

CIMB GROUP HOLDINGS BERHAD (96841-W)

Annual Report Two Thousand **Thirteen**

www.cimb.com



annual
report
two
thousand
thirteen

INTO *A New Era*

CIMB Group is moving into a new era. We have moved to our new headquarters at Malaysia's high-tech transport hub, Kuala Lumpur Sentral. This coincides with the completion of our 1Platform core banking system in Singapore, Thailand and Malaysia and the completion of our Asia Pacific investment banking network. We are also emerging as a leading digital consumer bank in ASEAN.

CONTENTS

OVERVIEW

Vision, Mission & AGM Information	001
Our Values	003
CIMB Profile	005
2013 Highlights	008
2013 Financial Highlights	009
New CIMB Headquarters	010
Financial Calendar 2013	012
Investor Relations	013
Corporate Milestones	018
Code of Ethics & Conduct	022
Commitment on Service Quality	023

MANAGEMENT INSIGHTS 2013

Message from the Chairman	026
Performance Review by Group Chief Executive	030

BUSINESS REVIEW 2013

Consumer Banking	048
Wholesale Banking	053
Group Strategy & Strategic Investments	058
CIMB Islamic	059
Support Divisions	061

FINANCIAL INSIGHTS 2013

Achievements vs Targets for 2013	068
Five Year Group Financial Highlights	069
Simplified Group Statements of Financial Position	070
Key Interest Bearing Assets & Liabilities	071
Value Added Statements	072
Quarterly Financial Performance	073
Capital Management	074
Dividends for 2013	076
Credit Ratings	077
Balance Sheet Management	081
CIMB Share Information	082
Long Term Value Creation	083
2014 Tentative Announcement Dates	085

STRATEGIC INSIGHTS 2013

CIMB Strategic Direction & Initiatives	086
Strategic Initiatives	087
Strategic Alliances	091

OUR STRUCTURE

Corporate Information	094
Boards of Major Subsidiaries	096
Corporate Profile	098
Corporate Structure	099
Corporate Organisation Chart	100
Board of Directors	102
Group Company Secretary	113
Group Shariah Committee	114
Group Management Committee	116

CORPORATE GOVERNANCE

Statement on Corporate Governance	132
Compliance with the Malaysian Code on Corporate Governance	154
Statement on Risk Management & Internal Control	158
Risk Management	170
Audit Committee Report	182
Terms of Reference of the Audit Committee	185
Group Shariah Committee Report	188

OUR PEOPLE

Human Capital Growth & Talent Development Initiatives	196
Corporate Responsibility	201
Sustainability Report Excerpts	203

HIGHLIGHTS & ACHIEVEMENTS 2013

Regional Notable Deals	208
Notable Achievements	220
Corporate Event Highlights	226
Media Highlights	254

ADDITIONAL INFORMATION

Shareholders' Statistics	258
Additional Disclosures	261
Internal Policies & Procedures	264
Top 10 Properties	268
Past Awards	270
Group Corporate Directory	276
Notice of Annual General Meeting	279
Statement Accompanying Notice of Annual General Meeting	282
Proxy Form	•



INTO A NEW ERA OF
CONNECTIVITY

CIMB Group connects to ASEAN and the world through KL Sentral, Malaysia's high-tech transport hub

our VISION

To be the leading
ASEAN company

our MISSION

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

57th

**Annual General Meeting
of CIMB Group Holdings Berhad**

Grand Ballroom, Level 1,
Sime Darby Convention Centre,
1A Jalan Bukit Kiara 1,
60000 Kuala Lumpur.
Tuesday, 15 April 2014
at 9.30 a.m.



CIMB NIAGA

Digital Lounge



INTO A NEW ERA OF
**DIGITAL
BANKING**

CIMB Group's digital banking initiatives connect through multiple new channels

our **VALUES**

CUSTOMER-CENTRIC

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

HIGH PERFORMANCE

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

ENABLING PEOPLE

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

STRENGTH IN DIVERSITY

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

INTEGRITY

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



INTO A NEW ERA OF
INTEGRATED
BANKING

CIMB Group's integrated banking network
connects across businesses and geographies

CIMB Profile

CIMB Group is a leading ASEAN universal bank, with arguably the largest Asia Pacific investment banking network. It is also a world leader in Islamic finance.

The Group is headquartered in Kuala Lumpur, Malaysia and offers consumer banking, wholesale banking, Islamic banking and asset management products and services. It is the fifth largest banking group by assets in Southeast Asia and at the end of 2013, had over 40,000 staff and approximately 13 million customers.

Products and services are complemented by partnerships and alliances with various leading companies including the Principal Financial Group, Bank of Tokyo-Mitsubishi UFJ, Sri Ayudhya General Insurance and Mapletree Investments.

CIMB Group Holdings Berhad has been listed on the main market of Bursa Malaysia since 1987 and was one of the largest companies at the end of 2013 with a market capitalisation of RM58.9 billion. Total assets at the end of 2013 were RM370.9 billion, with total shareholders' funds of RM30.3 billion and total funds under management of RM52.9 billion.

Major shareholders at the end of 2013 were Khazanah Nasional with 30.1%, Employees Provident Fund (EPF) with 15.9%, Kumpulan Wang Persaraan (KWAP) with 2.6% and Mitsubishi UFJ Financial Group with 5.0%.

Our ASEAN Markets

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

Other Markets

- Bahrain
- Colombo
- Hong Kong
- London
- Melbourne
- Mumbai
- New York
- Shanghai
- Seoul
- Sydney
- Taipei



INTO A NEW ERA OF

IN

CIMB Group's core banking system connects internally

1 PLATFORM
INFINITE CAPABILITIES



TERNAL CONNECTIVITY

2011
SINGAPORE

2012
THAILAND

2014
MALAYSIA

2015
INDONESIA

2013 Highlights

PROFIT

CIMB Group recorded net profits of RM4.54 billion in a difficult external environment, surpassing last year's net profit by 4.5%.

Refer to Performance Review page 031

NETWORK EXPANSION

CIMB Group completed the expansion of its Asia Pacific investment banking network and improved the regional network that feeds into its ASEAN universal banking platform.

Refer to Performance Review page 039

SHARP RISE IN MAJOR CROSS BORDER DEALS

Large multi-country investment banking deals grew to 73 in 2013 over 30 in 2012 as the company started to leverage on Network CIMB.

Refer to Performance Review page 035

STRENGTHENED CAPITAL POSITION

Two dividend reinvestment schemes helped buffer the Group's financial position, and subsequently in early 2014, CIMB Group completed a private placement that added RM3.55 billion to the Group's capital.

Refer to Capital and Balance Sheet Management page 061

GOOD CORPORATE GOVERNANCE

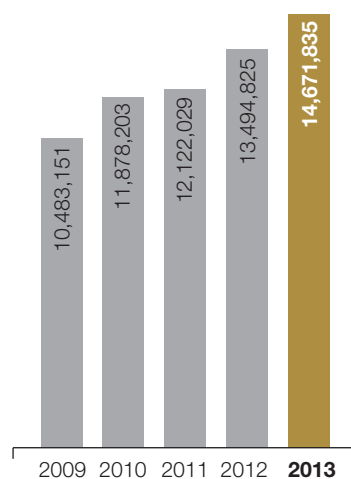
CIMB Group was ranked No.2 in Malaysia on the new ASEAN Corporate Governance Ranking index (second only to Bursa Malaysia)

Refer to Statement on Corporate Governance page 132

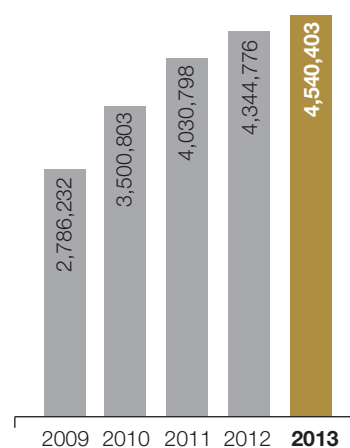
2013 Financial Highlights

009

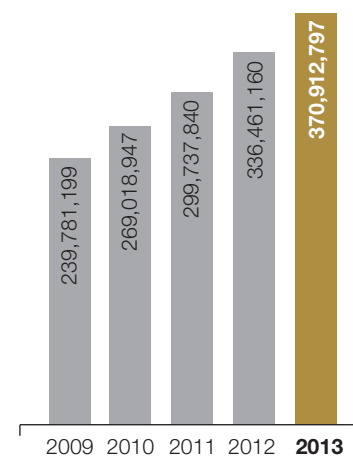
Operating Income
RM'000



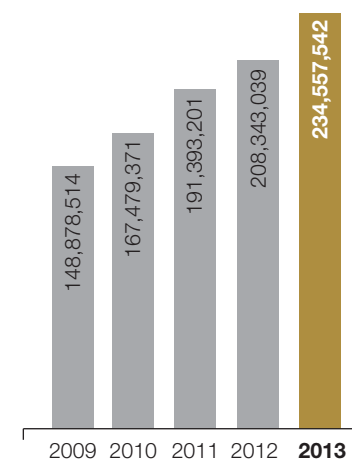
Net Profit
RM'000



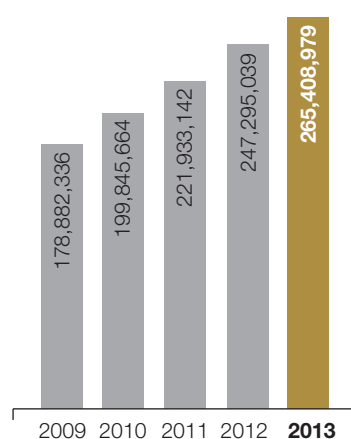
Total Assets
RM'000



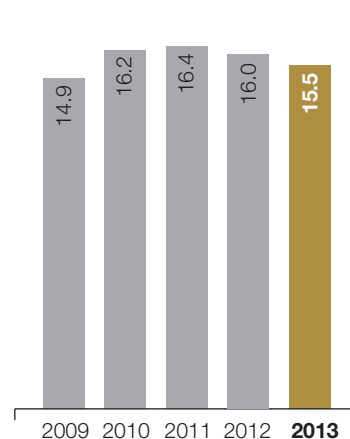
Gross Loans
RM'000



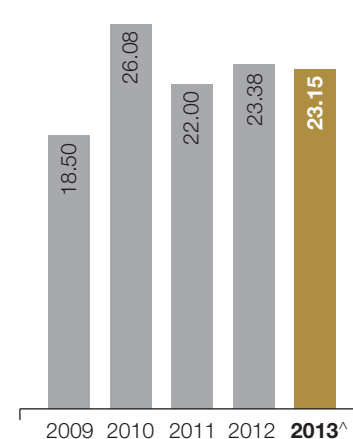
Deposits From Customers
RM'000



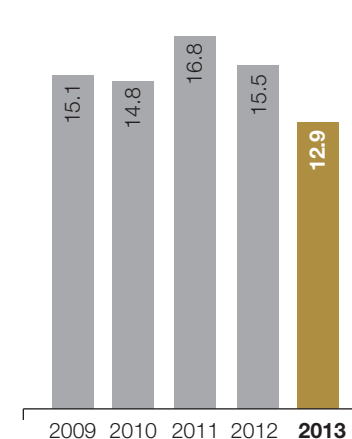
ROE
%



Gross Dividend Per Share
Sen



**Total Capital Ratio
(CIMB Bank)***
%



* For 2013, based on Basel III. For 2012 and prior, based on Basel II.

[^] 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.

NEW CIMB Headquarters

Moving more than 2,000 CIMB Group staff into our new corporate headquarters was a very large job. But the short term pain of the 2013 relocation quickly faded into long term gain.

We have already found increased efficiencies and effectiveness in uniting most of our head office staff, along with most staff from our wholesale banking operations, in one centrally-located building.

Our new Menara CIMB, located at Malaysia's high-tech transport hub of Kuala Lumpur Sentral, is a 35-storey Grade A Green Building with a Gold Award Green Mark (provisional) from Singapore's Building and Construction Authority.

The interior design focuses on CIMB Group as the bridge between cultures and possibilities and features design elements from the 10 nations of ASEAN. Workspaces are light and airy and we have unified communication, video conferencing, telepresence, wireless internet and interactive writing boards. Most importantly, we have most of our Group staff in one location – previously they were scattered at various locations across the city.

Between 2005 and 2012, CIMB Group grew from a niche investment bank in Kuala Lumpur into a leading universal bank in ASEAN with a global reach in major economic centres. Over that period, we benefitted tremendously from strong infusions of ideas and expertise from our constituent parts, and we also inherited a wide variety of office buildings scattered across Kuala Lumpur.

We have featured architectural details of our new skyscraper on the cover of our Annual Report because we are proud to be unified in our new building and proud to be located at the centre of Malaysia's high-tech hub, with ASEAN, global and digital connectivity at the fore.

Our new building articulates the five values that drive CIMB Group – customer centric, high performance, enabling people, strength in diversity and integrity. We also hope it will provide symbolic inspiration to our 40,804 employees from 38 nations to work harder and smarter to build CIMB Group into the leading ASEAN company.





2013

Financial Calendar

THURSDAY

7 FEBRUARY 2013

Notice of Extraordinary General Meeting (EGM) for proposed establishment of Dividend Reinvestment Scheme (DRS)

MONDAY

25 FEBRUARY 2013

Announcement of the unaudited consolidated financial results for the fourth quarter and financial year ended 31 December 2012

MONDAY

25 FEBRUARY 2013

EGM

FRIDAY

22 MARCH 2013

Notice of 56th Annual General Meeting (AGM) and issuance of Annual Report for the financial year ended 31 December 2012

FRIDAY

29 MARCH 2013

Notice of book closure for single tier interim dividend of 18.38 sen per share for the financial year ended 31 December 2012

TUESDAY

9 APRIL 2013

Date of entitlement for the single tier interim dividend of 18.38 sen per share for the financial year ended 31 December 2012

WEDNESDAY

17 APRIL 2013

56th AGM

WEDNESDAY

8 MAY 2013

Payment of the single tier interim dividend of 18.38 sen per share for the financial year ended 31 December 2012

THURSDAY

9 MAY 2013

Additional listing of 183,075,800 new ordinary shares of RM1.00 each, pursuant to the DRS

TUESDAY

21 MAY 2013

Announcement of the unaudited consolidated financial results for the first quarter ended 31 March 2013

MONDAY

26 AUGUST 2013

Announcement of the unaudited consolidated financial results for the second quarter and half year ended 30 June 2013

FRIDAY

20 SEPTEMBER 2013

Notice of book closure for the single tier interim dividend of 12.82 sen per share for the financial year ended 31 December 2013

WEDNESDAY

2 OCTOBER 2013

Date of entitlement for the single tier interim dividend of 12.82 sen per share for the financial year ended 31 December 2013

WEDNESDAY

30 OCTOBER 2013

Payment of the single tier interim dividend of 12.82 sen per share for the financial year ended 31 December 2013

THURSDAY

31 OCTOBER 2013

Additional listing of 113,495,493 new ordinary shares of RM1.00 each, pursuant to the DRS

MONDAY

18 NOVEMBER 2013

Announcement of the unaudited consolidated financial results for the third quarter ended 30 September 2013

Investor Relations

013

2013 proved to be a challenging year for the Group's Investor Relations division in view of the ever changing external operating environment and volatile macro-economic conditions. We had to contend with various external factors including the general election in Malaysia, economic and regulatory changes in Indonesia, political instability in Thailand, Basel III capital regulations and currency fluctuations.



The Board of Directors addressing shareholders at the 56th AGM.

Internally, we addressed the proposed disposal of our interests in CIMB Aviva Assurance and CIMB Aviva Takaful, announcement of our Dividend Reinvestment Scheme, the resumption of our proposed dual listing on the Stock Exchange of Thailand and the termination of our proposed acquisition of a 60% interest in the Bank of Commerce in the Philippines.

This brought about a heightened communication and engagement stance with the investment community throughout the year as we sought to provide clarity and consistent updates. We strongly believe in ensuring all external stakeholders are able to make the best decision possible in regards to their investment in CIMB Group.

The Group takes Investor Relations seriously and we ensure that institutional investors are always given face time with senior members of management who actively run the business. Investor relations activities are led by the Group Chief Executive Dato' Sri Nazir Razak, CEO of Corporate Banking & Treasury Markets Dato' Lee Kok Kwan and the Group Deputy CFO Shahnaz Jammal. They are supported by the Investor Relations team and selected members of senior management across the Group.

CIMB Group significant events:

Date	Event	
17 January 2013	Proposed disposal of 51% interest in CIMB Aviva	Bursa Announcement
18 January 2013	Proposed Dividend Reinvestment Scheme	Bursa Announcement
25 February 2013	CIMB Group EGM to approve proposed Dividend Reinvestment Scheme	Shareholders' Meeting
17 April 2013	CIMB Group 2012 AGM	Shareholders' Meeting
9 May 2013	Proposed resumption of dual listing on the Stock Exchange of Thailand	Bursa Announcement
21 June 2013	Aborted acquisition of 60% of Bank of Commerce in the Philippines	Bursa Announcement

ANALYST BRIEFINGS

The Group conducted four live briefings for analysts and the media in 2013 during the announcement of its quarterly financial results. These included conference call facilities for analysts and fund managers who are not able to attend in person. We also ensure that the financial results, analyst presentations and press releases are sent to interested parties and are made available immediately on the Group's Investor Relations website.

Results Announcement:

Date	Event	Type of Meeting
21 May 2013	CIMB Group 1Q13 Results	Conference Call
26 August 2013	CIMB Group 2Q13 Results	Analyst Briefing
18 November 2013	CIMB Group 3Q13 Results	Conference Call
25 February 2014	CIMB Group 4Q13 Results	Analyst Briefing

AGM/EGM

CIMB Group held an Extraordinary General Meeting (EGM) on 25 February 2013 to table its proposed Dividend Reinvestment Scheme (DRS), which was duly debated and passed by all shareholders present. The Group's 56th Annual General Meeting (AGM) was held on 17 April 2013. At both events, shareholders were able to put forth their opinions and feedback to senior management.

INVESTOR MEETINGS

In light of the changing regional and global banking landscape in 2013, we saw an uptick in requests for investor meetings with senior management as various stakeholders sought greater clarity on the Group's operational, financial and capital strategies as the year progressed. For the year, the Group conducted 106 in-house meetings where we met 392 analysts and fund managers, a 10.4% and 33.8% Y-o-Y increase respectively. We continued the practice of updating analysts and the sell-side in our pre-closed period meetings to ensure that the investment community is kept up-to-date on latest developments.

No. of meetings & no. of analysts and fund managers met

	2012		2013	
	Meetings	FM/Analysts	Meetings	FM/Analysts
In-house	96	293	106	392
Conferences	34	74	70	221
Non deal roadshows	23	72	15	57
Teleconferences	11	11	13	24
Total	164	450	204	694



Alpha South East Asia Magazine award for Most Organised IR.

CONFERENCES AND ROADSHOWS

We took a more proactive route in engaging both local and foreign investors by spending more time on the road in Malaysia and internationally. With market volatility and changing foreign views on emerging markets, it was imperative that senior management intensified efforts to continually deliver updates on Group developments, financial performance and views on the operating environment. As such, senior management participated in eight investor conferences around the globe in 2013 and also conducted several non-deal roadshows in Boston, London and Bangkok in March and July 2013.

This brought about a significant jump in shareholder engagement on the road with a 49.1% Y-o-Y increase in number of meetings and 90.4% Y-o-Y jump in sell-side investors met during the year. Our emphasis on share register analysis ensures that the investor relations initiatives target specific shareholders to ensure that senior management's views and opinions are adequately imparted to the right existing and potential shareholders.

Conferences and Roadshows

Date	Event	Location	Organiser
7 January 2013	CIMB Malaysian Corporate Day	Malaysia	CIMB Securities
21 January 2013	JP Morgan Indonesia & Malaysia Financials Forum 2013	Singapore	JP Morgan
4 March 2013	CIMB Annual Asia Pacific Leaders' Conference	New York	CIMB Securities
6 March 2013	Non-Deal Roadshow	Boston	CIMB Securities
7 March 2013	Non-Deal Roadshow	London	CIMB Securities
19 March 2013	Credit Suisse 16th Asian Investment Conference	Hong Kong	Credit Suisse
13 June 2013	Invest Malaysia	Malaysia	Maybank Investment Bank
18 June 2013	Macquarie Asia Financials Tour 2013	Malaysia	Macquarie
20 June 2013	CIMB Annual Asia Pacific Conference	Malaysia	CIMB Securities
11 July 2013	Non-Deal Roadshow	Thailand	Phatra Securities
29 August 2013	Macquarie ASEAN Conference 2013	Singapore	Macquarie
26 September 2013	CLSA Investors' Forum 2013	Hong Kong	CLSA

RESEARCH COVERAGE

As at end December 2013, CIMB Group had a sustained coverage by 28 analysts and research houses, placing it amongst the best-tracked stocks on the KLCI. The wide research coverage meant that CIMB Group continued to have high levels of attention from investors who kept a high interest in the stock through the year.

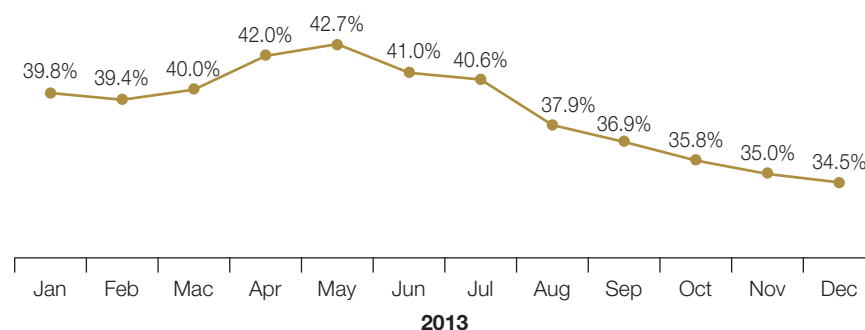
Research Coverage

No Research House

- 1 Affin Research
- 2 Alliance Research
- 3 AmResearch
- 4 Bank of America-Merrill Lynch
- 5 Bernstein Research
- 6 Citi Investment Research
- 7 CLSA Securities
- 8 Credit Suisse Securities
- 9 Deutsche Securities
- 10 Goldman Sachs
- 11 Hong Leong Investment Bank
- 12 HSBC
- 13 Hwang-DBS Vickers Research
- 14 JP Morgan Securities
- 15 KAF-Seagroatt & Campbell Securities
- 16 Kenanga Investment Bank
- 17 Macquarie Capital Securities
- 18 Maybank Investment Bank
- 19 MIDF Amanah Investment Bank
- 20 Morgan Stanley Asia
- 21 Nomura Securities
- 22 Public Investment Bank
- 23 RHB Research
- 24 S&P Capital IQ
- 25 Standard Chartered
- 26 TA Securities
- 27 UBS Securities
- 28 UOB Kay Hian

The Group's foreign shareholding hit a year-high of 42.7% in May 2013. However, the downturn in investors' appetite towards emerging markets from mid-year resulted in a continued monthly decline, settling at 34.5% as at December 2013. It turned out to be another tumultuous year for the stock's 2013 price performance, with numerous factors like economic and political uncertainties and global market gyrations playing a large part in the stock price volatility.

FOREIGN SHAREHOLDING



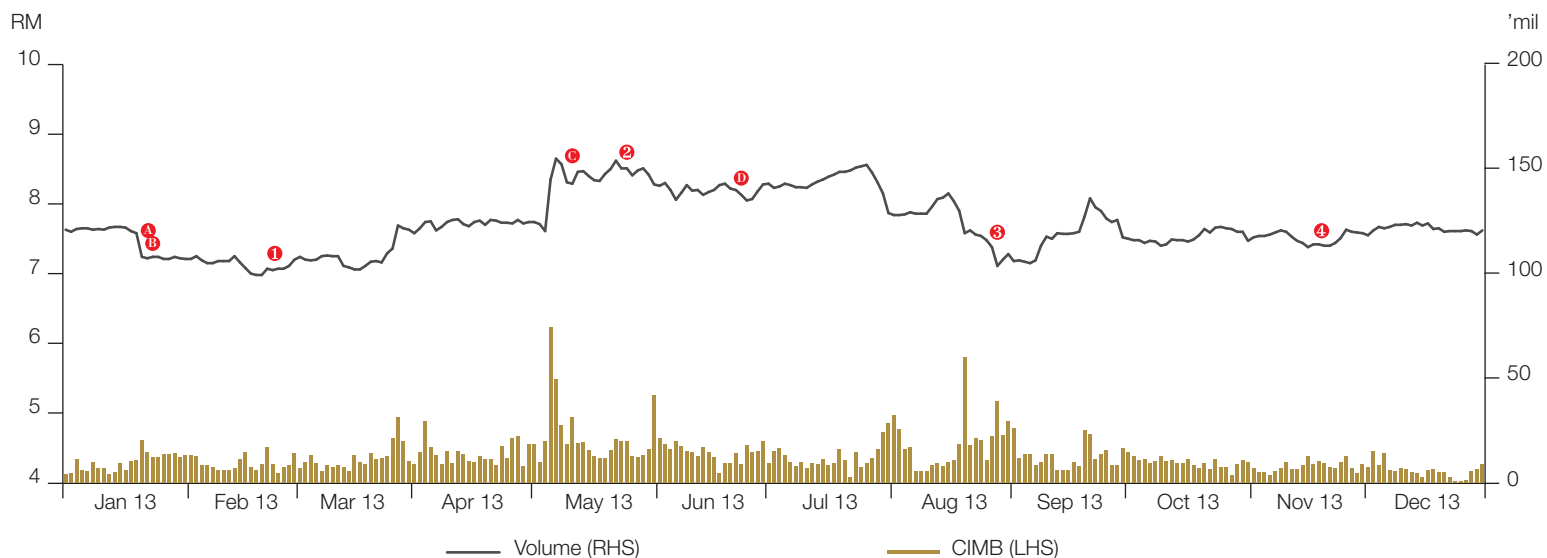
CREDIT RATING

The Investor Relations team also supports the Group's credit rating initiatives, led by the Capital and Balance Sheet Management team. To ensure consistency in the messaging of the Group's strategies as well as providing clarity on financial performance, 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.

RECOGNITION

The Group's Investor Relations initiatives were recognised with the Best Investor Relations in Malaysia award from IR Magazine South East Asia for the fourth consecutive year. There were also three awards from Alpha South East Asia Magazine (Most Organised IR, Best Senior Management IR Support and Strongest Adherence to Corporate Governance) as well as coming out tops in five categories at the 2013 Malaysian Investor Relations Association Awards within the large-cap category.

SHARE PRICE PERFORMANCE



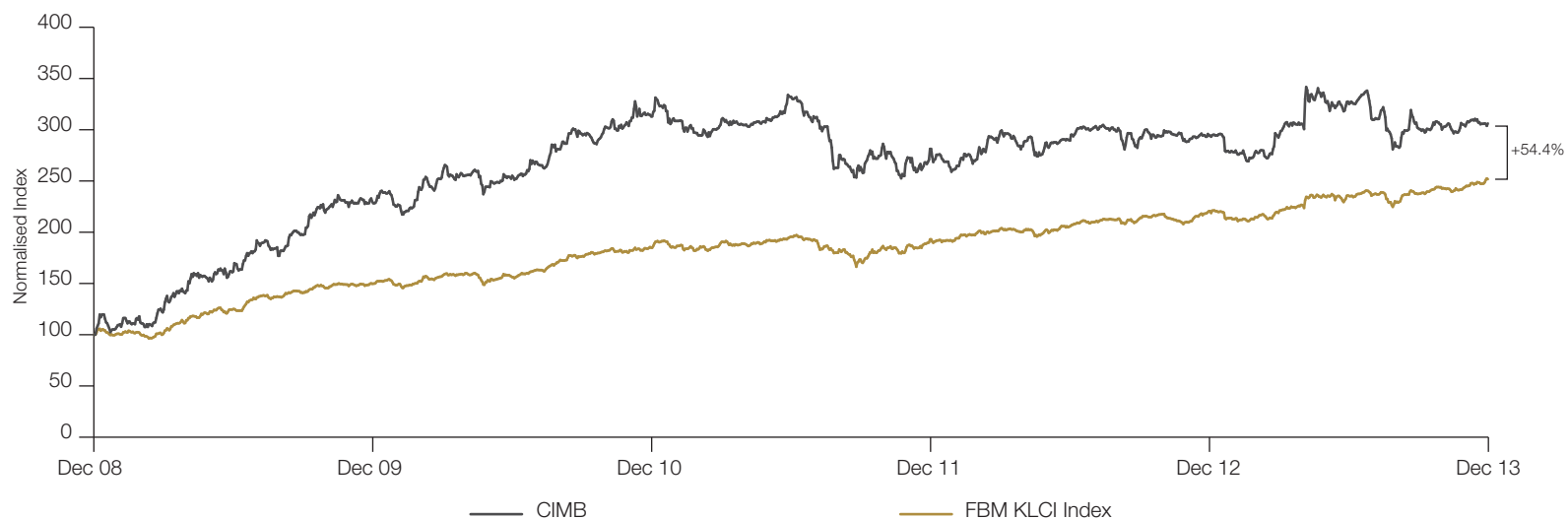
Significant Events

1 17 January 2013	Disposal of 51% interest in CIMB Aviva
2 18 January 2013	Announced DRS
3 9 May 2013	Resumption of the dual listing plan on SET
4 21 June 2013	Aborted BoC Acquisition in the Philippines

Results Announcements:

1 25 February 2013	4Q12 Results
2 21 May 2013	1Q13 Results
3 26 August 2013	2Q13 Results
4 18 November 2013	3Q13 Results

SHAREHOLDERS' RETURNS CHART



Corporate Milestones and Our Rich Heritage

1924



Bian Chiang Bank established in Kuching, Sarawak by brothers Wee Kheng Chiang and Wee Kheng Whatt and seven other partners.

1974



Pertanian Baring Sanwa Multinational Bank (PBSM) established in Kuala Lumpur.

1979



Bian Chiang Bank relaunched as Bank of Commerce Berhad in the presence of Finance Minister Tengku Razaleigh Hamzah.

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.

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



Bank Niaga merges with Bank Lippo to form CIMB Niaga. (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 headquarters in Menara CIMB, located at the high-tech hub of Kuala Lumpur Sentral.



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

i To avoid conflict of interest

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

ii 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.

iii 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.

iv 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.

v 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, copyright 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.

vi 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 on Service Quality and Excellence

023



Customers are core to everything we do at CIMB.

CIMB Group is a universal bank and banking is a people-driven business. Everyone who works for CIMB Group has a role serving our clients and customers, or serving people who serve our clients and customers.

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.

