follows the Annual Report 2015. The Statement is to be read in conjunction with our Sustainability Report (SR) 2015.

### CIMB Sustainability Report 2015

The Sustainability Report follows the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines, at the 'Core' level disclosure. It is also guided by the Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statement in Annual Reports.

Moving forward, CIMB will be working to improve disclosure. By following recognised reporting frameworks, CIMB is able to disclose the most critical impacts – be they positive or negative – on the environment, society and the economy. The objective ultimately is to generate reliable, relevant and standardised information which assesses opportunities and risks and enables more informed decision-making – both within the business and among stakeholders.

Where possible, we have provided our stakeholders with performance data and a comprehensive picture of our management of sustainability issues over the past years.

We are one of the 34 companies in the FTSE4Good Bursa Malaysia Index. This Index consists of selected Malaysian stocks in the FTSE Bursa Malaysia EMAS Index, screened in accordance with Environmental, Social and Governance (ESG) criteria.

## SUSTAINABILITY GOVERNANCE

Sustainability governance at CIMB is supported by a series of policies and processes. The Board's understanding of sustainability at CIMB is informed by various operational teams including:

Group Risk	➤	The Group Reputation Risk Management Policy was adopted in 2015, and it replaced our previous Reputational Risk Management Framework. The policy provides clear accountabilities for reputation risk management and a consistent methodology integrated into the current risk management process. Oversight of ongoing management of reputational risks lies with the Reputation Risk Committee, which is a sub-committee of Group Operational Risk Committee.
Group Human Resource	➤	Oversees CIMB's Human Resources Policies and Procedures (HRPP), that govern all aspects of CIMB's human resource management. The HRPP is reviewed periodically to ensure that relevant controls are in place to manage operational risks. Group Human Resource updates employees on changes to policies and procedures via emails or memoranda.
CIMB Foundation and Corporate Responsibility	➤	Community engagement and development
Corporate Travel Management Department	➤	Manage all business travel
Energy Management Committee	➤	Tasked to oversee a reduction in Greenhouse Gas (GHG) emissions

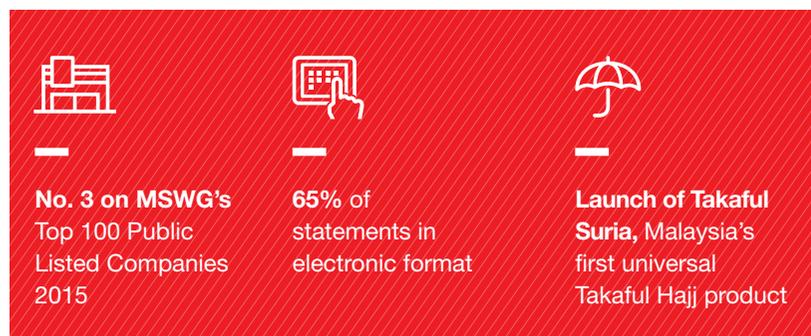
## STAKEHOLDER ENGAGEMENT

Value creation for our stakeholders is key to our operations. We regularly carry out risk analyses with emphasis on our stakeholders. Over the years, we have developed close relationships with our stakeholders via dedicated channels for dialogue. These channels help us anticipate solutions, mitigate possible negative impacts, identify weaknesses and establish improvement plans for all parties.

## UNDERSTANDING OUR MATERIAL ISSUES

### Business-Driven Sustainability

One of our key strategies is to build sustainable relationships into our core business through the integration of economic, environmental and social considerations into product design. CIMB has shown that it can transform and embrace innovation - we intend to continue developing products and services that can have positive impacts on societies at large. We will also embrace digitisation and tap into the small and medium enterprises and start-up markets and continue to make headway in these two areas in the coming years.



### Customer Satisfaction

We are committed to customer satisfaction - which includes selling our products and services in a responsible manner as well as complying with applicable laws and regulations. To enhance the overall customer experience, we have been working on a range of improvements. Some improvements involve the introduction of more value-added services, particularly in connecting customers across the region by taking advantage of our ASEAN network. We have also introduced various new communication channels for different customer segments.

### Digitisation

With advances in communications technology, banks have moved largely away from traditional methods of transaction that took place on paper and in branches. Digitisation plays a key role in reaching out to communities and is one of the key areas of importance and innovation for us. We continue to encourage our customers to perform transactions online - this minimises both the environmental impact of our operations and makes the customer experience smoother. For example, customers in Singapore are given the choice to open a bank account online without having to make a trip to a branch. We also send out e-statements instead of paper ones. 65% of our statements are now in an electronic format.

Our EcoSave Savings Account-i is a paperless account where no passbook and no physical statements are distributed. Deposits are invested in Shariah-compliant activities and 0.2% of the total account portfolio balance is contributed to environmental activities on a quarterly basis.

### Islamic Finance and Sustainability

One of our highlights in 2015 was the launch of Takaful Suria, Malaysia's first universal takaful hajj product. Developed exclusively by our bancatakaful partner, Sun Life Malaysia Takaful Berhad, Takaful Suria provides protection, savings and financial flexibility to assist Muslims in fulfilling their religious aspirations and obligations.

### Small and Medium Enterprises (SMEs)

The SME sector represents a substantial portion of all economic activities in the region. Increasing intra-ASEAN trade and investment in the SME sector can have a positive influence in job creation and economic growth in the region. We see the importance of ensuring support for this sector and are increasing our services in SME banking.

### FinTech and the Disruption of Banking

- We entered into a partnership with Startupbootcamp FinTech (SBC), Europe's leading FinTech accelerator. The partnership gives us a three-year access to the FinTech startups under SBC's Accelerator Programme. We will act as a gateway for startups wishing to gain access to the region. SBC will provide mentorship to these startups, helping them to fine-tune their business models.
- Touch 'n Go (TNG), one of our leading strategic investments, is emerging as a strong player in the realm of FinTech and is undergoing major transformations. It is repositioning its core business by moving from being a cashless payment provider into a centralised collection agency and service provider. With its digital wallet strategy, TNG is reinventing itself as 'The #1 Micropayment Wallet in Malaysia.'
- A strategic collaboration with Smart Communications, the wireless service provider of leading Philippine telecommunications company, Philippine Long Distance Telephone Company (PLDT), and its wholly owned digital unit, Voyager Innovations which will develop digital financial offerings and solutions for our customers in the Philippines and across ASEAN.

**Our People**  
Sustainability Statement

**Customer Privacy**

CIMB is committed to privacy and the protection of personal information. CIMB only collects and uses personal information in accordance with such laws, including the Personal Data Protection Act 2010, and the terms and conditions in customer agreements. Personal information is an asset and CIMB Group places great importance on keeping it secure. Technical and organisational security measures to process personal information are reviewed and updated regularly.

Employees are trained to handle personal information securely and with the utmost respect. Failure to do so may result in disciplinary action.

**Sustainability in the Supply Chain**

As part of our efforts to make our organisation more efficient, we have paid attention to our procurement management. Our newly established Strategic Procurement function is one of the core drivers of our cost and productivity management programme. We have also recognised the need for stronger governance and controls. We separated the Compliance Division into an independent function which now reports directly to our Board of Directors.

Initiatives such as the creation of a centralised procurement team and a productivity dashboard have encouraged greater transparency and accountability. In the next stage, we will establish a centralised regional strategic procurement system.

Environmental and social performance are included in supplier selection during the Request For Information (RFI) process. We consider different aspects when measuring suppliers' commitment to environmental sustainability and corporate citizenship, including:

- Policies addressing equal opportunity, child or forced labour, health and safety and human rights
- Supplier and subcontractor audits for social compliance
- Anti-corruption, gifts and entertainment
- Environmental certification

CIMB's procurement team monitors suppliers' environmental and social performance on an ad-hoc basis. More formal processes address vendors' governance issues such as data security and privacy.

Environmentally Preferable Purchasing helps CIMB reduce environmental impact with its suppliers. The practice is particularly useful for reducing paper, cafeteria and office supplies.

In the future, CIMB will explore whether environmental and social factors can be more formally integrated into supplier monitoring procedures.

Other factors assessed in the supplier selection process include:

- Quality of products
- Support and commitment before and after sales
- Track record of services, delivery and performance
- Financial capability
- Network capability
- Total cost

**Managing Our Environmental Impact**

We are always looking for ways to manage our impact on the environment and creating value for stakeholders by enabling our employees and our business to become more environmentally friendly. We also empower communities to support environmental awareness projects and campaigns, especially at schools and universities.



**Energy Management**

Our main environmental footprint consists of office materials and energy usage. We have processes in place to make continuous improvements in energy efficiency, emissions reduction and resource conservation.

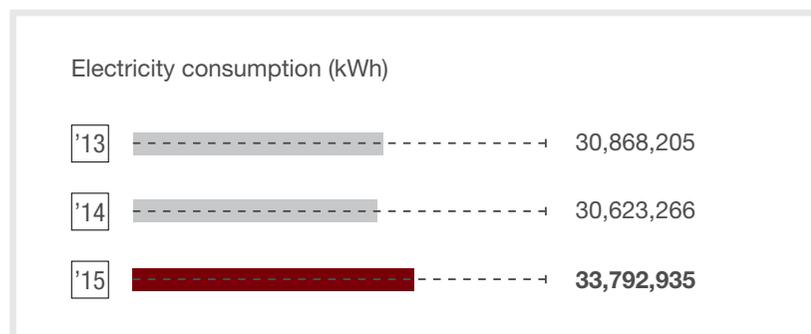
Some of our energy management efforts include:

- Reducing energy consumption at all operating areas of the company
- Implementing energy-efficient initiatives
- Installing a chilled water fan coil unit to optimise energy use of chillers in new areas and developments subject to building conditions
- Replacing centralised air cool package units with split unit air conditioners based on building operational requirements and conditions

Various initiatives are in place to effectively use energy resources. Some of the initiatives that have been approved by the management are summarised in the table below.

Category	Method
Luminaries	<ul style="list-style-type: none"> <li>• Using energy-saving bulbs</li> <li>• Changing halogen to light-emitting diode (LED) bulbs in the lift lobby area</li> <li>• Changing T8 to T5 energy-saving fluorescent tubes</li> <li>• Changing EXIT fluorescent lights to LED bulbs</li> </ul>
Air conditioning	<ul style="list-style-type: none"> <li>• Energy efficient chiller</li> <li>• Automated Start/Stop air handling unit (AHU)</li> </ul>
Liquefied petroleum gas (LPG)	<ul style="list-style-type: none"> <li>• Installing leakage detectors</li> </ul>

**Our People**  
Sustainability Statement



**Note:**  
Electricity data in 2015 consists of Menara CIMB, Menara Bumiputra-Commerce (MBC), Menara Southern Bank (MSB), Menara UAB (MUAB) and Akademi CIMB Putra (ACP), based on actual consumption.

**Waste Management**

The bulk of waste produced by a financial institution is made up of office materials. The significant reduction in paper and cartridges recycled in 2015 was partly due to the recent replacement of old printers with multifunctional printers. We hope to continue to adapt new technology in the coming years to reduce paper and cartridge usage at our offices.

The increase in the amount of paper recycled was due to the disposal of our records that reached six and 12 years of age.

Waste recycled (kg) from 2013-2015

Waste	2013	2014	2015
Total paper recycled (kg)	69,886	12,646	235,510
Total cartridges recycled (kg)	1,952	265	138

**Environmental Impact from Business Travel**

Our Managed Airline Programme monitors and measures all business travel and will help us reduce emissions occurring from travel. This programme is overseen by the recently established Corporate Travel Management Department that manages all business travel. Our Preferred Hotel Programme is a hotel information and booking system that displays hotels within walking distance to the meeting or office location. The system also encourages travellers to share shuttle transportation. The directory encourages business travellers and travel arrangers to choose hotels that implement green initiatives. A group-wide Travel Policy encourages all employees and travel arrangers to utilise these new initiatives when booking business travel.

**Investing in Our People**



**40% Managers are women**



**RM87.7 million on learning and development**



**85 employees on the Staff Rejuvenation Programme (SRP)**

**Attracting and Motivating Our Employees**

People are at the core of CIMB Group. We engage with our employees in an open, honest and respectful manner and are committed to providing a workplace that cares about employee safety and promotes their health as well as well-being. Our workplace programmes remain our key strength and we are widely regarded as an employer of choice in ASEAN.

**Diversity and Equal Opportunity**

CIMB is an employer that places a premium on high performance and diversity. CIMB's people policies do not discriminate on gender, race, religion, orientation or nationality.

Further details of our People Strategy are available on page 178 of this Annual Report.

**Strengthening and Enriching Communities**

CIMB Foundation was launched in 2007 as the corporate responsibility and philanthropic platform for CIMB, marking a shift in the Group's Corporate Responsibility strategy. CIMB began moving towards long-term programmes that bring sustainable community benefits under its three pillars: Community Development, Sports and Education. In 2015, we allocated RM5,879,449.54 in grants across all community initiatives.



**Brickfields Mapping Project**



**Implementation of the Kiau 5-Year Recovery Plan (supporting sustainable tourism in Borneo)**

Grants in community engagement programmes by type

Community engagement programmes by type	Amount (RM)	Percentage of contribution (%)
Community development	783,756.67	13.33
Sports	1,936,903.80	32.94
Education	2,698,701.07	45.90
Natural disaster and general donations	460,088.00	7.83
<b>Total</b>	<b>5,879,449.54</b>	<b>100.00</b>

**Community Development**

The Foundation’s Community Development initiatives create opportunities and build capacity within communities. We work together with the communities to identify and solve problems, build socially valuable relationships and support leadership development.

Community Link has been the Foundation’s key community development programme since 2007. Branch employees and customers can propose initiatives or social causes based on a needs analysis. CIMB Foundation covers the cost of implementation. Employees support the programmes through volunteering. As a result of working together, employees have built strong relationships with communities across the region. In 2015, a total of 20 initiatives were approved, with total grants of RM783,756.67.

The initiatives within Community Link focus primarily on socio-economic development, environment, unity, culture and heritage, homes and shelters, health, sports and education. The range is wide because we want to be all-inclusive in our approach.

**Programme Highlights in 2015**

Sports Development Clinic for the hearing-impaired (2014-2015)

Through this programme, 65 hearing-impaired children and youth were offered support and activities. Athletes and coaches were supported to represent the state of Penang at the National Deaf Games.

Sponsor A Fellow (2014-2015)

We underwrote the training for two Fellows who will eventually teach at high needs schools.

Kiau 5-Year Recovery Plan

We supported the Borneo Ecotourism, Solutions and Technologies (BEST) Society in Ranau in their efforts to develop sustainable tourism and income generation opportunities of local communities near Mount Kinabalu.

Activities include opening a resource and learning centre for ecotourism, English and computer literacy, supporting alternative incomes to mountain guiding (such as homestays) and enhancing the Hugh Low summit trail.

Project Brickfields

In 2015, together with a design and illustration company, Bawang Studio, we started a Brickfields Mapping Project to develop an updated graphical and informative map of vendors, restaurants and shops to benefit tourists and local residents.

**Sports**

Our Sports programmes develop sports at grassroots level and nurture young talent by providing opportunities, financial support and activities for their development. Our key areas of focus include squash, golf, football and paralympic sports.



**Our People**  
Sustainability Statement

**Education**

In addition to the Foundation’s support to community-based education programmes and under-resourced schools, CIMB provides opportunities for talented youth at national and regional levels through scholarships and youth events. The PINTAR programme, a collaborative school adoption programme, continued to receive support. In 2015, our contribution to PINTAR was RM450,150.



Year	2015
Number of pupils reached	3,934
Number of teachers reached	379
Number of schools reached	10

CIMB Regional Scholarship

Established in 2010, the CIMB Regional Scholarship is funded by CIMB Foundation and is open to all Southeast Asians wishing to study for a postgraduate degree anywhere in the world. Since its inception, CIMB Foundation has awarded a total of 20 scholarships. No new scholarships were awarded in 2015, but the programme is planned to resume in 2017.

CIMB Niaga Scholarship

The CIMB Niaga Scholarship provides full scholarships to young Indonesians who wish to study in Malaysian universities. Established in 2008, the Scholarship has been awarded to 15 students studying in Malaysian universities. In 2015, two scholars graduated from the programme and one joined The Complete Banker™ programme at CIMB Niaga. No new scholarships were awarded in 2015.

CIMB Niaga’s commitment towards education is reflected in its scholarship programmes. In 2015 the scholarship programmes were:

- Beasiswa Unggulan CIMB Niaga (Local Undergraduate Programme)
- CIMB Niaga Scholarship (Overseas Undergraduate Programme)
- Khazanah Asia Scholarship (Overseas Postgraduate Programme)
- Beasiswa Unggulan Teknologi Industri Kreatif (BUTIK) CIMB Niaga (Local Undergraduate Programme)
- CIMB Niaga Sampoerna Academy Scholarship
- CIMB Niaga Koperasi Kasih Indonesia (KKI) Scholarship
- CIMB Niaga Ikatan Koperasi Indonesia (IKOPIN) Scholarship
- Scholarship for the Employees of CIMB Niaga – Faculty of Economy, Universitas Indonesia
- CIMB Niaga Teachers’ Scholarship

**What to expect in 2016**

**We will capitalise on the use of information technology and be a truly ASEAN catalyst in the marketplace by:**

- Further strengthening our position in the SME financing sector, which is the backbone of the ASEAN economic community.
- Rolling out our Total Quality Management (TQM) programme in 2016. This initiative is focused on improving our products and services across the Group.
- Setting targets to improve the management of our direct environmental impacts.
- Putting in place more learning and development programmes in order for our people to thrive.
- Scaling up community development programmes through a more targeted approach.

## REGIONAL NOTABLE DEALS

## REGIONAL M&amp;A DEALS

**Malaysia Airports Holdings Berhad**

EUR279 million acquisition for a 40% stake in İstanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.Ş. and LGM Havalimanı İşletmeleri Ticaret ve Turizm A.Ş.