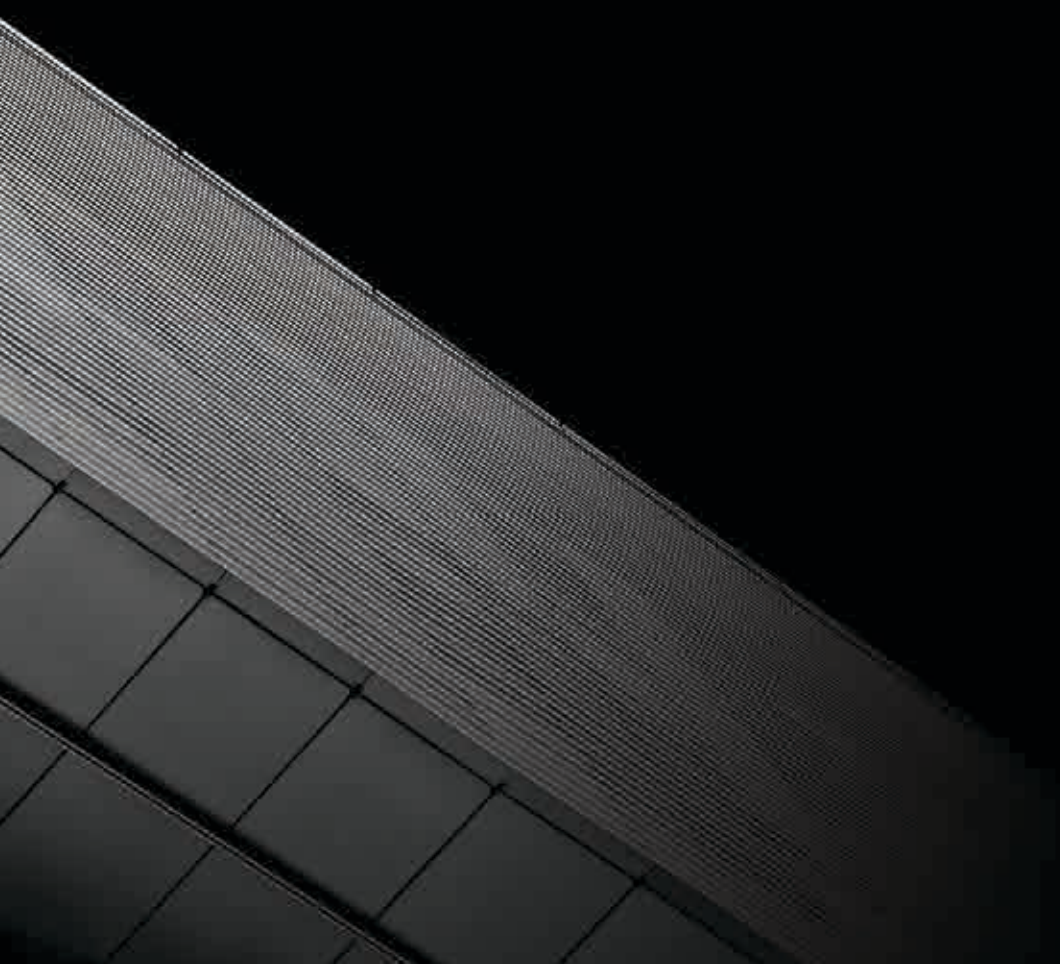
The second of our CIMB Group values is high performance. We work hard and we work strategically for customers, clients, staff and other stakeholders. Internally, we measure, differentiate and recognise our people according to their individual contributions while aligning everyone to the performance of 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.



INTO A NEW ERA OF
CONNECTIVITY





message from the

CHAIRMAN

Dear Shareholders,

I am delighted that CIMB Group is moving into a new era, and that we are starting our second major phase of development. Cornerstones of this new era are our new, super-connected headquarters in Kuala Lumpur, the roll out of our new integrated banking platform and the completion of our Asia Pacific investment banking network.

This new era also has a second meaning, and refers to the remarkable challenges and opportunities created across the global financial services industry by escalating smart phone usage and faster connectivity. CIMB Group is wholeheartedly embracing this seismic change with a major focus on digital banking and multi-channel environments to better serve our clients and customers.

Given the changes afoot, I am sure you will understand why 'Into A New Era' is the theme for our 2013 annual report.

GOOD PROFIT

I am very pleased that 2013 was another highly profitable year for CIMB Group. Our net profit was RM4.54 billion, up 4.5% over 2012. Creating value for our shareholders is a foundation of everything we do, and whilst we focus on long term value creation, we also need to ensure that we always sustain ourselves in the shorter term. It is not necessary for us to be growing all the time, but we must always keep our eye on the bottom line.

CIMB Group is an organisation that has grown fast, from the merger of many smaller wholesale and consumer banks. Our first expansion phase, from 2005-2012, saw us grow into a regional universal bank, with a good foothold in ASEAN and a global reach in major economic centres. Over that period, we benefitted

tremendously from strong infusions of ideas and expertise from our constituent parts, and we have now emerged nimble, unshackled and focused on our goal of being the leading company in ASEAN.

DIGITAL REVOLUTION

The attributes of being nimble and unshackled will be highly significant going forward. My travels across the CIMB Group network this year have underlined the fact that the old world order no longer holds. We need to be nimble and unshackled in order to navigate the major changes affecting the world of finance and to build and maintain connections to customers and clients. The digital revolution means new CIMB Group markets like Sri Lanka are transforming fast. So are established CIMB Group markets like Indonesia, where we are benefitting from digital banking initiatives such as our Rekening Ponsel mobile wallet, which enables transfers of funds to any mobile number in Indonesia. Here in Malaysia, we have a similar OctoSend function on CIMB Clicks to send money to a mobile number or email address. We also have Plug n Pay, Malaysia's first ever chip-based mobile payment solution.

In China, we are planning to open our first branch in Shanghai, and we are working with our investee company, the Bank of Yingkou from northeastern Liaoning Province, to ensure we leverage our mutual strengths and convert potential for growth into reality.

Digital banking will be at the fore, right across the Group, as we roll out new retail channels and wholesale financing solutions to better serve our customers and clients.

NEW CORE BANKING PLATFORM

Underpinning all digital initiatives is our new core banking system, 1Platform. After months of very careful planning, we rolled out 1Platform in Malaysia in February 2014 after earlier implementation in Singapore and Thailand. Core banking systems are the heart of financial institutions and I congratulate our Group Information & Operations Division on a successful 'heart transplant' here in Malaysia.

We are now able to use 1Platform to roll out more products, control costs, add flexibility, cross-sell, product bundle and implement 1View, so that our employees can see all the CIMB Group products and services that a customer or client holds.

Central banks in each of the 10 ASEAN countries are understandably careful about data sharing across borders and how this will affect their regulatory operations. For now, data held in 1Platform is country specific, but the roll out of the ASEAN Economic Community from 2015 will likely change that, and we will then be well positioned to share our data across our ASEAN operations.



Visit from the Yingkou City Economic and Trade Delegation to Malaysia.

We believe strongly in the compelling shared histories and interdependencies of the Southeast Asian nations of Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Burma, Cambodia, Laos and Vietnam. We have a very long history of trade and exchange and we will have a brighter future by cooperating together in a networked economic community.

Across the 10 nations of ASEAN, there are 616 million people, making up almost nine percent of the world's population. The region's combined nominal GDP for 2012 was USD2.3 trillion, which, if counted as one entity, would already make ASEAN around the eighth largest economy in the world. We believe that the synergies that could be released by forging an integrated economic community within ASEAN are immense.

NEW CIMB GROUP HEADQUARTERS

Photographs of our new CIMB Group headquarters in Kuala Lumpur Sentral feature strongly in our annual report this year because we are now proudly located at the centre of Malaysia's transport and transit hub, with ASEAN and global connectivity at the fore. Our new building, Menara CIMB, is a 35-storey Grade A Green Building, with gold standard on environmental and sustainability rankings. The interior design focuses on CIMB Group as the bridge between cultures and possibilities and features design elements from the 10 ASEAN nations. Workspaces are light and airy and we have unified communication, video conferencing, telepresence, wireless internet and interactive writing boards. Most importantly, we have most of our Group staff in one location – previously they were scattered at various locations across the city.

Our new building articulates the five values that drive CIMB Group – customer centric, high performance, enabling people, strength in diversity and integrity. We also hope it will inspire our 40,804 employees from 38 nations to work harder and smarter to build CIMB Group into the leading ASEAN company.

Sponsoring events that build our branding across the region also helps to build up CIMB Group. In 2013, a top class field of players played for a USD7 million prize purse in our world class golf tournament, the CIMB Classic. The event is four years old, and 2013 was its inaugural appearance as an Official Money Event on the PGA Tour.

As well as several investor conferences in ASEAN, New York and London, we also hosted our inaugural Asia Pacific Conference in Kuala Lumpur in 2013. Themed 'The Asian Century: Redefining Leadership', the conference built on

the momentum of the past two CIMB ASEAN conferences, with a broadened platform to include top companies from Australia, Hong Kong, South Korea, Sri Lanka and Taiwan alongside large ASEAN companies. It reflected our completed Asia Pacific investment banking network.

Of course, it is not profit alone that drives CIMB Group. We put great value on building long term value, sustainability and helping to improve the societies where we live and work. You can read more about this in our accompanying Sustainability Report.

VOTE OF THANKS

I would like to start my vote of thanks with my fellow directors on the CIMB Group Board for their contribution, services and guidance to the Group this year. Particular thanks go to Katsumi Hatao who stepped down in February 2014 after two years of dedicated service.

Many thanks also to the members of the CIMB International Advisory Panel who met in Sri Lanka to provide invaluable strategic advice as we map out CIMB Group's journey in ASEAN and beyond.

On the corporate responsibility front, I thank my fellow trustees on the CIMB Foundation Board for having done so much to improve quality of life in many of the communities where we support grassroots projects.

As for the 40,804 employees of CIMB Group, I thank each of you for your dedication and contribution to the Group, and for your work towards our corporate vision of being the leading ASEAN company.

We held our inaugural 'CIMB Has Talent' show in 2013. I was amazed at the hidden talents of hundreds of CIMBians who auditioned for the show. Some 39 staff from Indonesia, Malaysia, Thailand, Singapore, Cambodia, Hong Kong and India made it to the finals in Jakarta. What strength in diversity!

Our employees are very fortunate to be led by our Group Chief Executive, Dato' Sri Nazir Razak. It is his determination and stubbornness that keeps us moving forward and continually striving for improvements. As he enters his eighth year at the helm of CIMB Group, I congratulate him on his latest accolade, the best executive in Malaysia from Asiamoney. I also congratulate CIMB Group for its number two spot on the ASEAN Corporate Governance Scorecard (second only to Bursa Malaysia), as assessed by Malaysia's Minority Shareholder Watchdog Group.

Before I sign off, I would like to thank our stakeholders, including regulators, policy makers and non-governmental organisations who have shown long term confidence in our Group.

My final, and most important, thank you goes to our shareholders. Many of you have invested in the Group for several decades. Without your support, the expansion and success of CIMB Group would not have been possible. Thank you!



Top: Celebrating Hari Raya with orphans at Ar-Rahah Mosque in Kuala Lumpur.

Below: IAP members and CIMB Group Board members at Fort Railway Station during the IAP meeting in Sri Lanka.

Md Nor Yusof

24 March 2014



performance review by
**GROUP
CHIEF
EXECUTIVE**

Dear Shareholders,

Some time in the future, when we look back on the so called ‘Great Recession’ of the early 21st century, we will remember 2013 as the year emerging markets lost their shine. It was the year when money managers became sure of the US economic revival, less fatalistic about Europe, more optimistic about Japan, cautious about China and bearish about most other big emerging markets. They also became certain that Quantitative Easing (QE) tapering would begin.

Financial markets – equities, bonds, interest rates, currencies and derivatives – became volatile as market players grappled with sometimes conflicting policy pronouncements and economic data. While world stock markets went up 24%, the MSCI Emerging Markets index fell 5.0% and MSCI ASEAN went down even more, by 7.5%.

Economic growth in key ASEAN countries turned out considerably lower than what we forecast 12 months ago. More disconcerting for us were the gyrations in ASEAN financial markets after QE tapering first grabbed the headlines mid-year. Indonesia had it toughest with the Rupiah falling 21% against the USD and Bank Indonesia increasing its benchmark rate by a total of 175 basis points (bps) over the year. At various times governments introduced measures to slow credit growth and manage currency outflows while politics also fuelled volatility – Malaysia held its general elections while Thailand saw a return of street protests in Bangkok.

In view of the tougher than expected operating environment in 2013, management was pleased to have been able to deliver a 15.5% net return on average shareholders’ equity, just shy of our targeted 16.0%.

It was a year when we consolidated more than expanded. We sold our 51% stake in CIMB Aviva and only added three small Investment Banking (IB) units – India, Taiwan and Korea. Our staff headcount declined year on year for the first time in my memory and we rationalised less profitable branches. We defended or added market shares in most key segments and strengthened the foundations of our business in many areas. In particular, we implemented our 1Platform core banking system and a Mutual Separation Scheme (MSS) in Malaysia, added some key new senior managers, especially in Indonesia and Thailand, and made significant progress with ‘CIMB 2.0’.

CIMB 2.0

You may recall that in 2012 we implemented a series of organisational changes and internal initiatives which we dubbed ‘CIMB 2.0’. We are fortunate to have done so because CIMB 2.0 helped us to deliver better performances in key businesses, namely Malaysia and Singapore Consumer Bank, Corporate Banking, Treasury & Markets (CBTM) and Group Strategy & Strategic Investments (GSSI).

CIMB 2.0 was also about the transformation of our risk management division and in 2013 we continued to hire senior and very experienced risk managers. These will surely prove prescient as we have since entered into a more

challenging operating environment. We are also in the midst of an extraordinary period of re-regulation and new minimum standards in compliance and operational risk.

The one component of CIMB 2.0 that has taken longer than expected is the buildup of our Asia Pacific (APAC) IB platform – the process of obtaining new securities licenses and onboarding clients has become very cumbersome.

Nevertheless, our IB franchise scaled new heights in terms of deals and league tables across APAC and we are now the leading Asian player challenging global bank dominance of Asian financial markets.

FINANCIAL PERFORMANCE

In 2013, CIMB Group achieved a record net profit of RM4.54 billion, representing a 4.5% Y-o-Y growth and equivalent to EPS of 60.0 sen and ROE of 15.5%.

Revenues grew by 8.7% with net interest income increasing by 6.8% and non-interest income by 12.3%. Non-interest income grew by 1.3% if we exclude the RM515 million ‘one off gain’ on the sale of CIMB Aviva. PBT was 3.0% higher at RM5.8 billion, but would have been 2.2% lower if we excluded the one-off gain and the RM217 million charge for the MSS.

032

One of the main reasons for the slight decline in operating profits was the fact that we were caught by surprise in Indonesia. The Rupiah dropped by 15.2% against the Ringgit which reduced our translated Indonesian income (by an average of 8.1%). At the same time CIMB Niaga's growth stalled as we slowed lending and our funding costs increased sharply due to the multiple hikes in Bank Indonesia's official interest rate. CIMB Niaga has been our stellar growth engine for a number of years, most recently in 2012 its PBT contribution to the Group grew by 24.5% but in 2013 it contracted by 7.3%.

The lower contribution from CIMB Niaga brought down our non-Malaysian core PBT to 39% from 41% in 2012. In contrast, Thailand's PBT contribution to the Group grew by 40.3% Y-o-Y with better performances at both CIMB Thai and CIMB Securities Thailand. Total PBT contribution from Singapore increased by 49.9% to RM232 million as CIMB Bank Singapore continued to grow exponentially and our brokerage operations also had a better year.

If we look at our financial performance from a business segment perspective, our Regional Consumer Bank PBT expanded by 11.2% Y-o-Y to RM2.3 billion, representing 41% of Group core PBT (2012: 36%). PBT from the Malaysian consumer operations rose 6.0% Y-o-Y as good revenue growth and cost reductions were partially offset by lower provision write-backs. Our Singapore consumer operations posted a maiden full-year PBT of RM20 million. In Indonesia, consumer PBT rose by 28.2% Y-o-Y despite the weaker Rupiah, due to strong non-interest income growth from bancassurance and foreign exchange products. Our Thai consumer operations posted a RM16 million loss despite strong asset growth due to higher provisions towards the year end.

On the wholesale side, Regional Corporate Banking PBT was up 7.8% with steady lending growth in all markets bar Indonesia and lower provisions, while Treasury & Markets declined by 21.1% due to volatile credit markets and slower treasury flows, and IB fell by 33.6% as 2012 was a bumper year for Malaysian IPOs. Note that for 2013 the ex-RBS franchise was classified under investments as we only completed our build-up in the final quarter of 2013.

Our Investments PBT jumped 46.7% from 2012 due to gains from the sale of CIMB Aviva less MSS charges. We also enjoyed good gains from our strategic investment in Tune Ins Holdings Berhad – we invested RM9.3 million in total since 2007 and fair valued the investment at RM195 million in 2013 following its listing on Bursa Malaysia.

Total Group gross loans and credit (excluding the declining bad bank loan book) expanded 13.0% and 12.2% Y-o-Y respectively. After adjusting for foreign exchange fluctuations, the Group's total gross loans and credit were 16.5% and 15.5% higher Y-o-Y respectively. The strong growth in assets provides us a good base for interest income going forwards.

Commercial banking loans increased most, by 18.5% while retail loans and corporate loans grew 13.3% and 10.0% respectively. Singapore gross loans growth was strongest at 69.1% while Thailand and Indonesia expanded by 23.2% and 8.0% respectively, in local currency terms. Malaysia loans were 12.3% higher Y-o-Y.

The Group's total deposits grew by 7.3% Y-o-Y but were 10.2% higher Y-o-Y after excluding foreign exchange fluctuations. This was primarily driven by the 9.5% expansion in corporate and treasury deposits. Commercial banking and retail deposits posted a 6.0% and 5.7% Y-o-Y growth respectively, a little low because we

tactically chose to shed expensive fixed deposits in Malaysia. Geographically, deposit growth was strongest in Singapore at 36.1%. The Group's CASA rose by 5.8% Y-o-Y while the CASA ratio stood at 34.2% from 34.7% in 2012.

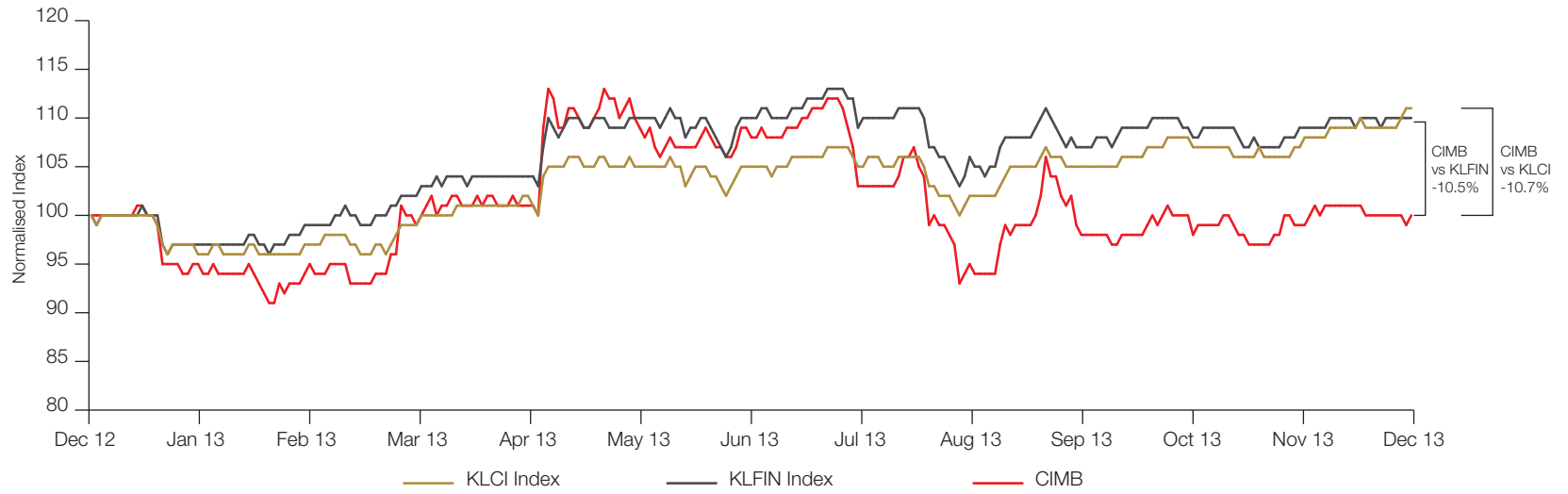
Overall Net Interest Margins (NIM) were 22 bps lower at 2.85% from 3.07% last year due to the 53 bps compression in CIMB Niaga's NIM. It was scant comfort that the Indonesian industry NIM fell 60 bps as almost all banks (except the largest four banks with low loan to deposit ratios) struggled with the multiple hikes in interest rates and changes in liquidity rules by Bank Indonesia as it moved aggressively to dampen loan growth. The deposit market in Indonesia became intensely competitive with larger and smaller banks offering attractive deposit rates to meet new liquidity rules while loan repricing continuously lagged rate increases.

The Group's total loan impairment charge of RM660 million in 2013 was 100.6% higher than the RM329 million charge in 2012 due to an uptick in provisioning in CIMB Thai, significantly lower recoveries and write-backs at our bad bank, as well as the exceptionally low level of provisions in the Malaysian consumer bank in 2012. The Group's total credit charge was 0.28% for 2013, well below its original estimate of 0.40%.

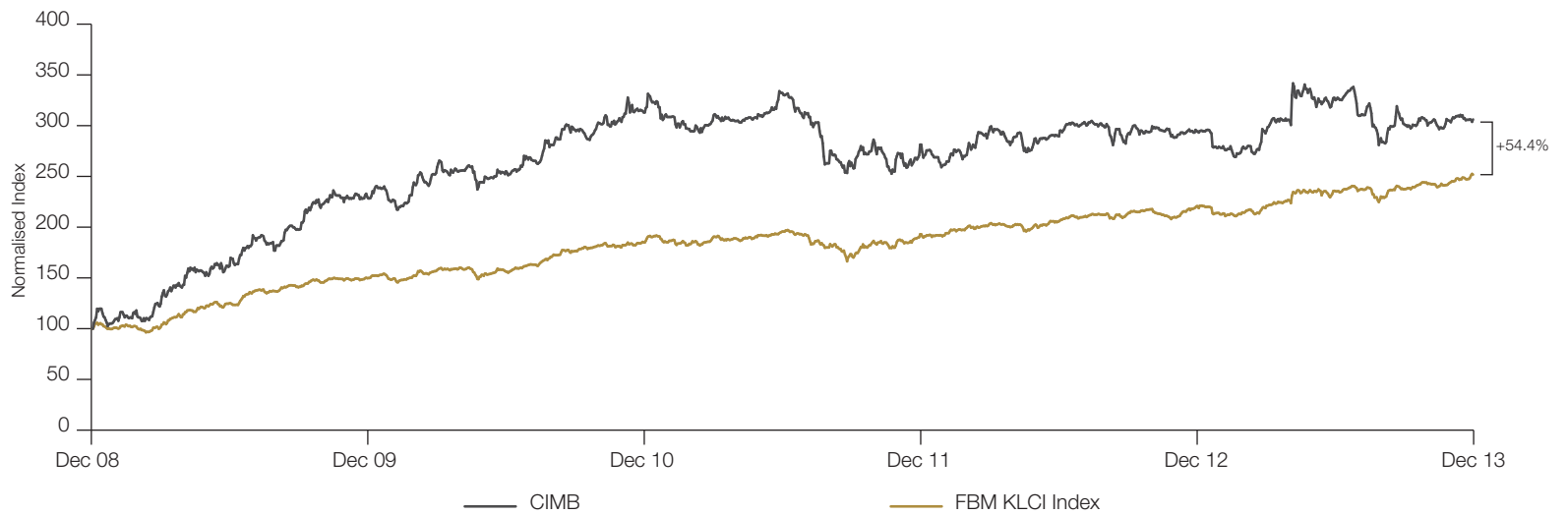
The Group's gross impairment ratio improved yet again to 3.2% from 3.8% in the previous year, with an allowance coverage (including regulatory reserve) of 108.3%. The Group's cost to income ratio was higher at 57.6% compared to 56.4% in 2012; excluding the one-off MSS charges and new acquisitions it would have been relatively flat Y-o-Y.

SHARE PRICE PERFORMANCE AND SHAREHOLDERS' RETURNS

CIMB Group vs KLCI and KLFIN from 1 January 2013 to 31 December 2013



Long Term Value Creation (Total Shareholders' Returns)



034

Our share capital increased by 4.0% during the year following the issuance of new ordinary shares pursuant to the dividend reinvestment scheme in May and October 2013. This helped our capital accumulation but as at 31 December 2013, CIMB Group's Core Equity Tier-1 (CET1) still stood at 8.1%, just above our minimum threshold of 8.0%. The Rupiah depreciation had impacted the value of our capital invested in Indonesia. Whereas we had targeted ending the year with Group CET1 at around 8.5% we were at risk of even falling below the minimum level we set ourselves. Looking ahead, no one can be sure that the Rupiah will not weaken further in the short term.

In January 2014, we decided to decisively remove this capital concern and undertook a private placement of 500 million new CIMB shares which raised RM3.55 billion and increased our CET1 to a strong 9.5%. Post-issuance, our Tier 1 ratio is currently at 11.2% and Total Capital ratio stood at 15.2%, all above the minimum regulatory requirements.

Our share price underperformed in 2013, by -10.7% compared to the benchmark KLCI. Our relatively high foreign shareholding meant that we were more affected than most by the large exodus of foreign funds from emerging markets that started mid-year. At the same time, our historical premium to peers became challenging as investors turned negative on Indonesia and as our capital levels became a worry for investors too.

Our share price nevertheless remains a strong out-performer when looked at over a longer term horizon, since we began our transformation to a regional Universal Bank in 2005.

For 2013, we have maintained our 2012 payout ratio of 40% of earnings with a dividend reinvestment option for shareholders. We are distributing a total dividend of RM1.8 billion or 23.15 sen per share.

2013 HIGHLIGHTS

Investment Banking

Although IB has become one of our smallest PBT contributors, its business is capital light, very synergistic with other divisions – our front end to corporates and institutions – and provides us valuable international profile. In 2013, IB continued its evolution into an APAC franchise by launching new businesses in Korea, India and Taiwan, competing more effectively in Australia and Hong Kong and defending its No.1 position in ASEAN.

In ASEAN, it was always going to be a year of coming back down to earth; in 2012, we achieved the amazing feat of leading three of the largest IPOs in Asia. All three of those mega deals were of course Malaysian. In 2013, we did better in Singapore, Thailand and Indonesia to cushion the drop in Malaysian activities but it was never going to be enough.

In 2013, CIMB-led deals in four different countries won awards as the 'best domestic deal', a new record for our franchise.

In Indonesia, we led the USD1.5 billion PT Matahari Department Store share placement, the largest retail sector transaction in Southeast Asia ever. In Australia, we were joint financial adviser for the AUD304 million structured lease securitisation capital raising for Wesfarmers/Bunnings. In Taiwan, we led the USD400 million Advanced Semiconductor Engineering zero coupon convertible bonds issuance.

In Malaysia, we were joint principal adviser, joint global coordinator, joint bookrunner and joint managing underwriter for UMW Oil & Gas Corporation Berhad's RM2.7 billion IPO, the year's largest IPO.

Some of the other ground-breaking deals for us in the year include the PHP17.7 billion IPO of Travellers International Hotel Group, our first major deal in the Philippines and the USD1.3



In a discussion with my fellow panelists at the CIMB Asia Pacific Conference.

billion China Huishan Dairy IPO in Hong Kong, the largest F&B ECM transaction in Asia (ex-Japan) in 2013.

Aside from the award winning and ground-breaking deals, I would also highlight that we had a surge in cross-border deals, from 30 in 2012 to 73 in 2013 in line with the year's corporate theme, 'Network CIMB' – to leverage on our entire network to serve our clients. The list includes the SGD1.4 billion IPO of Asian Pay Television Trust which involved a Taiwanese company, owned by Australian shareholders, listing on the Singapore Stock Exchange. Our project team comprised staff from all three countries and Malaysia.

In securities broking, we continued to be ASEAN's top broker with No.1 market shares in Malaysia and Singapore, No.2 in Indonesia and No.7 in Thailand. I am especially proud of the Thai achievement because even as late as 2011, we were tiny, only No.26. Our acquisition of SICCO Securities in 2012 has been a great success. Outside ASEAN, we improved market shares in all markets and we estimate that we are now the 12th largest broker in APAC compared with only No.16 in 2011 and we are progressing towards our medium term ambition of being top 10. We are already ahead of many bulge bracket firms who have invested considerably more over many more years to build a pan-APAC brokerage franchise.

Our asset management franchise saw a 36.6% increase in PBT as its Assets Under Management (AUM) grew by 21.3%. We will build on this as we step up our efforts to enhance AUM by strengthening CIMB Principal Asset Management's working relationship with our retail branch networks in Malaysia, Indonesia and Thailand. Fund management performances have been good and this will make our funds more compelling for customers moving forwards.

Overall, IB made huge strides in 2013 and enters 2014 as a credible challenger in a space dominated by global banks. IFR Asia saw this when they recognised us as the Best Domestic Bank in Asia, and said '*As Asia's local banks push for a bigger share of the region's investment banking business, one stood out for making a success of an audacious acquisition. CIMB broke out of its comfort zone in 2013, reaping the benefits of an expanded investment banking platform and connecting issuers and investors across Asia*'.

Corporate Banking, Treasury & Markets

Since the consolidation of corporate banking into CBTM, we are seeing significantly better synergies between corporate lending and treasury within and between countries. We have also seen much better discipline in credit origination and management, sharper risk adjusted product pricing and better cost management.

Our regional corporate banking loan book grew by a commendable 10.0% with Singapore recording the highest growth at 50.0%, Malaysia by 10.4%, while Thailand and Indonesia grew 7.0% and 0.9% respectively. We continue to be relatively conservative in credit origination and especially in the early part of the year, we struggled to write corporate loans in Indonesia where at times it felt like we were the only ones concerned about a possible adverse turn in the environment.

We continued to excel in Debt Capital Markets (DCM) by closing several landmark transactions. We led Khazanah's SGD600 million Exchangeable Trust Certificates issuance, the largest for 2013; Wesfarmers/Bunnings' AUD304 million structured lease securitisation, the first long dated Australian property lease securitisation; and Malaysia's first Basel III-compliant subordinated debt issuance by CIMB Bank. We were also joint bookrunners for

the award winning Advanced Semiconductor Engineering's USD400 million convertible bond issue. We ended the year being ranked No.1 in the ASEAN domestic bond market by Bloomberg and maintained our No.1 position in the Malaysia domestic bonds market. In Thailand, we were ranked No.5, punching above our 'weight' as we are only the 9th largest bank in the country. We also maintained our position as the second largest sukuk arranger globally and No.1 in Malaysia.

Our business benefits from ASEAN's increasing trade flows as we facilitate cross-border foreign exchange transactions. Our foreign exchange business recorded an overall revenue increase of 17.6% Y-o-Y with Indonesia registering a 53.5% jump, followed by strong growths in Malaysia (9.3%) and Thailand (16.5%), while Singapore had a marginal growth of 5.4% due to some large 'one off' transactions in 2012. Our Trade Finance business grew 28% of which Singapore had a spectacular 130% growth riding on a new segment, RMB trade finance products for commercial banking customers.

On the pure traditional treasury side of the business, CBTM had to be at its most agile this year navigating volatile markets and regulations across the region, and also exercising prudence in our liquidity management. We were cautious during every period of uncertainty, keeping high levels of liquidity (at a cost) in Malaysia and Singapore throughout the period of the Malaysian general elections for instance. In Indonesia and Malaysia we also kept our USD loan to deposits at lower than normal levels.

CBTM also played an important role in manufacturing innovative liability products for our various consumer banks such as structured deposit products and equity linked notes which contributed to strong growth in wealth management sales across the region.

Malaysia Singapore (MS) Consumer Bank

Our MS Consumer Bank performed well in 2013 with both higher revenues and lower overheads but had much less loan write-backs compared to an exceptional 2012. Singapore recorded its maiden year of profit since 2009 when we first launched our two-branch retail banking business in the city state.

Overall loan growth was 19.9% while non-net interest also grew well with stronger performances from our bancassurance and wealth management businesses.

Retail Banking loans is the biggest component, comprising 84.1% of our MS consumer loans. Our biggest retail book, Malaysian mortgages, only grew by 10.3%, slightly less than market average because we decided to exercise more caution in this segment while Malaysian hire purchase loans grew at 10.5%, slightly above market average. We grew aggressively at 59.6% in Amanah Saham Bumiputra (ASB) loans, exceeded our RM10 billion year-end target and improved our market position one notch to No.2. We slowed down our Awam-i business which contracted by 30% in line with new regulations designed to dampen lending to government servants. We only grew our Singapore mortgage book by 5.4% Y-o-Y as the product margins remain extremely fine.

We continue to see excellent progress at CIMB Preferred and CIMB Private Banking in Malaysia and Singapore especially in growing our deposits base. They also did well to drive our fee based income with wealth management sales recording a 24.1% increase Y-o-Y. We are encouraged by the surge in the number of affluent customers who bank with us on both sides of the causeway.

We improved our Malaysian credit cards market share and moved back into the top 3 by growing our number of cardholders by 5.4% to 783,000 and our loans base by 10.3% Y-o-Y

leveraging on better data analytics and telemarketing. Total spending on our cards was up 8.6%. In Singapore, we increased cardholders by 29.2% to 196,000 and total spending was up 43.0%.

Despite being late into the game, our Malaysian debit cards business is growing rapidly. In less than three years, we managed to grow our cards base to 2.3 million and spending also grew tremendously albeit from a small base.

Malaysia Commercial Banking registered a third consecutive year of loans growth achieving a 8.8% increase Y-o-Y while asset quality remains well under control; we recorded a third straight year of positive loan provision write-backs. Singapore Commercial Banking recorded a massive 287.7% growth in loans as we continued to aggressively build new relationships and collaborate with transaction banking on the RMB trade finance product.

MS Consumer Bank was extremely focused on costs this year and many initiatives were introduced to manage spending and improve process efficiencies including increasing e-statements and rationalising 18 branches in Malaysia. Of course most of the MSS leavers also come from this division.

CIMB Niaga

Despite all that I have said about tougher times at CIMB Niaga, its 2013 ROE was a very respectable 17.7%, higher than most of its peer group. Y-o-Y revenues increased by 5.1%, overheads were up 9.2% while PBT was relatively flat at 0.8%. Provision charges increased by 5.2% Y-o-Y. The bank's capital remained strong at 15.4% with loan loss coverage of 118.5%. Although the NPL ratio was better at 2.2% vs 2.3% a year ago, our gross impaired loans ratio was up from 2.7% in 2012 to 3.2% indicating, not surprisingly, that asset quality is being affected by the deteriorating economic conditions.

CIMB Niaga's Consumer Bank had a good year with PBT contribution growing by 28.2% (in RM terms) due to strong non-interest income growth from bancassurance and foreign exchange products. Total consumer loans only grew by 11%. We lost some share of the mortgage market as our portfolio only grew 8.4% vs industry growth of 21.4% as the market became more and more competitive. But our credit cards continue to gain market share growing 6.6% and 12.0% in cardholders and card receivables respectively. Commercial banking loans grew 12.9%.

Corporate banking grew loans by a very modest 0.9% as we remained conservative with our appetite and tightened credit standards. Hopefully, having been less aggressive in the last two years will mean that we are less impacted if there proves to be a sharp turn in the credit cycle.

Our key long term strategy of positioning CIMB Niaga as the leading digital bank in Indonesia gained significant traction in 2013. Our mobile wallet or Rekening Ponsel now has more than 274,000 users with over 1 million transactions in December 2013 vs 15,000 at the beginning of the year. CIMB Clicks and Go Mobile saw increases in transactions of 26.4% and 135.1% respectively. Given the large network and scale differential between CIMB Niaga and the top four banks, it is crucial that we differentiate ourselves as the bank with the best digital solutions in Indonesia.

CIMB Thai

CIMB Thai had a good year with net profit up 14.1% Y-o-Y and we can see significant improvements in its key financial ratios, most notably its loan loss coverage went up from 85.1% at the end of 2012 to 107.8%. Apart from its relatively low ROE, the bank now has comparable financial ratios with other Thai banks which is a testament to its progress from the distressed bank that we acquired in 2009.

We are progressing well on the wholesale front in Thailand. We moved up two spots to No.5 on the league table for Baht bonds and four spots to No.15 in the M&A league table. We were also recognised in the Asiamoney polls 2013 as having the Best Domestic Cash Management Services in Thailand. Going forwards we have hired several new senior staff in corporate banking and treasury and believe that we are set to make an even stronger mark with Thai corporates especially in assisting them with their cross-border investments and operations.

In commercial banking, we maintained strong momentum in capturing the potential of mid to large SMEs as loans grew by 19.4%.

Although our Thai retail franchise remains subscale, we are beginning to see material improvements. The number of Preferred customers grew by 110%, with AUM increasing by 46.7%. Total loans and deposits grew by 23.2% and 21.3% respectively. As the deposit market remains highly competitive, we focused on mutual fund and bancassurance offerings – yielding great results of fee growth at 140% and 80.8% respectively. Our scale challenge is more acute in Thailand than in Indonesia so we spent considerable time developing an aggressive digital strategy for the Thai market which we hope to launch in 2014.

Group Strategy & Strategic Investments

Our strategic investment portfolio had a sterling year largely on the back of Tune Ins Holdings Berhad's IPO. Our 19.99% stake in Bank of Yingkou contributed RM95.9 million, only 7.0% more this year as the operating environment in China became much tougher. Our 52.2% stake in Touch 'n Go contributed RM8.4 million, only marginally higher than 2012 despite high volume growth as the business continues to bear expansion costs.



With my colleagues at our new headquarters ushering in the Year of the Horse.

GSSI also successfully cleaned up our legacy investment portfolio, made new investments for our wholly managed funds and oversaw better performances by our infrastructure and real estate fund management joint ventures.

Support Functions

The transformation of Group Risk which began in 2012 took full form in 2013 when we completed the infusion of new leaders and integrated the teams across ASEAN and beyond fully into one division with complete clarity of roles and reporting lines. Group Risk also took the lead in improving some of our internal processes and procedures to strengthen substance and ease up on form where appropriate.

In response to the turn in the operating environment, Group Risk worked with various businesses on 'heat maps' and 'stress tests' to anticipate potential pain points so that we focus our minds on early steps to take, from engaging potentially weak borrowers to hiring more collections staff.

The highlight of the year for Group Information & Operations Division (GIOD) was of course the work on 1Platform (1P), our RM1.1 billion new core banking system across our core markets in Malaysia, Indonesia, Singapore and Thailand. Having successfully installed 1P in Singapore and Thailand in 2011 and 2012 this was the big one. Malaysia had over eight million individual customers to migrate from one machine to another at one go with minimal disruption or inconvenience to customers.

On 3 February 2014, we successfully implemented 1P Malaysia and I am so proud of our core team of 300 staff – Malaysians, Indonesians and Thais – who have worked on this project for over two years, and the 12,000 others who were involved in preparatory work over many weekends and then had to sacrifice their Chinese New Year break.

Of course 1P was only part of the GIOD 2013 story. They were involved in almost every transaction that business units did for customers and supported the development of

many innovative products from both the technological and the operational standpoint. This year GIOD also managed their costs well across the region.

For Group Corporate Resources (GCR), 2013 will be remembered as the year of Menara CIMB and the MSS in Malaysia. We took vacant possession of Menara CIMB on 5 March 2013 and the GCR team took the lead with the interior design, floor stacking, fit out and finally the moving of 2,045 staff into the new building. With IB, CBTM and Group HQ staff mostly housed in one building at last and operating with the new conveniences of the new building, not least its location in KL's high-tech transportation hub, we expect to be more effective and efficient from our new home.

In line with our emphasis on cost management, in 2013 we completed a MSS, our first since 2005. We parted ways with 1,217 staff in Malaysia incurring a one-time RM217 million payment for them following which we expect about an annual RM137 million cost savings. It was a win-win exercise; staff voluntarily took up the scheme to enable them to try something else or just retire early whereas we save costs in the long term and also become more efficient.

In addition to these two 'mega projects' for GCR, other activities were numerous as ever. We hired 7,360 staff all over the world while 7,090 staff left us (excluding MSS) and we ended the year with a staff force of 40,804, 2.8% less than what we had at the beginning of the year. We also harmonised our employee grading structure across all businesses and geographies to create a stronger sense of identity amongst all our people. And of course, we conducted a slew of training programs for staff as always; our training budget was RM79 million, equivalent to about RM2,000 per employee.

Group Finance (GF) this year did well to simplify the increasing complexities of our business. A single transaction can involve many companies and countries (and tax jurisdictions) so GF had its hands full to ensure accuracy and transparency of everything we do. GF also became more strategic this year, working closely with Capital & Balance Sheet Management to measure and manage net interest margins and capital positions across our entities as we navigated very difficult and volatile markets.

Group Marketing & Communications Division (GMCD) drove the Group's external positioning, event organisation and worked with businesses on their marketing and social media strategies. Over the past three years we deployed our 'ASEAN For You' tagline, various clever advertisements and well thought-out activities to make our brand almost synonymous with ASEAN. In 2013, it felt like we got there, so much so that our challenge going forwards is to evolve a complementary APAC positioning for IB and also to ensure relevance for customer segments who don't really care about ASEAN.

The GMCD team must take credit for successfully organising the almost countless number of events we held, and most notably, our world class flagship golf tournament – CIMB Classic 2013.

There were of course many other unsung heroes in support functions from Internal Audit, Group CEO's Office to General Counsel. They are crucial partners in our business and provide enormous comfort to the Board in performing their oversight responsibility.

FLAGSHIP EVENTS

CIMB Asia Pacific Conference

In 2013, the CIMB ASEAN Conference was rebranded to CIMB Asia Pacific Conference to reflect the extended reach of our IB franchise. Leveraging on the success of previous CIMB ASEAN conferences, the CIMB Asia Pacific Conference was well received as we hosted 65 companies from 12 markets across eight sectors. A total of 577 meetings (344 one-on-one meetings, 135 two-on-one and three-on-one meetings and 98 small group meetings) were arranged.

The conference focused on key issues surrounding the development of Asian countries, including the role of Asian governments, corporate leadership in building a leading Asian enterprise and the competitive landscape in domestic and ASEAN markets.

CIMB Classic

The fourth edition of the CIMB Classic made history as the first official PGA Tour FedExCup event in Asia. As an Official Money Event on the PGA Tour calendar and the third tournament of the season-long 2013-2014 FedExCup competition, it is ASEAN's foremost professional golf tournament.

With a prize purse of USD7.0 million, the CIMB Classic 2013 hosted the strongest field ever assembled in ASEAN headlined by five-times Major Champion Phil Mickelson, former world No.1 Ernie Els and the Masters Tournament 2012 champion Bubba Watson.

CIMB Classic 2013 was broadcast to 813 million households (nearly double the amount from the previous year) in 224 countries and territories in 32 different languages. More than 36,000 spectators graced the four-day event.



My wife, Azlina and I, with the CIMB kids before the FC Barcelona vs Malaysia XI exhibition match.

CIMB Malaysian Open Squash Championship & CIMB KL Open Squash Championship

This year was our eighth year as title sponsors for these world class squash events. Our brand alignment with squash is strengthened by our sponsorship of several Malaysian world class players namely, Dato' Nicol David, Ong Beng Hee and Mohd Nafizwan Adnan. We were also the World Squash Federation's Olympic Bid Partner in aid of the inclusion of squash into the 2020 Olympic Games programme.

FC Barcelona Asia Tour 2013

CIMB Bank was the title sponsor of FC Barcelona vs Malaysia XI, Asia Tour 2013 in Kuala Lumpur, our first foray into football. Approximately 47,000 spectators attended the match, which was also aired live on TV3 and Astro. Unfortunately, Lionel Messi, the world's

best player, was injured and unable to play but our clients were entertained by the rest of arguably the world's best team of recent times.

MARKET EXPANSION

India

CIMB India started its investment banking and brokerage businesses in Mumbai in April 2013 and we now have 80 staff. CIMB India was voted the second most improved broker in India by the Asiamoney 2013 poll of global funds and our equity research now covers over 140 large cap and mid cap stocks across most sectors.

Korea

CIMB became the first Asian financial institution to be granted an equity brokerage license in Korea since 2009. We opened for business in March 2013 and our staff strength is now 40. Our analysts cover 65% of the Kospi index

market capitalisation, placing CIMB at par with other foreign competitors. On the advisory front, our team has already successfully executed a number of cross-border deals.

Taiwan

CIMB Taiwan was the only financial institution to be granted a brokerage license in the country in the past two years. We opened in July 2013 and we now have 32 staff. Our Taiwan research team covers more than 70 stocks, over 60% of the TWSE index market capitalisation. We were joint bookrunner for the USD400 million zero coupon convertible bond issue for Advanced Semiconductor Engineering, the deal named the Domestic Deal of the Year by The Asset and FinanceAsia in 2013.

LEVERAGING SOCIAL MEDIA

CIMB Group continues to have the largest Facebook fan base in ASEAN at over 2.3 million, retaining the title of 'most 'liked' bank in the region'.

Social media has become an important channel for us to engage our customers. In addition to Facebook, we engage our customers via Twitter, Instagram and LinkedIn – each platform being utilised for their varying core benefits.

Today social media is used by our businesses across the region to keep our customers updated on latest products and services and to obtain their feedback. It is also a recruitment and employer branding channel and a key brand platform. For our 1Platform project, which was completed in February 2014, social media played a crucial role in keeping our customers updated and receiving their feedback.

We were awarded the Best in Social Media in Asia by Global Finance in recognition of our efforts in this space.



NEW DIGITAL FRONTIER

CIMB continues to lead technology innovation with the launch of two online banking firsts – Kwik Account and OctoSend. Kwik Account is the first account in Malaysia that can be opened online without visiting a bank branch. The OctoSend function on CIMB Clicks allows all CIMB Bank account holders to send money to any Malaysian mobile or email address.

We also achieved another milestone in the technology space when we launched Plug n Pay. This is Malaysia's first ever chip-based mobile payment solution that offers businesses of any size an affordable yet secure way to manage electronic payments using their smartphones and tablets.

In Indonesia, we launched Rekening Ponsel, a first in the market. The service allows customers to transfer money to any mobile phone number.

As the banking landscape continues to evolve in tandem with consumers' rapid adoption of mobile technology, CIMB Group is determined to emerge as the market leader in digital banking in ASEAN.

NOTABLE AWARDS

CIMB Group continues to be recognised for its excellence in services and innovation, with almost every division and geography winning accolades this year from various awarding bodies and publications.

We are especially pleased with winning Asia's Best Domestic Bank of the Year by IFR Asia which complimented our APAC and ASEAN platforms.

Other notable awards include Best Consumer Internet Bank in Malaysia, awarded by Global Finance, Best Investment Bank in Malaysia, awarded by four different publications – Euromoney, FinanceAsia, The Asset and Alpha SEA; and the Global and Asia Pacific Islamic Bank of the Year as awarded by the Banker. We were also recognised as one of the Best Companies to Work for in Asia by HR Asia.

I would like to make particular mention that we ranked No.2 in Malaysia on the new ASEAN Corporate Governance ranking index (second only to Bursa Malaysia) and we were voted Best for Shareholders' Rights and Equitable Treatment in Malaysia in the Asiamoney Corporate Governance poll 2013.

KEY BOARD AND SENIOR MANAGEMENT CHANGES

Mr. Katsumi Hatao has resigned as Director of CIMB Group in February 2014. We thank him for his two years of service in this capacity and wish him all the best in his new role with Bank of Tokyo-Mitsubishi UFJ in North Asia.

Dato' Seri Yeap Leong Huat resigned as Independent Non-Executive Director of CIMB Bank Berhad in January 2013. We thank him for his six years of service in this capacity and also the years he served on the boards of our legacy banks, Southern Bank and Ban Hin Lee Bank.

Professor Dr. Mohammad Hashim Kamali has resigned as Independent Non-Executive Director of CIMB Islamic Bank Bhd. We thank him for his five years of service in this capacity.

Mdm Grace Yeoh Cheng Geok was appointed as an Independent Non-Executive Director of CIMB Bank Berhad in August. With her legal background she brings an important new dimension to the consumer bank board.

Dato' Charon Wardini Mokhzani resigned as Deputy CEO Investment Banking and CEO, CIMB Investment Bank in November 2013 after nine years of service to the Group. We congratulate Dato' Charon on his appointment as Executive Director, Khazanah Nasional Berhad.

Mr. Peter England resigned as Head of Retail Banking in June 2013 after seven years with us, to become CEO of a bank in the Middle East. We wish him all the very best for his new challenge.

Tengku Dato' Zafrul bin Tengku Abdul Aziz was appointed as CEO, CIMB Investment Bank Bhd and Co-Head, Corporate Client Solutions. He is an experienced ASEAN investment banker brought in to lead our enlarged APAC IB franchise. Zafrul worked at CIMB IB early in his career so he already understands our 'DNA' well.

PROSPECTS FOR 2014

Global Economy

2014 will be a fascinating year. We expect an unprecedented transition from QE tapering, with momentum in economic growth moving from east to west, and interest rates in the US and Europe rising from historical lows.

Although the fundamental drivers for emerging economies remain in place, investors will watch closely how countries are able to take on reform challenges to reduce their vulnerabilities and fulfil their potential.

We draw comfort from the fact that Asian economies have become more resilient in recent years, with high reserves, high national savings rates, more flexible exchange rates, stronger financial systems and low external borrowings. This will enable Asian economies to weather the impact of capital reversals while implementing the necessary reforms and transformations to lift their growth trend over the medium term.

The economies that have taken some pre-emptive tightening measures related to property and consumer credit to contain the build-up in domestic credit and economic imbalances, including current account and budget deficits should get through this period relatively unscathed. However, investors will remain jittery for the most part and political uncertainties will also weigh heavily on their investment decisions.

Regional Economies

The Malaysian economy is expected to sustain its growth momentum, with GDP growth estimated at 5.0% for 2014 (2013: 4.7%), underpinned by continued strength of private investment and domestic demand as well as improving export performance. Households and businesses will however have to continue to adjust for rising cost of living and consumer demand will be affected.

Indonesia's growth will likely adjust lower to 5.6% (2013: 5.8%), reflecting the continuing impact of corrective macro policies to mend its economic imbalances. The persistence of a weak Rupiah will see an improvement in exports and trade balance. The Presidential election is likely to weigh down economic activity during the first half of the year but a popular outcome could be a catalyst for a turn in investor sentiment towards the country.

The Singapore economy is expected to expand further by 5.0% in 2014 (2013: 3.7%), benefitting from the global cyclical upturn, which bodes well for its exports.

The Thai economy is expected to stay flat at 2.8% (2013: 2.9%) as prolonged political stalemate will hold back growth despite the expected recovery in exports. Greater clarity on policy and growth direction will depend on a resolution of the current political impasse.

On interest rate outlook, central banks will likely keep a fine balance between sustaining growth and maintaining financial stability, including keeping domestic inflation pressures at bay and responding to financial market constraints and pressures.

Strategies and Priorities

We move into 2014 with CIMB 2.0 initiatives largely complete and a lot of other foundation work behind us. Our earnings asset base is much larger now, our capital worries are decisively behind us, our costs are being better managed and the Malaysia 1Platform is already in operation. But, the operating environment is more challenging for the region, so we must be prepared for more financial market volatility and asset quality deterioration in some segments.

I have asked our teams to focus especially on our 2014 corporate theme 'Differentiating CIMB'. All the spaces we operate in are crowded and getting more so, everyone aided and abetted by technology. So it is tougher and yet more imperative to rise above the competition. We must understand what are our key differentiators and build on them; find important differentiators that we still need and build them. Of course differentiating ourselves for digital banking across the region will be an important focus area.

In MS Consumer Bank, we have good momentum but consumer demand for mortgages and car loans will slow so we have to diversify into other products, make our staple products like credit cards ever more compelling and control costs.

CBTM also has good momentum and will continue to optimise internal synergies across its different units. We expect foreign exchange flows to remain strong and DCM markets to remain active. Corporate loan growth should remain robust in Malaysia and Singapore and pick up in Indonesia.

This will be an important year for our fledgling APAC IB franchise. It is now complete, the brand well positioned in most markets and much has been done to right size and synergise operations to fully leverage on our great talent pool for every situation. So we are optimistic that IB will do well this year, markets permitting of course.

We will be somewhat on the defensive at CIMB Niaga as we must first and foremost monitor asset quality, NIM and liquidity. Nevertheless, surely the environment will not be as tough as it was in 2013 – margins should not compress as much and as there is better convergence between our view and the customer's view of risks. We should be able to grow our assets at closer to market growth rates this year.

042

CIMB Singapore is set to grow strongly again but we must grow assets in tandem with deposits and for this we remain handicapped by only having two branches and six ATMs. But as in the past, we will look to overcome our handicap with creativity and energy.

For CIMB Thai, if the political impasse continues we will begin to feel like we are all dressed up, with nowhere to go. Our wholesale team is well positioned and a lot of the work has been done on our branch productivity. The saving grace is that in Thailand quite a lot of business goes on even alongside street protests and we are also actively serving Thai corporates overseas.

GSSI will continue to maximise value from our various investments in 2014. We are especially excited about the long term potential for Touch 'n Go in particular as we work with the Malaysian government on the national transport e-payment system and widen our retail reach.



Azlina and I hosted DYT M Raja Dr. Nazrin, DYT M Tuanku Zara and Dato' Sri Wahid Omar at the CIMB Group Raya Open House.

TARGETS FOR 2014

We have set a lower ROE target of 13.5%-14% for 2014 to reflect steady earnings performance and dilution per share from the recent new equity issuance. We maintain our dividend payout ratio of 40% of earnings. We will ensure that CET1 stays above 8.5% from now on and have set a soft target of 10% for end 2016. Key variables on capital include earnings, foreign exchange rates, regulatory reserves and of course dividends and the dividend reinvestment scheme.

On credit growth we think we should still be able to grow at about 14% (2013: 15.5%, adjusted for foreign exchange fluctuations) with some pick up in Indonesia to compensate for slower growth in consumer loans in Malaysia and Singapore. Credit charge may rise to between 35 – 40 bps (2012: 28 bps).

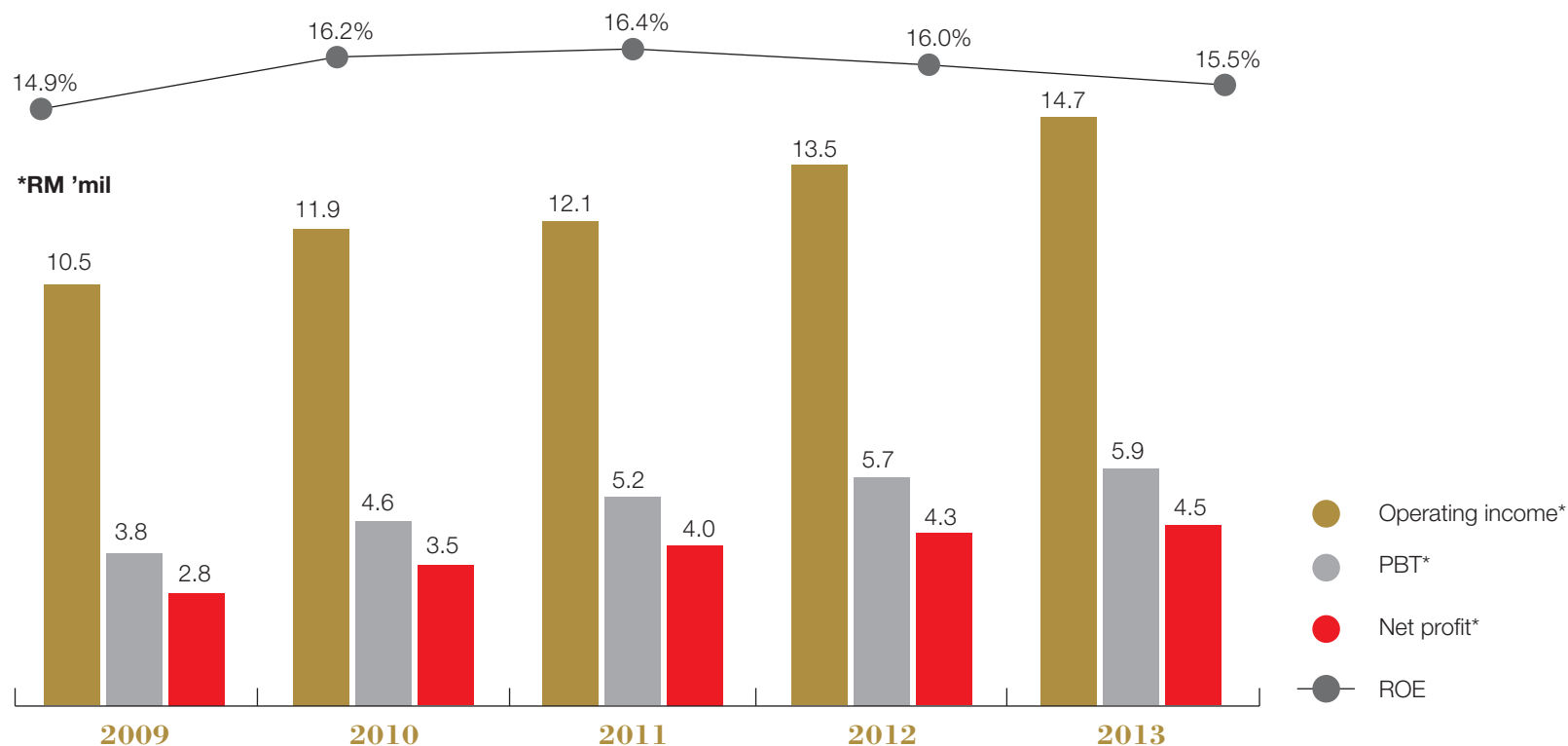
ACKNOWLEDGEMENTS

On behalf of the management of CIMB Group, I would like to express our thanks to our many stakeholders – customers, investors, governments in ASEAN and beyond, regulators, partners and friends for your unwavering support through 2013. My sincere gratitude also goes to our Board of Directors and members of our International Advisory Panel for their guidance and counsel in setting the strategic direction of the Group.

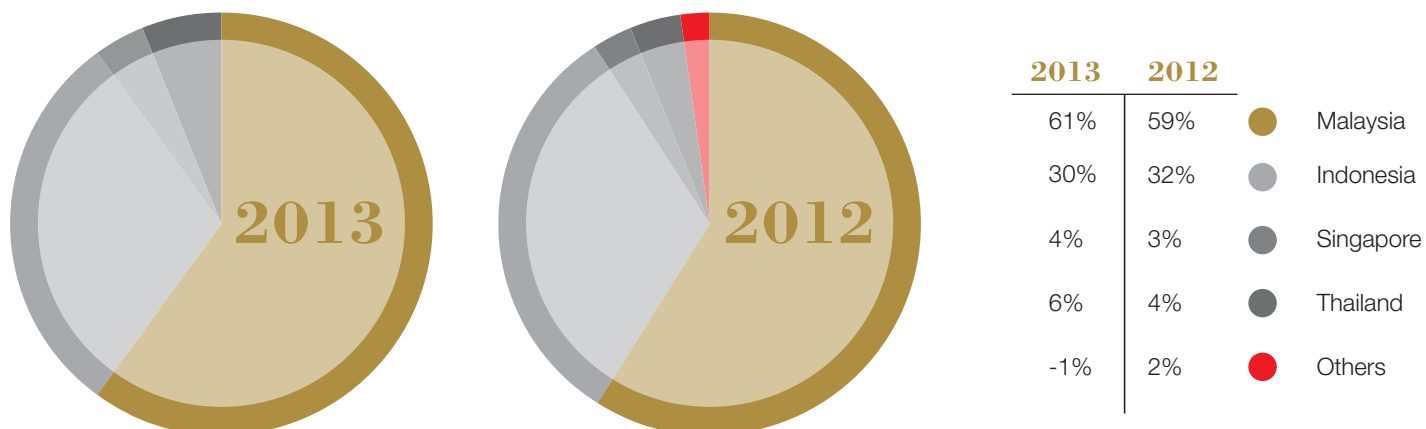
My heartfelt thanks also goes to my colleagues across the Group for their professionalism and enthusiasm and their commitment to CIMB Group's vision to become the leading ASEAN company.