**CapitaLand Malaysia Mall Trust**

(formerly known as CapitaMalls Malaysia Trust)

RM540 million acquisition of Tropicana City Mall and Tropicana City Office Tower

**Creador®****CREADOR II, LLC**

RM165 million acquisition of Masterskill Education Group Berhad by Arenga Pinnata Sdn Bhd, a 95.17%-owned subsidiary of Creador II, LLC

**Jiangnan Group Limited**

USD106 million acquisition of New Sun and Kai Da

## REGIONAL EQUITY DEALS

**Hong Leong Bank Berhad**

RM3.0 billion renounceable Rights Issue

**MALAKOFF****Malakoff Corporation Berhad**

RM2.8 billion IPO on Bursa Malaysia

**RHB Capital Bhd**

RM2.3 billion renounceable Rights Issue

**KHAZANAH NASIONAL BERHAD****Khazanah Nasional Berhad**

RM1.6 billion placement of Tenaga Nasional Berhad's existing shares

**Malaysia Airport Holdings Bhd**

RM1.3 billion renounceable Rights Issue

**Hong Leong Financial Group Berhad**

RM1.1 billion renounceable Rights Issue

**Eco World Development Group Berhad**

RM638 million new shares placement

**Mah Sing Group Berhad**

RM629 million renounceable Rights Issue with free detachable warrants

**i-VCAP Management Sdn Bhd**

Up to RM500 million ETF offering

## Highlights & Achievements 2015

### Regional Notable Deals



#### Goldis Berhad

RM456 million renounceable Rights Issue of new Redeemable Convertible Cumulative Preference Shares



#### Red Sena Berhad

RM400 million SPAC IPO on Bursa Malaysia



#### CapitaLand Malaysia Mall Trust

(formerly known as CapitaMalls Malaysia Trust)

RM316 million new units placement



#### AirAsia X Berhad

RM391 million renounceable Rights Issue with free detachable warrants



#### Taliworks Corporation Berhad

RM141 million new shares placement



#### Evergreen Fibreboard Berhad

RM105 million placement of new shares



#### Aneka Tambang

IDR5.4 trillion Rights Issue on Indonesia Stock Exchange



#### PP Properti

IDR909.0 billion IPO on Indonesia Stock Exchange



#### iX Biopharma Ltd

SGD30.1 million IPO on Catalist Board of the Singapore Exchange



#### Choo Chiang Holdings Ltd

SGD11.6 million IPO on the Catalist Board of the Singapore Exchange



#### WHA Business Complex Freehold and Leasehold Real Estate Investment trust

THB 2.2 billion REIT units offering



#### PM Thoresen Asia Holdings PCL

THB638 million IPO on The Stock Exchange of Thailand

## Highlights & Achievements 2015

### Regional Notable Deals



#### Red Star Macalline Group Corporation Ltd.

USD931 million IPO on Hong Kong Stock Exchange



#### Cowell e Holdings Inc

USD131 million IPO on Hong Kong Stock Exchange



#### AAG Energy Holdings Limited

USD295 million IPO on Hong Kong Stock Exchange



#### Modern Dental Group Limited

USD135 million IPO on Hong Kong Stock Exchange



#### UMP Healthcare Holdings Limited

USD49 million IPO on Hong Kong Stock Exchange

## REGIONAL DEBT DEALS



National Mortgage Corporation of Malaysia

#### Cagamas Berhad

Conventional Commercial Papers Programme and Islamic Commercial Papers Programme with an aggregate combined limit of RM20.0 billion in nominal value



#### Petroleum Nasional Berhad (PETRONAS)

USD15.0 billion Global Medium Term Notes Programme irrevocably and unconditionally guaranteed by PETRONAS and established via PETRONAS Capital Limited

USD1.25 billion Trust Certificates due 2020 issued via PETRONAS Global Sukuk Ltd

#### JIMAH EAST POWER SDN BHD

##### Jimah East Power Sdn Bhd

RM8.98 billion Sukuk Murabahah



#### Prasarana Malaysia Berhad

RM5.0 billion Islamic Medium Term Notes Programme irrevocably and unconditionally guaranteed by the Government of Malaysia

RM2.0 billion Islamic Medium Term Notes Programme irrevocably and unconditionally guaranteed by the Government of Malaysia



#### Government of Malaysia

USD1.0 billion Trust Certificates due 2025 issued via Malaysia Sovereign Sukuk Berhad

USD500.0 million Trust Certificates due 2045 issued via Malaysia Sovereign Sukuk Berhad



#### Gamuda Berhad

RM5.0 billion Islamic Commercial Papers Programme and Islamic Medium Term Notes Programme (with a sub-limit of RM2.0 billion for the Islamic Commercial Papers Programme)



#### Genting Malaysia Berhad

RM5.0 billion Medium Term Note Programme irrevocably and unconditionally guaranteed by Genting Malaysia Berhad and established via GENM Capital Berhad



#### Maxis Berhad

RM5.0 billion Unrated Sukuk Murabahah Programme

## Highlights & Achievements 2015

### Regional Notable Deals

#### CITITOWER SDN BHD

Cititower Sdn Bhd

RM3.2 billion Murabahah Term Financing



CIMB Group Holdings Berhad

RM2.0 billion Tier 2 Subordinated Debt

RM250 million Conventional Commercial Papers



Axiata Group Berhad

USD500 million Wakala Sukuk due 2020 issued via Axiata SPV2 Berhad



Packet One Networks (Malaysia) Sdn. Bhd.

RM1.65 billion Convertible Medium Term Notes Programme



Kuala Lumpur Kepong Berhad

RM1.6 billion Multi-Currency Islamic Medium Term Notes Programme



Country Garden Real Estate Sdn Bhd

RM1.5 billion Islamic Medium Term Notes Programme guaranteed by Country Garden Holdings Company Limited, Bright Start Group Limited and Top Favour Holdings Limited



Genting Plantations Berhad

RM1.5 billion Islamic Medium Term Notes Programme guaranteed by Genting Plantations Berhad and established via Benih Restu Berhad

#### JANA PENDIDIKAN MALAYSIA SDN BHD

Jana Pendidikan Malaysia Sdn Bhd

RM1.2 billion Medium Term Notes Programme

#### KHAZANAH NASIONAL BERHAD

Khazanah Nasional Berhad

RM1.0 billion Sukuk Programme established via Ihsan Sukuk Berhad under the "Sustainable and Responsible Investment Sukuk" framework



United Overseas Bank (Malaysia) Berhad

RM1.0 billion Tier 2 Subordinated Bonds



Samalaju Industrial Port Sdn Bhd

RM950 million Islamic Medium Term Notes Programme irrevocably and unconditionally guaranteed by Bintulu Port Holdings Berhad



Mah Sing Group Berhad

RM540 million Unrated Perpetual Sukuk Musharakah



Yinson Holdings Berhad

USD100 million Regulation S Senior Perpetual Capital Securities guaranteed by Yinson Holdings Berhad and issued via Yinson TMC Sdn Bhd



Putrajaya Holdings Sdn Bhd

RM370 million Islamic Medium Term Notes Programme

Highlights & Achievements 2015  
Regional Notable Deals



**CIMB Bank Berhad**

SGD100 million Fixed Rate Notes due 2018



**Government of the Republic of Indonesia**

USD3.5 billion Notes due 2026 and 2046

USD2.0 billion Trust Certificates due 2025  
issued via Perusahaan Penerbit SBSN  
Indonesia III



**Lembaga Pembiayaan Ekspor Indonesia**

IDR4.6 trillion Senior Debt via 2nd Shelf  
Registration Programme Phase 5 of  
IDR24.0 trillion

IDR1.98 trillion Senior Debt via 2nd Shelf  
Registration Programme Phase 6 of  
IDR24.0 trillion

**TBG GLOBAL PTE LTD**

**TBG Global Pte Ltd**

USD350 million Senior Unsecured Notes  
due 2022 irrevocably and unconditionally  
guaranteed by PT Tower Bersama  
Infrastructure Tbk



**PT Federal International Finance**

IDR3.0 trillion Senior Debt via 2<sup>nd</sup> Shelf  
Registration Programme Phase 1 of  
IDR10.0 trillion

IDR1.5 trillion Senior Debt via 2<sup>nd</sup> Shelf  
Registration Programme Phase 2 of  
IDR10.0 trillion

**PT INDOSAT TBK**

**PT Indosat Tbk**

IDR2.68 trillion Bond via 1<sup>st</sup> Shelf  
Registration Programme Phase 2 of  
IDR9.0 trillion

IDR416.0 billion Sukuk Ijarah via 1<sup>st</sup> Shelf  
Registration Programme Phase 2 of  
IDR1.0 trillion



**PT Bank Tabungan Negara (Persero) Tbk**

IDR3.0 trillion Senior Debt via 2<sup>nd</sup> Shelf  
Registration Programme Phase 1 of  
IDR6.0 trillion



**PT Sarana Multigriya Finansial (Persero)**

IDR500.0 billion Senior Debt via 3<sup>rd</sup> Shelf  
Registration Programme Phase 1 of  
IDR6.0 trillion

IDR472.0 billion Senior Bond via 3<sup>rd</sup> Shelf  
Registration Programme Phase 2 of  
IDR6.0 trillion

IDR600.0 billion Senior Bond via 3<sup>rd</sup> Shelf  
Registration Programme Phase 3 of  
IDR6.0 trillion



**PT XL Axiata Tbk**

IDR1.5 trillion Sukuk Ijara via 1<sup>st</sup> Shelf  
Registration Programme Phase 1 of  
IDR5.0 trillion



**PT Adira Dinamika Multi Finance Tbk**

IDR1.43 trillion Senior Debt via 3<sup>rd</sup> Shelf  
Registration Programme Phase 2 of  
IDR8.0 trillion



**PT Modernland Realty Tbk**

IDR750.0 billion Senior Debt via 1<sup>st</sup> Shelf  
Registration Programme Phase 1 of  
IDR2.0 trillion

## Highlights & Achievements 2015

### Regional Notable Deals



#### PT Clipan Finance Indonesia Tbk

IDR700.0 billion 2<sup>nd</sup> Medium Term Notes Issuance



#### PT Indomobil Finance Indonesia

IDR500.0 billion Senior Debt via 2<sup>nd</sup> Shelf Registration Programme Phase 1 of IDR3.0 trillion



#### PT Mandala Multifinance Tbk

IDR500.0 billion Senior Debt via 2<sup>nd</sup> Shelf Registration Programme Phase 1 of IDR1.0 trillion



#### PT PP Persero Tbk

IDR300.0 billion Senior Debt via 1<sup>st</sup> Shelf Registration Programme Phase II of IDR1.0 trillion



#### Gallant Venture Ltd

SGD175 million Senior Unsecured Notes due 2018



#### Cambridge-MTN Pte Ltd

SGD130 million Senior Unsecured Notes due 2020



BANYAN TREE

#### Banyan Tree Holdings Ltd

SGD100 million Senior Unsecured Notes due 2020



#### Nam Cheong Ltd

SGD75 million Senior Unsecured Fixed Rate Notes Due 2018

#### BANK FOR AGRICULTURE & AGRICULTURAL COOPERATIVES

##### Bank for Agriculture & Agricultural Cooperatives

THB38.0 billion Senior Secured Debentures

THB20.0 billion Senior Secured Debentures



#### TPI Polene PCL

THB15.5 billion Senior Unsecured Debentures

THB6.0 billion Senior Unsecured Debentures

#### STATE RAILWAY OF THAILAND

##### State Railway of Thailand

THB5.3 billion Senior Secured Debentures

THB4.23 billion Senior Secured Debentures

THB2.37 billion Senior Secured Debentures



#### Mitr Phol Sugar Corp Ltd

THB7.1 billion Senior Unsecured Debentures



PROPERTY  
DEVELOPMENT  
& INVESTMENT  
A Member of Central Group

#### Central Pattana PCL

THB3.6 billion Senior Unsecured Debentures

THB2.2 billion Senior Unsecured Debentures



#### Indorama Ventures PCL

SGD195 million CGIF Guaranteed Notes due 2025 issued via IVL Singapore Pte Ltd

Highlights & Achievements 2015  
Regional Notable Deals



**Krungthai Card PCL**

THB2.0 billion Senior Unsecured Debentures

THB2.0 billion Senior Unsecured Debentures

THB385.0 million Senior Unsecured Debentures

**BANGKOK MASS TRANSIT**

**Bangkok Mass Transit**

THB4.0 billion Senior Secured Debentures

**METROPOLITAN ELECTRIC AUTHORITY**

**Metropolitan Electric Authority**

THB4.0 billion Senior Unsecured Debentures



**Quality Houses PCL**

THB4.0 billion Senior Unsecured Debentures

**SRISAWAD POWER 1979 PCL**

**Srisawad Power 1979 PCL**

THB2.0 billion Senior Unsecured Debentures

THB2.0 billion Senior Unsecured Debentures



**SC Asset Corp PCL**

THB3.0 billion Senior Unsecured Debentures

THB300 million Senior Unsecured Debentures

THB130 million Senior Unsecured Debentures



**Ananda Development PCL**

THB2.0 billion Senior Unsecured Debentures



**Bangkok Dusit Medical Services PCL**

THB2.0 billion Senior Unsecured Debentures



**Easy Buy PCL**

THB2.0 billion Senior Unsecured Debentures

**THAI ORIX LEASING CO., LTD**

**Thai Orix Leasing Co., Ltd**

THB2.0 billion Senior Secured Debentures



**TICON Industrial Connection PCL**

THB2.0 billion Senior Unsecured Debentures



**Toyota Leasing (Thailand) Co., Ltd.**

THB2.0 billion Senior Unsecured Debentures



**Prinsiri PCL**

THB600 million Senior Unsecured Debentures

THB500 million Senior Unsecured Debentures

**KRUNG THAI BANK PCL**

**Krung Thai Bank PCL**

RM1.0 billion Tier 2 Subordinated Notes

**MK REAL ESTATE DEVELOPMENT PCL**

**MK Real Estate Development PCL**

THB1.0 billion Senior Unsecured Debentures

**TISCO TOKYO LEASING CO., LTD.**

Tisco Tokyo Leasing Co., Ltd.

THB1.0 billion Senior Unsecured Debentures

**Asia Sermkij Leasing PCL**

THB300 million Senior Unsecured Debentures

THB100 million Senior Unsecured Debentures

**Lalin Property PCL**

THB500 million Senior Unsecured Debentures

**THIRATHAI PCL**

Thirathai PCL

THB200 million Senior Unsecured Debentures

**THITIKORN PCL**

Thitikorn PCL

THB120 million Senior Unsecured Debentures

**Government of the Hong Kong Special Administrative Region of the People's Republic of China**

USD1.0 billion Trust Certificates due 2020 issued via Hong Kong Sukuk 2015 Limited

**China Construction Bank (Asia) Corporation Limited**CNY1.0 billion two-year Inaugural 21<sup>st</sup> Century Maritime Silk Road Bond**United Microelectronics Corporation**

USD600.0 million Currency Linked Zero Coupon Convertible Bonds due 2020

**Advanced Semiconductor Engineering, Inc.**

USD200 million Currency Linked Zero Coupon Convertible Bonds due 2018

**Islamic Development Bank**

USD1.0 billion Trust Certificates due 2020 issued via IDB Trust Services Ltd

**KUVEYTÜRK****Kuveyt Türk Katılım Bankası A.Ş.**

RM2.0 billion Sukuk Wakalah Programme established via KT Kira Sertifikaları Varlık Kiralama A.Ş.

# NOTABLE ACHIEVEMENTS

## 1 CORPORATE TREASURER AWARDS 2015

/ Best Bank in Malaysia

## 2 THE ASSET TRIPLE A COUNTRY AWARDS 2015

- / Best Brokerage House - Indonesia - CIMB Securities
- / Best Corporate and Institutional Bank - Malaysia
- / Best Equity House - Malaysia
- / Best Domestic Bond House - Malaysia
- / Best Brokerage House - Malaysia - CIMB Securities
- / Best Bank Capital Bond - Thailand

## 3 THE EDGE BEST DEALS OF THE YEAR 2015

/ IPO - Notable Mention

## 4 ASSET BENCHMARK RESEARCH G3 AND LOCAL CURRENCY AWARDS 2015

- / Top Bank in the secondary market, Government bonds, Malaysia, Rank 2
- / Top bank arrangers - Investors' Choice for primary issues in Asian currency bonds, Government bonds, Malaysia
- / Top bank arrangers - Investors' Choice for primary issues in Asian currency bonds, Corporate bonds, Malaysia

- / Best local currency bond individuals in research, sales and trading for 2015, Malaysia, Sales, Rank 1 - Edmund Liong Foo Boon
- / Best local currency bond individuals in research, sales and trading for 2015, Malaysia, Sales, Rank 2 - Shah Aminudin Md Akhir
- / Best local currency bond individuals in research, sales and trading for 2015, Malaysia, Sales, Rank 4 - Steen Saw
- / Best local currency bond individuals in research, sales and trading for 2015, Malaysia, Sales, Highly commended - Heidi Raman
- / Top Bank in the secondary market, Corporate bonds, Thailand, Rank 3 - CIMB Thai
- / Best local currency bond individuals in research, sales and trading for 2015, Thailand, Sales, Highly commended - Aim Orn Prugsanuwong



## Highlights & Achievements 2015

### Notable Achievements

- 5 16TH NATIONAL CUSTOMER EXPERIENCE INDUSTRY AWARD 2015**
- / Best Data Management Professional - Gold Award - Mr Lim Lih Min
- 
- 6 NATIONAL ANNUAL CORPORATE REPORT (NACRA) 2015**
- / Gold Award on Inclusiveness and Diversity Reporting
- 
- 7 GLOBAL FINANCE'S WORLD'S BEST FOREIGN EXCHANGE PROVIDERS 2016**
- / Best Foreign Exchange Provider in Malaysia
- 
- 8 ASEAN CORPORATE GOVERNANCE AWARDS 2015**
- / ASEAN Top 50 PLCs: CIMB Group Holding Berhad
  - / ASEAN Top 50 PLCs: PT Bank CIMB Niaga TBK
  - / Malaysia Top 3 PLCs: CIMB Bank Berhad
  - / Indonesia Top 3 PLCs: PT Bank CIMB Niaga TBK
- 
- 9 ASIA HOUSE**
- / Asian Business Leaders Award 2015: Dato' Sri Nazir Razak
- 
- 10 THE BANKER INVESTMENT BANKING AWARDS 2015**
- / Most Innovative Investment Bank for Islamic Finance
- 
- 11 ASIA RISK AWARDS 2015**
- / House of the Year, Malaysia
  - / House of the Year, Indonesia
- 
- 12 EUROMONEY REAL ESTATE SURVEY 2015**
- / Best Overall Bank for Loan Finance in Indonesia
  - / Best Overall Bank for Real Estate Services in Malaysia
- 
- 13 STRUCTURED RETAIL PRODUCTS ASIA PACIFIC STRUCTURED PRODUCTS AND DERIVATIVES AWARDS 2015**
- / Best Distributor Malaysia
- 
- 14 THE ASSET TRIPLE A ASIA INFRASTRUCTURE AWARDS 2015**
- / Oil and Gas Deal of the Year: Sapura Kencana TMC senior multi-currency term and revolving facilities up to RM17.6 billion
  - / Best Telecom Deal Indonesia: Profesional Telekomunikasi Indonesia IDR1 trillion bonds refinancing
  - / Project Finance Deal of the Year Malaysia: Sapura Kencana TMC senior multi-currency term and revolving facilities up to RM17.6 billion
  - / Best Telecom Deal Malaysia: DanaInfra Nasional Islamic syndicated and revolving credit facilities of up to 21 billion ringgit
  - / Project Finance Deal of the Year Thailand: Gulf VTP Company THB59.4 billion project financing
- 
- 15 HR EXCELLENCE AWARDS 2015**
- / Excellence in Graduate Development Programme
- 
- 16 THE ASIAN BANKER EXCELLENCE IN RETAIL FINANCIAL SERVICES AWARDS 2015**
- / Best Digital Banking Initiative - Digital Lounge: CIMB Niaga
  - / Best Credit Card Product - AirAsia Credit Card: CIMB Niaga
- 
- 17 STRUCTURED PRODUCTS ASIA AWARDS 2015**
- / House of the Year, Malaysia
- 
- 18 ASIAMONEY FOREIGN EXCHANGE POLL AWARDS 2015**
- / Best Local Currency Cash Management Bank in Malaysia as voted by Financial Institutions
  - / Best Local Cash Management Bank in Malaysia as voted by small-sized Corporates
- 
- 19 THE ASSET TRIPLE A PRIVATE BANKING, WEALTH MANAGEMENT & INVESTMENT AWARDS 2015**
- / Derivatives House of the Year, Malaysia
  - / Best Structured Product House, Malaysia
  - / Best Structured Product House, Indonesia
  - / Best Structured Product House, Thailand
  - / Best Credit Derivatives House, Malaysia
  - / Best Structured Investment Product-Commodities: Gold Convertible & Reverse Gold Convertible Structured Product
- 
- / Best Local Cash Management Bank in Malaysia as voted by large-sized Corporates
  - / Best Overall Domestic Cash Management Services in Malaysia as voted by small-sized Corporates
  - / Best Overall Domestic Cash Management Services in Malaysia as voted by medium-sized Corporates
  - / Best Overall Domestic Cash Management Services in Malaysia as voted by large-sized Corporates
  - / Best Overall Cross-Border Cash Management Services in Malaysia as voted by small-sized Corporates
  - / Best Overall Cross-Border Cash Management Services in Malaysia as voted by medium-sized Corporates
  - / Best Overall Cross-Border Cash Management Services in Malaysia as voted by large-sized Corporates
  - / Best Local Currency Cash Management Bank in Malaysia as voted by Financial Institutions
  - / Best for Overall FX Services in Asia Pacific as voted by Financial Institution
  - / Best for Overall FX Strategist/Economist in Asia Pacific as voted by Financial Institutions and Corporates - Pisak Ungthavorn
  - / Best for Overall FX Research Analyst in Asia Pacific as voted by Financial Institutions and Corporates - Amornthep Chawla
  - / Best for Overall FX Sales Individual in Asia Pacific as voted by Financial Institutions and Corporates - Padej Piroonsit
  - / Best for FX Options in Asia Pacific as voted by Financial Institutions
  - / Best for FX Research and Market Coverage in Asia Pacific as voted by Financial Institutions
  - / Best Domestic Provider for FX Services in Malaysia as voted by Financial Institutions
  - / Best Domestic Provider for FX Products & Services in Malaysia as voted by Corporates
  - / Best Domestic Provider for FX Options in Malaysia as voted by Corporates
  - / Best Domestic Provided for FX Research & Market Coverage in Malaysia as voted by Corporates

**Highlights & Achievements 2015**

## Notable Achievements

**20 SUKUK SUMMIT 2015 ISLAMIC FINANCE AWARDS**

- / Best Islamic Financial Institution in Southeast Asia
- / Outstanding Leadership in Islamic Finance: Badlisyah Abdul Ghani

**21 ASIAMONEY PRIVATE BANKING POLL AWARDS 2015**

- / Overall Best Private Bank in Malaysia (USD5.01 - USD25 million)
- / Overall Best Private Bank in Malaysia (USD1 - USD5 million)
- / Best Domestic Private Bank in Malaysia

**22 ASIAMONEY BEST BANK AWARDS 2015**

- / Best Domestic Debt House in Malaysia

**23 THE ASIAN BANKER TECHNOLOGY IMPLEMENTATION AWARDS 2015**

- / Best Lending Platform Implementation Project in Thailand: Post Approval Secured Loan Automation (PASLA)

**24 ASIAN BANKING & FINANCE WHOLESALE BANKING AWARDS 2015**

- / Malaysia Domestic Cash Management Bank of the Year

**25 THE BANKER'S DEALS OF THE YEAR 2015 AWARDS**

- / Islamic Finance Deal of the Year in Asia Pacific: The Government of Hong Kong USD1 billion Sukuk
- / Islamic Finance Deal of the Year in Europe: HM Treasury UK Sovereign £200 million five-year Sukuk
- / Islamic Finance Deal of the Year in America: IFFIm USD500 million Sukuk

**26 JOMPAY AWARDS 2015**

- / Top Biller Bank

**27 LA TOFI SCHOOL OF CSR**

- / Indonesia Green Awards 2015 (Development of Biodiversity): CIMB Niaga

**28 ALPHA SOUTHEAST ASIA BEST FINANCIAL INSTITUTION AWARDS 2015**

- / Best Bond House in Malaysia
- / Best Equity House in Malaysia
- / Best Investment Bank in Malaysia
- / Best Islamic Finance Bank in Malaysia
- / Best Private Wealth Management Bank in Malaysia
- / Best Asset & Fund Manager in Malaysia
- / Marquee Award: Best Asset Manager in Southeast Asia

**29 THE ASSET TRIPLE A ISLAMIC FINANCE AWARDS 2015**

- / Best Asset Management House of the Year in Asia Pacific: CIMB Principal Islamic Asset Management

**30 THE ASSET TRIPLE A ASSET SERVICING, INVESTOR AND FUND MANAGEMENT AWARDS 2015**

- / Fund Management Company of the Year in Malaysia

**31 ALB SOUTHEAST ASIA LAW AWARDS 2015**

- / Debt Capital Market of the Year: The Republic of Indonesia's Rule 144A/Reg S Global Sukuk Bond Offering
- / Islamic Finance Deal of the Year: The Government of Hong Kong's Inaugural Sukuk Offering

**32 FINANCEASIA COUNTRY AWARDS FOR ACHIEVEMENT 2015**

- / Best Investment Bank in Malaysia
- / Best DCM House in Malaysia
- / Best ECM House in Malaysia
- / Best Foreign Exchange Bank in Malaysia
- / Best Broker in Malaysia

**33 TRADE FINANCE AWARDS FOR EXCELLENCE 2015**

- / Best Trade Bank in Malaysia
- / Best Trade Bank in Indonesia

**34 ASIAMONEY ASIAN ISLAMIC BANKING AWARDS 2015**

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

**35 THE ASSET TRIPLE A ISLAMIC FINANCE AWARDS 2015**

- / Best Islamic Investment Bank in Asia Pacific
- / Best Islamic Investment Bank in Malaysia
- / Sukuk House of the Year in Asia Pacific
- / Sukuk House of the Year in Malaysia
- / Best Equity-Linked Deal: Khazanah Nasional USD500 million Exchangable Sukuk into shares of Tenaga Nasional Berhad
- / Best Sovereign Sukuk: Republic of Indonesia USD1.5 billion Sukuk Wakala
- / Best Quasi-Sovereign Sukuk: Export-Import Bank of Malaysia USD300 million Sukuk Wakala
- / Best Corporate Sukuk: Cagamas 70 million ringgit one-year and 930 million ringgit three-year Sukuk
- / Best Corporate Hybrid Sukuk/Best local currency sukuk: Malaysia Airports Holdings 1 billion ringgit perpetual subordinated Sukuk
- / Best Corporate Hybrid Sukuk - Highly commended: DRB-HICOM RM715 million Perpetual Subordinated Sukuk Musharakah
- / Best New Sukuk: Government of Hong Kong USD1 billion Trust Certificates
- / Best Sukuk for Social Good: International Finance Facility for Immunization USD500 million Sukuk al-Murabahah
- / Best REIT Sukuk: KLCC Real Estate Investment Trust RM1.55 billion Sukuk Murabaha
- / Best Islamic Project Finance Deal: TNB Western Energy RM3.655 billion Sukuk
- / Best Deal in Hong Kong: Government of Hong Kong USD1 billion Trust Certificates
- / Best Deal in Indonesia: Republic of Indonesia USD1.5 billion Sukuk Wakala
- / Best Deal in Japan: Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad USD25 million and 2.5 billion yen Sukuk
- / Best Deal in Malaysia: Export-Import Bank of Malaysia USD300 million Sukuk Wakala
- / Best Deal in UK: HM Treasury UK Sovereign Sukuk £200 million Trust Certificates
- / Best Islamic Loan Syndication/Best Islamic Structured Financing: Battersea Phase 3 Holding Company £318.8 million Islamic Term Finance Facility
- / Best Islamic Structured Product: Partial Principal Protected Callable Islamic Power Range Accrual SP-i (PPP CIPRA)

**36 EUROMONEY AWARDS FOR INNOVATION IN ISLAMIC FINANCE 2015**

- / Best Innovation in Islamic Finance: Malaysia Airports Holdings RM1 billion perpetual subordinated Sukuk
- / Best Innovation in Islamic Finance: HM Treasury UK Sovereign Sukuk £200 million Trust Certificates

## Highlights & Achievements 2015

### Notable Achievements

/ Best Innovation in Islamic Finance: Battersea Phase 3 Holding Company £318.8 million Islamic Term Finance Facility

/ Best Innovation in Islamic Finance: Republic of Indonesia USD1.5 billion Sukuk Wakala

/ Best Innovation in Islamic Finance: International Finance Facility for Immunization USD500 million Sukuk al-Murabahah

#### 37 FROST & SULLIVAN

/ Excellence in Customer Experience for Overall Retail Banking Services - Champion

/ Excellence in Customer Experience for Online Banking Services - Champion

/ Excellence in Customer Experience for Self Service Banking Experience - Champion

/ Excellence in Customer Experience for Mobile Banking Services - Champion

#### 38 GLOBAL FINANCE BEST ISLAMIC FINANCIAL INSTITUTIONS 2015

/ Best Sukuk Bank

/ Best Islamic Investment Bank

/ Best Asset Management Company: CIMB Principal Islamic Asset Management

#### 39 ALB MALAYSIA LAW AWARDS 2015

/ Islamic Finance Deal of the Year; Islamic Development Bank's Sukuk Offering and Listing on LSE

/ Equity Market Deal of the Year: Privatisation and Delisting of Al-Hadharah Boustead REIT and Boustead Plantations' IPO

#### 40 THE ASSET TRIPLE A TREASURY, TRADE AND RISK MANAGEMENT AWARDS 2015

/ Best Trade Finance Bank, Malaysia

/ Best Trade Finance Bank, Indonesia

#### 41 GLOBAL FINANCE BEST INVESTMENT BANK AWARDS 2015

/ Best Investment Bank in Malaysia

#### 42 GLOBAL CSR AWARDS 2015

/ Silver Award for Excellence in Provision of Literacy & Education: CIMB Niaga

#### 43 ALPHA SEA 9TH ANNUAL BEST DEAL & SOLUTION AWARDS 2015

/ Best Deal Of the Year In Southeast Asia

/ Most Innovative Islamic Finance Deal Of the Year In Southeast Asia

/ Best Islamic Bank In ASEAN - CIMB Islamic

/ Best Equity House In Southeast Asia - CIMB

Investment Bank

/ Most Improved Bond House In Southeast Asia - CIMB

Investment Bank

#### 44 ASIAMONEY FIXED INCOME POLL 2015

/ Overall Best Regional Credit Sales Individual - Liong Foo Boon

/ Overall Best Regional Service Provider - Commodities

/ Overall Best Regional Commodities Research

/ Overall Best Regional Commodities Sales

/ Overall Best Regional Commodities Derivatives

/ Overall Best Sales Service in Credit Derivatives for Local Currency Bonds- IDR

/ Overall Best Sales Service in Credit Derivatives for Local Currency Bonds - THB

/ Overall Best Local Currency Interest Rates Research & Market Coverage - MYR

/ Overall Best Local Currency Interest Rates Research & Market Coverage - PHP

/ Overall Best Local Currency Interest Rates Research & Market Coverage - THB

/ Overall Best for Credit in Indonesia

/ Best for Credit Services in Indonesia

/ Best for Credit Research & Market Coverage in Indonesia

/ Best for Credit Sales in Indonesia

/ Best for Credit Derivatives in Indonesia

/ Overall Best in Credit in Malaysia

/ Best for Credit Services in Malaysia

/ Overall Best for Credit in Thailand

/ Best for Credit Services in Thailand

/ Best for Credit Research & Market Coverage in Thailand

/ Best for Credit Sales in Thailand

/ Best for Credit Derivatives in Thailand

/ Overall Best for Interest Rate in Malaysia

/ Best for Interest Rate Research in Malaysia

/ Best for Interest Rate Product & Sales in Malaysia

/ Overall Best for Interest Rate in Thailand

/ Best for Interest Rate Research in Thailand

/ Best for Interest Rate Product & Sales in Thailand

/ Best for Interest Rate Derivatives in Thailand

#### 45 ASIAMONEY REGIONAL CAPITAL MARKET AWARDS 2015

/ Best Investment Grade Syndicated Loan

#### 46 BURSA MALAYSIA BROKERS' AWARDS 2014 (ANNOUNCED MARCH 2015)

/ Champion for Best Online Equities Participating Organisation

/ Champion for Best Shariah Equities Participating Organisation

/ 1st Runner-up for Best Equities Participating Organisation

/ 1st Runner-up for Best Institutional Equities Participating Organisation

/ 2nd Runner-up for Best Retail Equities Participating Organisation

#### 47 FINANCEASIA END OF YEAR ACHIEVEMENT AWARDS 2015

/ Best Investment Grade Bond

/ Best Malaysia Deal

#### 48 GLOBAL CAPITAL ASIA AWARDS 2015

/ Best Investment Grade Corporate Bond

/ Best IPO

/ Best Investment Grade Loan

#### 49 IFN AWARDS 2015

/ Perpetual Deal of the Year

/ Project & Infrastructure Finance Deal of the Year

/ Turkey Deal of the Year

/ Wakalah Deal of the Year

/ Deal of the Year

/ Equity & IPO Deal of the Year

/ Malaysia Deal of the Year

/ Most Innovative Deal of the Year

/ Social Impact Deal of the Year

/ Best Private Equity House - CIMB Islamic

/ Best Islamic Bank in Malaysia - CIMB Islamic

/ Best Islamic Trustee/Custodian

#### 50 IFR ASIA AWARDS 2015

/ Islamic Issue of the Year

/ Loan of the Year

/ Malaysia Bond House of the Year

/ Malaysia Capital Markets Deal of the Year

#### 51 THE ASSET TRIPLE A REGIONAL AWARDS 2015

/ Best IPO

/ Most Innovative Deal

## CORPORATE EVENT HIGHLIGHTS

### AWARDS



**CIMB won the inaugural award on Inclusiveness and Diversity Reporting at the NACRA 2015**

CIMB won the Gold Award on Inclusiveness and Diversity Reporting at the National Annual Corporate Report (NACRA) 2015. It is a milestone achievement and an endorsement of the collaborative efforts of CIMB staff in embracing diversity.



**Congratulations! CIMB Islamic Won the “Most Innovative Investment Bank for Islamic Finance” Award at The Banker Investment Banking Awards 2015**

On behalf of CIMB Islamic, Raja Noorma Raja Othman, Head of London Branch of CIMB Bank Berhad picked up the prestigious global award for Most Innovative Investment Bank for Islamic Finance from The Banker - with Michael Watt, Investment Banking and Capital Markets Editor of The Banker and Fiona Bruce from BBC.



**CIMB Islamic received Alpha Southeast Asia’s Best Islamic Finance Bank in Malaysia Award**

Mohamad Safri Shahul Hamid, Managing Director and Deputy Chief Executive Officer of CIMB Islamic picked up the Best Islamic Finance Bank in Malaysia Award at the Alpha Southeast Asia 9<sup>th</sup> Annual Best Financial Institutions Awards 2015 that was held in Kuala Lumpur. This is the sixth time that CIMB Islamic has won the award since 2009.