Nazir Razak
24 March 2014

CIMB Group – Five Year Earnings History



Contribution by Geography



Earnings Summary

(RM'mil)	FY13	FY12	Y-o-Y
Net interest income	9,391	8,791	6.8%
Non interest income	5,281	4,704	12.3%
Operating income	14,672	13,495	8.7%
Overhead expenses	(8,458)	(7,612)	11.1%
PPOP	6,214	5,883	5.6%
Loan impairment	(660)	(329)	100.6%
Other provisions	(66)	(33)	100.0%
Share of JV/Associates	361	157	129.9%
PBT	5,849	5,678	3.0%
Net profit	4,540	4,345	4.5%
EPS (sen)	60.0	58.5	2.6%
ROE	15.5%	16.0%	(50bps)

Estimated PBT by Segment

PBT (RM'mil)	FY13	FY12	Y-o-Y
Consumer Banking (39.0%)	2,285	2,055	11.2%
Malaysia (29.8%)	1,743	1,645	6.0%
Indonesia (9.1%)	536	418	28.2%
Thailand (-0.3%)	(16)	(3)	-433.3%
Singapore (0.4%)	20	(1)	n.a.
Others (0.0%)	2	(4)	n.a.
Wholesale Banking (47.7%)	2,788	3,094	-9.9%
Investment Banking (3.5%)	202	304	-33.6%
Corporate Banking (24.4%)	1,429	1,325	7.8%
Treasury & Markets (19.8%)	1,157	1,465	-21.0%
Investments (13.3%)	776	529	46.7%
PBT	5,849	5,678	3.0%

Notes: Corporate Banking includes corporate lending and deposit taking
Treasury & Markets includes treasury activities and services which include foreign exchange, money market, derivatives and trading of capital market instruments.
Also included are the Group's equity derivatives which develop and issue new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues

Gross Loans and Credit Growth

Division/Products (RM'bil)	31-Dec-13	31-Dec-12	Y-o-Y
Retail Financial Services (50.5%)	116.8	103.1	13.3%
Mortgages	55.7	50.9	9.4%
Term Loans	25.7	19.8	29.8%
Auto	19.6	18.7	4.8%
Credit Cards	6.4	5.7	12.3%
Micro Credit	3.8	3.9	-2.6%
Enterprise	4.1	2.9	41.4%
Others	1.5	1.2	25.0%
Commercial Banking (17.2%)	39.8	33.6	18.5%
Corporate Banking (32.3%)	74.8	68.0	10.0%
Gross Loans*	231.4	204.7	13.0%
Other Credit	39.7	36.9	7.6%
Total Credit**	271.1	241.6	12.2%

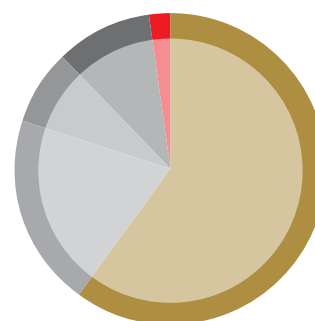
Notes: * Gross loans excludes bad bank. Excluding foreign exchange (FX) fluctuations, total gross loans grew 16.5% Y-o-Y; Including loans write-off (excluding FX), total gross grew 17.1% Y-o-Y

** Credit includes gross loans (excluding bad bank), financial investments available-for-sale (AFS) and financial investments held-to-maturity (HTM) (excluding allowance for impairment loss)

Based on geographical location of counterparty, excluding bad bank

^ In local currency

~ Excluding FX fluctuations

Loans by Country as at 31 Dec 2013#

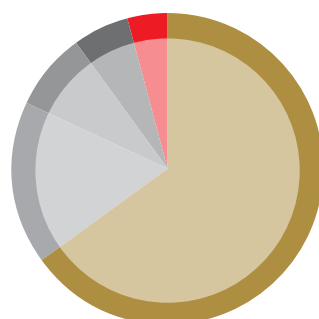
60%	●	Malaysia
20%	●	Indonesia
8%	●	Singapore
10%	●	Thailand
2%	●	Others

Y-o-Y Growth

	Loans*	Credit**
Malaysia	+12.3%	+10.3%
Indonesia [^]	+8.0%	+10.3%
Thailand [^]	+23.2%	+23.3%
Singapore [^]	+69.1%	+62.6%
Labuan [^]	+20.4%	+17.1%
Group~	+16.5%	+15.5%

Deposits Growth

Divisions/Products (RM'bil)	31-Dec-13	31-Dec-12	Y-o-Y
Retail Financial Services (39.0%)	103.6	98.0	5.7%
Current	17.8	14.9	19.5%
Savings	28.7	27.7	3.6%
Fixed & Structured Deposits [#]	57.1	55.4	3.1%
Commercial Banking** (18.7%)	49.6	46.8	6.0%
Corporate & Treasury (42.3%)	112.2	102.5	9.5%
Total*	265.4	247.3	7.3%

Deposits by Country as at 31 Dec 2013

65%	●	Malaysia
17%	●	Indonesia
8%	●	Singapore
6%	●	Thailand
4%	●	Others

Deposits Growth

	Y-o-Y
Malaysia	+5.9%
Indonesia [^]	+8.4%
Thailand [^]	+12.6%
Singapore [^]	+36.1%
Labuan [^]	+48.0%
Group~	+10.2%

Notes: * Excluding FX fluctuations, total group deposits grew 10.2% Y-o-Y
[^] In local currency
[~] Excludes FX fluctuations
^{**} Includes Enterprise Banking
[#] Includes deposits classified as financial liabilities designated at fair value

Key Ratios

%	FY13	FY12
ROE	15.5	16.0
NIM**	2.85	3.07
Non-interest income/total income	36.0	34.9
Cost to income	57.6	56.4
Allowance coverage	84.8	82.8
Allowance coverage after regulatory reserve [#]	108.3	97.6
Loan loss charge	0.28	0.16
Gross impaired loans ratio	3.2	3.8
Net impaired loans ratio (Net of IA and PA)	0.5	0.7
Average shareholders' funds (RM 'mil)	29,324	27,228
ROA	1.28	1.37
Book value per share (RM)	3.92	3.82
Loan to Deposit (LDR)	88.4	84.2
CASA ratio	34.2	34.7

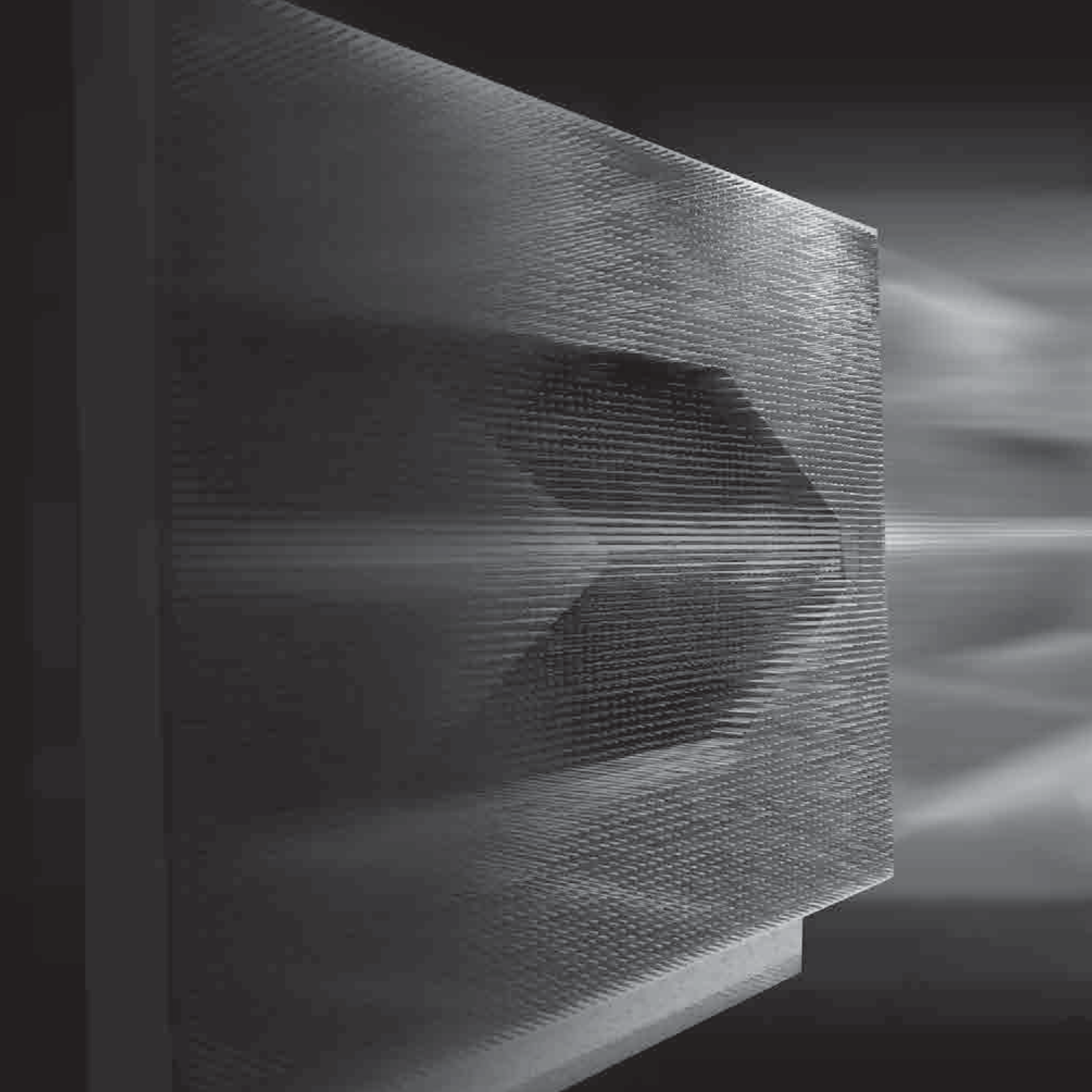
Notes: ** Daily average

[#] Regulatory reserve maintained in equity as an additional credit risk absorbent in accordance with BNM requirement. This is to ensure robustness of the loan/financing loss estimates methodology with adoption of FRS139 beginning 1 Jan 2010

CIMB Group's Credit Ratings

Rating Agency	Issuer Rating
Domestic	
RAM	
CIMB Group Holdings	AA ₁
CIMB Bank	AAA
CIMB Investment Bank	AAA
MARC	
CIMB Bank	AAA
Fitch	
CIMB Niaga	AAA(idn)
CIMB Thai	AA-(tha)
International	
Moody's	
CIMB Bank	A3
CIMB Investment Bank	A3
S&P	
CIMB Group Holdings	BBB-
CIMB Bank	A-
CIMB Investment Bank	A-
Fitch	
CIMB Niaga	BBB
CIMB Thai	BBB
Dagong	
CIMB Bank	AA-

As at 5 March 2014



CONSUMER BANKING 048

- Malaysia
- Indonesia
- Singapore
- Thailand
- Other Branches
- Regional Initiatives

WHOLESALE BANKING 053

- Corporate Client Solutions & Investment Banking
- Corporate Banking, Treasury & Markets

GROUP STRATEGY & STRATEGIC INVESTMENTS 058

CIMB ISLAMIC 059

SUPPORT DIVISIONS 061

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

BUSINESS REVIEW

CIMB GROUP'S REGIONAL UNIVERSAL BANKING CAPABILITIES

CIMB Group today operates across ASEAN under several corporate entities including CIMB Investment Bank, CIMB Bank, CIMB Islamic, CIMB Niaga, CIMB Securities International and CIMB Thai.

Our business lines in our core markets of Malaysia, Indonesia, Singapore and Thailand are organised primarily across Consumer Banking and Wholesale Banking, which comprises Corporate Client Solutions, Investment Banking, Corporate Banking, Treasury & Markets and Group Strategy & Strategic Investments.

Our support functions include Group Chief Executive's Office, Group Finance, Group Corporate Resources, Group Risk, Group Information & Operations, Group Internal Audit, Group Marketing & Communications and Group General Counsel.

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

CIMB Group serves as a universal bank to approximately 13 million consumers, corporates and institutions in Malaysia, Indonesia, Singapore, Thailand, Cambodia and London. In our other markets, we provide a more limited range of services.

CONSUMER BANKING

Our Malaysia and Singapore consumer franchise operates under four strategic business units which are **Consumer Sales & Distribution** overseeing key customer touch points including our branch network, operations & sales, mobile sales teams, customer call centre & self-service terminals; **Retail Banking** which is responsible for our retail and enterprise banking product offerings; **Commercial Banking** which serves the needs of our Small & Medium Enterprises (SMEs) and mid-sized corporates; and **Group Cards & Personal Finance** which takes charge of our credit cards and personal loans portfolio.

In Indonesia, **Sales & Distribution** is responsible for delivering service and quality excellence to our customers, **Retail Banking** manages consumer products including mortgages, auto loans, personal loans and credit cards. **Commercial Banking** services the needs of SMEs and mid-sized corporates.

In Thailand, the Retail Banking group consists of **Consumer Sales & Distribution** which manages the branch network and self-service terminal expansion, and **Retail Banking Products** which is responsible for retail products. **Commercial Banking** is responsible for managing the needs of SMEs and mid-sized corporates.



MALAYSIA

We continued to search for new drivers of growth in an environment of heightened competition, thinning margins and stricter regulations. Our core focuses for the year were gaining wallet share; customer segment growth; improving cost synergies and productivity; dominating digital and payment products; and greater regional coordination.

We performed well in loans, with double digit growth of 15% for retail loans, 10% for auto loans and a significant 41% growth in Enterprise Banking loans. We successfully captured market share and improved our rankings for credit cards by growing our loan base by 10% and growing Amanah Saham Bumiputra (ASB) loans by 60%. With this, we are now No.3 in the credit cards space and No.2 provider for ASB loans. Commercial Banking registered a third consecutive year of loans growth achieving a 9% increase Y-o-Y. In spite of strong loans growth, asset quality remains under control and the unit reported its third straight year of positive loan provision write-backs.

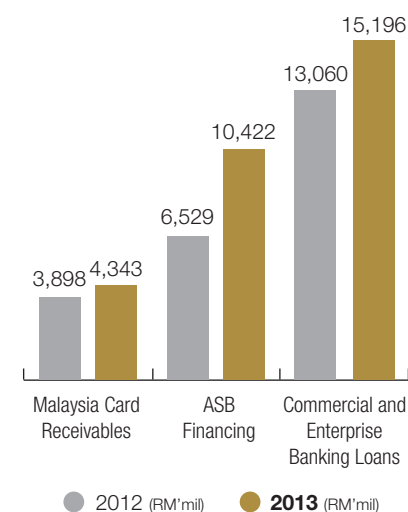
Our retail Current Account and Savings Account (CASA) balances continued to grow healthily at 10% Y-o-Y, outperforming the industry averages. For debit cards, in a short period of two years, our debit card spend grew 192%, underpinned by growth in our debit card base by 72% to 2.3 million users. We also successfully grew wealth management fees by 24%.

During the year we ran several initiatives to improve productivity and control costs. As a result of converging common platforms and refining our organisation structure, we saw sales productivity, in some instances, improve up to four times. We also undertook a major restructuring exercise facilitated by a mutual separation scheme.

2013 was a year of many firsts and breakthroughs as we continue to make progress towards being the bank of choice for digitally savvy retail customers. We revolutionised the account opening experience with Kwik Account, Malaysia's first and only account that can be opened online without visiting a bank branch. In the payments space, we launched Plug n Pay, Malaysia's first chip-based mobile point-of-sale (mPOS) solution that offers businesses of any size an affordable yet secure way to manage electronic payments using their smartphones and tablets. We simplified sending money with OctoSend, which allows CIMB Clicks users to send money to any individual by just providing their mobile number or email address. Operationally, we pioneered Bank-in-a-Briefcase, a straight through and paperless process offering offsite approval and fulfillment for CASA opening, credit cards and personal financing in 10 minutes deployed at kiosks and premises of companies who are CIMB@Work customers. We also initiated paperless fulfillment over the phone to enhance customer experience and drive wallet share.

We formed the ASEAN Consumer Banking Steering Committee to facilitate regional coordination for cross-border platform convergence, transfer of best practices, to explore new frontiers and to extract synergies between regional entities.

Malaysia Consumer Banking Indicators





INDONESIA

Despite the less supportive economic and regulatory environment, we registered strong PBT growth of 37.6% on the back of higher revenue whilst containing operating expenses.

Our strategy to promote the use of branchless channels resulted in 92% of retail transactions being conducted through branchless channels. To further strengthen our digital banking proposition, we also piloted CIMB Online Account Opening via tablet and CIMB Account Opening via Internet in select greater Jakarta branches. We launched Rekening Ponsel, allowing users to transfer funds to mobile phones without opening an account at our branch, which was a breakthrough initiative to tap the large under served mass segments. In less than a year, we have registered more than 274,000 users. As part of our deposit accumulation strategy we re-launched the Poin Xtra program which rewards customers with rebates for increases in savings balances, branchless transactions, and the use of credit and debit cards.

On the asset side, we grew our mortgage loan portfolio by 8.4% Y-o-Y amid tightening of regulations on Loan to Value limits through better sales staff productivity, higher average loan ticket size and lower portfolio run-off. We maintained our position as a top five mortgage loan provider with approximately 8.2% market

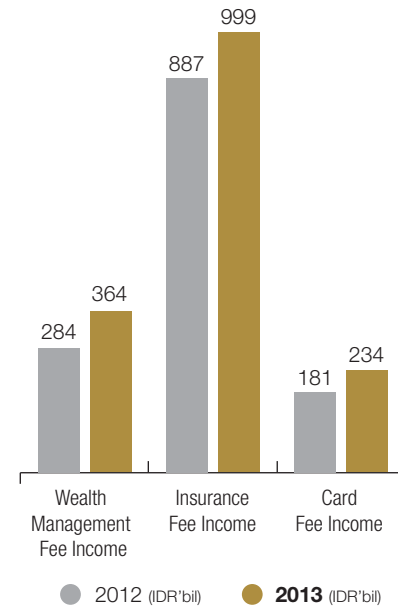
share. Our personal loan portfolio expanded 72.5% to IDR1.6 trillion in 2013 with an estimated market share of 13%. We continued to closely watch its asset quality and strengthen our risk management capabilities.

On the liability side, our CASA portfolio grew by 8.3%, reaching IDR61.0 trillion. We launched KPR Xtra Manfaat which is a product bundle of mortgage loan and savings account, offering a special loan rate through monthly automatic interest subsidy from the savings account interest income. We also started testing Hypermart saver, a co-branded savings product with a supermarket chain offering cash back for its shoppers.

Wealth management and insurance businesses continued to be our fee income engines. Largely driven by strong foreign exchange income, revenues from our wealth management business grew 28.2% Y-o-Y. Strong income performance was also demonstrated by market-linked deposits and fund management services. Likewise our insurance business also recorded another year of high performance with growth of 21%, underpinned by cooperation with other insurance business partners and the development of an online application system to facilitate the signing up of new customers.

Our credit card business was impacted by tightened regulations on pricing, maximum card ownership and card application. But our credit card portfolio in terms of outstanding balance continued to grow by 12.0% to IDR4.1 trillion in 2013. We remained the fifth largest credit card issuing bank in Indonesia by number of cards in circulation.

Indonesia Consumer Banking Indicators



Commercial banking did well as loans grew 12.9% over the year whilst maintaining non-performing loans at the low level of 2.2%. We focused on six economic sectors namely agribusiness, manufacturing, trading, automotive, property and consumer goods.

We implemented the 'Branch Manager as Entrepreneur' (BME) model, where each branch is now headed by a selected BME as 'one single captain' supervising managers across various consumer banking business units and given the authority to approve loans subject to their authorised limit. This increases cross-selling opportunities and provides a better customer experience.



SINGAPORE

Our Singapore franchise had a good year, registering a positive PBT for the first time. Our loan base grew very strongly at 92%, mainly contributed by growth in commercial loans and card loans. Deposits also showed similar strong growth trajectories with commercial deposits as the major contributor, growing 106% Y-o-Y.

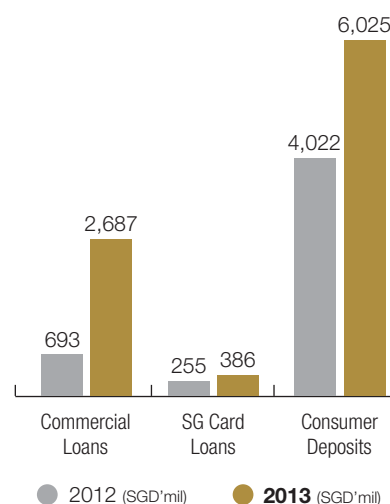
In retail banking, fee income from wealth management increased by 81% in 2013 with SGD1.2 billion of investment products transacted and over SGD50 million of insurance premiums collected. We grew our unit trust business by 578%, with structured products growing by 330%. On the insurance front, we rolled out a series of high net worth solutions which helped to generate a 59% Y-o-Y revenue growth. Total Assets Under Management (AUM) from Preferred customers grew by 35% Y-o-Y, with increases in both the onshore and regional offshore segment. Retail deposits grew 33% Y-o-Y, underpinned by our anchor product the StarSaver current and savings account. While continuing to grow our mortgage business, we shifted focus to Singapore dollar denominated loans for properties in Malaysia and London.

We continued to strengthen our SME franchise, targeting broad segments across all industry types and across the region, achieving broad-based growth over the year. We propelled ourselves into the Chinese Offshore Yuan trade business and offshore marine financing, increasing our offerings to regional SME clients.

Transaction banking business derived from trade financing and cash management is now the main driver behind our commercial banking revenue growth.

Our credit cards and personal financing business continues to differentiate itself as the leader in this segment. We enhanced our offerings by launching our first Visa card – Visa Infinite, the first in the market which is complimentary for life with attractive cash rebate offerings and premium benefits, resulting in our card base growing by 29% to 196,000 cards. We also launched the Cashlite PIL (personal installment loan) which offers competitive rates and tenures to customers which puts us on par with major competitors.

Singapore Consumer Banking Indicators



THAILAND

2013 was a good year for our Thai consumer bank with customers increasingly appreciative of the products and services our franchise provides. We continued to position ourselves as a full service banking provider whilst pursuing growth from segments such as Preferred customers, wealth products and investment advisory. We successfully doubled our number of Preferred customers to 25,000, translating to an increase in deposit and investment funds of 56 billion baht.

We grew consumer loans by 32.4% Y-o-Y, by improving the product knowledge of our sales force via training camps and expanding the number of sales staff we had.

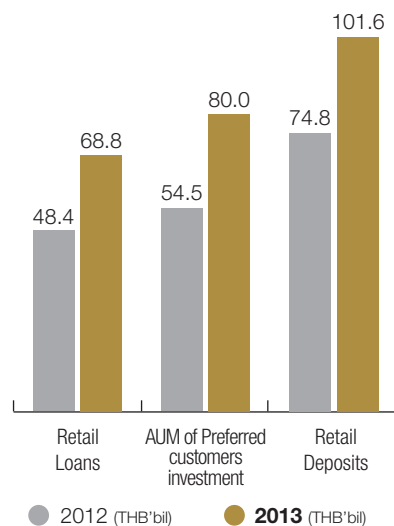
Fee income from investment products and bancassurance more than doubled, growing 128.1% due to a combination of attractive products launched and a better equipped sales team empowered by a newly set up investment consultant team. We look forward to continue growing this source of fee income strongly.

We grew strongly and prudently in commercial banking loans recording strong growth of 19.4% Y-o-Y, whilst keeping asset quality strong and non-performing loans to a minimum. Our strong relationships also helped garner a 26.6% Y-o-Y growth in commercial banking deposits.

We enhanced and expanded our offering in digital banking by revamping CIMB Clicks, our internet banking platform, and launched our first mobile banking platform. Customers can now conveniently and securely view balances, transfer funds, pay bills and buy/sell investment products from CIMB Principal Asset Management by utilising their computer or mobile devices. The number of CIMB Clicks users grew by 21.5% in 2013 Y-o-Y.

Training courses aimed at improving the productivity of our staff were delivered, with an example being Project Next which was initiated to equip branch staff with the key requisite skills and innovative sales tools. As a result of the productivity, acquisition of Mass and Preferred customers increased by 61% and 110% respectively. Total secured loan portfolio grew 40% while total unsecured loan portfolio also grew significantly at 50%, resulting from the improved sales productivity.

Thailand Consumer Banking Indicators



OTHER BRANCHES

Our Cambodian operations faced a challenging year in 2013 as competition intensified and margins came under compression pressure. We focused on growing our customer base within targeted segments, achieving 62% Y-o-Y customer base growth. We leveraged on our strong relationships, improved turnaround time to market and emphasised our regional proposition, enabling revenues to increase by 73% Y-o-Y to USD7.8 million. This was underpinned by strong growth in loans and deposits.

Our London branch processed a record number of remittances in 2013 due to improved alignment with our core markets. Our London mortgage portfolio, in particular lending to CIMB Preferred and Private Banking customers in Malaysia and Singapore, doubled in 2013. We look to further grow this business as we tap on our high net worth customer base across ASEAN as a whole.

REGIONAL INITIATIVES

In 2013, we established an ASEAN Business Solutions (ABS) unit to further strengthen and complement our efforts to converge our ASEAN expertise and network. ABS seeks to substantiate our 'ASEAN For You' value proposition by providing our individual and commercial clients with innovative services such as pre-arrival or cross-border account opening and referrals; easy cash access via CIMB's vast ATM network at competitive foreign exchange rates and free withdrawals, cross-border over the counter withdrawal or deposit; real-time fund transfers; same day remittance service; and regional information touch points for better service to build a truly regional banking relationship and customer experience.

Our regional cards business continues to enhance its value proposition by expanding rewards to include hotel stays in addition to existing dining, golf and shopping privileges. These rewards enhance our cross-border rewards proposition. We have grown our overseas mortgage business which now serves customers in Malaysia, Singapore and Indonesia by providing property financing for properties in Malaysia, Singapore, Australia and UK. We also enhanced our services to CIMB Preferred customers in the countries we operate in and continued to focus on delivering an unrivalled ASEAN banking experience to customers. We continue to provide and enhance our regional proprietary money transfer service, SpeedSend, which facilitates cash-to-cash and cash-to-account remittance in 14 countries.

WHOLESALE BANKING

Wholesale Banking comprises three business divisions namely, Corporate Client Solutions, Investment Banking and Corporate Banking, Treasury & Markets.

CORPORATE CLIENT SOLUTIONS AND INVESTMENT BANKING

The Corporate Client Solutions (CCS) division is the single focal point of contact for the Group's corporate and institutional clientele. Our dedicated client coverage teams, complemented by sector teams and a M&A team, market the Group's comprehensive suite of investment and commercial banking products. Our world class sector specialists have deep industry experience in key industries such as agribusiness, energy, natural resources, infrastructure, financial institutions, industrials, consumer, healthcare, real estate, technology, media, telecommunications, and financial sponsors/private equity. Our fully-integrated regional operating model, together with strong local relationships, connects all CCS teams across Asia Pacific to provide extended client coverage and to work with product teams to manage, execute and complete mandated transactions.

The Investment Banking (IB) division consists of three main businesses, namely: Corporate Finance and Equity Capital Markets; Group Equities, which includes Institutional Equities, Retail Equities, Futures Broking, Equity Financing Services, and Research; and Group Asset Management, which is our retail and institutional fund management arm. In 2013, we completed our expansion drive across the region and positioned ourselves as the Asian investment bank with one of the most developed network and capabilities. With the latest addition of offices in Australia, India, Korea and Taiwan, we now serve clients across 16 markets.

Despite 2013 being a challenging year for capital markets across Asia Pacific, we did well by achieving No.9 by market share for IPOs in Asia Pacific ex-Japan, No.2 in ASEAN, No.1 in Malaysia, No.3 in Indonesia, No.10 in Singapore, No.8 in Thailand and No.11 in Australia.

We led a number of notable equity transactions in 2013. In Malaysia we were the joint principal advisor for UMW Oil & Gas Corporation Berhad's RM2.7 billion IPO; Sona Petroleum Berhad's RM550 million IPO which was the world's 5th largest special purpose acquisition company (SPAC) IPO ex-USA; AirAsiaX Berhad's RM1.1 billion IPO via an innovative 'shareholders benefit programme'; and the RM13.0 billion listing of the first-ever listed and Shariah-compliant REIT, the KLCC Stapled REIT. In Indonesia we led the award-winning USD1.5 billion share placement of PT Matahari Department Store, which was the largest-ever retail sector transaction in Southeast Asia.

INVESTMENT BANKING NOTABLE TRANSACTIONS



UMW Oil & Gas Corporation Berhad
RM2.7 billion IPO on Bursa Malaysia



Mega Lifesciences PCL
THB3.8 billion IPO and Private Placement on
The Stock Exchange of Thailand



Travellers International Hotel Group
PHP18.0 billion IPO on Philippine Stock
Exchange



Asian Pay Television Trust

Asian Pay Television Trust
SGD1.4 billion IPO of a business trust on
Singapore Exchange



SapuraKencana Petroleum Berhad
RM9.1 billion combination and integration of the
tender rig businesses of SapuraKencana
Petroleum Berhad and Seadrill Limited



Wesfarmers Limited
AUD532.0 million Sale and Leaseback Joint
Venture of Coles Grocery Stores

054

In Singapore, we were the joint bookrunner for the second biggest IPO in the country for 2013, the IPO of Asian Pay Television Trust for SGD1.4 billion. In Thailand we arranged the THB3.8 billion Mega Lifesciences PCL IPO, the first pharmaceutical company listing in Southeast Asia in more than a decade. In the Philippines, we were the joint global co-ordinator and international bookrunner for Travellers International Hotel Group's PHP18.0 billion IPO.

Other notable equity transactions outside ASEAN include Fortescue Metals Group's AUD503.0 million secondary share placement in Australia, Hydoo International Ltd's USD213.0 million IPO in Hong Kong which was the largest real estate IPO in the country for 2013, the USD1.5 billion IPO of China Huishan Dairy in Hong Kong which was the largest F&B ECM transaction and 3rd largest IPO in Asia ex-Japan in 2013, and the 1st Hong Kong main board listing of a death care services provider in China, Fu Shou Yuan International Group Ltd, for USD215.0 million.

On the M&A front, we were ranked top in Malaysia and No.3 in Indonesia. Notable M&A deals in 2013 include SapuraKencana's USD2.9 billion combination and integration of the respective tender rig businesses of SapuraKencana Petroleum Berhad and Seadrill Limited; the USD119.0 million acquisition of 14% stake in Bank Bukopin by Bosowa Corporation in Indonesia where we were the exclusive sell-side advisor; Wesfarmers' AUD532.0 million Sale and Leaseback joint venture of Coles Grocery Stores in Australia; the RM3.6 billion privatisation of QSR Brands Berhad and KFC Holdings Berhad by Massive Equity Berhad; the RM2.2 billion acquisition of Felda Holdings Berhad by Felda Global Ventures which was the largest M&A transaction for the plantation industry in Malaysia and for which we

were awarded the Best Share Placement award by The Edge for 2013; and the SGD988 million acquisition of PT Indomobil Sukses Internasional Tbk by Gallant Venture in Singapore, for whom we were joint financial advisor to.

We continued to garner industry awards and recognition, including Domestic Bank of the Year in Asia from IFR Asia and Best Equity House in ASEAN from Alpha Southeast Asia. In Malaysia alone, a total of 11 domestic house awards were received including Best Domestic Investment Bank by Alpha Southeast Asia, The Asset, Euromoney and FinanceAsia.

Group Equities

Our strong regional brokerage teams for both institutional and retail clients, backed up by an award-winning research team, provide clients with in-depth equity and economic research. We have one of the largest research teams in the region, with over 110 institutional and retail analysts, economists and strategists in 14 countries across Asia Pacific including our partnerships. Our coverage of over 1,000 stocks, including those in collaboration with our partners, places us among the top brokers in the region by stock coverage. 2013 saw licences being obtained in Korea, Taiwan and India as well as new research and execution capabilities in Vietnam. Our presence in strategic hubs such as London, New York and Bahrain complements our capabilities across Asia Pacific.

We maintained our dominance in ASEAN emerging as No.1 in Malaysia, No.1 in Singapore and No.2 in Indonesia, by market share. We improved our market share in Thailand, emerging at No.7 benefitting from the enlarged sales distribution platform from the integration of SICCO Securities.

2013 was a record year where we received numerous awards, including Best Equity House in Malaysia from Asiamoney; Best Equity House in ASEAN, Best Retail Broker in Singapore and Indonesia and Best Institutional Broker and Best Investment House for Malaysia from Alpha Southeast Asia. We also won the Outstanding Securities Company Awards – Retail Investor from the Stock Exchange of Thailand and Most Active Agent from the Thailand Futures Exchange. It was also an excellent year for our research team with the largest number of awards received from Starmine to date, including No.1 Top Earnings Estimator for Energy and Consumer Goods & Services in India and Financials in Singapore, No.2 Top Stock Picker in Financials in Singapore, No.3 in Chemicals & Forest Products in Australia as well as No.2 Top Earnings Estimator in Food, Household & Personal Products in Malaysia, Transportation in Australia, Food & Beverages and Retailing in Hong Kong/China.

We successfully rolled out a new online trading platform with enhanced features in Singapore for retail clients and were the first and only retail broker to have co-located at the SGX data centre, increasing execution speed for our clients.

Our futures business consolidated its position and now ranks among the Top 3 for Thailand and Top 4 for Malaysia. In Singapore, we continued to invest in system capabilities and human capital in preparation to be the gateway to the world's futures markets for the region. We continued to expand our reach, and set up our Indonesia office.

Group Asset Management

Assets Under Management (AUM) for CIMB-Principal grew strongly, increasing 20% to RM46.9 billion. We were ranked second in Malaysia in terms of AUM for unit trust fund assets and private retirement schemes at the end of 2013. CIMB-Principal Islamic, our Islamic asset management arm, won 8 institutional mandates including breakthrough mandates in Brunei and Saudi Arabia.

CIMB-Principal was awarded the Marquee Award for Asian Fund House of the Year at the Asian Investor Investment Performance Awards 2013, the first for us at a pan-Asia level. We also won Best Asset Manager in Southeast Asia from Alpha Southeast Asia for the 4th consecutive year and won in 8 fund categories at The Edge-Lipper Fund Awards 2013. Meanwhile, CIMB-Principal Islamic was awarded the Best Asset Management Company by Global Finance for the second consecutive year, and Best Islamic Fund Manager at the Euromoney Islamic Finance Awards 2013. We were also awarded Asia Pacific Islamic Asset Management House of the Year at The Asset Triple A Islamic Finance Awards 2013.

CORPORATE BANKING, TREASURY & MARKETS

The Corporate Banking, Treasury & Markets (CBTM) division is responsible for corporate banking; transaction banking; the Group's markets, sales and trading businesses in interest rates, credit, foreign exchange, commodities, equities and their derivatives; debt capital markets; fixed income investments; and treasury and funding operations for the Group.

Corporate Banking

Malaysia

Our Malaysian corporate loan book recorded steady growth of 10.4% in 2013. This was primarily contributed by M&A transactions via syndicated corporate loans, project financing, Malaysian companies investing into overseas markets and bridging loans to companies undergoing corporate exercises. The primary focus remained on growing the loan book profitably and responsibly, consistent with the Group's policy on credit quality. There were effective cross border initiatives and cross-selling where we supported and provided holistic funding solutions to clients from our core markets in Indonesia, Singapore and Thailand.

Indonesia

The uncertain economic outlook at the beginning of the year led us to be cautious on loan growth, particularly with regards to long term investment loans. Hence we strategically decreased investment loans by 5% but increased short term working capital loan by 14%, resulting in an overall 0.9% loan growth. Going forward, we will focus more on flow businesses such as trade finance, cash management and hedging foreign exchange flows for customers until economic conditions improve.

Singapore

Our Singapore corporate loan portfolio grew by 50% on the back of strong momentum in expanding existing customer product coverage and in establishing new customer relationships that are not only based in Singapore but also present in CIMB core markets. Understanding our customers and providing suitable financial solutions remain our key focus.

Thailand

Our Thailand corporate loan portfolio grew 7%, coming mainly from loans to the manufacturing, wholesale/retail, property development and transportation sectors. We also supported the multinational corporations with ASEAN aspirations by offering syndicated lending, financial advisory service, cash management and structured derivatives products.

Regional Transaction Banking

Our transformation in trade finance regionally witnessed an encouraging 24% Y-o-Y growth. In 2013, we set up a centralised Trade Call Centre and Business Centres in Malaysia to facilitate enquiries and advisory services. We also rolled out regional electronic transaction banking to further expand our services for our corporate clients, trade-backed contract financing and multi-currency trade loans in Malaysia and supply chain distributor financing in Thailand. Our Structured Trade Commodity Financing business was a star performer in Singapore growing about 200% from the previous year. We are proud to have been named Best Trade Bank in Malaysia, Best Islamic Trade Bank in Asia Pacific and Domestic Trade Finance Bank of the Year in Indonesia by Asian Banking & Finance. We were also awarded Best Trade Finance Solution of the Year in Southeast Asia by Alpha Southeast Asia, further cementing our achievements in trade finance.

Overall our Cash Management franchise grew 17% in 2013. In Malaysia we launched Plug n Pay, a mobile and cashless payment, and Interbank cash pooling. In Indonesia we introduced e-Tax for real-time processing of various tax payments and we set up Payment Gateway in Thailand. We provided better customer experience with one-stop solution Business Call Centres and Business Service Centres in Malaysia besides revamping business current account opening. We are proud with our haul of awards in cash management in 2013 with Asian Banking & Finance's Domestic Cash Management Bank of the Year in Malaysia and Indonesia as well as Malaysia's Best Cash Management Solution Bank and Indonesia's Best Service Provider in Cash Management by The Asset. We were also voted Best Overall Domestic Cash Management Service in Malaysia, Indonesia and Thailand as well as Best Overall Cross Border Cash Management Service in Malaysia and Thailand in Asiamoney's 2013 poll.

Credit Markets

We maintained our top position in the ASEAN local currency debt capital markets for the third consecutive year as ranked by Bloomberg. We also defended our number one position in the Malaysia domestic bonds market with a market share of 26.2% as ranked by Bloomberg, marking a solid ninth consecutive year as market leader. We were named as Sukuk House of the Year (Asia Pacific) by The Asset, Best Bond House in ASEAN by Alpha Southeast Asia, as well as Best Bond House in Malaysia by FinanceAsia, The Asset and IFR Asia.

We successfully led a number of landmark funding transactions which, amongst others, include the SGD600 million Exchangeable Trust Certificates issuance by Khazanah Nasional Berhad (via Indah Capital Ltd.), the largest Exchangeable Trust Certificate issuance for 2013; the USD400 million Convertible Bond

issuance by Advanced Semiconductor Engineering, Inc.; and the RM10 billion Tier 2 Subordinated Debt Programme by CIMB Bank Berhad, Malaysia's first Basel III-compliant subordinated debt issuance. We were able to then utilise our first-hand experience to also assist Public Bank Berhad in establishing a RM10 billion Tier 2 Subordinated Debt Programme, its first ever Basel III-compliant subordinated debt programme. Other significant deals include the RMB820 million Convertible Bonds by China Daye Non-Ferrous Metals Mining Limited; RM10 billion Sukuk Programme by Binariang GSM Sdn Bhd (via BGSM Management Sdn Bhd); THB3 billion Senior Unsecured Debentures by TPI Polene Public Company Limited; and the IDR3.86 trillion Senior Debt by Lembaga Pembiayaan Ekspor Indonesia (Indonesia Eximbank).

We achieved a top 10 position in Bloomberg's ASEAN 2013 bookrunner league table as we deepened our footprint in the ASEAN loan market. We maintained our No.1 position in the Malaysian bookrunner league table published by Bloomberg for the third consecutive year. Notable deals lead-arranged by us include the GBP790.2 million term financing for the development of Battersea Power Station, which was the largest real estate financing successfully raised in the United Kingdom; the USD1.85 billion acquisition financing for Sapura Kencana Drilling Pte Ltd; the RM415 million term financing for Berjaya Land Berhad; the USD2.1 billion term financing for Wii Pte Ltd (a subsidiary company of Wilmar International Limited); USD464 million term financing for PT Agro Multi Persada; and USD475 million and EUR40 million term financing for PT Profesional Telekomunikasi Indonesia (also known as Protelindo).

CBTM NOTABLE TRANSACTIONS



Advanced Semiconductor Engineering, Inc.
USD400 million Convertible Bonds



Lembaga Pembiayaan Ekspor Indonesia
IDR3.86 trillion Senior Debt



Malakoff Power Berhad
RM5.38 billion sukuk Islamic principle of Murabahah via Tawarruq arrangement



Battersea Power Station
GBP790.2 million in Term Financing



QSR Brands
RM2.3 billion Term Loan/Bridging Loan/
Revolving Credit



SapuraKencana Drilling Pte Ltd
USD1.9 billion Syndicated Bridging Loan

Treasury Markets

In 2013, we recorded a 17.6% annual growth in our foreign exchange franchise as the regional platform continued to nurture healthy expansion. Customers recognised us as Malaysia's Best Domestic Provider of FX Services in Asiamoney's FX poll for the 6th consecutive year. Wholesale Bank Note performed better with 43% higher revenue, boosted by new hubs in Malaysia (Kuala Lumpur and Johor Bahru). Our SpeedSend is another differentiated offering to facilitate cash-to-cash and cash-to-account remittance in 14 countries.

Global Derivatives Sales earned excellent returns on cross-border structured transactions through good synergies from our ASEAN network and wholesale business franchise. Malaysia posted a healthy 31% growth and Thailand 217% growth with a few breakthroughs in commodity hedging for wheat, soybean meal and corn. Gold Dual Currency Investment continued to earn good traction in Malaysia, while Thailand delivered its first corporate structured investment deal. We clinched Asiamoney's 2013 Overall Best Sales Service and Pricing in MYR Commodity Derivatives award.

Global Institutional Sales distributed more than 55 primary bond issuances regionally and added new relationships with ASEAN central banks and sovereign wealth funds through cross border secondary bond sales. In 2013, we introduced interest rate hedging to investors while we continued to capture structured investment flow, including a breakthrough First-to-Default (FTD) investment. We won a range of awards in Asiamoney's 2013 Fixed






Income poll including Overall Best for Credit in Malaysia and Indonesia, Overall Best Sales Service in Credit Derivatives on MYR and IDR bonds, Overall Best Regional Credit Sales Person and Overall Best for Interest Rates in Thailand.

For our highly sustainable retail structured product business, CIMB was recognised as Best House in Malaysia by Structured Product Asia Awards, and the House of the Year Malaysia by Asia Risk, for the 7th and 8th consecutive years respectively.

Equity Derivatives Group

We maintained our position as the top issuer and market-maker of structured warrants in Malaysia. CIMB issued, launched and listed 160 structured warrants, of which two were callable bull certificates. In May 2013, we initiated derivative warrant business in Thailand by listing 10 derivative warrants through CIMB Securities (Thailand) Co. on the Stock Exchange of Thailand.

CIMB GROUP'S RANKINGS ACROSS REGIONAL CAPITAL MARKETS

	Countries	Rank
	MALAYSIA	
	Stockbroking	1
	IPO	1
	ECM	1
	M&A	1
	Syndication^	5
	DCM	1
Sukuk	1	
	INDONESIA	
	Stockbroking	2
	IPO	23
	ECM	3
	M&A	3
	Syndication^	17
DCM	6	
	SINGAPORE	
	Stockbroking	1
	IPO	8
	ECM	10
	M&A	16
	Syndication^	18
DCM	9	
	THAILAND	
	Stockbroking	7
	IPO	8
	ECM	8
	M&A	15
	Syndication^	-
DCM	5	
	ASEAN	
	Stockbroking	6
	IPO	2
	ECM	3
	DCM (local currency)	1
	M&A	17
Syndication^	13	

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

Notes: ^ Mandated lead arranger

GROUP STRATEGY & STRATEGIC INVESTMENTS

Group Strategy and Strategic Investment's (GSSI) role is to navigate CIMB's strategic direction and drive strategic investments.

Strategy Initiatives

In April, we completed the disposal of our stake in the CIMB Aviva joint venture to Khazanah Nasional Berhad for a total consideration of RM1.11 billion, which represented a gain of RM515 million from our initial investment. Our divestment of CIMB Aviva enabled us to reduce our spread of activities in insurance manufacturing and better focus on our strengths in bancassurance distribution – a core component of our wealth management proposition. The disposal also strengthened our capital position.

On the Group's banking expansion initiatives, our application to establish a banking presence in Hong Kong was approved by the Hong Kong Monetary Authority in May. Branch establishment activities are underway and are targeted to complete by first half 2014.

Strategic Investments

Our strategic investments continued to show encouraging results. Our Tune Money venture proved to be fruitful with the successful IPO of its insurance arm, bringing in a gain of over RM195 million and giving us a return of 24 times money multiple on our investment. We now have a 14.06% stake in the newly listed entity, Tune Ins Holdings Berhad. Returns from our 19.99% investment in Bank of Yingkou, grew about 7% and demonstrated yet another impressive year despite challenges in China. At the forefront of Malaysia's e-payment landscape, Touch 'n Go continued its transformation with enhanced access and usability of its services. We also launched various marketing and product development activities which successfully resulted in higher Touch 'n Go card usage.

Private Equity

Our Private Equity (PE) business is organised into integrated funds, which are managed directly by CIMB, and independent funds, which are managed through our fund management subsidiaries, namely Capital Advisors Partners Asia Sdn. Bhd. (CapAsia), CIMB-Mapletree Management Sdn. Bhd. (CIMB-Mapletree) and CIMB-TrustCapital Advisors Singapore Pte. Ltd. (CIMB-TrustCapital).

In 2013, we grew our PE business further. We made significant progress in tapping the CIMB eco-system, generating new deals, increasing efforts on fund raising, winding-down activities of legacy funds, and continued performance of existing funds.

Integrated Funds

The renewed focus in our PE business is showing results with increased deal flow. We made our maiden investment for the CIMB National Equity Fund (an outsourced fund of Ekuiti Nasional Berhad, Ekuinas), with a controlling acquisition into Macro Kiosk Bhd, a Malaysia-based mobile services provider. The momentum carried through with a second deal involving a minority stake in an integrated Malaysian education service provider.

We launched a new platform, Bangsar Capital Holdings (L) Limited (Bangsar Capital) in June. Bangsar Capital is a PE joint venture between CIMB and Hong Leong Financial Group Berhad with an initial committed capital of RM500 million. Bangsar Capital seeks opportunistic and tactical mandates primarily in Southeast Asia, with a particular focus on Malaysia, Indonesia and Singapore across a range of industries. With a core advisory team located in Singapore, Bangsar Capital seeks to leverage the broad regional ecosystems of its stakeholders in areas such as relationship development, deal sourcing and due diligence.

GSSI also progressed on its fund raising efforts for new funds slated for launch in 2014. The new funds are crafted to allow CIMB to leverage its unique market space to access deals faster and more efficiently. With a formidable ASEAN franchise and network strength, the new funds will play to CIMB's synergies in sourcing and strategically growing its investee companies.

Independent Funds

CapAsia is an infrastructure fund manager that invests in mid-market infrastructure assets and companies in Southeast Asia. In 2013, CapAsia made five new investments from two funds, and made a significant divestment from Thailand's Don Muang Tollway Public Co., Ltd., one of the remaining portfolio companies of its maiden fund – the South East Asian Strategic Assets Fund (SEASAF). SEASAF continues to be the top ranking infrastructure fund globally by investment performance of its vintage year.

CIMB-Mapletree, our joint-venture that pursues property developments in Malaysia, completed Menara CIMB the new headquarters for CIMB in KL Sentral which is located at the heart of Kuala Lumpur's transportation hub. We also successfully completed a first close for CMREF 2 Shariah, a Shariah-compliant fund that will focus on real estate investments in Malaysia.

We had a busy year at CIMB-TrustCapital. We focused on implementing asset management initiatives in our commercial assets in Australia, as well as fund raising. The asset management team successfully secured new major leases for two buildings under its Australian Office Fund 1 (AOF1), resulting in a significant valuation uplift. CIMB-TrustCapital also launched its second fund, Australian Office Fund No.2 (AOF2). AOF2 seeks to invest in Grade A and Grade B+ commercial office assets in the central business district of major Australian cities. Besides fund operations, the company also worked on separate advisory mandates, successfully advising two major Malaysian pension funds on the joint acquisition of a prime office building in Melbourne.

CIMB ISLAMIC

CIMB Islamic is the global Islamic Banking and financial services franchise of CIMB.

Headquartered in Kuala Lumpur, CIMB Islamic provides a wide range of products and services to personal, commercial and large corporate as well as institutional customers across ASEAN, the Middle East, South Asia, North Asia, Australia and major international financial centers, serving all customers under the Group, Muslim and non-Muslim alike.

2013 marked CIMB Islamic's 10th anniversary and we closed the year as the largest Islamic bank in the world by branch network, the second largest Islamic bank in ASEAN by assets, and the sixth largest Islamic bank in Indonesia by assets. We are the world's largest arranger of sukuk (Islamic bonds) by number of deals and second largest by volume. We were also the largest sukuk arranger in ASEAN.

Profit before tax (PBT) declined by 19.8% Y-o-Y to RM860 million, mainly due to the slow down of our Awam-i personal financing business in Malaysia arising from regulatory changes. We steadily grew our balance sheet with Islamic financing assets growing by 5.5% and Islamic deposits growing by 5.9% in 2013.

Malaysia continued to be the biggest contributor to our PBT, contributing 57.1% in 2013. We were the first Islamic bank in Malaysia to obtain international debt and deposit ratings from Moody's, and were rated with a stable outlook with A1/P-1 rating for local currency deposits.

We strategically slowed down business growth in Indonesia in anticipation of weaker economic performance, allowing us more time to focus on improving internal operational and credit processes to prepare for future growth in 2014. As such, total deposits declined 7.5% Y-o-Y to IDR6,468 billion while total financing assets declined by 13.1% to IDR6,715 billion over 2013.

Our Singapore operation was a star performer in 2013, exhibiting strong traction in both deposit and financing asset growth. Islamic deposit grew by 3.1% to close the year at SGD402.5 million while financing assets jumped by 125.8% to SGD348.4 million.

060

Notable sukuk deals executed in 2013 include the RM3.0 billion sukuk wakalah programme for Telekom Malaysia Berhad, the SGD600 million exchangeable sukuk for Khazanah Nasional Berhad and the SGD100 million Islamic facility for Neptune Orient Lines. CIMB Islamic also acted as the sole Shariah Adviser for KLCC Property Holdings Berhad's Stapled Real Estate Investment Trust (REIT) offering valued at RM15.8 billion, the first Islamic Stapled REIT in the world, as well as BGSM Management Sdn Bhd's RM10.0 billion sukuk musharakah programme.

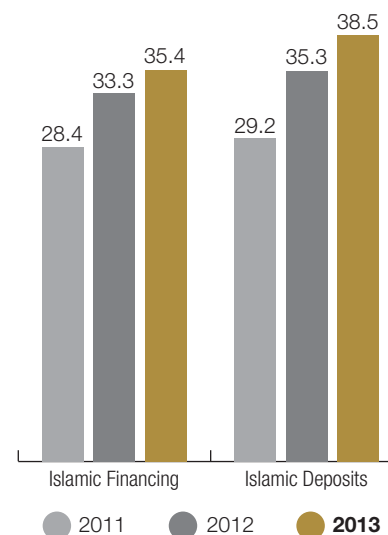
On the asset management front our Assets Under Management grew by 62.2% to RM21.9 billion, underpinned by strong institutional and unit trust businesses through our award winning asset management boutiques CIMB-Principal Islamic and CapAsia Islamic Infrastructure, making us one of the largest and the most diversified Islamic asset management houses in ASEAN.

We also focused on increasing convenience for customers by upgrading to a new version of Bizchannel, our online banking portal, and making BizCheques service available to customers. We introduced innovative product features such as the 'Foreign Currency Trust Receipt-i' and the 'Quick Guarantee-i' products to complement our full suite of Islamic trade financing products. Innovative wholesale banking products successfully launched in 2013 include new NID-i Islamic Structured Products and capital structures such as the Islamic Stapled REIT and Islamic Mezzanine Capital with Equity Kicker.

We championed comprehensive Islamic custodian services in 2013, making CIMB Islamic the first Islamic bank in the world with dedicated and stand-alone Islamic custodian services, allowing us to provide real end-to-end Shariah-compliant securities services offerings to institutional investors anywhere.

Reaffirming our commitment to corporate responsibility, we supported initiatives such as the 'Celik Muamalah' program by Yayasan Dakwah Islamiah Malaysia to propagate knowledge on the conduct of commerce, sponsored an Inter-University Quran Recital Competition, as well as supported 'Program Bertalaqqi', a systematic Al-Quran reading programme that involved sending young Malaysians to the Middle East to go through the certification process. We also built 100 houses in Padang, Indonesia to help local villagers affected by the 2009 earthquake and supported the Red Crescent for flood relief efforts in Malaysia.

CIMB Islamic Bank Financing & Deposits



Malaysian Sukuk League Table (2013)

No	Underwriter	Market Share (%)	Number of Issues
1	CIMB	26.2	157
2	Maybank	19.1	130
3	AmInvestment Bank	18.3	72

Global Sukuk League Table (2013)

No	Underwriter	Market Share (%)	Number of Issues
1	HSBC Bank PLC	16.3	110
2	CIMB	10.4	160
3	Maybank	7.0	134

SUPPORT DIVISIONS

GROUP CHIEF EXECUTIVE'S OFFICE

The Group Chief Executive's Office oversees Capital and Balance Sheet Management, the CIMB ASEAN Research Institute, Investor Relations, Group Private Banking, and our international offices outside our core markets of Malaysia, Indonesia, Singapore and Thailand.

Capital and Balance Sheet Management

In 2013, the Capital and Balance Sheet Management (CBSM) division continued to operate in parallel with the Group's business units, focusing on the holistic view of capital and balance sheet management in all business undertakings. CBSM operates as a single unit independent of the Group's businesses and centralises the capital and balance sheet management functions of the Group.

The Group continuously seeks to improve economic capital adequacy based on an annual Internal Capital Adequacy Assessment Process (ICAAP) which assesses the Group's material risks against its capital position over a three-year horizon. To further optimise overall capital, the Group is engaging in various risk-weighted asset optimisation initiatives and migrating exposures to the Internal Ratings Based Approach to better reflect the risk profile.

Capital Management is centralised at CBSM to efficiently manage capital needs for business growth and to ensure regulatory capital adequacy requirements are fulfilled. In 2013, virtually all banking entities within the Group, bar CIMB Niaga, adopted the Basel III framework. The Group continues to maintain capital targets comfortably above the Basel III transitional requirements to demonstrate our commitment to a strengthened capital position. CIMB Bank's CET 1, Tier 1 and Total Capital ratios stood at 9.65%, 11.55% and 12.91% respectively, and CIMB Thai's at 9.91%, 9.91% and 14.08% respectively. CIMB Niaga's Basel II Tier 1 and Total Capital ratios stood at 12.99% and 15.38% respectively.

The Group implemented a Dividend Reinvestment Scheme in 2013 as a capital preservation tool. With the strong support of shareholders, we achieved an average reinvestment rate of 80%. The other major capital activity was the disposal of a non-core asset, CIMB Aviva, which reduces the Group's annual capital commitment whilst providing a one-off capital gain in 2013. Further, CIMB Bank issued the first Basel III compliant Tier 2 subordinated debt of RM1.05 billion as part of the newly set up programme in Q3 2013; a call option was exercised for an existing RM1.5 billion Tier 2 subordinated debt on its callable date in Q1 2013 to phase out the Basel III non-compliant subordinated debt. The Group's double leverage and gearing improved to 121.4% and 23.2% following continuous efforts to deleverage.

In January 2014, the Group issued 500 million new shares equivalent to 6.08% of its share capital following an accelerated book-build private placement exercise. This was a move to strengthen the Group's capital position with the raising of RM3.55 billion in total proceeds. The new issue lifts the Group's CET1 from 8.1% at the end of December 2013 to 9.5%.

CIMB ASEAN Research Institute

The CIMB ASEAN Research Institute (CARI) builds networks and influences thought leadership on ASEAN integration affairs, specifically for the private sector. In 2013 we achieved greater visibility, raising our regional presence and improving our intellectual profile. We also continued as the secretariat for the ASEAN Business Club (ABC) an association of chief executives of ASEAN's most important business enterprises.

CARI and the ABC led the way with a series of business delegations, speaking commitments and the inaugural Network ASEAN Forum (NAF). NAF was the highlight of the event calendar, announcing the arrival of an ABC-led forum series on the ASEAN stage. Its format brought the private and public sector closer together in the shared mission of building a better ASEAN.

CARI presented at several key ASEAN events such as the 3rd Executive Meeting of the China ASEAN Interbank Association, the US-ASEAN Business Council's CEO Dialogue, the ASEAN Master Class in collaboration with CIMB Commercial Banking, the International Institutional Investor Series organised by the Malaysian Association of Asset Managers and the Standard Chartered Regional Executives Forum.

CARI launched its first full length report on the progress towards the ASEAN Economic Community (AEC) 2015, entitled 'The ASEAN Economic Community: The Status of Implementation, Challenges and Bottlenecks'. CARI also unveiled its ASEAN Research Digest (ARD), a quarterly publication aimed at curating relevant academic research findings making these technical journals accessible and readable to the business community.

CARI and the ABC also collaborated on the Lifting-The-Barriers Initiative, which yielded reports focused on six key sectors in the context of the AEC. The six sectors were Aviation, Healthcare, Capital Markets, Financial Services, Connectivity and Infrastructure, Power & Utilities. These reports served to identify sector-specific barriers to free trade and provide viable solutions as a white paper presented to policy makers.

GROUP FINANCE

Group Finance (GF) is responsible for planning and managing all finance, accounting, tax and other reporting matters of the Group.

Following the successful implementation of the Group Finance Management System (GFMS) in Malaysia and Singapore, we expanded implementation to CIMB Niaga and went live in November 2013, which enabled us to further standardise our management and financial reporting processes across the region.

In 2013, the Tax team continued to manage cross-border related party transactions within the Group and to ensure that the Group Transfer Pricing Policies and Procedures are adhered to. In view of the forthcoming implementation of Goods and Services Tax (GST) in Malaysia from 1 April 2015, a GST project task force has also



Network ASEAN Forum 2013.

been set up to ensure that the Malaysian entities within the Group will be GST-ready by the implementation date.

As part of the Group's continued effort to improve inter-company processes across regions, we focused on the implementation of regional inter-company billing and settlement processes to address the execution of transfer pricing policies.

Following the establishment of the Capital Planning and Monitoring Department in 2012, this unit was tasked to review the capital position of CIMB Group Holdings and its key subsidiaries. In 2013, Malaysia and Thailand implemented Basel III and this was incorporated in the annual capital plan which strategises and plans for capital and funding requirements on a three-year forecast basis.

In line with the increasing importance in managing liquidity and interest rate risk, we were actively involved in Group Asset and Liability Committee in managing liquidity risks as well as profit planning and growth for the Group.

GROUP CORPORATE RESOURCES

In 2013, leadership and talent growth across the region remained a high priority. We continued with our CIMB-INSEAD programme for senior management and our CIMB-Nanyang Technological University Accelerated Universal Bankers programme for middle management.

In Indonesia, we launched our Branch Manager Entrepreneurial Programme to strengthen and energise our retail banking leaders. Two significant regional initiatives were the launch of the Credit Academy and the Corporate Advisory Academy. With dramatic growth in the last eight years, we wanted a common credit learning

framework that would allow the franchise to stride confidently into the future. Through the Credit Academy, a number of credit employees from Malaysia, Indonesia, Singapore and Thailand received their certification and Diploma in Credit from the Chartered Banker Institute. The Corporate Advisory Academy was set up to foster networking and sharing of knowledge, grooming corporate advisors who can anticipate clients' needs and provide innovative solutions to optimise clients' returns.

To recognise the contribution of our middle managers, we launched the CIMB Emerging ASEAN Leaders (Emerald) Award. Our top ten CIMB Emerald Award winners will undergo special leadership grooming.

We took on 110 new recruits from Malaysia, Indonesia, Singapore and Thailand in 2013 for our graduate training programme, The Complete Banker™. We also expanded recruitment to Hong Kong and Australia for 2014. As for CIMB Fusion, we grew our partnership from one to six employers. Besides CIMB, our CIMB Fusion associates would work with one of the following top names in their respective industries: PricewaterhouseCoopers (our first partner), Accenture, DraftFCB, HP, ZICOLaw and Teach for Malaysia. In line with our core value of Strength in Diversity, we almost doubled the number of Global Employee Mobility spots to 119 to allow staff to experience work in different geographical locations.

We also gave out scholarships and sponsorships worth close to RM1 million, with plans to increase our budget by 50% in 2014.

One of the most exciting events in 2013 was moving more than 2,000 of our Group and investment banking employees into our new 35-storey green office at Kuala Lumpur Sentral. Menara CIMB enjoys Singapore's BCA Green Mark Gold Award (Provisional) Award. Staff will enjoy a full range of amenities from gymnasium to food court, restaurant, mothers' room (on every floor), and a child care-centre once everything is in place. Menara CIMB also offers Preferred Banking and Branch Broking services at its lobby.

GROUP RISK

Group Risk is responsible for identifying, measuring, analysing, controlling, monitoring and reporting the material risks to which the Group is exposed. To more clearly align the Group's strategic objectives within the approved risk appetite, our teams are engaged from early stages in the risk taking process to provide independent input and assessment.

2013 was a year of transformation for Group Risk. Based on the Group's increasing size and complexity, compounded by the continued challenging external economic environment, Group Risk made a number of strategic changes. We strengthened our leadership team with a number of senior hires, created an updated organisation structure, revamped Risk governance and took on strategic initiatives which we call the Risk Playbook which aims to address the top risks facing the Group while supporting its strategic objectives.



CIMB Emerald Award 2013 finalists with the judges and management.

On the hiring front, new Group Heads of Market Risk, Operational Risk, Retail Risk and Credit Policy joined as well as a new Risk Director at CIMB Niaga. We created a new Head of Shariah Risk role and Chief Risk Officer role for CIMB Securities while retaining our CRO structure at CIMB Thai, CIMB Niaga and CIMB Cambodia.

Organisationally, we created specialised Group Risk 'Centres of Excellence' (CoE). The CoEs cover Market, Operational, Non-Retail Credit, Retail Credit, Shariah and Asset Liability Management Risks as well as Risk Analytics and Infrastructure. We call the new organisation 'One CIMB Risk'. The changes enable better alignment with stakeholders as well as within Group Risk. The CoEs are highly specialised teams of risk officers responsible for the active oversight of group-wide risk. They facilitate the implementation of the Group's Enterprise Wide Risk Management framework.

We revamped our Risk governance structure by establishing a number of new risk committees covering the Group. The revised risk governance structure allows for more thorough deliberation and clear accountability.

We embarked on a number of highly strategic projects under the Risk Playbook. Projects covered risk appetite, three lines of defence, governance, accountability and risk culture. Progress on all projects were carefully monitored and reported to the Board Risk Committee on a monthly basis.

Processes and frameworks implemented in 2012 under ICAAP were further refined and streamlined to enhance the 2013 ICAAP. As part of our effort to operationalise the Risk Appetite Framework, the introduction of 'Risk Posture' at the Board level was implemented. Risk Posture allows the Board to set a tone from the top

around the Group's Risk Appetite before the kick-off of the strategic planning process. Risk-based performance measures were incorporated into the KPI framework for all senior management. This process will be further refined in 2014.

The Group is continuously enhancing its risk infrastructure. For example, we have initiated regional implementation of the Global Credit Limit System which allows for regional credit limit monitoring and Single Counterparty Exposure Limit monitoring. We also embarked on a Risk Technology Roadmap to more carefully plan our requirements over the next several years.

GROUP INFORMATION & OPERATIONS

By mid-2015, it is envisioned that all of our business units and country operations across all major markets will be on one IT Banking Platform, bringing with it improved processes and efficiencies. To that end, Malaysia went live on 3 Feb 2014, pushing our regional core banking initiative forward to the 75% completion mark. Despite being the biggest and most complicated leg of the regional IT transformation program, Malaysia completed on time and below budget. The new core banking system consolidates multiple legacy systems into one, which will result in higher availability, accelerated IT cost savings and a richer single customer view. A direct benefit arising from the implementation is the ability to bundle products and easily modify features during the product development process, hence facilitating faster time to market and cross market proliferation. The regional 1Platform process blueprint and data framework further reinforces the standardisation of back office processes across the region, laying the foundation for regional productivity optimisation and cost leverage in

the future, which is expected to amount over RM1.5 billion of cumulative benefits over the next 10 years. Armed with rich implementation experience of the three previous countries, the Indonesia team has embarked on its implementation phase and is targeting completion by end 2015.