## CONFERENCES AND SEMINARS


**Pan Pacific Hotel Singapore: The 6<sup>th</sup> Annual World Islamic Banking Conference: Asia Summit (WIBC Asia 2015)**

The 6<sup>th</sup> Annual World Islamic Banking Conference: Asia Summit (WIBC Asia 2015) was held under the theme “Transforming Strategies to Revitalize Growth: Forging the Next Phase of Progress for Islamic Finance in Asia”. WIBC Asia 2015 is a large-scale international platform for enabling the further development of Islamic finance by bringing together the leading players to explore and capitalise on exciting new opportunities in Asia. It is also aimed to foster new business partnerships with other key centres for Islamic finance, with a principal focus on forging stronger economic linkages with the Arabian Gulf.


**Kuala Lumpur Convention Centre: IFN Asia Forum 2015**

2015 marks the 10<sup>th</sup> year of the IFN Asia Forum. Known throughout the industry as the premier Islamic finance event in the region, the forum consistently brings together the most influential market players and provides a platform to discuss the very latest issues affecting Islamic finance in the region. The region’s leading players shared their views on what the strategy will be for the advancement of Islamic finance in Asia in the year ahead, the impact of fluctuations in global commodity prices and currency exchange rates have on how business is done here in Asia.


**Mandarin Oriental Kuala Lumpur: Invest Malaysia Kuala Lumpur**

The Invest Malaysia Kuala Lumpur 2015 marks the second carrying the tagline “ASEAN Multinational Marketplace,” the conference was held at Mandarin Oriental and saw an overwhelming turnout of 2,701 participants including corporates, investors, media, Bursa Malaysia and CIMB staff. The conference was officiated by Dato’ Sri Najib Razak, Prime Minister of Malaysia and followed with Plenary Sessions on day 1 and day 2 which discussed conversant topics.

DEALS



**CIMB Bank Singapore Private Banking Lounge: CIMB Bank Singapore Partners Wirecard on Merchant Acquisition Business**

Mak Lye Mun, Chief Executive Officer of CIMB Bank Singapore and Country Head of CIMB Group Singapore with Jan Marsalek, Chief Operating Officer of Wirecard at the signing ceremony in which both companies will collaborate to offer businesses in Singapore the advantage of accessing end-to-end banking and electronic payment services from a single point of convenience.



**The Working Capitol: CIMB Group grows FinTech in the region through strategic collaboration with Startupbootcamp FinTech Singapore.**

CIMB Group CEO Tengku Dato' Sri Zafrul Aziz shares a firm handshake with Marcus Gnirck, co-founder of Startupbootcamp to mark the banking group's partnership with Startupbootcamp FinTech Singapore, which will offer startups additional expertise and access to high growth markets in ASEAN.



**Impiana Hotel KLCC: Cititower Signing Ceremony**

Signing ceremony between Cititower Sdn Bhd (a joint venture company between KLCC Holdings Berhad and QD Asia Pacific, a subsidiary of Qatari Diar Real Estate Investment Company) together with CIMB Investment Bank Berhad and Maybank Investment Bank Berhad for a 20-year RM3.2 billion Syndicated Islamic Term Financing.

## Highlights & Achievements 2015

### Corporate Event Highlights



#### ▲ CIMB Niaga: Signing Cooperation CIMB Niaga and PT Kereta Api Indonesia (Persero) "Ticket Online Transaction through CIMB Niaga Card Sites"

PT Bank CIMB Niaga Tbk and The Indonesian Railway Company [PT Kereta Api Indonesia (Persero)] signed an agreement enabling online ticket transaction through CIMB Niaga Card Sites Agreement. It was signed by Samir Gupta, Consumer Banking Director CIMB Niaga and Kurniadi Atmosasmito, Finance Director PT KAI witnessed by Bambang Karsono Adi, Head of Merchant & Card Business CIMB Niaga.



#### ▲ Menara CIMB Kuala Lumpur: Establishment of RM2.5 billion Conventional and Islamic Commercial Papers Programmes and Conventional and Islamic Medium Term Notes Programmes for Toyota Capital Malaysia Sdn Bhd

Signing ceremony between CIMB Investment Bank, Toyota Capital Malaysia and Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad. Present during the event were Tengku Dato' Sri Zafrul Tengku Abdul Aziz - Group Chief Executive Officer, CIMB Group, Dato' Kong Sooi Lin - Chief Executive Officer, CIMB Investment Bank, Kuah Kock Heng - President, Toyota Capital Malaysia Sdn Bhd, Mr Mikiyasu Yuasa - Executive Vice President, Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad, Naoki Nishida - President and Chief Executive Officer, Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad.

#### ▼ Menara CIMB Kuala Lumpur: Underwriting Signing Ceremony for Mah Sing's Rights Issue of up to RM630 million

CIMB Investment Bank was the sole Principal Adviser, Joint Managing Underwriter and Joint Underwriter for the transaction. Present during the ceremony were John Chong, Maybank Investment Bank Berhad CEO, Dato' Kong Sooi Lin, CIMB Investment Bank, Chief Executive Officer, Tan Sri Dato' Sri Leong Hoy Kum, Mah Sing Group Berhad Group, Managing Director/ Chief Executive and Maimoonah Hussain, Affin-Hwang Investment Bank Berhad, Group Managing Director.



#### ▼ Mandarin Oriental Kuala Lumpur: Petronas Investor Presentation

Petroleum Nasional Berhad (PETRONAS) Investors Presentation - PETRONAS Capital Limited's USD Multicurrency Global Medium Term Note Programme and USD PETRONAS Global Sukuk Ltd.'s Trust Certificates Issuance.



GROUP EXPANSION



**Kuala Lumpur: CIMB received in-principle approval to operate a subsidiary bank in The Socialist Republic of Vietnam**

CIMB received an approval in principal from His Excellency Nguyen Van Binh, Governor of the State Bank of The Socialist Republic of Vietnam for CIMB to operate a subsidiary bank in the Republic, witnessed by Dato' Sri Najib Razak, Prime Minister of Malaysia and His Excellency Nguyen Tan Dung, Prime Minister of The Socialist Republic of Vietnam.

Dato' Sri Nazir Razak and Tengku Dato' Sri Zafrul attended the memorable event to receive the approval as this will embark CIMB to its plans to establish a branch network in the Republic. Its first branch in Hanoi is expected to be fully operational by the third quarter of 2016 as it expects to secure its full operating banking licence then.



**Siam Paragon, Bangkok: Product Launch - Beat Banking**

Beat Banking is a collaboration between CIMB THAI Bank and AIS (mobile operator). Beat Banking is targeted to acquire new consumers and developed to fit the modern lifestyles where mobile phones are an integral part of daily lives.

This deposit product is an e-savings account which offers higher interest rates than normal savings accounts and enables payment of bills via mobile app. Debit card is provided for withdrawal and online shopping.



**CIMB Thai Silom Branch: Product Launch – Smart Point**

CIMB THAI launched the e-savings account “CIMB THAI Smart Point” which provide an ATM Card that can be used to purchase any items at 7-Eleven stores. Card holders can also earn 7-Eleven points and use these to purchase items at the store. Customers who apply will obtain 3,000 bonus points and earn double points for every spending.



## SPORTS

**Kuching: Hari Sukan Negara**

CIMB organised Hari Sukan Negara fun run for staff. The objective is to move Malaysia towards a sporting nation and celebrate fitness and a healthy lifestyle. Approximately 400 staffs and their family members joined the 3.2km run together with Group CEO Tengku Dato' Sri Zafrul, Noor Azzam Abdul Jalil, Puan Hamidah Naziadin and some other members of senior management.

**Kuala Lumpur: CIMB celebrates Dato' Nicol David's new world record as the longest-reigning world number one squash player**

CIMB held a celebration to honour its long-standing brand ambassador, Dato' Nicol David for setting a new world record as the longest-reigning world number one squash player. February 2015 marked her 106<sup>th</sup> month at the top of the Women's World Squash Rankings, overtaking the 105 month record set in 1993 by New Zealand's Susan Devoy.

**Bursa Malaysia: Bursa Bull Charge 2015**

CIMB participated in Bursa Bull Charge challenge to raise RM1.5 million to be channeled to charitable organisations. The Bursa Bull Charge event is to support the people whose special form of social entrepreneurship changes people's lives and empowers others to be productive members of society. Our Group CEO, Tengku Dato Sri' Zafrul ran an impressive 7 minutes 11 seconds for the CEO 1.5km category. He was placed 23<sup>rd</sup> out of 126 runners.

**Stadium Shah Alam, Selangor: Tottenham Hotspur Tour 2015**

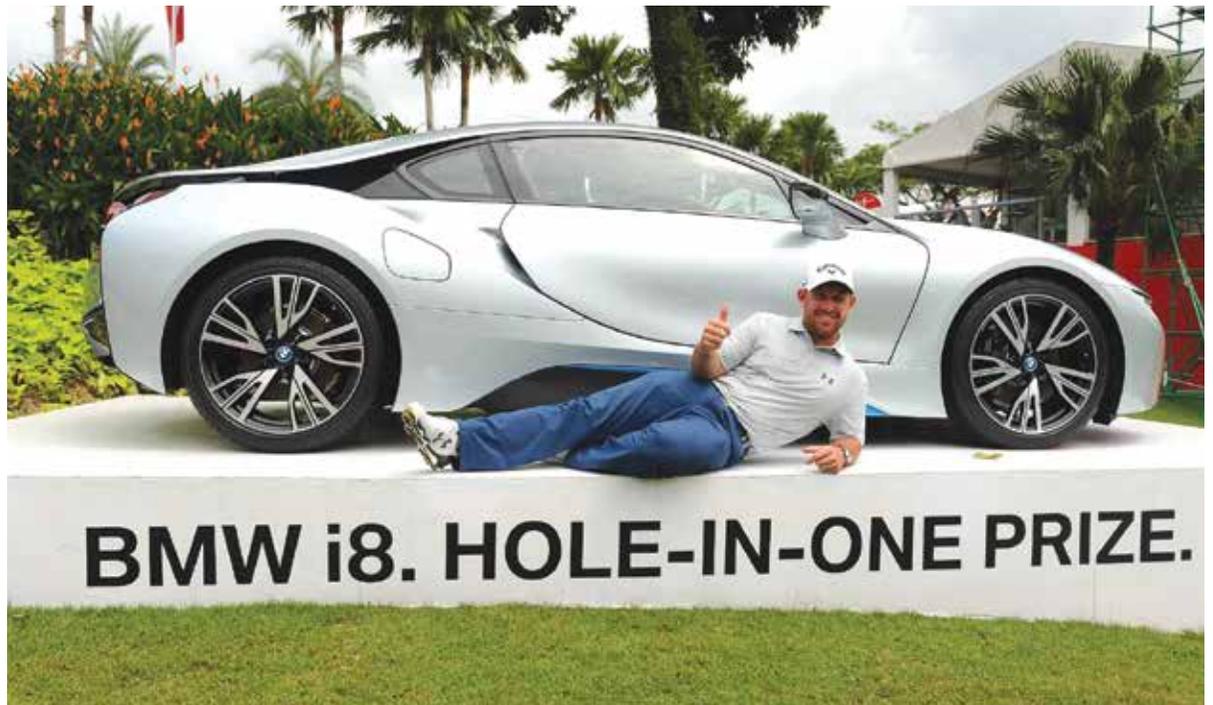
CIMB was one of the "Official Partners of the AIA Cup Kuala Lumpur 2015" in conjunction with the THFC Tour 2015. The THFC Tour 2015 was held from 23–28 May and CIMB was given an opportunity to host a close-up session with Ossie Ardiles, the Ambassador of THFC. The match between Malaysia XI vs Tottenham Hotspur took place on 27 May at the Shah Alam Stadium. The match ended with a 2-1 score to Tottenham Hotspur where Harry Kane scored a brace.

GOLF



**Kuala Lumpur Golf & Country Club:  
CIMB Classic**

The CIMB Classic, back for its 6<sup>th</sup> edition as the only official PGA Tour FedExCup event in Southeast Asia was once again held at the prestigious Kuala Lumpur Golf & Country Club (KLGCC). Scott Brown made an ace at the par-3 15<sup>th</sup> hole. This carried an added bonus for Brown, as the first player to make a hole-in-one on the 15<sup>th</sup> hole winning him a BMW i8. The youngest champion of the CIMB Classic at the age of 22 years, Justin Thomas etched his name in the CIMB Classic history book with a new tournament record, in relation to par, of 26 under. Prime Minister, Dato' Sri Najib Razak presented the trophy to the winner alongside with Dato' Sri Nazir Razak, Chairman of CIMB Group.





#### Kuala Lumpur Golf & Country Club: Official announcement of Kelly Tan

In 2015, CIMB announced its sponsorship of Malaysia's top woman golfer, Kelly Tan. Kelly, aged 22, is one of Malaysia's most prolific sporting figures and she is the only Malaysian with membership to the LPGA Tour, the richest and most competitive ladies tour in the world. Kelly represented Malaysia in key golf events such as SEA Games, Asian Games and the World Amateur Championships. Kelly then prevailed at the gruelling LPGA Tour qualifiers and obtained her Tour Card at the Final Qualifying Tournament for the 2014 LPGA Tour season. Kelly finished a credible 89<sup>th</sup> in her first season on the LPGA Tour, comfortably keeping her card for the 2015 season. She is also ranked 43<sup>rd</sup> on the IGF's Olympic ranking for women.



#### Royale Jakarta Golf Course: CIMB Niaga Indonesian Masters 2015

The CIMB Niaga Indonesian Masters 2015 was held at Royale Jakarta Golf Course. The total prizes for the event were USD750,000. Lee Westwood, winner for 2015 tournament received his trophy from Dato' Sri Nazir Razak, CIMB Group Chairman accompanied by Lo Nyen Khing, CIMB Niaga Vice CEO and D. James Rompas, CIMB Niaga Vice CEO.

OTHER EVENT HIGHLIGHTS



**Kuala Lumpur: CIMB Hari Raya Open House**

The CIMB Hari Raya Open House events were organised for both clients and staff. First event was organised at Hilton KL which witnessed an attendance of close to 2,000 guests, clients and an assortment of cuisine from across ASEAN. The event was graced by an array of public and notable figures including YAM Sultan Nazrin Muizzudin Shah and Dato' Sri Najib Razak, Prime Minister of Malaysia. Hari Raya Open House for staff was organised at Menara Bumiputra Commerce.



**Jakarta: 10<sup>th</sup> CIMB International Advisory Panel (IAP) Meeting**

IAP members gathered for the 10<sup>th</sup> CIMB International Advisory Panel Meeting at Pullman Jakarta, Indonesia led by Tun Musa Hitam to deliberate strategies moving forward in 2016. The event kicked-off with a Networking Dinner at Teuku Umar Mansion with the theme of "Glorious Dvipantara".



**Dharmawangsa Jakarta: CIMB Niaga 60<sup>th</sup> Anniversary**

PT Bank CIMB Niaga Tbk celebrated its 60<sup>th</sup> anniversary with the theme of "Sasti Raya CIMB Niaga." "Sasti Raya" is the embodiment of CIMB Niaga's 60 years of contribution to Indonesia. Among the guests were Dato' Sri Nazir Razak, Chairman of CIMB Group, Tengku Dato' Sri Zafrul Aziz, Group CEO of CIMB Group, Tigor M. Siahaan, CEO of CIMB Niaga, government officers, clients and senior management of CIMB Niaga.



**Highlights & Achievements 2015**  
Corporate Event Highlights



**Kuala Lumpur Convention Centre: GLC Open Day**

GLC Open Day 2015 was held at Kuala Lumpur Convention Centre for all GLICs and GLCs to showcase their respective company profiles and accomplishments throughout the 10 years of the GLC Transformation Programme. The objective was to enhance public awareness of GLCs and share GLC success stories. Dato' Sri Nazir Razak launched the Best of ASEAN Graffiti done by Kenji Chai at CIMB booth pavilion. Dato' Nicol David was also present on the last day to meet with the public and share her experiences.



**Menara CIMB: Lion Dance Performance**

CIMB celebrated Chinese New Year with an annual Lion Dance performance to usher in The Year of Goat. The performances of the lion dance troupe and the drummers are meant to bestow good fortune and prosperity on CIMB in the Year of the Goat.



**November**

CIMB ran an Instagram contest from 1 November to 30 December in support of Movember to raise awareness of cancer and men's health. 10 local celebrities posted their "entries" in support of the campaign such as Joe Flizzow, Sarah Lian, Amber Chia, Azura Zainal, Fiqri Edahari, Ili Sulaiman, Sazzy Falak, Hansen Lee, Elizabeth Tan and Siti Saleha. Movember posts had the highest likes to date with the contest announcement receiving 114 likes and 106 likes for Traxx FM appearance.



**Temerloh: Flood Relief**

CIMB Foundation has been working with Malaysian Red Crescent to clean up a total of eight houses and refurbished 'Sekolah Pondok' in Kampung Pantai and Kampung Tebing Tembah. 44 CIMB volunteers participated in the cleaning operation.



# MEDIA HIGHLIGHTS



**BS**  
**TENGGU ZAFRUL IS CIMB CHIEF**

## CIMB and Petronas relaunch joint MasterCard

By CHEERL POO  
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CIMB Bank Bhd and Petronas Dagangan Bhd, the domestic retail arm of Petronas Nasional Bhd, are relaunching their joint MasterCard as part of their seventh year partnership.

The enhanced CIMB Petronas MasterCard would give cardmembers up to 7% cash rebate when they use the credit card at all Petronas stations nationwide.

However, cardmembers would get 7% cash rebate on a Petronas spend in a month except on only for eligible for the 7% rebate if their credit card statement balance has more than RM1,000 in balance.

Additionally, cardmembers will also get 5-2% rebate on expenditures at other retail outlets throughout the year as well as benefits when they use their credit card in Petronas, Nanyang, Sun Travel and Citic International for their car rental and product sales.