2013 was a year of further enhancing our 1View customer relationship management platform efficiencies which improved cross-selling capabilities. More robust reporting and customer insight capabilities enabled our relationship managers to further strengthen our association with customers.

We made significant strides in becoming a fully digital bank. This year we began implementation of our regional converged internet and mobile banking platform which will allow us to deploy richer functionality faster to both channels across the region. We launched exciting technology-enabled services like Kwik, our instantly online activated virtual account and Plug n Pay, which turns a smartphone into a device that can securely accept card payments in Malaysia. Our innovation team is also piloting the use of 'big data' to provide targeted offers to our mass market debit card customers using information from social media sites.

Implementation of our continuous improvement framework DOME (Developing Operations Management Excellence) in back-office processing is now institutionalised across all countries. We continued to see improvements in cost income efficiency rates for 2013. We started this journey in 2009 and have achieved maturity in applying six-sigma and optimising staff productivity. Our next thrust will be on automation to boost accuracy and efficiency further.



1 Platform team awaiting Go/No Go decision to go live.

GROUP INTERNAL AUDIT

Group Internal Audit reports independently to the Group Audit Committee and is independent of the activities and operations of other business and support functions. Our principal responsibility is to provide independent appraisals on the adequacy, efficiency and effectiveness of the internal control systems implemented by management. We evaluate the Group's control environment, risk assessment practices, control activities, information sources, communication effectiveness, and monitoring practices.

We are organised into eight departments, comprising Credit Audit, Head Office Audit, Information Technology Audit, Investigations, Investment Banking, Treasury & Risk Audit, Institutional Integrity Audit, Operations Audit and Professional Practices.

In 2013, we completed 505 assignments covering audits of all key operations and investigations into specific areas.

Acknowledging the importance of reinforcing risk, governance and internal control awareness, we conducted training initiatives for the Group's employees. Since 2010, we have implemented a programme whereby staff from selected business units are attached to us for a period ranging from a week to six months. In September 2013, a revised Branch Manager attachment programme was launched in collaboration with the Learning & Talent Development Department of Group Human Resource and endorsed by the Audit Committee whereby selected Branch Managers will participate in a number of branch audit assignments together with us over a period of eighteen months. 17 Branch Managers have undergone the programme as of December 2013.

As it is essential for our internal auditors who perform Shariah audit functions to acquire Shariah-related audit knowledge and training, staff are encouraged to obtain Islamic Finance Qualifications supported by the Islamic Banking and Finance Institute Malaysia. 17 staff in the pioneer batch of this programme have successfully passed the foundation level examination. Subsequently, in January 2014, 13 of these staff sat for and passed the immediate level examination.

In 2013, the Internal Audit Division of CIMB Niaga hosted the 5th Regional Compliance, Audit and Risk Conference in Yogyakarta attended by 147 participants from all the countries the Group operates in, comprising senior and middle management from Compliance, Internal Audit and Risk functions as well as members of Audit Committees of all the Group and various senior personnel from other Divisions. The objective was to facilitate better interaction, sharing of business risks and concerns, experiences, best practices and exchange of ideas amongst the participants.

GROUP MARKETING & COMMUNICATIONS

Group Marketing & Communications drives the positioning, marketing and communications agenda of the Group. We work alongside the various businesses across the Group to ensure accurate positioning and correct profiling; in essence presenting a consistent and differentiated message to all stakeholders.

As always, positioning is a key focus area and 2013 was no different. Multiple initiatives were launched across the region – focusing on our leadership in the 'digital' consumer banking space and our complete Asia Pacific investment

066

banking platform. Our ASEAN origin and position once again allowed us to stand-out from the crowd, and as such, provided us a point of difference vis-à-vis the competition.

Sponsorships once again acted as key brand building assets. The CIMB Classic boasted its largest and strongest ever field. Led by Phil Mickelson, 20 of top 50 players in the world competed for the title. The CIMB Classic also became the PGA TOUR's first official FedExCup event in Asia. The world class field attracted an international viewership and reached a record 813 million households worldwide; at the same time cementing its status as Malaysia and ASEAN's most important sporting event.

In addition to this, we continued to build on other key sponsorship assets such as the CIMB Niaga Indonesian Masters, the Malaysia Open squash, Kidzania in Malaysia and Thailand and continued our support for the World No.1 in women's squash, Nicol David. Moving forward, we will continue to focus on leveraging strategic sponsorships to elevate the CIMB brand, while also ensuring our clients across the region benefit from these.

With over 2.3 million Facebook fans we continued to lead in the social media space across the region. Our integrated efforts in reaching out to customers across a range of social media platforms have enabled us to connect with our customers better than ever before. Our efforts were recognised again and we were awarded with the 'Best in Social Media in Asia' award by Global Finance.



Chairman Tan Sri Dato' Md Nor Yusof and Phil Mickelson at the CIMB Classic 2013.

Internal communications was further strengthened with the rollout of CIMBNET, our online staff portal, across our franchise. Today, CIMBNET is accessed and utilised by employees across the Group allowing for

collaboration and better communication across the group. We will complete the roll out of CIMBNET in 2014 and look forward to deploying even better collaboration programmes on this platform to our entire employee force.

GENERAL COUNSEL

The General Counsel division consists of Group Compliance, Group Legal and Group Company Secretarial. Group Compliance is responsible for facilitating, advising, monitoring and educating business and support departments on compliance with laws, regulations and guidelines. Group Compliance also reports independently to the CIMB Group Board of Directors and other relevant boards. Group Legal oversees the legal aspects of activities undertaken by the Group and its subsidiaries. Group Company Secretarial manages the board of directors and shareholders' processes across the Group as well as providing advice to the board of directors and senior management regarding their roles and obligations.

With the Group's expansion beyond ASEAN, efforts were made to streamline the governance standards, policies, procedures, legal positions and practices across the different geographical entities in the Group. The General Counsel Committee was set up to oversee and coordinate the management and administration of legal and regulatory requirements across the Group. The Regional Legal Management Committee was established to facilitate the sharing of best practices amongst the various offices and monitor the legal requirements of operating units across the Group. Compliance reporting, amongst others, between operating units was streamlined with the implementation of the Group Compliance Framework.

A number of new pieces of legislations came into effect in 2013 and the General Counsel division played a major role in ensuring the respective boards of directors as well as employees in the Group are made aware of and appreciate the obligations and impact of these legislations. Active participation in taskforces

and project steering committees was at the forefront of the division's efforts in meeting with the Group's responsibilities under legislations such as the Anti Money Laundering and Counter Financing of Terrorism (AML/CFT), Personal Data Protection Act 2010 (PDPA) and the US Foreign Account Tax Compliance Act (FATCA).

Training was also a key focus for the division. Group Compliance conducted a total of 107 compliance trainings for staff in Malaysia alone, and a total of 320 onsite compliance reviews and self-testing validations on the business and support units, to ensure that their processes and procedures are in compliance with the relevant laws, regulations and guidelines. Group Legal conducted numerous training sessions on the Financial Services Act 2013 and the Islamic Financial Services Act 2013 to various groups of employees as well as assisted in the online in-house training programme which each employee is required to undertake.

On the governance front, Group Company Secretarial played a role in improving Board effectiveness and enhancing governance standards in the Group. The Board fully implemented and socialised its Board Charter and Board Diversity Policy during the year. Group Company Secretarial also promoted the adoption of the ASEAN Corporate Governance Scorecard in 2013, culminating in the receipt of three coveted awards from the Minority Shareholders' Watchdog Group and CIMB's No.2 ranking in Malaysia on the ASEAN Corporate Governance Index in 2013.

Achievements vs Targets for 2013

	FY13	FY13 Targets
ROE	15.5%	16%
TSR	-10.1% > FBM KLCI	> FBM KLCI
Dividend	40%	40%
Total credit growth*	12.2% (15.5%[^])	15%
Loan loss charge	0.28	<0.4
Total capital (CIMB Group)	13.7%	>11%
CET 1 (CIMB Group)	8.1%	>8%
Leverage (CIMB Group)	19.1x	<20x

* Credit includes gross loans (excluding bad bank), financial investments available-for-sale and financial investments held-to-maturity (excluding allowance for impairment loss)

[^] Excluding foreign exchange fluctuations

Five Year Group Financial Highlights

069

Key Highlights	Financial Year Ended 31 December				
	MFRS Framework		FRS Framework		
	2013 RM'000	2012* RM'000	2011** RM'000	2010** RM'000	2009** RM'000
Consolidated Statement of Income					
Operating income	14,671,835	13,494,825	12,122,029	11,878,203	10,483,151
Overheads	8,457,870	7,612,099	6,629,912	6,613,304	5,551,847
Profit before allowances	6,213,965	5,882,726	5,492,117	5,264,899	4,931,304
Allowance for impairment losses on loans, advances and financing	660,607	329,098	487,343	607,176	1,022,605
Profit before taxation	5,849,229	5,677,893 [^]	5,203,142	4,626,717	3,791,293
Net profit for the financial year	4,540,403	4,344,776	4,030,798	3,500,803	2,786,232
Consolidated Statement of Financial Position					
Gross loans, advances and financing	234,557,542	208,343,039	191,393,201	167,479,371	148,878,514
Total assets	370,912,797	336,461,160	299,737,840	269,018,947	239,781,199
Deposits from customers ^{^^}	265,408,979	247,295,039	221,933,142	199,845,664	178,882,336
Total liabilities	339,684,237	307,194,841	272,874,680	244,715,748	217,134,485
Shareholders' funds	30,271,098	28,292,994	25,936,470	23,229,966	20,345,014
Commitments and contingencies	522,489,461	460,550,153	414,197,407	349,069,257	322,892,443
Financial Ratios (%)					
Common equity tier 1 ratio (CIMB Bank) [#]	9.6	n/a	n/a	n/a	n/a
Tier 1 ratio (CIMB Bank) [#]	11.6	n/a	n/a	n/a	n/a
Total capital ratio (CIMB Bank) [#]	12.9	n/a	n/a	n/a	n/a
Core capital ratio (CIMB Bank) [#]	n/a	12.4	14.5	13.9	14.8
Risk-weighted capital ratio (CIMB Bank) [#]	n/a	15.5	16.8	14.8	15.1
Return on average equity	15.5	16.0	16.4	16.2	14.9
Return on average total assets	1.28	1.37	1.42	1.38	1.25
Net interest margin	2.85	3.07	3.12	3.34	3.28
Cost to income ratio	57.6	56.4	54.7	55.7	53.0
Gross impaired/non-performing loans to gross loans	3.2	3.8	5.1	6.1	5.0
Allowance coverage ratio	84.8	82.8	81.1	81.1	90.8
Loan loss charge	0.28	0.16	0.25	0.36	0.69
Loan deposit ratio	88.4	84.2	86.2	83.8	83.2
Net tangible assets per share (RM)	2.67	2.47	2.15	1.81	3.09
Book value per share (RM)	3.92	3.81	3.49	3.13	5.76
CASA ratio	34.2	34.7	34.2	32.7	31.7
Other Information					
Earnings per share (sen)					
– basic	60.0	58.5	54.2	48.7	39.5
Gross dividend per share (sen)	23.15 ^{^^^}	23.38	22.00	26.08	18.50
Dividend payout ratio (%)	40	40	41	55	23
Number of shares in issue ('000)	7,729,346	7,432,775	7,432,775	7,432,775	3,531,766
Weighted average number of shares in issue ('000)	7,570,924	7,432,772	7,432,772	7,186,034	7,059,934
Non Financial Highlights					
Share price at year-end (RM)	7.62	7.63	7.44	8.50	12.84
Number of employees	40,804	41,993	40,244	36,984	35,922

For financial year 2013, CIMB Bank's capital adequacy ratios is 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 comparative capital adequacy ratios 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

[^] Profit before taxation is inclusive of discontinuing operations

^{^^} Include structured investments classified as "Financial liabilities designated as fair value"

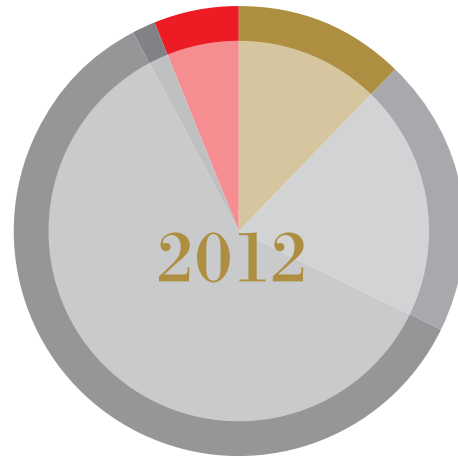
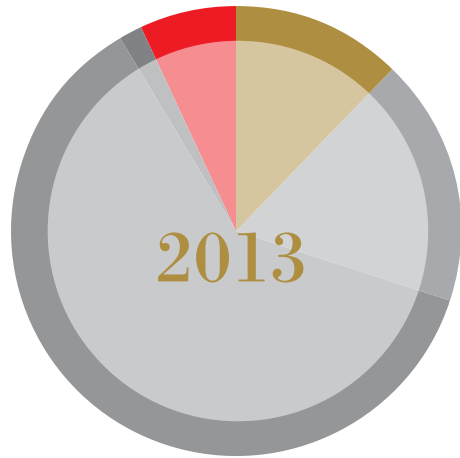
^{^^^} Based on the enlarged 8,229,341,531 ordinary shares, arising from the issuance of 500 million new ordinary shares pursuant to the private placement exercise completed in January 2014

[#] 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 year ended 31 December 2013/31 December 2012

070

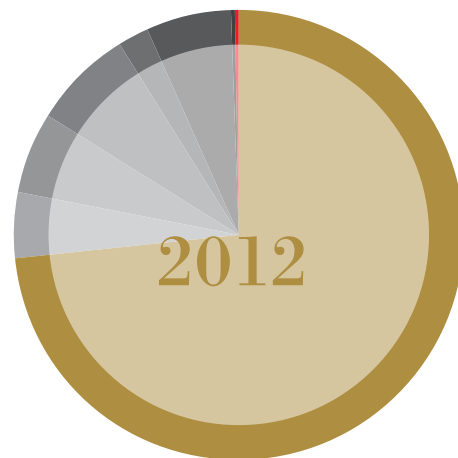
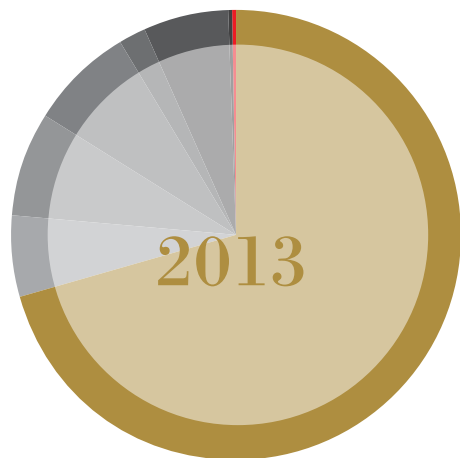
Simplified Group Statements of Financial Position

Assets



2013	2012	
12.3%	12.3%	● Cash and balances with banks and reverse repurchase agreements
17.7%	20.1%	● Portfolio of financial investments
61.6%	60.1%	● Loans, advances and financing
1.7%	1.6%	● Statutory deposits with central banks
6.7%	6.0%	● Other assets (including intangible assets)

Liabilities & Equity



2013	2012	
70.9%	73.5%	● Deposits from customers
5.6%	4.6%	● Deposits from banks
7.7%	6.0%	● Bills and acceptances payable and other liabilities
7.4%	7.2%	● Debt securities issued and other borrowed funds
2.1%	2.2%	● Share capital
6.1%	6.2%	● Reserves
0.1%	0.1%	● Preference shares
0.2%	0.2%	● Non-controlling interests

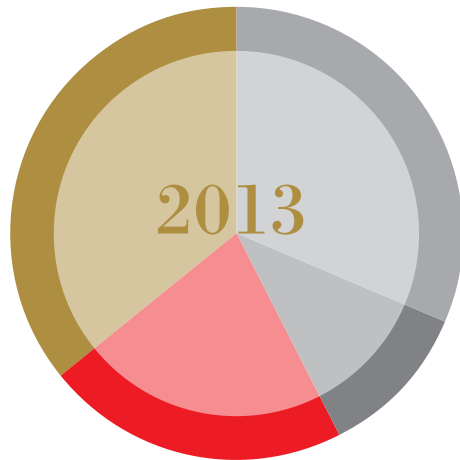
Key Interest Bearing Assets and Liabilities

071

RM million	As at 31 Dec RM' million	FY13 Effective interest rate %	Interest income/ expense RM' million
Interest earning assets:			
Cash and short-term funds & deposits and placements with banks and other financial institutions	37,468	2.08	875
Financial assets held for trading	23,403	2.58	635
Financial investments available-for-sale	30,334	3.92	1,203
Financial investments held-to-maturity	10,821	4.32	388
Loans, advances and financing	228,432	6.42	13,721
Interest bearing liabilities:			
Deposits from customers and financial liabilities designated at fair value	265,136	2.30	6,127
Deposits and placements of banks and other financial institutions	20,728	1.77	251
Bonds, debentures and other borrowings	15,263	3.79	507
Subordinated notes	12,067	4.98	625

RM million	As at 31 Dec RM' million	FY12 Effective interest rate %	Interest income/ expense RM' million
Interest earning assets:			
Cash and short-term funds & deposits and placements with banks and other financial institutions	35,750	1.92	818
Financial assets held for trading	25,383	2.61	621
Financial investments available-for-sale	29,208	3.92	967
Financial investments held-to-maturity	8,985	4.70	485
Loans, advances and financing	202,138	6.49	12,780
Interest bearing liabilities:			
Deposits from customers and financial liabilities designated at fair value	247,295	2.27	5,733
Deposits and placements of banks and other financial institutions	15,523	2.19	233
Bonds, debentures and other borrowings	11,491	3.48	350
Subordinated notes	12,660	4.96	594

Value Added Statements



2013	2012	
31.52%	32.12%	To Employees: Personnel costs
11.11%	12.39%	To the Government: Taxation
21.60%	11.29%	To Providers of Capital: Dividends paid to shareholders Non-controlling interest
35.80%	44.20%	To Reinvest to the Group: Depreciation Retained profit

Value added

Net interest income	7,954,146	7,395,880
Income from Islamic banking operations	1,592,863	1,689,343
Non-interest income	5,124,826	4,409,602
Overheads excluding personnel costs and depreciation	(3,145,363)	(2,950,863)
Allowances for impairment losses on loans, advances and financing	(660,607)	(328,044)
Other allowances written back/(made)	(65,567)	(33,228)
Share of results of jointly controlled entities	55,170	20,366
Share of results of associates	306,268	137,127

Value added available for distribution

	2013 RM'000	2012 RM'000
Value added		
Net interest income	7,954,146	7,395,880
Income from Islamic banking operations	1,592,863	1,689,343
Non-interest income	5,124,826	4,409,602
Overheads excluding personnel costs and depreciation	(3,145,363)	(2,950,863)
Allowances for impairment losses on loans, advances and financing	(660,607)	(328,044)
Other allowances written back/(made)	(65,567)	(33,228)
Share of results of jointly controlled entities	55,170	20,366
Share of results of associates	306,268	137,127
Value added available for distribution	11,161,736	10,340,183

Distribution of Value Added

To employees:		
Personnel costs	3,517,935	3,321,563
To the Government:		
Taxation	1,240,407	1,281,086
To providers of capital:		
Dividends paid to shareholders	2,342,495	1,114,916
Minority interest	68,419	52,031
To reinvest to the Group:		
Depreciation	343,360	345,663
Retained profit	3,649,120	4,224,924

Value added available for distribution

Value added available for distribution	11,161,736	10,340,183
-----------------------------------------------	-------------------	-------------------

Quarterly Financial Performance

073

RM'000	2013			
	Q1	Q2	Q3	Q4
Operating revenue	3,945,320	3,444,227	3,485,070	3,797,218
Net interest income	1,896,624	1,975,551	2,033,643	2,048,328
Net non-interest income	1,670,457	1,084,196	1,071,431	1,298,742
Overheads	(2,219,589)	(2,042,431)	(2,059,290)	(2,136,560)
Profit before taxation	1,718,494	1,386,423	1,386,257	1,358,055
Net profit attributable to equity holders of the Company	1,386,178	1,054,267	1,061,691	1,038,267
Earning per share (sen)	18.65	13.98	13.94	13.50
Dividend per share (sen)	–	12.82	–	10.33

RM'000	2012			
	Q1	Q2	Q3	Q4
Operating revenue	3,255,553	3,325,606	3,544,376	3,369,290
Net interest income	1,737,678	1,864,760	1,885,666	1,907,776
Net non-interest income	1,141,996	1,008,915	1,195,110	1,063,581
Overheads	(1,792,473)	(1,846,553)	(2,007,095)	(1,965,978)
Profit before taxation	1,341,222	1,469,527	1,495,768	1,371,376
Net profit attributable to equity holders of the Company	1,010,667	1,109,688	1,142,823	1,081,598
Earning per share (sen)	13.60	14.93	15.38	14.55
Dividend per share (sen)	–	5.00	–	18.38

Capital Management

OVERVIEW

CIMB Group has always maintained a strong capital position that consistently ensures a robust capital structure to meet the requirements of its various stakeholders, including customers, shareholders, regulators and external rating agencies. This has enabled the Group to firmly support the demands for capital for organic growth of its core businesses through economic cycles including market shocks and stressed conditions, take advantage of opportunities in strategic acquisitions as well as new businesses, tap the capital markets to enhance and diversify sources of capital, and provide a stable dividend payout to its shareholders.

The Group's capital management practice is underpinned by a capital management framework with the following objectives:

- To maintain a strong capital base to meet regulatory capital requirements at all times.
- To maintain adequate levels of capital to optimise returns to shareholders through providing sustainable return on equity and stable dividend payout.
- To retain optimal levels of capital to support the organic growth of core businesses and expansion into new businesses.
- To maintain strong credit ratings from external rating agencies.
- To maintain a robust capital base to be able to withstand stress scenarios.
- To remain flexible to take advantage of strategic acquisitions to enhance the Group's franchise value.
- To allocate appropriate levels of capital to business units and subsidiaries to optimise return on capital.
- To ensure a capital position that is able to meet the requirements of various other stakeholders of the Group (e.g. customers, corporate responsibility commitments, etc.).

The Group's regulated banking entities have always maintained a set of internal 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 Basel III framework.

Capital Ratios (After Proposed Dividend)	Common Equity Tier 1		Tier 1		Total Capital	
	As at 31 December 2013	Minimum Regulatory Ratio	As at 31 December 2013	Minimum Regulatory Ratio	As at 31 December 2013	Minimum Regulatory Ratio
CIMB Bank *	9.649%	3.50%	11.552%	4.50%	12.910%	8.00%
CIMB Islamic	9.905%	3.50%	10.201%	4.50%	14.020%	8.00%
CIMB Investment Bank	26.364%	3.50%	26.364%	4.50%	26.364%	8.00%
CIMB Niaga **	N/A	N/A	12.993%	N/A	15.378%	8.00%
CIMB Thai	9.907%	4.50%	9.907%	6.00%	14.082%	8.50%

* CIMB Group Holdings ("CIMBGH") announced that it would implement a Dividend Reinvestment Scheme ("DRS") for the second interim dividend in respect of the financial year ended 2013. Pursuant to the DRS, CIMBGH intends to reinvest the excess cash dividend into CIMB Bank, which would increase the capital adequacy ratios of CIMB Bank Group and CIMB Bank above those stated above.

** CIMB Niaga's capital ratios are computed based on Basel II as per Bank Indonesia's requirements.

KEY INITIATIVES

Following are the key capital management initiatives that were undertaken during the financial year:

- CIMBGH continued to offer the Dividend Reinvestment Scheme (DRS) to its shareholders in 2013, allowing the Group to accumulate RM1.94 billion of capital during the year.
- CIMBGH reinvested RM1.00 billion of capital into CIMB Bank via subscription of ordinary shares in CIMB Bank pursuant to the implementation of the DRS at CIMBGH
- CIMBGH received total cash consideration of RM1.06 billion via CIG and SBB Berhad, arising from the sale of its entire 51% stake in CIMB Aviva. As a result, CIMBGH was able to release RM235 million of capital which would otherwise be subject to full capital deduction against total capital.
- CIMB Bank exercised its call option on RM1.5 billion of Tier 2 subordinated debt on its callable date in March 2013.
- CIMB Bank issued RM1.05 billion of Basel III compliant Tier 2 subordinated debt out of the newly set up RM10.0 Billion Basel III Compliant Tier 2 Subordinated Debt Issuance Programme.

The Group continuously assesses the potential of capital relief and RWA optimisation initiatives to further strengthen its capital position, wherever possible, taking into consideration the costs involved against the expected capital benefits. The Group also continues to graduate from the Standardised Approach of accounting for its RWA to the Internal Ratings Based Approach by product which better reflects the risk profile. The Group also continues to enhance its capital allocation across its various entities to optimise the distribution of capital resources, with due consideration to the compliance of local regulatory requirements.

KEY RATINGS UPDATES

CIMB Bank

On 12 June 2013, both RAM and MARC assigned long-term ratings of AA1 and AA+ respectively to CIMB Bank's RM10 billion Tier 2 subordinated debt programme, being the first Basel III compliant Tier 2 subordinated debt instruments to be issued in Malaysia.

On 20 November 2013, Moody's Investor Services assigned positive outlook to ratings of nine Malaysian financial institutions, including CIMB Bank and CIMB Islamic, following its revision of Malaysia's A3 sovereign rating outlook to positive from stable.

CIMB Islamic

On 11 November 2013, CIMB Islamic was awarded credit ratings of A1/P-1 for domestic currency and A3/P-2 for foreign currency by Moody's Investors Services (Moody's). This marks the first international rating by Moody's on CIMB Islamic, and the first rating on a Malaysian Islamic bank by an international rating agency.

CIMB Group Holdings

On 27 November 2013, Standard & Poors (S&P) revised its outlook on the Malaysian banking sector in view of rising house prices and elevated household debt levels in Malaysia. As a result, the rating outlook of CIMB Group Holdings together with three other Malaysian banks were revised to negative from stable.

Dividends for 2013

DIVIDEND POLICY

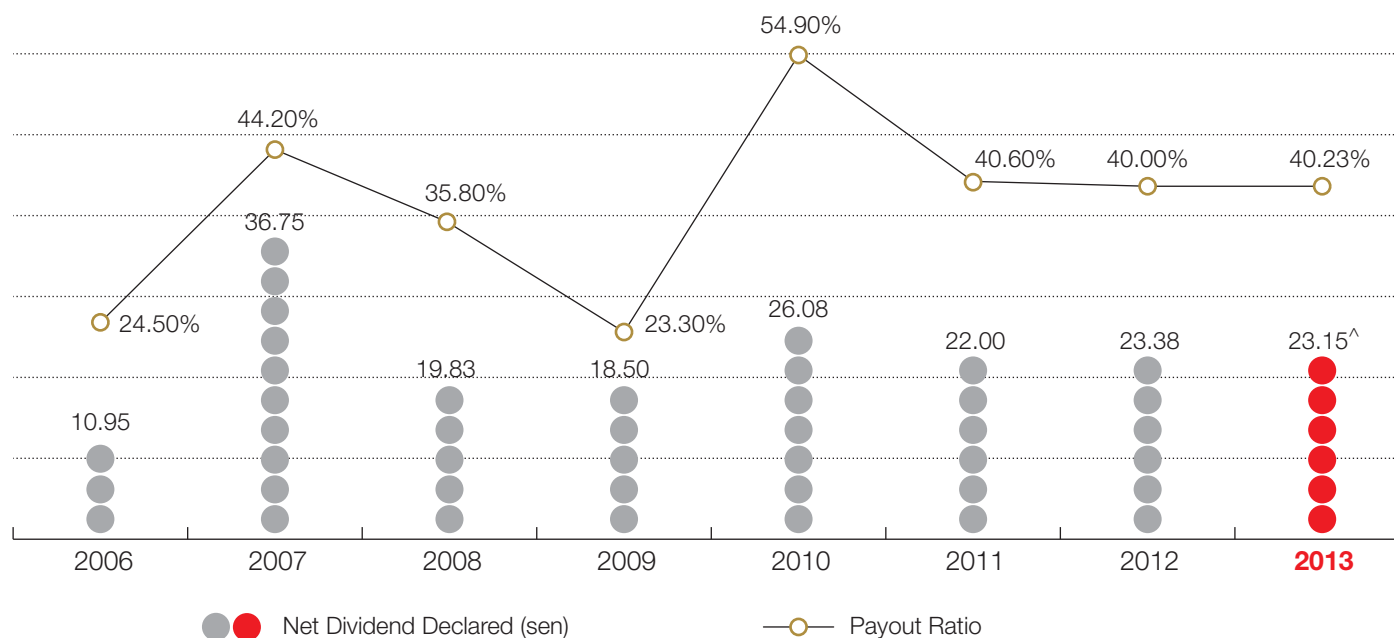
A single tier first interim dividend of 12.82 sen per ordinary share, on 7,615,847,038 ordinary shares amounted to RM976,351,583 in respect of the financial year ended 31 December 2013, was approved by the Board of Directors on 30 July 2013. The dividend consisted of an electable portion of 12.82 sen which could be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Scheme (DRS). Following the completion of the DRS, a total cash dividend of RM193,232,679 was paid on 30 October 2013.

The Directors have proposed a single tier second interim dividend of 10.33[^] sen per ordinary share, on 8,229,341,531[^] ordinary shares amounting to RM850 million in respect of the financial year ended 2013, to be paid in 2014. The single tier second interim dividend was approved by the Board of Directors on 11 February 2014 and Bank Negara Malaysia on 21 February 2014. The proposed dividend consists of an electable portion of 10.33[^] sen which can be elected to be reinvested in new ordinary shares in accordance with the DRS.

DIVIDEND REINVESTMENT SCHEME

Following the successful implementation of CIMB Group's DRS for our second interim dividend of RM1,366 million for the financial year ended 31 December 2012, which had a dividend reinvestment rate of 84.4%, the DRS was also offered in 2013, thus allowing shareholders to continue receiving attractive dividend yields whilst preserving capital for the Group. Under the DRS, CIMB Group's stakeholders have the option to elect to reinvest their cash dividend at a discount of up to 10% into CIMB Group shares.

Since 2011 CIMB Group has rewarded its shareholders with a 40% dividend payout whilst keeping in mind the need to strengthen the Group's capital position.



[^] On 25 February 2014 the Company announced a single-tier interim dividend of 11.00 sen per ordinary share based on the share capital as at 31 December 2013 of 7,729,341,531 ordinary shares. Pursuant to the completion of the private placement in January 2014 of 500 million new ordinary shares which increased the share capital to 8,229,341,531 ordinary shares, the single-tier second interim dividend translates to 10.33 sen per ordinary share.