There are no top up interest limit discount and offers of over 4,000 outlets as CIMB cardmembers.

"CIMB Petronas MasterCard has proved to be very popular with customers, and through the years, we have expanded more than 100,000 outlets."

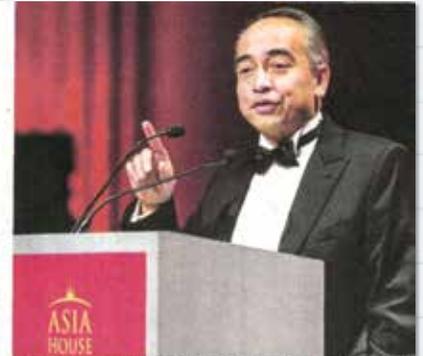


Tengku Zafrul (second from left) with Petronas Dagangan Bhd MD and CEO Mohd Norazman Mohd Yusoff (third from left) at the card relaunch.

## Asian Business Leaders Award for Nazir

**KUALA LUMPUR:** CIMB Group chairman Datuk Seri Nazir Razak was conferred the prestigious Asia House Asian Business Leaders Award at the Asia House Gala Award Dinner in London recently.

The award was in recognition of his overall contribution towards economic success, professional excellence, moral leadership and service to society.



CIMB Group chairman Datuk Seri Nazir Razak says his Asian Business Leaders Award is also a recognition of his colleagues in CIMB.

# Tengku Zafrul is CIMB Group chief

**EFFECTIVE TODAY:** Bank Negara gives nod to appointment

CIMB Group Holdings Bhd has received approval from Bank Negara Malaysia to appoint Tengku Datuk Zafrul Aziz as its group chief executive and executive director. The appointment is effective today.

"I would like to congratulate Tengku Zafrul on his appointment. His performance as acting group chief executive since September 1 has only added to the confidence of the board in his ability to lead the group," said CIMB group chairman Datuk Seri Nazir Razak in a statement yesterday.

"He has commenced execution of our T18 plan, starting with a refreshed leadership team and organisational structure, enhancing processes and reducing operating costs in wholesale banking. I look forward to working closely with him." Tengku Zafrul joined CIMB Group on January 2 last year.

## CIMB tops M&A, debt and equity capital market league tables

BY CYNTHIA BLEMIN

**KUALA LUMPUR:** Despite tougher market conditions faced by the Malaysian capital markets in 2014, CIMB Group Holdings Bhd ended the year first in *Bloomberg's* Mergers and Acquisitions (M&A) and Debt Capital Market (DCM), as well as first in Dealogic's Equity Capital Market (ECM) league tables.

**CIMB**  
rings in changes

CIMB Group Holdings Bhd, Malaysia's second-largest lender, has unveiled a group-wide revamp that involves key management overhaul and creation of three core divisions, among others.

REPORT ON THE BOARD OF DIRECTORS  
ACTING GROUP CHIEF EXECUTIVE OFFICER  
TENGKUSRI AZIZ, TENGKU ABUL AZIZ

NEW GROUP STRUCTURE

**THOMAS WILL NEVER FORGET KL**

It was here on Malaysian soil yesterday that Justin Thomas won his first ever US PGA Tour title, the CIMB Classic. The American fended off a ferocious challenge from former World No. 1 Adam Scott to win the RM5.3 million first prize.

**CURRENCY EXCHANGE**

MENDO VEGAS (center), Chief Executive Officer of Group Consumer Banking, CIMB Group, flanked by Vijay Manoharan (right), Regional Head of Digital Banking & Decision Management, CIMB Bank and Victor Joo (left), Head of Retail Forex, CIMB Bank at the launch of CIMB TravelCurrency. The service allows customers to order foreign currency rates online at competitive rates.

Perdana Menteri, Datuk Seri Najib Razak bersama rakan agawastanya dari Vietnam, Nguyen Tan Dung menyaksikan Gabenor Bank Pusat Vietnam, Nguyen Van Binh (kini **menyerahkan lesen kelulusan prinsipal** kepada Pengurusan Kumpulan CIMB, Datuk Seri Nazir Razak pada majlis memandatkan/memorandakan perhubungan antara kedua-dua negara di Bangunan Perdana Putra, Putrajaya.

[ FOTO: MOHD FADLI HANJAL/BN ]

## CIMB Bank offers SMEs payment solutions

BY JO-ANN HUANG

As costs rise and manpower constraints remain, small- and medium-sized enterprises (SMEs) are under constant pressure to operate more efficiently, in hopes that they would one day turn in a profit and even be able to expand their business.

CIMB Bank recognises this as well as the thriving SME scene in Singapore, and is reaching out to entrepreneurs through a collaboration with Wirecard AG, a global leader in electronic payment solutions. The parties have signed a partnership agreement to offer a banking and payment solutions package to SMEs in Singapore. The collaboration was announced in April.

CIMB and Wirecard will offer SMEs, in particular retailers, a range of services including setting up a merchant ac-

**CIMB BANK** **wirecard**

Mak (left) and Marsalek are reaching out to the underserved SME market with customised payment solutions

**CIMB**  
CIMB 9th Annual Indonesia Conference  
11-12 June 2015

**STRONG COMMITMENT** ... from left PT CIMB Securities Indonesia president-director Harry Soepyo, Bank of Indonesia executive director Indrasari and secondary policy's Jaka Ageng, PT Bank CIMB Mega Tbk president-director Tiger M. Sidhan and CIMB Securities (Singapore) Pte Ltd chief executive officer and CIMB Group head of Global Card Force at the CIMB 9th Annual Indonesia Conference 2015, from June 11 to June 12, in Bali. For the ninth year running, the conference's reiterates CIMB's strong commitment to strengthening its business and presence in Indonesia in line with CIMB Group's leading position in the Asian banking industry.

## CIMB, Philippine telco in digital financial services JV

BY GHO CHEE YUAN

KUALA LUMPUR: CIMB Group Holdings Bhd has teamed up with the Philippines' largest telecommunications company, Philippine Long Distance Telephone Co (PLDT), to offer digital financial offerings and solutions for customers in the Philippines and across Asean.

In a statement yesterday, the

country's second-largest lender said its unit CIMB Group Sdn Bhd had signed a strategic collaboration agreement with PLDT's wireless services provider, Smart Communications Inc, and its wholly-owned digital unit, Voyager Innovations Inc, for the purpose.

"This partnership comes at an opportune time when the roles of telecommunications providers and banks are increasingly con-

verging. Through this partnership, we are able to offer innovative and differentiated digital banking and financial technology solutions in the Philippines and across Asean," CIMB group chief executive officer Tengku Datuk Zafrul Aziz said.

Manuel V Pangilinan, chairman of PLDT, Smart and Voyager, said the collaboration is premised on the unique capabilities and positions of the partners.



Tengku Zafrul, (second from left) and Pangilinan (third from left) accompanied by CIMB group chief strategy officer Gurdip Singh Sidhu (second from right), Voyager Innovations Inc president and chief executive officer Orlando B Vea (left) and Fintech, Digital Inclusion & Alliances, Voyager vice-president and head Angetito M Villanueva (right) after the signing.

## CIMB retains top spot in equity, bond sales

Says it has been No 1 for six of last eight years in global sukuk space

BY NEENA LAKSHANA

KUALA LUMPUR: CIMB Investment Bank (CIMB IB) retained its pole position in Bloomberg's lead arranger table year-to-date (YTD), with RM2.27 billion of stock sales and a stable share of 28.5%.

In a statement yesterday, CIMB said it was also the top arranger of single bonds as at Aug 24, 2015, with 127 issuances worth RM18.2 billion (RM18.2 billion), capturing a 23.8% market share.

The investment bank also held the top spot among arrangers of Asian domestic bonds and global sukuk YTD, according to the Bloomberg Underwriter Global Sukuk League Table.

"As a regional leader, CIMB maintained its long-standing position by being No 1 in the Bloomberg Underwriter League Table for Asian domestic bonds as at Aug 24, 2015, with 127 issuances worth

RM18.2 billion and capturing a 23.8% market share. CIMB also cemented its leadership among underwriters of global sukuk YTD, with a 14.4% market share and deals totalling US\$3.23 billion.

"In the global sukuk space, CIMB has been No 1 for six out of the last eight years and top two for the last eight consecutive years and year-to-date," it added.

On the equity front, CIMB said it ranked the top in the Dealogic Malaysia (MSY) Equity Capital Markets (ECM) league table ranking YTD, having successfully led and co-lead deals which raised a total of US\$2.68 billion.

"CIMB consistently topped the Dealogic Malaysia ECM league table for the last 10 years. CIMB has also retained the top position in the Dealogic and Bloomberg MIST ECM league table ranking over the past 10 years, raising US\$55.08 billion of equity capital since 2005," it said.

"Despite economic indicators pointing towards a softer outlook for the region caused by internal and external headwinds, we see growth opportunities in selected segments and markets across the region this year," said CIMB Group Holdings Bhd group chief executive officer Tengku Datuk Zafrul Tengku Abdul Aziz in the statement.

CIMB Group (Fundamentals: 1.48x, valuation: 2.23x) shares closed 3.18% higher at RM4.79 yesterday, with a market capitalisation of RM46.07 billion.



Innovative service: CIMB Thai Bank in partnership with Advanced Info Service (AIS), Thailand's largest mobile operator, launches 'Beat Banking', a cutting-edge mobile banking solutions allowing users to perform daily banking transactions via mobile devices. Officiating the launch is CIMB Thai Bank president and CEO Subhak Siwaraksa (second from left) and AIS CEO Somchai Lertsutwong (third from left). With them are Thai celebrities Suriyont Arunwatanakoon (left) and Jarinporn Junkiat.



CIMB Group CEO Tengku Datuk Zafrul Tengku Abdul Aziz (centre) with Malaysia Airlines Bhd CEO Christoph Mueller (second from right) and MasterCard Asia Pacific co-president Ari Sarkis (second from left) flanked by Malaysia Airline's chief officer at the launch of the CIMB Zurich World Elite MasterCard yesterday.



CIMB Group chief marketing and corporate affairs officer Sherry Salsiah Hamid presenting a plaque to Naza at Sunday @ its private event to honour her achievement.



UPSKILLING PROGRAMME: CIMB Group chief executive Tengku Datuk Zafrul Tengku Abdul Aziz (fourth from right) and group chief people officer Hamidah Nazlanide (fourth from left) at the presentation of participation certificates to six vendors after the launch of CIMB Bumiputera Vendor Development Programme recently. The vendors were Eral Harmoni, Professional Science Technologies, T-Melanz, SRI Urban Designers, FM Media and Miskolix.



FROM LEFT: Marwan Kharafie, Chief Executive Officer, CIMB Principal Asset Management Berhad, Marwan Ismail, Group Chief People Officer CIMB Group, Saif Saif Othman, Chief Executive Officer, Private Finance Administration (PFA) Malaysia, Ehsan Shahid Binani, Chief Executive Officer, Group Asset Management of Investment, CIMB Group, Goh Chay Ho, Executive Director Market Development, Securities Commission (SC) Malaysia, Geogy I Bismar, Senior Vice President of Retirement and Investor Services, Principal Financial Group and Iskandar Elengren, Deputy Chief Executive Officer, ASEAN Region, CIMB Principal Asset Management Berhad at the Corporate PFI Conference 2015.

## Bringing cheer to 200 children

CIMB Foundation treats orphans to buka puasa meal, new clothes and duit raya



NEARLY 200 orphans as they were treated to a special buka puasa at the Ar-Rahmah Mosque in Kuala Lumpur, Kuala Lumpur by CIMB Foundation.

The children, from Baitul Hikmah and Pendidikan Islamiah dan Rangkaian Al-Taqwa, were also given new baju raya.

They also received duit raya and Baju Raya from CIMB Foundation chairman Tengku Datuk Zafrul Tengku Abdul Aziz and wife, Raja Datin Halima Binti Ahmad.

"During Ramadan, we are reminded of our social responsibility to give back to society."

"This event is one of the ways that we demonstrate our commitment to strengthening our ties to the community."

This event is one of the ways that we demonstrate our commitment to strengthening our ties to the community.



Spending time with the six beneficiaries: (clockwise from top left) Marwan Ismail, Marwan Kharafie, Saif Saif Othman and Ehsan Shahid Binani at the buka puasa session with orphans from Baitul Hikmah and Pendidikan Islamiah dan Rangkaian Al-Taqwa at the Ar-Rahmah Mosque in Kuala Lumpur.



FUNDRAISING PARTNERS: (From left) CIMB Group chief executive officer Tengku Datuk Zafrul Tengku Abdul Aziz, CIMB Investment Bank Bhd deputy CEO Datuk Kong Sool Lin, Toyota Capital Malaysia Sdn Bhd president Kaah Kock Heng, Bank of Tokyo-Mitsubishi UFJ (Malaysia) Bhd (BTMU) executive vice-president Mikiyasa Yuasa, and BTMU Malaysia president and CEO Naoki Nishida at a signing ceremony to establish conventional and Islamic fundraising programmes of up to RM2.5 billion.

**Additional Information**  
Shareholders' Statistics

## SHAREHOLDERS' STATISTICS

As at 15 February 2016

Authorised Share Capital : RM10,000,000,000  
 Issued and Paid-up Share Capital : RM8,527,272,238 comprising 8,527,272,238 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	1,171	1.98	35,823	_*1
100 – 1,000	20,742	35.08	9,635,710	0.11
1,001 – 10,000	28,272	47.81	109,903,992	1.29
10,001 – 100,000	7,636	12.91	202,233,394	2.37
100,001 – 426,363,610	1,305	2.21	4,326,304,551	50.73
426,363,611 and above	2	_*1	3,879,158,768	45.49
<b>Total</b>	<b>59,128</b>	<b>100.00</b>	<b>8,527,272,238</b>	<b>100.00</b>

**Notes:**

\*1 Less than 0.01%.

\*2 Excludes 4,808 shares retained as treasury shares as at 15 February 2016.

### DIRECTORS' SHAREHOLDINGS (AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

Name of Directors	No. of Shares Held			
	Direct Interest	%*1	Deemed Interest	%*1
Dato' Sri Nazir Razak	48,668,014	0.57	4,160,423*3	0.05
Dato' Zainal Abidin Putih	85,310	_*2	31,483*4	_*2
Tengku Dato' Sri Zafrul Tengku Abdul Aziz	503,254	_*2	-	_*2
Teoh Su Yin	-	-	108,696*5	_*2
Dato' Lee Kok Kwan	2,578,805	_*2	-	-

**Notes:**

\*1 Excludes 4,808 shares retained as treasury shares as at 15 February 2016.

\*2 Less than 0.1%.

\*3 These shares are held by his spouse.

\*4 These shares are held by his spouse and child.

\*5 These shares are held by her spouse.

### SUBSTANTIAL SHAREHOLDERS (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name of Substantial Shareholders	No. of Shares Held			
	Direct	%*1	Indirect	%*1
Khazanah Nasional Berhad	2,533,290,593	29.71	-	-
Employees Provident Fund Board	1,442,551,321*2	16.92	-	-
Mitsubishi UFJ Financial Group, Inc	-	-	834,884,096*3	9.79

**Notes:**

\*1 Excludes 4,808 shares retained as treasury shares as at 15 February 2016.

\*2 Includes shares held through nominee.

\*3 Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965.

**Additional Information**  
Shareholders' Statistics

**30 LARGEST SHAREHOLDERS (AS PER THE REGISTER OF MEMBERS AND RECORDS OF DEPOSITORS)**

Name of Shareholders	No. of Shares Held	% of Issued Capital *1
1 Khazanah Nasional Berhad	2,533,290,593	29.71
2 Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	1,345,868,175	15.78
3 Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	415,660,676	4.87
4 The Bank of Tokyo-Mitsubishi UFJ, Ltd	394,221,002	4.62
5 Kumpulan Wang Persaraan (Diperbadankan)	315,838,383	3.70
6 Amanahraya Trustess Berhad Amanah Saham Wawasan 2020	136,396,933	1.60
7 Amanahraya Trustees Berhad Amanah Saham Malaysia	129,222,923	1.52
8 Citigroup Nominees (Asing) Sdn Bhd CBHK for Fubon Life Insurance Co., Ltd	118,189,200	1.39
9 Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (West CLT 0D67)	102,278,348	1.20
10 Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited for Government of Singapore	97,896,532	1.15
11 HSBC Nominees (Asing) Sdn Bhd BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	85,002,148	1.00
12 Amanahraya Trustees Berhad AS 1Malaysia	82,247,581	0.96
13 Cartaban Nominees (Tempatan) Sdn Bhd Exempt AN For Eastspring Investments Berhad	80,671,143	0.95
14 HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs SVS Lux for Aberdeen Global	80,281,755	0.94
15 Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	72,829,493	0.85
16 HSBC Nominees (Asing) Sdn Bhd Exempt AN for JP Morgan Chase Bank, National Association (U.S.A.)	61,825,430	0.73
17 DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund DRNA for Aberdeen Emerging Markets Fund	46,713,539	0.55
18 Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	38,823,987	0.46
19 HSBC Nominees (Asing) Sdn Bhd Exempt An For The Bank of New York Mellon (Mellon ACCT)	35,140,119	0.41
20 HSBC Nominees (Asing) Sdn Bhd HSBC BK PLC for Saudi Arabian Monetary Agency	34,884,003	0.41
21 HSBC Nominees (Tempatan) Sdn Bhd Mohamed Nazir bin Abdul Razak	34,023,596	0.40
22 HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (Taiwan)	33,298,582	0.39
23 Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	32,934,597	0.39
24 Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	31,768,078	0.37
25 Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB PRIN)	31,589,559	0.37
26 Low Poh Weng	31,420,875	0.37
27 Lembaga Tabung Angkatan Tentera	28,957,732	0.34
28 HSBC Nominees (Asing) Sdn Bhd HSBC BK PLC for Abu Dhabi Investment Authority (AGUS)	28,287,169	0.33
29 HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (JPMelab AIF APG)	26,906,094	0.32
30 HSBC Nominees (Asing) Sdn Bhd HSBC BK PLC for Prudential Assurance Company Ltd	26,035,487	0.31
	6,512,523,732	76.39

**Note:**

\*1 Excludes 4,808 shares retained as treasury shares as at 15 February 2016.