Credit Ratings

077

CIMB BANK BERHAD

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Malaysian Rating Corporation Berhad (MARC)	June 2013	<ol style="list-style-type: none"> 1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM5.0 billion Subordinated Debt Programme 4. RM4.0 billion Perpetual Non-Innovative Tier 1 Stapled Capital Securities 5. RM1.0 billion Innovative Tier-1 Capital Securities 6. RM10.0 billion Tier-2 Basel III Compliant Subordinated Debt Programme 	AAA MARC-1 AA+ AA AA AA+	Stable
RAM Holdings	October 2013	<ol style="list-style-type: none"> 1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM10.0 billion Tier 2 Basel III Compliant Subordinated Debt Programme 	AAA P1 AA ₁	Stable
Moody's Investors Services, Inc (Moody's)	November 2013	<ol style="list-style-type: none"> 1. Long-term Rating: Bank Deposits – Foreign Currency 2. Short-term Rating: Bank Deposits – Foreign Currency 3. Long-term Rating: Bank Deposits – Domestic Currency 4. Short-term Rating: Bank Deposits – Domestic Currency 5. USD1.0 billion Multi-Currency Euro Medium Term Notes Programme 6. USD350 million 5-year Senior Unsecured Notes 	A3 P-2 A1 P-1 A3 A3	Positive Positive Stable Stable Positive Positive
Standard & Poor's Rating Services (S&P)	December 2013	<ol style="list-style-type: none"> 1. Long-term Foreign Rating 2. Short-term Foreign Rating 3. Long-term Local Rating 4. Short-term Local Rating 5. Long-term Local ASEAN Rating 6. Short-term Local ASEAN Rating 7. USD350 million 5-year Senior Unsecured Notes 	A- A-2 A- A-2 axAA axA-1 A-	Stable Stable
Dagong Global Credit Rating Co. Ltd.	January 2014	<ol style="list-style-type: none"> 1. Long-term Foreign Currency Rating 2. Long-term Local Currency Rating 	AA- AA	Stable

CIMB GROUP HOLDINGS BERHAD

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
RAM Holdings	October 2013	<ol style="list-style-type: none"> 1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM3.0 billion Subordinated Notes Programme 4. RM6.0 billion Conventional and Islamic Commercial Papers/Medium-term Notes Programme 	AA ₁ P1 AA ₃ AA ₁	Stable
Standard & Poor's Rating Services (S&P)	December 2013	<ol style="list-style-type: none"> 1. Long-term Foreign Rating 2. Short-term Foreign Rating 3. Long-term Local Rating 4. Short-term Local Rating 5. Long-term Local ASEAN Rating 6. Short-term Local ASEAN Rating 	BBB- A-3 BBB- A-3 axBBB+ axA-2	Negative Negative

CIMB INVESTMENT BANK

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
RAM Holdings	October 2013	<ol style="list-style-type: none"> 1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 	AAA P1	Stable
Moody's Investors Services, Inc (Moody's)	December 2013	<ol style="list-style-type: none"> 1. Long-term Rating: Bank Deposits – Foreign Currency 2. Short-term Rating: Bank Deposits – Foreign Currency 3. Long-term Rating: Bank Deposits – Domestic Currency 4. Short-term Rating: Bank Deposits – Domestic Currency 	A3 P-2 A3 P-2	Stable
Standard & Poor's Rating Services (S&P)	December 2013	<ol style="list-style-type: none"> 1. Long-term Foreign Rating 2. Short-term Foreign Rating 3. Long-term Local Rating 4. Short-term Local Rating 5. Long-term Local ASEAN Rating 6. Short-term Local ASEAN Rating 	A- A-2 A- A-2 axAA axA-1	Stable Stable

CIMB ISLAMIC BANK

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Malaysian Rating Corporation Berhad (MARC)	January 2014	<ol style="list-style-type: none"> Long-term Financial Institution Rating Short-term Financial Institution Rating RM2.0 bil Tier 2 Junior Sukuk Programme 	AAA MARC-1 AA+ _{IS}	Stable
RAM Holdings	October 2013	<ol style="list-style-type: none"> Long-term Financial Institution Rating Short-term Financial Institution Rating 	AAA P1	Stable
Moody's Investors Services, Inc (Moody's)	November 2013	<ol style="list-style-type: none"> Long-term Rating: Bank Deposits – Foreign Currency Short-term Rating: Bank Deposits – Foreign Currency Long-term Rating: Bank Deposits – Domestic Currency Short-term Rating: Bank Deposits – Domestic Currency 	A3 P-2 A1 P-1	Positive Positive Stable Stable

CIMB THAI

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Fitch Ratings	April 2013	<ol style="list-style-type: none"> Long-term Foreign Currency Rating Short-term Foreign Currency Rating Long-term National Rating Short-term National Rating THB3.0 billion 4.80% Subordinated Lower Tier 2 THB3.0 billion 5.35% Subordinated Lower Tier 2 THB2.5 billion Subordinated Upper Tier 2 THB10.0 billion Unsecured Subordinated Short-term Debenture Programme 	BBB F3 AA-(tha) F1+(tha) A+(tha) A+(tha) A(th) F1+(tha)	Stable
Moody's Investors Services, Inc (Moody's)	January 2014	<ol style="list-style-type: none"> Long-term Rating: Bank Deposits – Foreign Currency Short-term Rating: Bank Deposits – Foreign Currency Long-term Rating: Bank Deposits – Domestic Currency Short-term Rating: Bank Deposits – Domestic Currency 	Baa2 P-2 Baa2 P-2	Stable

CIMB NIAGA

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Fitch Ratings	December 2013	<ol style="list-style-type: none"> 1. Long-term Foreign Currency Rating 2. Short-term Foreign Currency Rating 3. Long-term National Rating 4. Short-term National Rating 5. Senior Unsecured Bonds 6. IDR8.0 trillion Senior Unsecured Debt Programme 7. IDR1.6 trillion Subordinated Debt II 8. IDR1.38 trillion Subordinated Debt 	BBB – AAA(idn) – AAA(idn) AAA(idn) AA(idn) AA(idn)	Stable
Moody's Investors Services, Inc (Moody's)	July 2013	<ol style="list-style-type: none"> 1. Issuer Rating 2. Long-term Bank Deposits 3. Short-term Bank Deposits 	Baa3 Baa3 P3	Stable

Balance Sheet Management

BALANCE SHEET MANAGEMENT

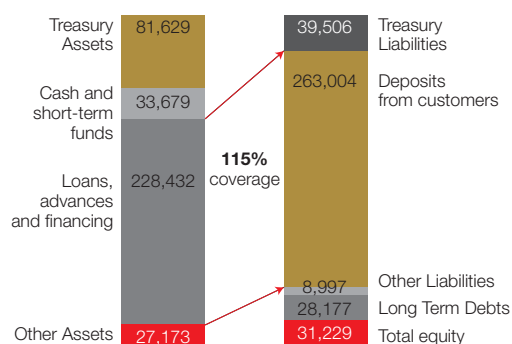
Balance sheet management is guided by a centralised group framework governed by the Group Asset and Liability Committee and the individual countries' Asset and Liability Committee (ALCO). Risk-sensitive returns projection and modelling capabilities have been proactively integrated into the Group's business plans to optimise balance sheet utilisation by all businesses. Under the purview of ALCO, CBSM manages structural liquidity of the loans and deposits book through liquidity transfer pricing, which enhances the Group's ability to attract the desired funding and liquidity structure to support loans growth. This includes the management of regional net interest income and net interest margin Group-wide.

2013 BALANCE SHEET FUNDING STRUCTURE

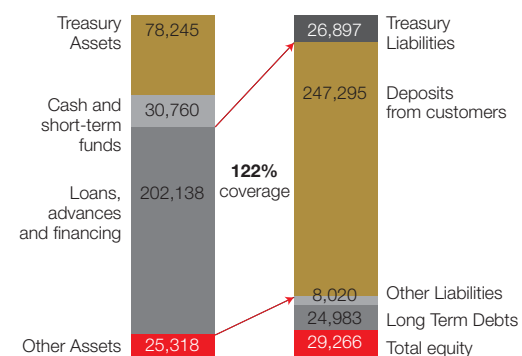
Loans are the largest component of Group assets and are generally funded by core customer deposits. In 2013, we saw excess coverage of 15%, down from 22% in 2012, but still reflecting a comfortable buffer in funding the loan book.

Our core customer deposits have increased by RM15.7 billion from RM247.3 billion in 2012 to RM263.0 billion in 2013, a 6.4% growth. We will continue to prioritise the growth in core customer deposits which is a stable and resilient source of funding.

2013 Balance Sheet Funding Structure (RM mil)



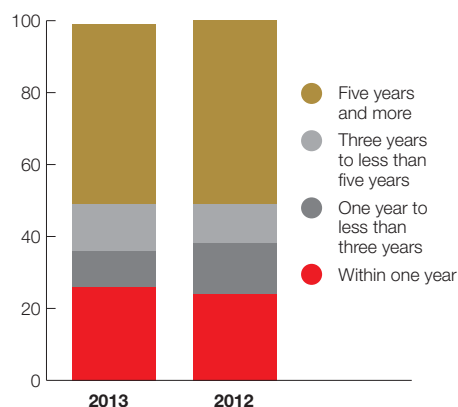
2012 Balance Sheet Funding Structure (RM mil)



GROSS LOANS COMPOSITION BY MATURITY

CIMB Group's total gross loans, advances & financing have grown by RM26.2 billion or 12.6% from RM208.3 billion as at the end of 2012 to RM234.6 billion as at the end of 2013. Longer tenor loans remained a significant proportion of total gross loans. Loans with tenor longer than one year represent 74% of total gross loans.

Gross Loans Composition by Maturity



FUNDS TRANSFER PRICING

CIMB Group maintains a market-based internal funds transfer pricing (FTP) framework to ensure efficient usage of funds to generate optimal returns. FTP is essential to allocate the cost of acquired funds to the businesses while concurrently incentivising the acquisition of stable long term funds.

082

CIMB Share Information

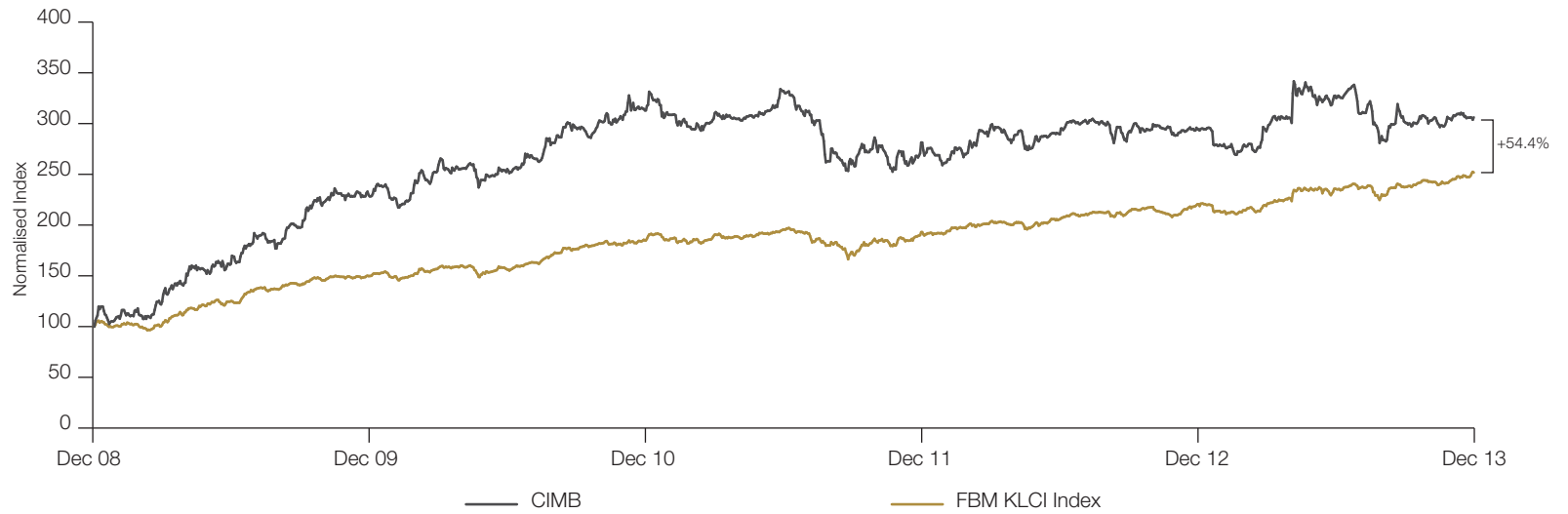
- COMPANY NAME:
CIMB Group Holdings Berhad
- TICKER CODE:
CIMB MK
(BLOOMBERG)
CIMB.KL
(REUTERS)
- SHARE REGISTRAR:
Symphony Share Registrars Sdn Bhd
LEVEL 6, SYMPHONY HOUSE,
PUSAT DAGANGAN DANA 1,
JALAN PJU 1A/46, 47301 PETALING
JAYA, SELANGOR DARUL EHSAN
- STOCK NAME:
CIMB
- FINANCIAL YEAR END:
31 December
- PRIMARY CONTACT PERSON FOR INVESTOR RELATIONS:
Steven Tan
HEAD OF INVESTOR RELATIONS
TEL: 603-2261 9696
EMAIL: steven.tan@cimb.com
- STOCK CODE:
1023
(BURSA MALAYSIA)

	FY13	FY12
Book Value Per Share (RM)	3.92	3.81
Basic EPS (sen)	60.0	58.5
Dividend Per Share (sen)	23.15[^]	23.38
Dividend Payout Ratio (%)	40	40
Total Shareholder Return (%)	4.0	4.6
Closing Price As At 31 December (RM)	7.62	7.63
Price To Earnings (Times)	12.7	13.1
Price To Book (Times)	1.9	2.0

[^] 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.

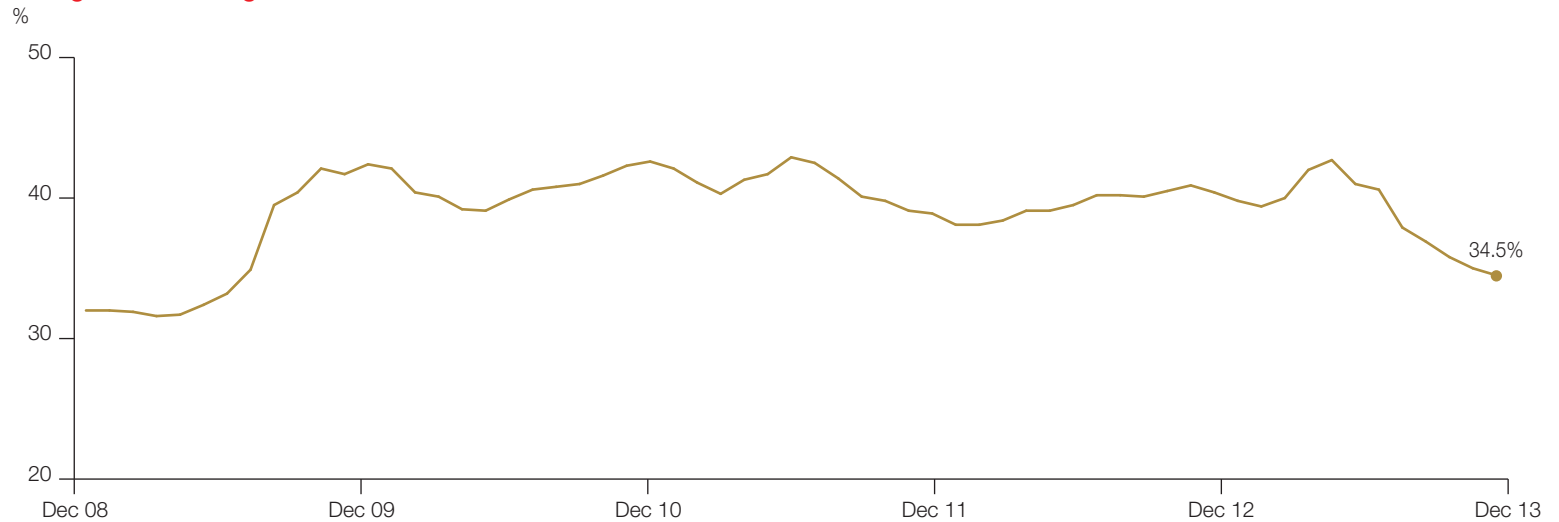
Long Term Value Creation

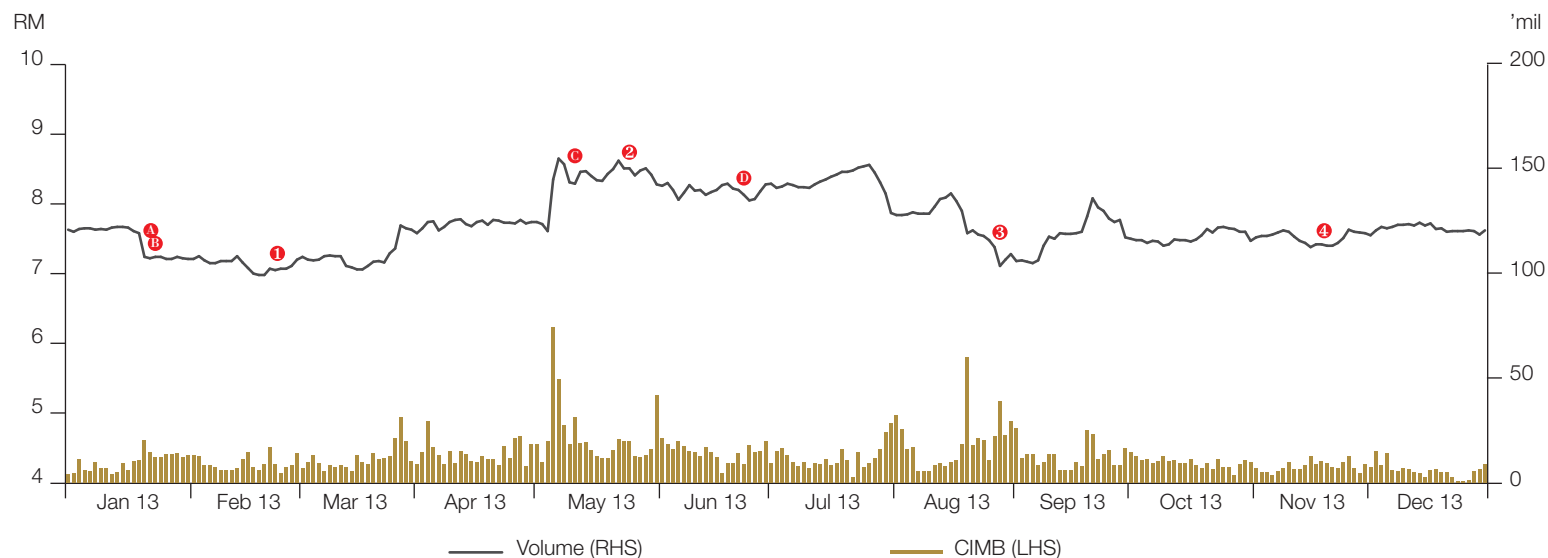
Total Shareholder Return from 1 January 2009 to 31 December 2013



	1 YEAR	5 YEARS
● CIMB	4.0%	206.1%
● FBM KLCI	14.1%	151.7%

Foreign Shareholding



SHARE PRICE PERFORMANCE**Significant Events**

Ⓐ 17 January 2013	Disposal of 51% interest in CIMB Aviva
Ⓑ 18 January 2013	Announced DRS
Ⓒ 9 May 2013	Resumption of the dual listing plan on SET
Ⓓ 21 June 2013	Aborted BoC Acquisition in the Philippines

Results Announcements:

Ⓐ 25 February 2013	4Q12 Results
Ⓑ 21 May 2013	1Q13 Results
Ⓒ 26 August 2013	2Q13 Results
Ⓓ 18 November 2013	3Q13 Results

Share Related Key Highlights

	FY13	FY12
Total Shareholder Return (%)	4.0	4.6
Market Capitalisation as at 31 December (RM 'billion)	58.9	56.7
Closing Price As At 31 December (RM)	7.62	7.63
Highest Closing Price (RM)	8.65	7.95
Average Closing Price (RM)	7.71	7.54
Lowest Closing Price (RM)	6.98	6.85

2014 CIMB Group

QUARTERLY RESULTS ANNOUNCEMENTS

Tentative Dates

22 MAY 2014

1Q14 RESULTS
ANNOUNCEMENT

19 AUGUST 2014

2Q14 RESULTS
ANNOUNCEMENT

18 NOVEMBER 2014

3Q14 RESULTS
ANNOUNCEMENT

FEBRUARY 2015

4Q14 RESULTS
ANNOUNCEMENT

CIMB Strategic Direction & Initiatives

At the end of 2013, CIMB Group was ASEAN's 5th largest banking group, Asia Pacific's largest indigenous investment bank and a world leader in Islamic finance. The Group had completed most of its CIMB 2.0 initiative to recalibrate operations and accelerate CIMB Group's next growth phase. This second growth phase is encapsulated in the 2013 annual report as 'Into A New Era'.

VISION & MISSION

CIMB Group is focused on achieving its vision to be the leading ASEAN company. Within this context, the Group will provide universal banking services as a high-performing, institutionalised and integrated company located in ASEAN and key markets beyond, and will champion the acceleration of ASEAN integration and the region's links to the rest of the world.

These principles mean that the Group's strategic direction is framed around ASEAN's growing strategic importance, and the Group is operating as a major Asia Pacific-based intermediary for both ASEAN-to-Asia and Asia-to-Asia banking, trade and deal flows. At the same time, the Group is continuously working on a strategic level to improve customer service and operational efficiency and build sustainable value creation.

STRATEGIC INITIATIVES

In 2013, CIMB Group completed its final integration efforts in Taiwan, Korea and India, marking the completion of the acquisition of Royal Bank of Scotland's Asia Pacific cash equities and advisory business. CIMB Group made further progress in strengthening its Asia Pacific platform with an approval from the Hong Kong Monetary Authority to establish a banking presence in Hong Kong, and made good progress on branch establishment formalities in Shanghai.

In tandem with the accelerated growth of the CIMB franchise in recent years, CIMB Group's strategic theme for 2013 was Network CIMB – a

theme that is aimed at leveraging the full potential of the CIMB franchise. The results were immediate and apparent. Cross-border investment banking more than doubled for the year. Several Thai corporates became clients of CIMB Niaga, and several Indonesian corporates became clients of CIMB Singapore. There was significant uplift in Singapore-Malaysia and Singapore-Indonesia corridor activities, in retail, corporate and wholesale banking. Other key components of the Group's strategic initiatives in 2013 were the 1Platform new core banking system migration, an increased focus on digital banking and continued focus on enhancing our risk management capabilities.

The development of CIMB Group's strategic initiatives and direction goes through a rigorous process, ensuring timeliness, relevance and value to our customers and stakeholders. CIMB Group's International Advisory Panel acts as a sounding board, providing guidance and validation of the Group's key strategic initiatives. In addition, the CIMB ASEAN Research Institute (CARI) complements the Group's knowledge bank on ASEAN and is an additional interface to our markets.

2014: DIFFERENTIATING CIMB

CIMB Group's corporate theme for 2014 is Differentiating CIMB. ASEAN is one major differentiator for the franchise, as CIMB was the first regional group to align itself with the economic potential of the region, both in its mission and vision and also its tagline of 'ASEAN For You'. CIMB Group's extensive Asia Pacific investment banking network also feeds into our ASEAN universal banking franchise.

However, in 2014, we have a renewed focus on differentiating CIMB Group. As competitive intensity increases, the traditional means of differentiating through product, price and physical presence is fading away. In recognising this trend, the theme Differentiating CIMB is an inward reflection of the Group's sources of strength and uniqueness, in order to translate them as a source of differentiation in the eyes of our customers.

2014 PRIORITIES

Differentiating CIMB forms the lens within which the priorities for 2014 will be carried out. The momentum from Network CIMB will continue as a priority as it unfolds the full potential of the franchise. Our thrust in the digital space in 2014 will be heightened with the new 1Platform capability. Greater focus on efficiency in terms of costs, capital and performance management will also take centre stage for 2014. CIMB Group's culture development will be a priority, ensuring the softer dimension of the Group is well nurtured.

2014 TARGETS

For 2014, CIMB Group has set its targets against the backdrop of a challenging external environment. We have set ourselves a Return on Equity target of 13.5%-14% in light of our newly recapitalised balance sheet, underscored by a 14% loan growth in 2014. We foresee a moderate recovery in Indonesia and strong growth both in Singapore and in our expanded investment banking franchise. Bangkok's political instabilities have somewhat dampened expectations for Thailand, but we expect steady growth in our Malaysian consumer business and our Corporate Banking & Treasury Markets operations. We will keep an eagle eye on asset quality across all business lines and geographies, and will maintain our target dividend payout ratio of 40% for 2014. The completion of our private placement in early 2014 means that the Group is now sufficiently capitalised to face challenges ahead and well positioned to react quickly as and when opportunities arise.

Strategic Initiatives

087

1PLATFORM

Core banking systems are the heart of financial institutions and CIMB's Group Information and Operations Division completed a 'heart transplant' for Malaysian operations with the rollout of the new 1Platform core banking system. This major operation was necessary because of CIMB Group's rapid growth trajectory since 2005, and the diverse technology platforms and business processes it acquired in that process.

Preparations for the cut-over to 1Platform in Malaysia took many months and involved five mock runs and four operational readiness tests. Some 12,000 staff in 12 divisions were impacted by the changeover and close to 10 million account records were migrated successfully on 3 February 2014.

1Platform is a unified system that allows a fast roll out of products and an ability to transfer products (with minor tweaks where necessary) across markets. It allows for an internal centre of excellence to grow, where new products are created in-house instead of being out-sourced. Perhaps most significantly, it allows for improved collaboration between the frontline and back office, with targeted cross-selling, product bundling and follow-up processes embedded into CIMB Group's customer portfolio management.

1Platform increases productivity and strengthens product governance and the management of risk exposure. It also reduces current IT costs and paves the way for substantial cost avoidance in the future, with total net benefits over the next 10 years projected at RM1.5 billion. The cost of the system was within budget at RM630 million.

CIMB Singapore rolled out a simplified 1Platform in 2011 and CIMB Thailand rolled out the 1Platform system in 2012. The rollout in Malaysia was the most significant to date. In Indonesia, CIMB Niaga is scheduled for 1Platform implementation in 2015.

The 1Platform core banking system is provided by Silverlake Axis Integrated Banking Solutions, an ASEAN-based expert in core banking systems.

DIGITAL BANKING

CIMB Group strongly believes the future of banking is moving online. The age of digitalisation offers the banking industry new opportunities as well as challenges. We are embracing and moving with vigour on this front to maximise value creation and establish our leadership in digital banking.

New digital banking initiatives that are already showing promise include Indonesia's Rekening Ponsel product, which enables transfers of funds to any mobile number in Indonesia. In Malaysia, OctoSend is a similar product, whilst Plug n Pay is a mobile point of sale solution that offers businesses an affordable yet secure way to manage electronic payments using their smartphones or tablets. Kwik Account is another revolutionary product, the first and only account in Malaysia that can be opened online without visiting a bank branch. The Bank-in-a-Briefcase and CIMB@Work are other initiatives that support our ambition to lead in the digital banking space.

Escalating smart phone usage and faster connectivity are factors contributing to the growth of digital banking. Customers and clients are increasingly more proactive in shopping around to find financial products that best suit their needs through multi-channel approaches.

Our banking customers and clients, especially the younger ones, are adopting new technological solutions and are increasingly more comfortable performing transactions via digital channels.

CIMB Group's new 1Platform core banking system will allow much faster roll out of products, and foster closer collaboration between the front line and back-office, thus allowing targeted cross-selling and follow-up processes to be embedded into CIMB Group's customer-portfolio management.

Online banking through CIMB Clicks is already well established. Active CIMB Clicks users in Malaysia, Indonesia, Singapore and Thailand rose 25 percent in 2013 to 1.5 million, with the value of financial transactions rising 32 percent from 2012.

RISK PLAYBOOK

The CIMB Risk Playbook is an articulation of key strategic risk management initiatives aimed at enhancing overall risk management in CIMB Group. The Playbook is aligned to the Group's strategies and priorities and addresses top-level risks that may potentially challenge the realisation of these strategies and priorities.

In 2014, the implementation of the Risk Playbook will focus on enhancing the risk culture of CIMB Group by underlining accountability and responsibility for the Three Lines of Defence.

The Three Lines of Defence are operational management, oversight through risk management & compliance and independent assurance through internal audit.

The first phase of the implementation of the Risk Playbook rolled out in 2013 and was managed by Group Risk in collaboration with business divisions and relevant support units.

The Risk Playbook implementation has made significant progress in raising risk awareness at Board and senior management level as well as the Three Lines of Defence. In addition, governance has been enhanced with the Board having increased oversight in strategy, capital and risk.

The key achievements of the Risk Playbook in 2013 are summarised as follows:

- **Governance:** CIMB Group's Risk Appetite Statement was approved and put into operation. Stronger linkages were made between strategy, capital and risk with the introduction of Risk Posture at Board level to set the 'tone from the top' on the Group's Risk Appetite.
- **Culture:** After the institutionalisation of the Top Risk Governance Framework, there has been greater focus on strategic risks. There has also been increased awareness of risk ownership since the completion of a series of '3 Lines of Defence' workshops across the region.
- **Process:** Improved risk infrastructure is envisaged once the Risk Technology Roadmap is completed to facilitate better alignment and efficiency between the risk management function and front office.
- **Organisation:** Risk Centres of Excellence have been created in specialised risk disciplines with the reorganisation of Group Risk into 'One CIMB Risk' across the region.

The Risk Playbook is championed by the Group Chief Risk Officer and supported by project sponsors from key senior management.



IAP members deliberating during the meeting.

INTERNATIONAL ADVISORY PANEL (IAP)

The IAP was set up in 2006 to assist the Board and top management in formulating strategies and generating ideas in line with CIMB Group's international business operations and expansion.

Led by its Chairman, Tun Musa Hitam, the IAP members comprise various nationalities whose combined experience spans a broad spectrum including the financial markets, industry, policy formulation and academia, both domestically and internationally.

This year, the IAP meeting was held in Sri Lanka, where CIMB Group has an Investment Banking advisory joint venture with local partners.

During the meeting, the IAP discussed a broad range of topics; from the highlights and

challenges in our operating markets to the transformation of our risk management practices as well as ideas for accelerating our digital banking strategy.

The IAP commented that 2014 will likely be a challenging year on the back of the US Federal Reserve tapering which will happen at a slower pace than anticipated but emerging markets will be impacted by this tapering, coupled with greater fiscal discipline and limited consumption growth.

In our core markets, CIMB 2.0 resulted in a strengthened position that enabled the Group to withstand a volatile environment in 2013.

The Group navigated through this by adapting tactical strategies whilst maintaining focus on the long term development of the franchise. In 2014, the Group will further build on this by emphasising ways to remain resilient and grow amidst an evolving landscape.

The IAP commented on the rising importance of ASEAN and increasing interdependence leading up to the AEC. As such, we should continue to leverage an inter-ASEAN strategy and regional brand.

In addition, 2013 saw further developments on our presence beyond ASEAN. Despite the high competitive intensity, these markets provide interesting opportunities for the Group moving forward.

However, the IAP cautioned that expansion must be at the merits of profitability and end objectives rather than just geographical.

A digital strategy may be the solution to overcome scale challenges as well as penetrate new markets using an asset light model.