## ADDITIONAL DISCLOSURES

(as at 31 December 2015 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 2015, the Group has collectively issued the following instruments:

#### (a) Structured Debentures

CIMB Thai Bank issued various unsecured structured debentures with embedded foreign exchange derivatives and early redemption option. The debentures will mature within six months from the respective issuance dates. It bears variable interest rates, depending on the underlying foreign exchange rates movements, payable at respective maturity dates.

#### (b) Short-Term Debentures

CIMB Thai Bank issued various unsecured short-term debentures with maturity dates of the short-term debentures varying from two months to six months. The debentures carry fixed interest rates of 1.55% to 1.90%, payable at respective maturity dates.

#### (c) USD313 million Notes

On 5 May 2015, CIMB Bank issued USD313 million 30-year callable zero coupon notes (the Notes) under its USD5.0 billion nominal value Euro Medium Term Note Programme established on 15 August 2014. The Notes will mature on 5 May 2045, and are callable from 5 May 2020 and every two years thereafter up to 5 May 2044. The Notes have a yield to maturity of 4.50% per annum.

CIMB Bank has undertaken fair value hedge on the interest rate risk of the USD313 million notes using interest rate swaps.

#### (d) EUR30 million Notes

On 12 May 2015, CIMB Bank issued EUR30 million one-year senior floating rate notes (the Notes) under its USD5.0 billion nominal value Euro Medium Term Note Programme established on 15 August 2014. The Notes will mature on 12 May 2016 (subject to adjustment in accordance with the modified following business day convention) and bears a coupon rate of three months EURIBOR + 0.15% per annum payable quarterly.

#### (e) SGD100 million Notes

On 30 June 2015, CIMB Bank, acting through its Singapore branch, issued SGD100 million three-year senior fixed rate notes (the Notes) under its USD5.0 billion nominal value Euro Medium Term Note Programme established on 15 August 2014. The Notes will mature on 30 June 2018 (subject to adjustment in accordance with the modified following business day convention) and bears a coupon rate of 2.12% per annum payable semi-annually.

CIMB Bank has undertaken fair value hedge on the interest rate risk of the SGD100 million notes using interest rate swaps.

#### (f) CNY220 million Notes

On 6 August 2015, CIMB Bank issued CNY220 million three-year senior fixed rate notes (the Notes) under its USD5.0 billion nominal value Euro Medium Term Note Programme established on 15 August 2014. The Notes will mature on 6 August 2018 (subject to adjustment in accordance with the modified following business day convention) and bears a coupon rate of 4.25% per annum payable annually.

CIMB Bank has also undertaken fair value hedge on the interest rate risk and foreign exchange risk of the CNY220 million notes using cross currency interest rate swaps.

#### (g) Equity-Link Notes

During the financial year, CIMB Securities (Thailand) issued a THB5.0 million short-term unsubordinated and unsecured structured note under its THB1.50 billion Structured Notes Programme established on 28 August 2015. The note will mature in one month from the issue date. The note payoff shall range from 2% to 20%, depending on underlying securities as well as other terms such as strike level, protection level, amongst other.

#### (h) RM2 billion Subordinated Notes 2015/2025

On 23 December 2015, CIMB issued RM2.0 billion 10 years non-callable 5 years Tier 2 subordinated debt bearing a fixed rate coupon of 5.15% per annum. The said subordinated debt was issued out of a newly established RM10 billion Tier 2 subordinated debt programme. The proceeds from the issuance were used to subscribe to a RM2.0 billion Tier 2 subordinated notes issued by CIMB Bank on the same day, based on similar terms.

CIMB has undertaken fair value hedge on the interest rate risk of the RM1.0 billion subordinated debts using interest rate swaps.

**Additional Information**  
Additional Disclosures

## 2. SHARES BUY-BACK

Details of the shares purchased during the financial year ended 31 December 2015 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	-	-	-	-	-
March	-	-	-	-	-
April	-	-	-	-	-
May	100	5.96	5.96	5.96	639.59
June	-	-	-	-	-
July	-	-	-	-	-
August	-	-	-	-	-
October	-	-	-	-	-
November	100	4.53	4.53	4.53	496.55
December	-	-	-	-	-
<b>Total</b>	<b>200</b>	<b>5.96</b>	<b>4.53</b>	<b>5.25</b>	<b>1,136.14</b>

\* Inclusive of transaction cost

All the shares purchased during the financial year ended 31 December 2015 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 33 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)

CIMB 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 RM2,910,000 for the Group and RM76,000 for the Company.

## 7. VARIATION IN RESULTS

There were no variation in results for the financial year ended 31 December 2015 from the unaudited results released on 25 February 2016.

## 8. PROFIT GUARANTEE

The Group did not receive any profit guarantee during the financial year ended 31 December 2015.

## 9. REVALUATION POLICY ON LANDED PROPERTIES

Please refer to the accounting policy on Property, Plant and Equipment in Notes K, L and N 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 50 and 51 to the Financial Statements which are in the Financial Statements section of the Annual Report.

**Additional Information**

Internal Policies, Procedures and Guidelines

## INTERNAL POLICIES, PROCEDURES AND GUIDELINES

Policies are formulated to govern standard day-to-day operations and to manage the expected risks of CIMB Group. As such, the Group's policies are developed from the baseline of current regulatory requirements and industry best practices to govern the business and operations of the Group.

The policies of our business units have been documented, endorsed by the Group Risk Committee (GRC) and approved by the Board for implementation across our Group, where relevant. Operational procedures are approved by Group Operational Risk Committee (GORC), for implementation. Approved policies and procedures are timely disseminated to affected stakeholders. Reviews and updates are performed regularly on approved policies, procedures and guidelines. 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.

Listed below are some of the Group's key policies and procedures:

No.	Title	Description
1.	Group Administration & Property Management Policies & Procedures Manual	This document relates to the administrative operations of the Group and covers the operational policies governing procurement, property, maintenance services, security services, logistics, telecommunications, insurance and occupational safety and health administration.
2.	Group Accounting Policies & Accounting Guidelines Manual	This document defines the accounting concepts and policies that are consistent with Malaysia Financial Reporting Standards and Generally Accepted Accounting Practices.
3.	Group Outsourcing Policies & Procedures	This document sets out the framework for all outsourcing of banking operations of the Group in Malaysia in accordance to regulatory requirements.
4.	Group Business Continuity	Management Policies & Procedures Manual These documents provide the framework to assist in responding to a disruption, crisis and/or disaster and to resume critical business functions.
5.	Group Communications Policy	This document sets out the framework for the dissemination of information by the Group to its shareholders, media and other stakeholders. Information given by the Group to the general public shall always be timely, accurate, relevant and reliable so as to enable a properly informed view of how the Group is governed, its financial and operational performances, future prospects and key corporate developments.
6.	Group Crisis Communications Guidelines	Crises affect organisations in varying degrees and frequency. The challenge for the affected organisation is to manage these crises well in order to get back to the business of running the organisation as quickly as possible. CIMB Group has a Crisis Communications Guide to aid effective response and communication with affected stakeholders in a timely and consistent manner. It defines crisis, crisis classification, escalation procedures, and the establishment of a crisis communication management team and centre.
7.	Group Data Management Policies & Procedures Manual	These policies and procedures enable a structured approach to the management of data and dissemination of information throughout CIMB Group. The manual spells out the data governance and management information system frameworks.
8.	Group Anti-Money Laundering/Counter Financing of Terrorism Policies & Procedures Manual	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 AML/CFT policies encompasses all reporting institutions of CIMB Group, to ensure consistency in managing the AML/CFT compliance. The manual governs the appointment of anti-money laundering compliance officers, the monitoring and reporting of suspicious transactions, sanction management, record retention, employee training, risk and status reporting to Board and Senior Management and an independent audit of the internal AML/CFT measures.
9.	Employee's Terms of Employment Policies Guidelines & Handbook	These documents set out the terms of employment for CIMB employees. These include recruitment terms such as emolument, retirement, working days and hours, office wear, conduct and discipline. The handbook sets out employment benefits including allowances and claims, medical benefits, benefits-in-kind, leave, and employee loans.
10.	Risk Management of Travel Policy	These documents address flight travel for staff in order to minimise the potential risks to CIMB Group in terms of continuity of leadership and operations. The policies cover senior management, staff at department levels and staff in general.

**Additional Information**

Internal Policies, Procedures and Guidelines

No.	Title	Description
11.	Policy & Procedure on Fit and Proper Criteria For Key Responsible Persons	This document sets out the procedures on Fit and Proper assessment for key responsible persons who are accountable or responsible for the management and oversight of the entities in the Group regulated by Financial Services Act 2013, Islamic Financial Services Act 2013 and Insurance Act 1996. These comprise Directors, members of the Shariah Committee, Chief Executive Officers/ Executive Directors, any person performing a senior management function who has the primary or significant responsibility for the management and performance of significant business activities; and any person who has primary or significant responsibility of key control functions.
12.	Staff Rejuvenation Programme	These documents set out the rules and guidelines to allow staff to take a break from work without any loss in service or disadvantage in career progression.
13.	HR Policy on Staff	Volunteerism These documents set out the rules and guidelines to encourage staff to volunteer for CSR activities funded by CIMB Foundation. The policies provide recognition of time spent by staff on CSR activities. This is part of CIMB Group's effort to enhance community projects by contributing expertise, energy, enthusiasm and efforts of staff. Seven days of volunteering entitles staff to one day of annual leave in the following year.
14.	Staff Welfare Policy & Procedures	The Staff Welfare Fund is established to provide financial assistance to our staff and their family members to cope with high medical expenses, as a result of being involved in an accident or due to serious illness. The fund is also used to assist in loss/damage of property due to natural disasters e.g. fire/flood.
15.	Sexual Harrassment Policy & Guidelines	These documents set out the policies and guidelines to maintain a working environment which is free of sexual coercion and annoyance. CIMB Group is committed to ensure that all employees are protected from harassment of any kind and in particular from sexual harassment. The policy covers all CIMB Group employees including contract and temporary employees.
16.	Whistle Blowing Policy	These documents are in place to ensure CIMB Group has a disciplined and professional workforce. Under this policy, employees are required to promptly report incident of wrongdoings, malpractices or irregularities at their workplace to the Management for immediate rectification and action and the Management is committed to ensure strict confidentiality and will not only protect the identity of the complainants and will also protect the complainant from any harassment and victimisation at work due to the disclosure.
17.	Group Anti Bribery and Corruption Policy	This document sets out policy matters relating to the prevention of bribery and corruption, and sets out the responsibilities of Group employees and associated persons working for and on behalf of the Group, in observing and upholding the Group's position on anti-bribery and corruption.
18.	Group Related Party Transactions Policy & Procedure Manual	This document describes the broad principles governing transactions by the companies within the Group and its subsidiaries licensed pursuant to the Financial Services Act 2013 or Islamic Financial Services Act 2013 or the Companies Act 1965, or any equivalent Acts or Laws enforced locally and in the respective jurisdictions where CIMB Group operates. The manual establishes clear guidance on what constitutes a related party transaction and how such a transaction, if permitted, must be conducted to ensure compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Companies Act 1965.
19.	Group Chinese Walls Policies & Procedures Manual	This document sets out the policies and procedures to control the flow of confidential or material non public price sensitive information within the Group to minimise the risk of breach of the insider trading provisions under the Capital Markets and Services Act 2007 (CMSA) and handling of confidential information relating to a client of the Group.
20.	Group Shariah Compliance Policy & General Procedures Manual	This document defines and explains the overall framework applicable to the Islamic businesses of CIMB Group so that they can be conducted in the most effective manner and in line with the Shariah and the regulations of Bank Negara Malaysia (BNM), Securities Commission (SC), the rulings of both Shariah Advisory Councils of BNM and SC (SAC) and the rulings of Group Shariah Committee. Wherever appropriate, reference will also be made to the Shariah rulings issued by the Shariah authorities in other jurisdictions such as Dewan Shariah Nasional, Majelis Ulama Indonesia (DSN-MUI), the Shariah Committee at Authoriti Monetari Brunei Darussalam etc. based on the jurisdictional and locality requirements applicable to regional Islamic businesses of CIMB Group.

**Additional Information**

Internal Policies, Procedures and Guidelines

No.	Title	Description
21.	Corporate Banking, Treasury & Markets – Treasury & Markets Policies & Procedures Manual	This document defines the policies and procedures on activities carried out by Treasury & Markets department in relation to 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.
22.	Group Conflict Management Policies and Procedures	This document sets out the policies and procedures to identify, minimise and manage conflicts and potential conflicts of interest which may arise in the course of the relevant divisions carrying out their business activities.
23.	Group Fraud Management Policies & Procedures	This document provides a guide on the escalation of any incidence of fraud that is suspected/committed within or against CIMB Group, including its subsidiaries.
24.	Group Information Technology Policy	This document governs all aspects of information technology within the Group and provides Management with direction and support in accordance with relevant laws, regulations and business requirements. It is designed to increase adherence to regulatory and internal requirements and ensures consistency in the Group's standards of operations and practices whilst at the same time facilitating sharing of information across the Group and improved controls across the Group when managing information technology. These are global best practices and in accordance with global standards such as COBIT, ITIL, CMMi, ISO etc. This document has been standardised across the Region to facilitate a Regional Operating Model.
25.	Group IT Risk Management Framework	This Framework provides a consistent and unified approach for developing and improving information risk management within the Group's business operations. It comprises of a systematic method to identify, analyse, evaluate, treat, monitor and communicate information risks associated with any activity, function or process, thereby enabling the Group to minimise its losses.
26.	Group Compliance Policies & Procedures	This document sets out the general compliance standards and requirements that govern the overall working of the Business and Support Units within CIMB Group with the objective of guiding the Business and Support Units on the compliance requirements to be adhered to in conducting their businesses. The Compliance framework includes self-testing matrices, management of non-compliances and ongoing compliance awareness.
27.	Group Competition Law Manual	The Malaysian Competition Act came into force in 2012 and has changed the business landscape in Malaysia and affected the way all Malaysian businesses operate. The Competition Law Manual provides an overview of the Competition Act and guides all business units within the Malaysian banking entities of CIMB Group to familiarise and understand the competition laws of Malaysia. It is a general guide on anti-competitive conduct, anti-competitive agreements and compliance reporting of any violations or breach of the Malaysian Competition Act.
28.	CIMB Group Liquidity Risk Management Policy	This is the primary reference document on matters relating to the key principles for the liquidity risk management framework of banking entities within CIMB Group. The policy sets out key approaches and critical areas for an integrated liquidity risk management process including liquidity risk strategies, management oversight, roles and responsibilities of various divisions/departments, risk controls and monitoring procedures to ensure that the Group has sufficient liquidity to meet its obligations as they fall due.
29.	Group Reputation Risk Management Policy	The policy sets out the Group's approach to identifying and managing its reputation risks within board set appetite. The policy leverages off existing Operational Risk Management tools and provides additional oversight and monitoring through a Group Reputation Risk Committee.
30.	Credit Policy Guide and Islamic Financing Policy Guide	These documents set out the broad Conventional and Islamic Credit/Financing Policies, applicable to the CIMB Group Conventional and Islamic Banking businesses, with the purpose to establish the discipline for orderly extension of credit, lending and financing activities.

**Additional Information**

Internal Policies, Procedures and Guidelines

No.	Title	Description
31.	Group Personal Data Protection Policy Manual	This document outlines the requirements of the Personal Data Protection Act 2010 (PDPA) and is intended to assist CIMB Group in meeting its statutory responsibilities as detailed in the PDPA. It serves as a general guide to the PDPA and CIMB Group's related processes and obligations to ensure that all staff within the relevant entities/divisions of the Group in Malaysia is familiar with, understand and comply with the personal data protection laws of Malaysia.
32.	CIMB Group Shariah Compliance Review Policies and Procedures Manual	This document defines and explains the overall Shariah compliance review framework applicable to the Islamic banking and finance businesses of CIMB Group to ensure Shariah compliance and handle Shariah non-compliance events.
33.	CIMB Group Enterprise-Wide Risk Management (EWRM) Framework	This describes the policies, guidelines and methodologies for managing risk across the Group. It provides guidance to the risk management teams towards achieving a common platform and consistent approach to risk management across the Group, provides an overview of each identified risk to promote clear and accountable risk management processes; and facilitates readiness and compliance to Bank Negara Malaysia and other regulatory requirements.
34.	Group Market Risk Policy	This policy prescribes a consistent Group-wide framework to manage market risk across all CIMB entities. It serves as a primary reference document for the Group in establishing a sound operating environment for market risk activities that is consistent with the governance and control standards of the Group Risk Appetite Statement.
35.	Group Operational Risk Management (ORM) Framework	This sets out the Group's overall guiding principles, governance, policies and procedures for managing Operational Risk. The framework provides various tools to allow the first line of defence to identify, assess, manage and report their operational risks consistently across the Group. This framework will eventually be replaced by ORM Policy. Under the proposed ORM Policy, the enhanced ORM tools listed in separate policies currently will be incorporated into this single document.
36.	Group Interest Rate Risk in the Banking Book Policy	This is the Group's primary reference document on the key principles for the interest rate risk management for the non-traded books. This policy also sets out the approving authority of risk policies, Board and management oversight, roles and responsibilities of divisions/departments, risk measurement methodologies, risk controls, monitoring and reporting procedures to ensure that the interest rate risk arising from the Group operations is properly identified, measured, monitored and managed over a range of potential changing interest rate environments including stress conditions.
37.	CIMB Group Shariah Risk Management Framework	This articulates the objectives, mission, guiding principles, governance structure as well as methodology and approach adopted by the Group in managing Shariah Non-Compliance risk.
38.	Group Credit Risk Policy	This new Policy sets out the credit risk guiding principles for application across the Group to ensure consistency in its credit risk management activities.
39.	Group New Product Approval Policy	This new Policy sets out a consistent framework to risk manage the launch of new products. New products will be subjected to a robust internal approval process that requires objective review and appropriate senior management sign off before they are offered to customers or investors.
40.	Group Retail Credit Policy	This Policy is an overarching group policy which governs the credit aspects of Retail lending business. It applies to major retail lending products such as Property Financing, Vehicle Financing, Credit Cards and other revolving credit facilities, secured and unsecured term financing, for CIMB retail banking in all the countries where CIMB is present.

## Additional Information

## Top 10 Properties

## TOP 10 PROPERTIES OWNED BY THE GROUP

Location	Description/ Existing Use	Tenure/Date of Expiry	Remaining Lease (years)	Age of Property (Years)	Net Book Value* (MYR)	Year of Acquisition	Date of Revaluation
Menara CIMB 1 Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia	40 storey office building with 6 storey of basement car park. Building majority occupied by CIMB Group of companies with partial lower zone leased out to 3 <sup>rd</sup> party.	Freehold	n/a	2	661,960,000	2015	May-15
CIMBTHAI Langsuan Building 44 Langsuan Road, Lumpini Patumwan, Bangkok 10330	25 storey office building with 1 basement level. Premises occupied by CIMB Thai Bank (Head Office Branch), CIMB Thai Bank's division offices and subsidiary company offices.	Freehold	n/a	14	166,586,821	1999	Dec-11
Menara Sentraya Lt. 28, 29, 30,31, 32 Jl. Iskandarsyah No. 2 Melawai Blok M Jakarta Selatan	41 storey office building, CIMB Niaga owned 5 storey.	-	-	1	75,825,922	2015	n/a
Synergy Building Jl. Sutera Barat Kav 17 Alam Sutera, Serpong Tangerang, Banten	20 storey office building, CIMB Niaga owned 7 Floors (GF, UG, 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 5 <sup>th</sup> , 6 <sup>th</sup> ), used as CIMB Niaga Branch and Head Office business support.	-	-	4	28,315,183	2012	n/a
Menara BHL Jalan Sultan Ahmad Shah Pulau Pinang	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	n/a	19	28,207,521	1997	Lower Podium - Dec 2011 Higher Office - March 2013
Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Wilayah Persekutuan	10 storey office building leased out to a subsidiary.	Leasehold 99 years expiring on 24 Jun 2073	58	23	18,836,027	2002	Jan-15
Jl Ir H Juanda No 165 Lebak, Bandung	CIMB Niaga Branch premises.	Leasehold expiring on 14 July 2041	26	5	15,892,216	2011	-
Bintaro Sektor VII Blok D1 No. 5, Tangerang	Land use for parking area of CIMB Niaga Head Office Bintaro.	Leasehold expiring consist of several land certificates: - 5 July 2017 - 30 Aug 2029 - 27 Dec 2015 - 26 Dec 2038 - 30 Dec 2029 - 24 July 2015 - 11 March 2023	Various	n/a	15,569,593	2010	-
Jl Gajah Mada 18 Jakarta Pusat	4 storey office building. Used as CIMB Niaga Head Office and Branch.	Leasehold expiring on 17 January 2036	21	10	15,253,875	2006	Aug-05
86 Campden Hill Court Campden Hill Road Kensington, W8 7HW	Raised ground floor flat within a large six 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	968	115	14,071,903	2009	Apr-12

## GROUP CORPORATE DIRECTORY

**CIMB GROUP HOLDINGS BERHAD**  
**CIMB INVESTMENT BANK BERHAD**  
**CIMB FUTURES SDN. BHD.**

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**CIMB BANK BERHAD**  
**CIMB ISLAMIC BANK BERHAD**

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**CIMB THAI BANK PCL**  
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**CIMB BANK (L) LIMITED**  
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## Additional Information

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**CIMB INVESTMENT BANK BERHAD  
BRUNEI BRANCH**

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**CIMB SECURITIES INTERNATIONAL  
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**CIMB SECURITIES (THAILAND) CO., LTD.**

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**CIMB SECURITIES (INDIA)****PRIVATE LIMITED****CIMB CORPORATE FINANCE (INDIA)****PRIVATE LIMITED**

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**CIMB HOWDEN INSURANCE  
BROKERS SDN. BHD.****(FORMERLY KNOWN AS CIMB  
INSURANCE BROKERS SDN BHD)**

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Group Corporate Directory

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**CIMB ISLAMIC TRUSTEE BERHAD**  
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**CIMB-MAPLE TREE MANAGEMENT**  
**SDN. BHD.**

**CMREF 1 SDN. BHD.**  
**CMREF 2 SHARIAH SDN. BHD.**

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**CIMB-PRINCIPAL ASSET MANAGEMENT**  
**BERHAD**

**CIMB-PRINCIPAL ISLAMIC ASSET**  
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**Additional Information**

Notice of Annual General Meeting

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 59<sup>th</sup> Annual General Meeting of CIMB Group Holdings Berhad (CIMB or the Company) will be held at the Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia, on Monday, 18 April 2016 at 9.30 a.m. to transact the following businesses:

**AS ORDINARY BUSINESS**

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 and the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire pursuant to Article 76 of the Company's Articles of Association.
  - 2.1 Dato' Sri Mohamed Nazir Abdul Razak **Resolution 1 (Ordinary)**
  - 2.2 Glenn Muhammad Surya Yusuf **Resolution 2 (Ordinary)**
  - 2.3 Watanan Petersik **Resolution 3 (Ordinary)**
3. To re-elect the following Directors who retire pursuant to Article 83 of the Company's Articles of Association:
  - 3.1 Datuk Mohd Nasir Ahmad **Resolution 4 (Ordinary)**
  - 3.2 Dato' Lee Kok Kwan **Resolution 5 (Ordinary)**
  - 3.3 Hiroaki Demizu **Resolution 6 (Ordinary)**
4. To approve the payment of Directors' fees amounting to RM1,049,000 for the financial year ended 31 December 2015. **Resolution 7 (Ordinary)**
5. To approve the payment of Directors' Remuneration from 1 January 2016 until the next Annual General Meeting of the Company. **Resolution 8 (Ordinary)**
6. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 9 (Ordinary)**

**AS SPECIAL BUSINESS**

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

7. Proposed Gratuity Payment to Tan Sri Md Nor Md Yusof
 

**"THAT** approval be and is hereby given for the Company to make a gratuity payment of RM3,500,000 to Tan Sri Md Nor Md Yusof, the former Chairman/Non-Executive Director of the Company, in recognition and appreciation of his long service and contribution to the Company **AND THAT** authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary and/or desirable to give full effect to this resolution".

**Resolution 10 (Ordinary)**
8. 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 11 (Ordinary)**
9. Proposed Renewal of the Authority for Directors to Allot and Issue New Ordinary Shares of RM1.00 each in the Company (CIMB Shares) in Relation to the Dividend Reinvestment Scheme that provides the Shareholders of the Company with the Option to Elect to Reinvest Their Cash Dividend Entitlements in New Ordinary Shares of RM1.00 each in the Company (Dividend Reinvestment Scheme).

**Additional Information**  
Notice of Annual General Meeting

“**THAT** pursuant to the Dividend Reinvestment Scheme (DRS) approved at the Extraordinary General Meeting held on 25 February 2013 and renewed at the Annual General Meeting held on 28 April 2015, approval be and is hereby given to the Company to allot and issue such number of new CIMB Shares for the DRS until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company **PROVIDED THAT** the issue price of the said new CIMB Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5) day volume weighted average market price (VWAMP) of CIMB Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price and not less than the par value of CIMB Shares at the material time;

**AND THAT** the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, as they, in their absolute discretion, deem fit and in the best interest of the Company.”

**Resolution 12 (Ordinary)**

10. 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 ten percent (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 RM1,855 million and/or share premium account of approximately RM10,404 million of the Company based on the Audited Financial Statements for the financial year ended 31 December 2015 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 with the full power to assent to any conditions, modifications, revaluations and/or amendments (if any) as may be imposed by the relevant authority with full power to do all such acts and things thereafter on any part of the shares bought back in accordance with the Companies Act, 1965, Articles of Association of the Company, Main Market Listing Requirements of Bursa Securities and any other rules and regulations that may be in force from time-to-time **AND THAT** such authority shall commence immediately upon passing of this ordinary resolution until:

- i. the conclusion of the next Annual General Meeting of the Company in 2017 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 13 (Ordinary)**

11. 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  
Group Company Secretary

Kuala Lumpur  
21 March 2016

**Additional Information**

Notice of Annual General Meeting

**NOTES:****Proxy**

1. 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.
2. This instrument 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.
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. 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. 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.

**Members Entitled to Attend**

5. For the purpose of determining a member who shall be entitled to attend the 59<sup>th</sup> 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 13 April 2016. Only a depositor whose name appears on the Record of Depositors as at 13 April 2016 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

**Audited Financial Statements for the Financial Year ended 31 December 2015**

6. In line with the provisions of Section 169(1) and (3) of the Companies Act 1965, the Audited Financial Statements are only for discussion as it does not require Shareholders' approval and it will not be put to the vote.

**Re-election of Directors**

7. Article 76 of the Articles of Association provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at the Annual General Meeting of the Company and be eligible for re-election. Three Directors are to retire in accordance with Article 76 of the Articles of Association. The Shareholders' approval is sought under **Resolutions 1, 2 and 3.**

Article 83 of the Articles of Association provides that the Board shall have the power to appoint any person to be a Director to fill a casual vacancy or as an addition to the existing Board of Directors. Any Director so appointed shall hold office until the next following Annual General Meeting and shall then be eligible for re-election. The Shareholders' approval is sought under **Resolutions 4, 5 and 6.**

The suitability of Directors as Board members is in accordance with the Bank Negara Malaysia Guidelines on Corporate Governance and the Group's Fit and Proper Policies and Procedures for Key Responsible Persons. The Group Nomination and Remuneration Committee considered the following criteria in determining the eligibility of the Directors to stand for re-election at the 59<sup>th</sup> Annual General Meeting:

- (1) The Directors' competency in specialised areas of practise and level of contribution to the Board through their knowledge, skills and expertise;
- (2) The level of independence demonstrated by the Directors, and their ability to act in the best interest of the Company;
- (3) Probity, personal integrity and reputation, where the Directors must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness; and
- (4) Financial integrity, where the Directors must manage their debts or financial affairs prudently.

In line with Recommendation 3.1 of the Malaysian Code on Corporate Governance 2012, the Board has also conducted an assessment of independence of the Independent Directors and other criteria, including their time, and commitment to effectively discharge their duties as Directors of the Company. The retiring Directors had abstained from deliberation and decision on their own eligibility to stand for re-election at the Group Nomination and Remuneration Committee and Board meetings, where applicable.

Section 53(2)(a) of the Financial Services Act 2013 (FSA) and Section 63(2)(a) of the Islamic Financial Services Act 2013 (IFSA) provides that the appointment, re-appointment, election or re-election as a Chairman, Director or Chief Executive Officer of the Company is subject to approval by Bank Negara Malaysia. In this respect, Bank Negara Malaysia approval has been obtained in respect of the proposed re-election of the Directors of the Company under **Resolutions 1, 2, 3, 4, 5 and 6.**

**Retirement of Director**

8. Dato' Zainal Abidin Putih, the Senior Independent Director, has attained the age of 70 years on 14 January 2016, after the last 58<sup>th</sup> Annual General Meeting held on 28 April 2015. Dato' Zainal Abidin has also reached his maximum limit of nine (9) years as an Independent Director. In line with policy adopted by CIMB to reinforce Director's independence pursuant to Recommendation 3.2 of the Malaysian Code of Corporate Governance 2012. Dato' Zainal Abidin who is eligible for re-election under Section 129(6) of the Companies Act 1965, has informed the Board of Directors that he does not wish to seek re-election and will retire at the conclusion of the 59<sup>th</sup> Annual General Meeting on 18 April 2016.

**Payment of Directors' Fees**

9. The Shareholders' approval is hereby sought under **Resolution 7** on the payment of fees to the Non-Executive Directors amounting to RM1,049,000 for the financial year ended 31 December 2015. This includes fees payable to two (2) new Non-Executive Directors and fees for the Chairman and members of the new Board Oversight Committee, which was established in late 2014.

**Payment of Directors' Remuneration**

10. From January 2016, CIMB is requesting Shareholders' prior approval on payment of Non-Executive Directors' remuneration for the financial year ending 31 December 2016. The remuneration comprises fees and allowances payable to the Chairman and members of the Board and Board Committees.

## Additional Information

### Notice of Annual General Meeting

The remuneration structure includes a premium for the Chairman of the Board and Chairman of the Committees in recognition of their additional roles and responsibilities. The schedule of fees payable to the Non-Executive Directors for their membership in the Board and Board Committees are as follows:

		Annual Fees (RM)	Monthly Allowance (RM)	Meeting Allowance (RM)
Board	Chairman	90,000	55,000	3,000
	Member	90,000	-	3,000
Audit Committee	Chairman	12,000	-	3,000
	Member	12,000	-	2,000
Board Risk Committee	Chairman	12,000	-	3,000
	Member	12,000	-	2,000
Group Nomination and Remuneration Committee	Chairman	12,000	-	1,000
	Member	12,000	-	1,000
Board Oversight Committee	Chairman	24,000	3,000	3,000
	Member	12,000	2,000	3,000

The Shareholders' approval is hereby sought under **Resolution 8** on the payment of the Non-Executive Directors' remuneration from 1 January 2016 until the next Annual General Meeting of the Company. If passed, it will give approval to the Company to make the payment of the Non-Executive Directors' remuneration on a monthly basis instead of in arrears after every Annual General Meeting for their services to the Board and Board Committees.

#### Appointment of Auditors

11. The Audit Committee, at its meeting held on 29 January 2016 completed its annual assessment on the External Auditors in accordance with CIMB's Guidelines for the Appointment/ Re-appointment of External Auditors. In its assessment, the Audit Committee considered several factors before recommending the re-appointment of the External Auditors, as follows:

- (1) Level of knowledge, capabilities, experience and quality of previous work;
- (2) Level of engagement with the Audit Committee;
- (3) Ability to provide constructive observations, implications and recommendations in areas requiring improvements;
- (4) Adequacy in audit coverage, effectiveness in planning and conduct of audit;
- (5) Ability to perform audit work within agreed timeframe;
- (6) Non-audit services rendered by the External Auditor did not impede independence; and
- (7) The External Auditor demonstrated unbiased stance when interpreting standards/policies adopted by the Company.

Being satisfied with Messrs. PricewaterhouseCoopers' performance in 2015, their technical competency and audit independence as well as fulfilment of criteria as set out in CIMB's Guidelines for the Appointment/Re-appointment of External Auditors, the Audit Committee recommended the appointment of PricewaterhouseCoopers as External Auditors for the financial year ending 31 December 2016. The Board of Directors, at its meeting held on 29 January 2016, approved the recommendation for the re-appointment of PricewaterhouseCoopers as External Auditors of the Company for the financial year ending 31 December 2016. The Shareholders' Resolution is sought under **Resolution 9**.

#### EXPLANATORY NOTES ON SPECIAL BUSINESS:

##### Gratuity Payment

12. Tan Sri Md Nor Md Yusof served as Chairman of CIMB from 1 August 2006 to 31 August 2014. Under his stewardship, CIMB experienced steady growth both in terms of profit and assets. Shareholders' approval is sought under **Resolution 10** on the gratuity payment amounting to RM3,500,000 to Tan Sri Md Nor Md Yusof, in recognition and appreciation of his long service and contribution to the Group,

##### Authority for Directors to Issue Shares

13. **Resolution 11** is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965. If passed, it will give the Board of Directors 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 issued 103,521,245 new shares pursuant to Section 132D of the Companies Act, 1965 under the general mandate sought at the 58<sup>th</sup> Annual General Meeting held on 28 April 2015, which will lapse upon the conclusion of the forthcoming 59<sup>th</sup> Annual General Meeting to be held on 18 April 2016.

##### Authority for Directors to Allot and Issue New Ordinary Shares

14. The proposed **Resolution 12** will give authority to the Board of Directors to allot and issue new ordinary shares in the Company in respect of the Dividend Reinvestment Scheme, until the conclusion of the next Annual General Meeting. A renewal of this authority will be sought at the subsequent Annual General Meeting.

##### Authority to Purchase Own Shares

15. **Resolution 13**, if passed, will empower the the Board of Directors to purchase CIMB Shares through Bursa Securities up to ten percent (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 2015 Annual Report.

##### Abstention from Voting

16. Any Director referred to in **Resolutions 1, 2, 3, 4, 5 and 6**, who is a Shareholder of the Company will abstain from voting on the resolutions in respect of his/her re-election at the 59<sup>th</sup> Annual General Meeting.

17. All Directors who are Shareholders of the Company will abstain from voting on **Resolutions 7 and 8** concerning Directors' fees and remuneration at the 59<sup>th</sup> Annual General Meeting.

**Additional Information**

Statement Accompanying  
Notice of Annual General Meeting

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

### **A. PROPOSED RE-ELECTION FOR DIRECTORS PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

The profile of the Directors who are standing for re-election (as per Ordinary Resolutions 1 to 6 as stated in the Notice of Annual General Meeting) at the 59<sup>th</sup> Annual General Meeting of CIMB Group Holdings Berhad which will be held at the Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Monday, 18 April 2016 at 9:30 a.m. are as follows:

#### **1. Dato' Sri Mohamed Nazir Abdul Razak**

Dato' Sri Nazir Razak, aged 49, was appointed to the Board on 27 January 2006 as a Non-Independent Non-Executive Director and was then appointed as the Group Managing Director/Chief Executive Officer of CIMB on 7 November 2006. He resigned as the Group Managing Director/Chief Executive Officer of CIMB on 31 August 2014 and was re-designated and named Chairman/ Non-Independent Non-Executive Director of CIMB on 1 September 2014. He is also the President Commissioner of PT Bank CIMB Niaga Tbk.

Dato' Sri Nazir Razak 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 IB) 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 IB as Deputy Chief Executive on 1 June 1996 and became Chief Executive on 1 June 1999. He assumed the position of Group Chief Executive of CIMB on 7 November 2006.

Dato' Sri Nazir Razak holds directorships in various CIMB companies. He is a Director of Khazanah Nasional Berhad and a member of the Investment Panel of the Employees Provident Fund (EPF) Board and the International Advisory Board of the Blavatnik School of Government at the University of Oxford. He is also the Chairman of the EPF's Investment Panel Risk Committee and a 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 Tun Hj Abdul Razak, the Chairman of Khazanah Nasional Berhad.

#### **2. Glenn Muhammad Surya Yusuf**

Glenn Muhammad Surya Yusuf, aged 60, graduated from the University of the Philippines in Manila with a Bachelor's degree in Economics and earned his Masters degree in Business Management from the Asian Institute of Management, Manila.

He has served on CIMB's International Advisory Panel since 2006 and was Deputy Chairman of the Bank Niaga – Bank Lippo Integration Steering Committee in 2008. He has been a Commissioner of PT Bank CIMB Niaga Tbk since April 2010 and assumed his current position as Vice President Commissioner in June 2012.

He is a prominent figure in the Indonesian corporate scene, having over 30 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 has served as President Director/CEO PT PP London Sumatera Indonesia, Tbk from June 2003 to May 2007, President Director/CEO PT Danareksa (Persero) from 1995 to 2001, Director at PT Bahana Pembinaan Usaha Indonesia from 1994 to 1995 and Finance Director at PT Bank Niaga, Tbk from 1991 to 1994. In government service, Glenn was the Head of the Minister of Finance Assistance Team for Financial Sector Restructuring, Department of Finance, Republic of Indonesia from October 2001 to October 2002.

He was the Head of Investment Banking of PT Bank Niaga from 1989 to 1991, General Manager Los Angeles Agency of PT Bank Niaga Tbk from 1985 to 1989 and Manager Citicorp Capital Market Group in Indonesia from 1983 to 1985. He was Senior Partner of PT Nusantara Capital from June 2007 to 2010 and assumed the position of President Commissioner at PT Polyprima Karyareksa from June 2004 to 2010.

He does not have any family relationship with any other directors and/or major Shareholders of the Company.

#### **3. Watanan Petersik**

Watanan Petersik, aged 55, graduated from Bryn Mawr College, Pennsylvania, United States of America with a Bachelor of Arts degree (Magna Cum Laude).

She joined the Board of CIMB Thai Bank in 2007 as a nominee of TPG Capital. She is currently an Independent Director and Chairman of the Nomination and Remuneration Committee of CIMB Thai Bank.

**Additional Information**  
Statement Accompanying  
Notice of Annual General Meeting

She has been in the financial services industry for over 30 years with her last full-time position at Goldman Sachs.

She does not have any family relationship with any other directors and/or major Shareholders of the Company.

#### 4. Datuk Mohd Nasir Ahmad

Datuk Mohd Nasir Ahmad, aged 61, was appointed as Independent Director of CIMB on 20 July 2015. He is a Fellow of the Association of Chartered Certified Accountants (ACCA) United Kingdom and a Chartered Accountant with the Malaysian Institute of Accountants (MIA). He was the President of MIA from August 2011 to July 2013 and elected as a Council Member of the ACCA (UK) in September 2013. Datuk Mohd Nasir holds a Master of Business Administration (Finance) from Universiti Kebangsaan Malaysia.

Datuk Mohd Nasir brings with him vast experience in the area of finance, accounting and management which spans 36 years, having started his career as a Trainee Accountant with Tenaga Nasional Berhad (TNB) in 1979 and moving on to hold various positions in the Finance Division. In January 1993, he was seconded to TNB's subsidiary company, Malaysia Transformer Manufacturing Sdn Bhd as the Financial Controller before being appointed as CEO in June 1994. In January 2000, he joined Syarikat Permodalan Kebangsaan Berhad as its CEO. On 1 June 2001 he was appointed CEO of Perbadanan Usahawan Nasional Berhad, a position he held until his retirement on 1 June 2011.

Currently, Datuk Mohd Nasir also sits on the Boards of Bina Darulaman Berhad, Sumatec Resources Berhad, Media Prima Berhad, MIMOS Berhad, SIRIM Berhad and Prokhas Sdn Bhd. He is the Chairman of UKM Holdings Sdn Bhd, Chairman of SIRIM Tech Venture Sdn Bhd and a member of the Board of Universiti Kebangsaan Malaysia besides being a member of the Listing Committee of Bursa Malaysia and the Board of Trustee of Yayasan Canselor UNITEN.

He does not have any family relationship with any other directors and/or major Shareholders of the Company.

#### 5. Dato' Lee Kok Kwan

Dato' Lee Kok Kwan, aged 50, was appointed as Non-Independent Non-Executive Director of CIMB and CIMB Bank Berhad on 20 July 2015. He is also a Director of CIMB Thai Bank. Prior to the appointments, Dato' Lee was the Deputy CEO where his areas of responsibilities included the Sales and Trading businesses in interest rates, credit, foreign exchange, bonds, equity, commodities and their derivatives, treasury and funding for the Group, fixed income investments and debt capital markets which he developed since joining CIMB in 1996 and has since grown the businesses to be one of the largest global markets operations across ASEAN Corporate Banking and Transaction Banking.

Prior to joining CIMB 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 and return for a leading Canadian bank and a member of its Senior Asset-Liability Management Committee.

Dato' Lee is also the President of the Financial Markets Association of Malaysia, Adviser to the Securities Commission Malaysia and sits in the Board of Cagamas Holdings Berhad as a Non-Executive Director. He holds a Bachelor of Business Administration Joint Honours (First Class) and a Master of Business Administration degree from Simon Fraser University, Canada.

He does not have any family relationship with any other directors and/or major Shareholders of the Company.

#### 6. Hiroaki Demizu

Hiroaki Demizu, aged 49, was appointed as Non-Independent Non-Executive Director of CIMB on 8 March 2016. He graduated from Osaka University, Osaka, Japan with Bachelor of Engineering Science in 1989.

He is the Chief Risk Officer for Asia and General Manager of Bank of Tokyo-Mitsubishi UFJ, Ltd (BTMU) and Mitsubishi UFJ Financial Group, Inc., heading Asian Risk Management & Compliance Division. He is responsible for planning, promotion, guidance, support, and overall control of comprehensive management/operation of various risks including Credit risk, Market risk, Funding Liquidity risk and Operational risk in the Asian regions. He also provides Risk Management guidance to BTMU Asia & Oceania and East Asia, Mitsubishi UFJ Trust & Banking in Asia, Mitsubishi UFJ Securities Holdings in Asia. As a member of the key risk management committees, he contributes to the short to long term business planning within the region and globally.

He does not have any conflict of interest with the Company, except by virtue of being a representative of Mitsubishi UFJ Financial Group, Inc.



The details of any interest in the securities of the Company (if any) held by the said Directors are stated on page 16 of the Director's Report in the Financial Statements Report 2015.

**Additional Information**

Statement Accompanying  
Notice of Annual General Meeting

**B. PROPOSED RENEWAL OF THE AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO PARAGRAPH 6.03(3) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**



The details of the proposed renewal of the authority for Directors to issue shares by the Company under Section 132D of the Companies Act, 1965, are stated in the Explanatory Notes of the Notice of Annual General Meeting as set out on page 229 of this Annual Report.

**C. PROPOSED SHARES BUY-BACK PURSUANT TO PARAGRAPH 12.06(2) OF THE MAIN MARKET**

**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 28 April 2015, 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 ten percent (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 RM1,855 million and/or share premium account of approximately RM10,404 million based on the Audited Financial Statements of the Company for the financial year ended 31 December 2015.

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 59<sup>th</sup> Annual General Meeting to be held on 18 April 2016, unless renewed by an ordinary resolution.

On 25 February 2016, the Company announced its intention to seek Shareholders' approval at the forthcoming 59<sup>th</sup> 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 Shareholders' approval for the ordinary resolution to renew the authority for the Company to purchase its own shares, to be tabled at the forthcoming 59<sup>th</sup> 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 of Directors proposes to seek the Shareholders' approval for a renewal of the authority to purchase and/or hold its own shares in aggregate of up to ten percent (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 15 February 2016 of RM8,527,272,238 comprising 8,527,272,238 ordinary shares of RM1.00 each in the Company (CIMB Shares), a total of 852,727,224 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 2017 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.

The Board of Directors 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 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 2015 was RM1,855 million whilst the audited share premium account of the Company as at 31 December 2015 was approximately RM10,404 million.

**Additional Information**  
Statement Accompanying  
Notice of Annual General Meeting

CIMB may only purchase its own shares at a price which is not more than fifteen percent (15%) above the weighted average market price for the past five (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 five (5) market days immediately preceding the date of re-sale or (b) at a discounted price of not more than five percent (5%) to the weighted average market price of CIMB Shares for the five (5) market days immediately prior to the re-sale, provided that the re-sale takes place not earlier than thirty (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 through Bursa Securities.

The Proposed Shares Buy-Back will allow the Board of Directors 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 of Directors 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, this being 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	42.86 <sup>*1</sup>	36.52 <sup>*2</sup>

**Notes:**

<sup>\*1</sup> As at 15 February 2016

<sup>\*2</sup> Based on the assumption that:

- (i) the Proposed Shares Buy-Back involves the aggregate purchase of 852,727,224 CIMB Shares (being 10% of issued and paid-up capital of the Company as at 15 February 2016) 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.

### 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.

**Additional Information**

Statement Accompanying  
Notice of Annual General Meeting

**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 the 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 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 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 852,727,224 CIMB Shares representing ten percent (10%) of its issued and paid-up share capital as at 15 February 2016 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 as at 15 February 2016 to be reduced from RM8,527,272,238 comprising 8,527,272,238 CIMB Shares to RM7,674,545,014 comprising 7,674,545,014 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.

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 2015	As at 15 February 2016	After share purchase and cancellation
Issued and paid-up share capital (RM)	8,527,272,238	8,527,272,238	7,674,545,014*1

**Note:**

\*1 Assuming up to 10% of the issued and paid-up share capital of CIMB or 852,727,224 CIMB Shares are purchased and cancelled.

**Additional Information**  
Statement Accompanying  
Notice of Annual General Meeting

## 5.2 Net Asset and Working Capital

The effects of the Proposed Shares Buy-Back on the net assets per share of CIMB are dependent on the purchase prices of CIMB Shares and the effective funding cost or loss in interest income to CIMB.

If all CIMB Shares purchased are to be cancelled or retained as treasury shares, the Proposed Shares Buy-Back will reduce the net assets per share when the purchase price exceeds the net assets per share at the relevant point in time. On the contrary, the net assets per share will be increased when the purchase price is less than the net assets per share at the relevant point in time.

The Proposed Shares Buy-Back will reduce the working capital of CIMB, the quantum of which will depend on the amount of financial resources to be utilised for the purchase of CIMB Shares.

## 5.3 Earnings Per Share

The effects of the Proposed Shares Buy-Back on the Earnings Per Share of CIMB are dependent on the purchase prices of CIMB Shares and the effective funding cost or loss in interest income to CIMB.

## 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 15 February 2016 are as follows:

Substantial Shareholders	No. of CIMB Shares Held							
	Before the Proposed Shares Buy-Back * <sup>1</sup>				After the Proposed Shares buy-Back * <sup>2</sup>			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Khazanah Nasional Berhad	2,533,290,593	29.71	-	-	2,533,290,593	33.00	-	-
Employees Provident Fund Board	1,442,551,321 <sup>3</sup>	16.92	-	-	1,442,551,321	18.80	-	-
Mitsubishi UFJ Financial Group, Inc	-	-	834,884,096 <sup>4</sup>	9.79	-	-	834,884,096	10.88

**Notes:**

\*<sup>1</sup> Adjusted for the number of treasury shares held as at 15 February 2016.

\*<sup>2</sup> Assuming that 10% of the issued and paid-up capital is purchased and retained as treasury shares.

\*<sup>3</sup> Includes shares held through nominees.

\*<sup>4</sup> Deemed interested in CIMB Shares held by other corporations by virtue of Section 6A(4) of the Companies Act, 1965.

Directors	Before the Proposed Shares Buy-Back* <sup>1</sup>		After the Proposed Shares Buy-Back* <sup>2</sup>	
	No. of CIMB Shares Held	%	No. of CIMB Shares Held	%
Dato' Sri Nazir Razak * <sup>4</sup>	52,828,437* <sup>4</sup>	0.61	52,828,437* <sup>4</sup>	0.61
Dato' Zainal Abidin Puith * <sup>5</sup>	116,793* <sup>5</sup>	_* <sup>3</sup>	116,793* <sup>5</sup>	_* <sup>3</sup>
Teoh Su Yin * <sup>6</sup>	108,696* <sup>6</sup>	_* <sup>3</sup>	108,696* <sup>6</sup>	_* <sup>3</sup>
Tengku Dato' Sri Zafrul Tengku Abdul Aziz	503,254	_* <sup>3</sup>	503,254	_* <sup>3</sup>
Dato' Lee Kok Kwan	2,578,805	_* <sup>3</sup>	2,578,805	_* <sup>3</sup>

**Notes:**

\*<sup>1</sup> Adjusted for the number of treasury shares held as at 15 February 2016.

\*<sup>2</sup> Assuming 10% of the issued and paid-up capital is purchased and retained as treasury shares.

\*<sup>3</sup> Less than 0.1%.

\*<sup>4</sup> Includes the shareholdings of his spouse.

\*<sup>5</sup> Includes the shareholdings of his spouse and child.

\*<sup>6</sup> Shares held by her spouse.

Save as disclosed above, none of the Directors, substantial Shareholders, and persons connected to the Directors and/or substantial Shareholders held any CIMB Shares.

**Additional Information**

Statement Accompanying  
Notice of Annual General Meeting

**6. APPROVAL REQUIRED**

The Proposed Shares Buy-Back is conditional upon the approval of the Shareholders of CIMB at the forthcoming 59<sup>th</sup> 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 2015 to February 2016 are as follows:

<b>2015</b>	<b>High (RM)</b>	<b>Low (RM)</b>
March	6.22	5.72
April	6.30	5.90
May	6.01	5.61
June	5.63	5.24
July	5.57	5.20
August	5.32	4.62
September	5.11	4.46
October	5.06	4.47
November	4.71	4.50
December	4.60	4.40
<b>2016</b>		
January	4.42	3.94
February	4.52	4.00

**8. PURCHASES, RESALE AND CANCELLATION OF TREASURY SHARES MADE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

During the financial year ended 31 December 2015, the Company purchased a total of 200 CIMB Shares from the open market at an average price (including transaction costs) of RM5.68 per share or a total consideration of RM1,136.14. All the shares purchased were retained as treasury shares.

Information on shares purchased during the financial year ended 31 December 2015 is set out in the “Additional Disclosures”.

**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 of Directors 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, the Board of Directors is of the opinion that the Proposed Shares Buy-Back is in the best interest of the Company. Accordingly, they recommend that the Shareholders vote in favour of the ordinary resolution for the Proposed Shares Buy-Back to be tabled at the forthcoming 59<sup>th</sup> Annual General Meeting.

**CIMB Group Holdings Berhad (50841-W)**

(Incorporated in Malaysia)

CDS Account No. \_\_\_\_\_

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 59<sup>th</sup> Annual General Meeting of the Company to be held at the Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Monday, 18 April 2016 at 9.30 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below.

RESOLUTIONS		FOR*	AGAINST*
1. Re-election of Directors pursuant to Article 76 of the Company's Articles of Association:			
1.1 Dato' Sri Mohamed Nazir Abdul Razak	<b>Resolution 1</b>		
1.2 Glenn Muhammad Surya Yusuf	<b>Resolution 2</b>		
1.3 Watanan Petersik	<b>Resolution 3</b>		
2. Re-election of Directors pursuant to Article 83 of the Company's Articles of Association:			
2.1 Datuk Mohd Nasir Ahmad	<b>Resolution 4</b>		
2.2 Dato' Lee Kok Kwan	<b>Resolution 5</b>		
2.3 Hiroaki Demizu	<b>Resolution 6</b>		
3. Payment of Directors' Fees for 2015	<b>Resolution 7</b>		
4. Payment of Directors' Remuneration for 2016	<b>Resolution 8</b>		
5. Re-appointment of Auditors	<b>Resolution 9</b>		
6. Proposed Gratuity Payment to former Chairman	<b>Resolution 10</b>		
7. Proposed Renewal of the Authority for Directors to Issue Shares	<b>Resolution 11</b>		
8. Proposed Renewal of the Authority for Directors to Issue Shares in relation to the Dividend Reinvestment Scheme	<b>Resolution 12</b>		
9. Proposed Renewal of the Authority to Purchase Own Shares	<b>Resolution 13</b>		

As Witness my hand this \_\_\_\_\_ day of \_\_\_\_\_

No. of Shares

Held:

\_\_\_\_\_

\_\_\_\_\_

Signature of Member(s)

\* Please indicate with an "X" how you wish your vote to be cast. (Unless otherwise instructed, the proxy may vote as he thinks fit.)

**Notes:**

- 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.
- This instrument 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.
- 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.
- 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. 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.
- For the purpose of determining a member who shall be entitled to attend the 59<sup>th</sup> 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 13 April 2016. Only a depositor whose name appears on the Record of Depositors as at 13 April 2016 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](http://www.cimb.com)

**CIMB Group Holdings Berhad (50841-W)**

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