The focus initially should be on mass customisation to reach as many users as possible and then trying to upsell to higher margin products and services.

CIMB Group is in an advantageous position to get this right but execution and innovation is critical to success.

Wrapping up the meeting, the IAP advised that 2014 will be a year not to run but to focus on consolidation and execution.

International Advisory Panel Members

1	Tun Musa Hitam	Chairman of UM Land and former Deputy Prime Minister of Malaysia
2	Tan Sri Andrew Sheng	President, Fung Global Institute and former Chairman of the Securities and Futures Commission of Hong Kong
3	Datuk Tong Kooi Ong	Executive Chairman, Sunrise Berhad and Co-Chairman, The Edge Asia
4	Glenn Yusuf	President Director of Lonsum, Independent Director CIMB Group, Former Chairman of IBRA
5	Robby Djohan	CEO PT Citralvesta Adhidana, Former President and CEO of Bank Niaga
6	Tira Wannamethee	Executive Director, Chaitalay Hotel Company Limited
7	Tan Sri Rainer Althoff	Managing Director of Jatro AG, Former President and Chief Executive Officer of Siemens Malaysia Sdn Bhd
8	Watanan Petersik	Director, Asia Capital Advisory Pte Ltd, Independent Director CIMB Group, Independent Director CIMB Thai Bank
9	Rex Auyeung	President, Asia and Senior Vice President of the Principal Financial Group
10	Nicholas RH Bloy	Co-Founder and Managing Partner of Navis Capital Partners Limited
11	Dr. Roberto F. de Ocampo	Founding Partner and Director of the Centennial Group and former Secretary of Finance of the Philippines
12	Goh Geok Khim	Chairman, GK Goh Holdings Limited



Keynote Address by His Excellency Le Luong Minh, Secretary-General of ASEAN at the Launch of the Lifting-The-Barriers Reports.

CIMB ASEAN RESEARCH INSTITUTE

The potential and growth of ASEAN has long been overshadowed by the other Asian economic powerhouses. However, with the current economic climate, the relevance of the ASEAN market within the global economy has risen to the fore. The ten countries of ASEAN have committed themselves to the formation of the ASEAN Community and have accelerated integration efforts over the last few years. One pillar of this envisioned community is the ASEAN Economic Community (AEC) by 2015.

CIMB Group was the first regional enterprise to identify itself directly with the ASEAN agenda. CIMB led the way in building awareness and support of an integrated ASEAN economy within the business and public community. At the forefront of these efforts is the CIMB ASEAN Research Institute (CARI). Since its formation in 2011, CARI has championed CIMB-led efforts in thought leadership and advocacy for ASEAN's economic integration.

CARI Chairman's Insight:

Market forces in the global economy cannot be kept at bay for long. At this critical juncture, in the run-in to the AEC, we need to use ASEAN as a platform to compete with the rest of the world.

– Tan Sri Dr. Munir Majid

CARI's mandate is to work with policymakers, regulators, businesses and the public to identify and lift barriers between ASEAN's economies and build support networks between business communities in the region. We are a public service support organisation providing a much needed bridge between members of the business community and ASEAN's policymakers. We are also the secretariat for the ASEAN Business Club (ABC) an association of chief executives of ASEAN's most important business enterprises.

Outreach and Advocacy

Advocacy efforts were built through a series of business delegations, speaking commitments and the inaugural Network ASEAN Forum 2013 in Singapore. This two-day highlight event attracted over 300 high-level executives from around the region.

CARI presented at several key ASEAN events such as the third Executive Meeting of the China ASEAN Interbank Association, the first ASEAN Business Council Consultation Meeting, the

US-ASEAN Business Council's CEO Dialogue, the ASEAN Master Class in collaboration with CIMB Commercial Banking, the International Institutional Investor Series organised by the Malaysian Association of Asset Managers and the Standard Chartered Regional Executives Forum.

Research and Publications

CARI conducts practical oriented research and helps focus the private sector's interest into meaningful progress towards an integrated and competitive ASEAN economy. The institute helps business leaders to develop perspectives, networks and tools to operate in a rapidly changing region.

In addition to its periodical publications and news monitoring services, CARI launched its first full length report on progress towards the AEC 2015, 'The ASEAN Economic Community: The Status of Implementation, Challenges and Bottlenecks'. This paper presented a critical analysis of the advancement of ASEAN towards the AEC, highlighting several crucial issues as well as key recommendations.

CARI also unveiled its ASEAN Research Digest, a quarterly publication aimed at curating relevant academic research findings making these technical journals accessible and readable to the business community.

Most significantly, CARI and the ABC launched the year long Lifting-The-Barriers Initiative, which yielded six reports focused on six key sectors in the context of the AEC. The six sectors were Aviation, Healthcare, Capital Markets, Financial Services, Connectivity and Infrastructure, Power & Utilities. These reports served to identify sector specific barriers to free trade and provide viable solutions as a white paper presented to policy makers.

Strategic Alliances



THE ROHATYN GROUP







INTO A NEW ERA OF
INTERNAL
CONNECTIVITY

BOARD OF DIRECTORS**Tan Sri Dato' Md Nor Yusof**

Chairman/
Non-Independent Non-Executive Director

Dato' Sri Nazir Razak

Group Managing Director/
Chief Executive Officer

Datuk Dr Syed Muhamad Syed Abdul Kadir

Senior Independent Director

Dato' Hamzah Bakar

Independent Director

Dato' Zainal Abidin Putih

Independent Director

Dato' Robert Cheim Dau Meng

Non-Independent Non-Executive Director

Glenn Muhammad Surya Yusuf

Independent Director

Watanan Petersik

Independent Director

Katsumi Hatao

Non-Independent Non-Executive Director
(Retired on 25 February 2014)

Corporate Information

as at 24 March 2014

AUDIT COMMITTEE**Dato' Zainal Abidin Putih**

Chairman/
Independent Director

Dato' Hamzah Bakar

Independent Director

Datuk Dr Syed Muhamad Syed Abdul Kadir

Senior Independent Director

BOARD RISK COMMITTEE**Dato' Hamzah Bakar**

Chairman/
Independent Director

Tan Sri Dato' Md Nor Yusof

Non-Independent Non-Executive Director

Datuk Dr Syed Muhamad Syed Abdul Kadir

Senior Independent Director

Dato' Zainal Abidin Putih

Independent Director

Dato' Robert Cheim Dau Meng

Non-Independent Non-Executive Director

Glenn Muhammad Surya Yusuf

Independent Director

Watanan Petersik

Independent Director

Katsumi Hatao

Non-Independent Non-Executive Director
(Retired on 25 February 2014)

GROUP NOMINATION AND REMUNERATION COMMITTEE**Datuk Dr Syed Muhamad Syed Abdul Kadir**

Chairman/
Senior Independent Director

Dato' Hamzah Bakar

Independent Director

Dato' Zainal Abidin Putih

Independent Director

Glenn Muhammad Surya Yusuf

Independent Director

Dato' Robert Cheim Dau Meng

Non-Independent Non-Executive Director

GROUP COMPENSATION REVIEW COMMITTEE**Dato' Hamzah Bakar**

Chairman/
Independent Director

Dato' Zainal Abidin Putih

Independent Director

Dato' Robert Cheim Dau Meng

Non-Independent Non-Executive Director

Dato' Sri Nazir Razak

Group Managing Director/
Chief Executive Officer

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
 Investor Relations : ir@cimb.com
 Senior Independent Director :
 cimbSID@cimb.com
 www.facebook.com/CIMBMalaysia
 www.twitter.com/CIMB_Assists

REGISTRAR**Symphony Share Registrars Sdn. Bhd.**

Level 6, Symphony House
 Pusat Dagangan Dana 1
 Jalan PJU 1A/46
 47301 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia
 Tel : 603-7841 8000
 Fax : 603-7841 8151/52

AUDITORS**PricewaterhouseCoopers**

Level 10, 1 Sentral, Jalan Travers
 Kuala Lumpur Sentral
 PO Box 10192
 50706 Kuala Lumpur

STOCK EXCHANGE LISTING

Listed on Main Market of
 Bursa Malaysia Securities Berhad
 since 3 November 1987

GROUP MANAGEMENT COMMITTEE**Dato' Sri Nazir Razak**

Group Managing Director/
 Chief Executive Officer

Dato' Robert Cheim Dau Meng

Adviser, Investment Banking

Dato' Lee Kok Kwan

Chief Executive Officer,
 Corporate Banking, Treasury and Markets

Renzo Christopher Viegas

Chief Executive Officer,
 Consumer Banking

Tengku Dato' Zafrul Tengku Abdul Aziz

Chief Executive Officer,
 CIMB Investment Bank

Arwin Rasyid

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

Kenny Kim

Group Chief Financial Officer

Subhak Siwaraksa

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

Mak Lye Mun

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

Kong Sooi Lin

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

Badlisyah Abdul Ghani

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

Iswaraan Suppiah

Group Chief Information & Operations Officer

David Richard Thomas

Group Chief Risk Officer

Hamidah Naziadin

Group Chief People Officer

Effendy Shahul Hamid

Group Chief Marketing & Communications
 Officer

Lim Tiang Siew

Group Chief Internal Auditor

Tan Hong Kheng

General Counsel

GROUP SHARIAH COMMITTEE

**Sheikh Professor Dr Mohammad Hashim
 Kamali**

Sheikh Nedham Yaqoobi

Sheikh Dr Haji Mohd Nai'm Haji Mokhtar

**Sheikh Associate Professor
 Dr Shafaai Musa**

Sheikh Dr Yousef Abdullah Al Shubaily

Professor Dr Noor Inayah Yaakub

Boards of Major Subsidiaries

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

Dato' Zainal Abidin Putih
Independent Director

Members

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

Renzo Christopher Viegas
Executive Director

Dato' Sulaiman Mohd Tahir
Executive Director

Datuk Dr Syed Muhamad
Syed Abdul Kadir
Independent Director

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

Rosnah Dato' Kamarulzaman
Independent Director

Venkatachalam Krishnakumar
Independent Director

Grace Yeoh Cheng Geok
*Independent Director
(Appointed on 21 August 2013)*

Secretary

Datin Rossaya Mohd Nashir

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

Dato' Hamzah Bakar
Independent Director

Members

Dato' Sri Nazir Razak
*Deputy Chairman
Non-Independent Non-Executive
Director
(Resigned on 31 December 2013)*

Tengku Dato' Zafrul Tengku
Abdul Aziz
*Chief Executive Officer/
Executive Director
(Appointed on 2 January 2014)*

Dato' Zainal Abidin Putih
Independent Director

Zahardin Oмарdin
Independent Director

Habibah Abdul
Independent Director

Secretary

Datin Rossaya Mohd Nashir

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

Datuk Dr Syed Muhamad
Syed Abdul Kadir
Independent Director

Members

Badlisyah Abdul Ghani
*Chief Executive Officer/
Executive Director*

Raja Shaharul Niza Raja Abdul Aziz
Independent Director

Habibah Abdul
Independent Director

Dato' Sulaiman Mohd Tahir
*Non-Independent Non-Executive
Director
(Resigned on 24 January 2014)*

Secretary

Datin Rossaya Mohd Nashir



PT BANK CIMB NIAGA TBK

President Commissioner

Dato' Sri Nazir Razak
Non-Independent Non-Executive

Commissioners

Glenn Muhammad Surya Yusuf
*Vice President Commissioner
Independent*

Roy Edu Tirtadji
Independent

Sri Hartina Urip Simeon
Independent

Zulkifli M Ali
Independent

Primoehadi Notowidigdo
Independent

Joseph Dominic Silva
Non-Independent Non-Executive

Hamidah Naziadin
Non-Independent Non-Executive

Corporate Secretary

Rudy Hutagalung



CIMB THAI BANK PUBLIC COMPANY LIMITED

Chairman

Chakramon Phasukavanich
Independent Director

Members

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

Subhak Siwaraksa
President/Chief Executive Officer

Sukont Kanjana-Huttakit
Independent Director

Dato' Shaarani Ibrahim
Independent Director

Watanan Petersik
Independent Director

Kenny Kim
*Non-Independent Non-Executive
Director*

Secretary

Thaphop Kleesuwan



CIMB BANK PLC

Chairman

Dato' Shaarani Ibrahim
Independent Director

Members

Dato' Wira Zainal Abidin Mahamad Zain
Independent Director

Yew Wan Kup
Non-Independent Executive Director

Dr Mey Kalyan
Independent Director

Kua Wei Jin
*Non-Independent Non-Executive Director
(Appointed on 1 November 2013)*

Joint Secretaries

Ly Sophea
Datin Rossaya Mohd Nashir

Corporate Profile



CIMB GROUP

CIMB Group is a leading ASEAN universal bank, with arguably the largest Asia Pacific investment banking network. It is also a world leader in Islamic finance.

The Group is headquartered in Kuala Lumpur, Malaysia and offers consumer banking, wholesale banking, Islamic banking and asset management products and services. It is the fifth largest banking group by assets in Southeast Asia and at the end of 2013, had over 40,000 staff and approximately 13 million customers.

Products and services are complemented by partnerships and alliances with various leading companies including the Principal Financial Group, Bank of Tokyo-Mitsubishi UFJ, Sri Ayudhya General Insurance and Mapletree Investments.

CIMB Group Holdings Berhad has been listed on the main market of Bursa Malaysia since 1987 and was one of the largest companies at the end of 2013 with a market capitalisation of RM58.9 billion. Total assets at the end of 2013 were RM370.9 billion, with total shareholders' funds of RM30.3 billion and total funds under management of RM52.9 billion.

Major shareholders at the end of 2013 were Khazanah Nasional with 30.1%, Employees Provident Fund (EPF) with 15.9%, Kumpulan Wang Persaraan (KWAP) with 2.6% and Mitsubishi UFJ Financial Group with 5.0%.



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 INVESTMENT BANK

CIMB's investment banking franchise consists of CIMB Investment Bank, which operates in Malaysia and CIMB Securities International which operates in ASEAN's other main markets and in Bahrain, Colombo, Hong Kong, London, Melbourne, Mumbai, New York, Shanghai, Seoul, Sydney and Taipei.



CIMB ISLAMIC

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



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 2013.



CIMB THAI

CIMB Thai is the Group's banking franchise in Thailand. It has been listed on the Stock Exchange of Thailand since 1978 and was the ninth largest bank in Thailand by assets at the end of 2013.



CIMB CAMBODIA

CIMB Cambodia is the Group's banking franchise in Cambodia. It started operations in 2010.

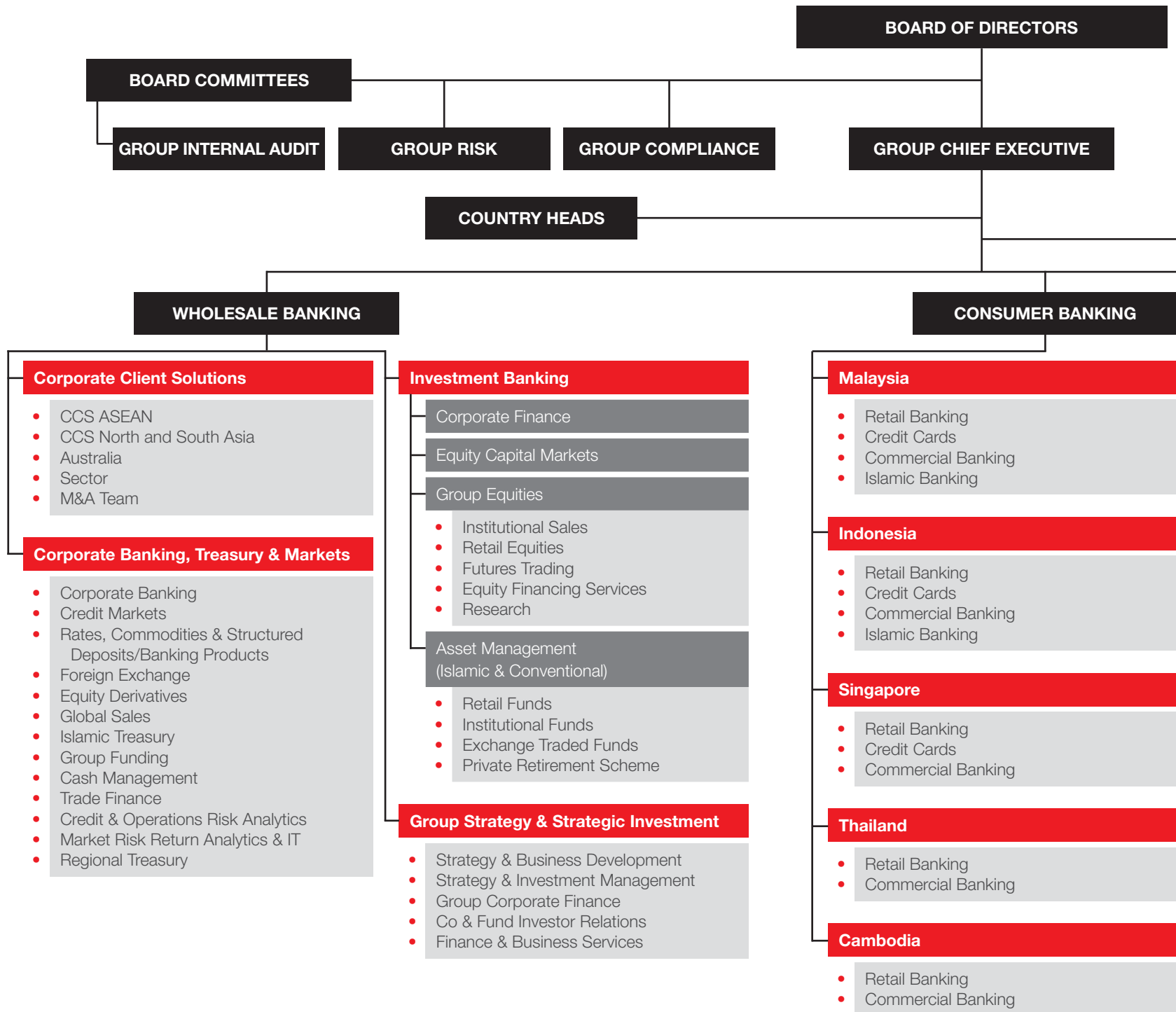
Corporate Structure

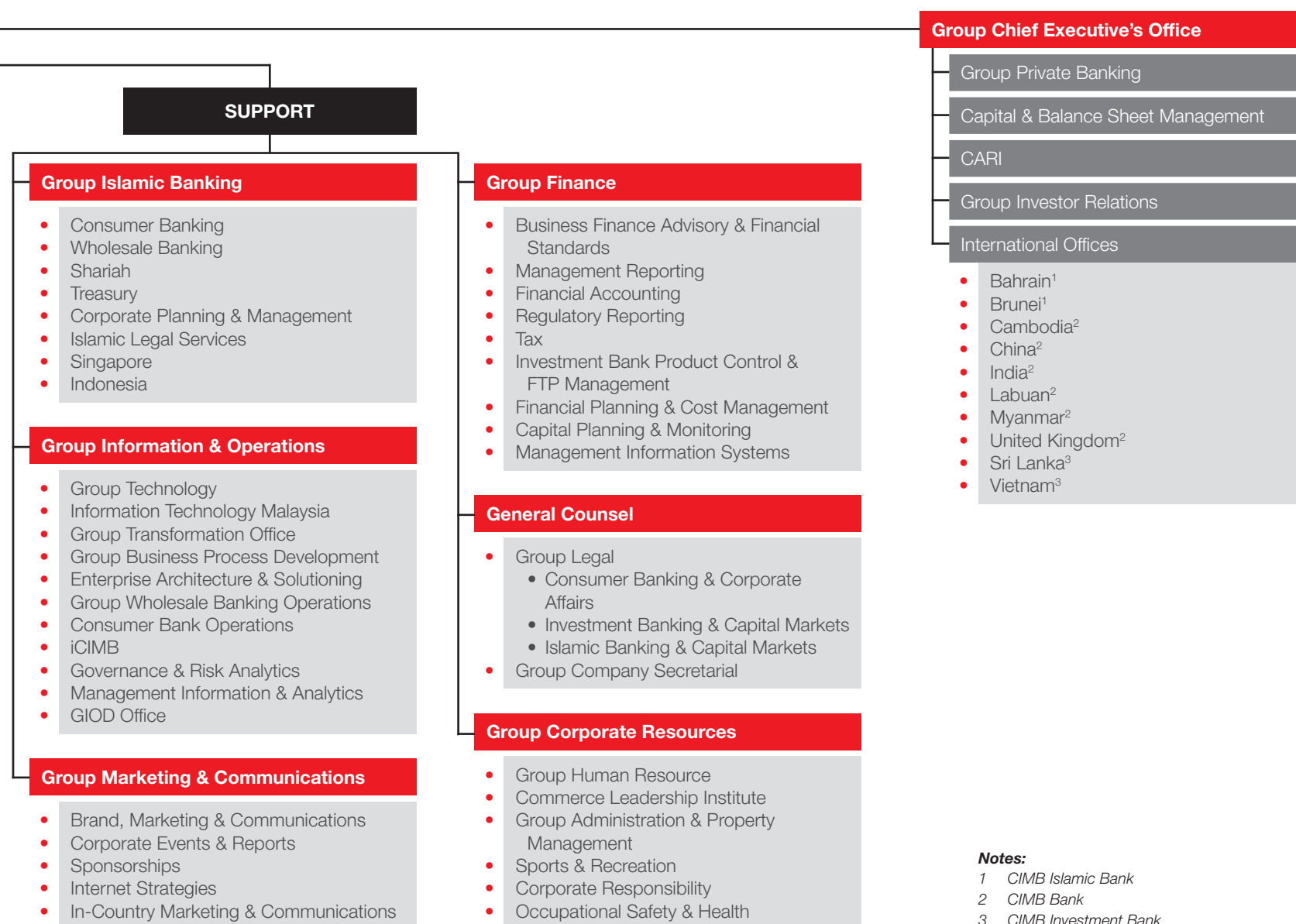
099



Corporate Organisation Chart

as at 24 March 2014





board of

DIRECTORS



From left:

- Glenn Muhammad Surya Yusuf • Datuk Dr Syed Muhamad Syed Abdul Kadir
- Tan Sri Dato' Md Nor Yusof • Dato' Robert Cheim Dau Meng
- Dato' Hamzah Bakar • Dato' Sri Nazir Razak • Watanan Petersik
- Dato' Zainal Abidin Putih • Katsumi Hatao (*resigned w.e.f. 25 February 2014*)



Profile Board of Directors

- 66 years old, Malaysian
- Joined the Board on 27 June 2006
- Attended all 10 Board Meetings held in 2013
- Member of the Board Risk Committee

Tan Sri Dato' Md Nor graduated with a Bachelor's Degree in Commerce from the University of Otago, New Zealand and qualified as a Chartered Accountant.

Tan Sri Dato' Md Nor had spent more than 19 years of his working career with the Group as a Director of CIMB Group and more notably as President and Chief Executive Officer of Bank of Commerce (M) Berhad (now known as CIMB Bank). Tan Sri Dato' Md Nor had completed his term as Executive Chairman of the Securities Commission on 31 March 2006. Prior to that, he was the Managing Director of Malaysian Airline System Berhad after serving a period as Adviser in the Ministry of Finance.

Tan Sri Dato' Md Nor also sits on the boards of several companies and institutions including Khazanah Nasional Berhad, Malaysian Airline System Berhad, Pelaburan Hartanah Berhad and is a Trustee of Yayasan Khazanah and CIMB Foundation.

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

A black and white portrait of Tan Sri Dato' Md Nor Yusof, an elderly man with a mustache, wearing a dark suit, white shirt, and patterned tie. He is looking directly at the camera with a neutral expression.

TAN SRI DATO' MD NOR YUSOF

Chairman &
Non-Independent Non-Executive Director



- 47 years old, Malaysian
- Joined the Board on 27 January 2006
- Attended all 10 Board Meetings in 2013
- Member of the Group Compensation Review Committee

Dato' Sri Nazir Razak is the Group Managing Director/Chief Executive Officer of CIMB and President Commissioner of PT Bank CIMB Niaga Tbk.

Dato' Sri Nazir graduated from the University of Bristol with a Bachelor of Science (Hons) degree and obtained a Master of Philosophy (MPhil) from the University of Cambridge.

He joined the corporate advisory department of Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank) in 1989 and managed various fund raising, privatisation, listing and corporate restructuring exercises. In 1993, he transferred to the bank's stockbroking arm where he rose to the position of Executive Director. He moved back to CIMB Investment Bank as Deputy Chief Executive on 1 June 1996 and became Chief Executive on 1 June 1999. He assumed the position of Group Chief Executive of CIMB Group on 7 November 2006.

Dato' Sri Nazir 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.

Dato' Sri Nazir is a member of the Investment Panel and Chairman of the Investment Panel Risk Committee of the Employees Provident Fund. He holds directorships in various CIMB companies, Malaysian Electronic Payment System (1977) Sdn Bhd and is an Executive Committee member of the Malaysia International Islamic Financial Centre. He is 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.

DATO' SRI NAZIR RAZAK

Group Managing Director/
Chief Executive Officer

- 67 years old, Malaysian
- Joined the Board on 7 November 2006
- Attended all 10 Board Meetings held in 2013
- Chairman of the Group Nomination and Remuneration Committee
- Member of the Audit Committee and Board Risk Committee

Datuk Dr Syed Muhamad graduated with a Bachelor of Arts (Hons) degree from the University of Malaya in 1971. He obtained a Masters of Business Administration degree from the University of Massachusetts in 1977 and obtained a Ph.D (Business Management) from Virginia Polytechnic Institute and State University in 1986. In 2005, he obtained a Bachelor of Jurisprudence (Hons) degree from the University of Malaya and obtained a Certificate in Legal Practice in 2008. He was admitted as an Advocate and Solicitor of High Court of Malaya in July 2009. In November 2009, he completed his LLM (Corporate Law) degree from Universiti Teknologi MARA (UiTM). In June 2011, he became a member of The Chartered Institute of Arbitrators, United Kingdom and in May 2012 became a fellow of the Institute.

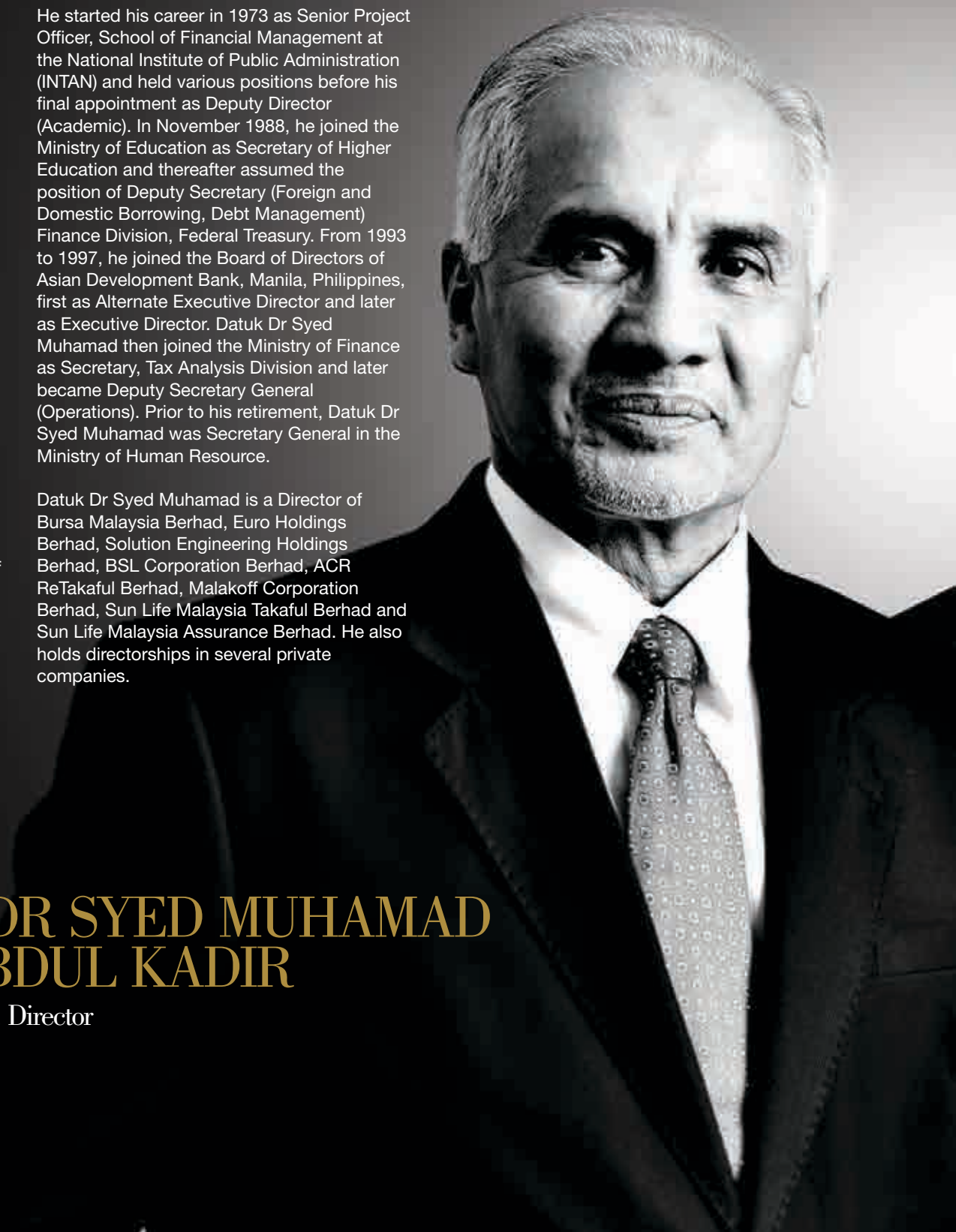
Datuk Dr Syed Muhamad is the Chairman of CIMB Islamic Bank, CIMB Middle East BSC and CIMB-Principal Islamic Asset Management Sdn Bhd and Director of CIMB Bank.

He started his career in 1973 as Senior Project Officer, School of Financial Management at the National Institute of Public Administration (INTAN) and held various positions before his final appointment as Deputy Director (Academic). In November 1988, he joined the Ministry of Education as Secretary of Higher Education and thereafter assumed the position of Deputy Secretary (Foreign and Domestic Borrowing, Debt Management) Finance Division, Federal Treasury. From 1993 to 1997, he joined the Board of Directors of Asian Development Bank, Manila, Philippines, first as Alternate Executive Director and later as Executive Director. Datuk Dr Syed Muhamad then joined the Ministry of Finance as Secretary, Tax Analysis Division and later became Deputy Secretary General (Operations). Prior to his retirement, Datuk Dr Syed Muhamad was Secretary General in the Ministry of Human Resource.

Datuk Dr Syed Muhamad is a Director of Bursa Malaysia Berhad, Euro Holdings Berhad, Solution Engineering Holdings Berhad, BSL Corporation Berhad, ACR ReTakaful Berhad, Malakoff Corporation Berhad, Sun Life Malaysia Takaful Berhad and Sun Life Malaysia Assurance Berhad. He also holds directorships in several private companies.

DATUK DR SYED MUHAMAD SYED ABDUL KADIR

Senior Independent Director





DATO' HAMZAH BAKAR

Independent Director

- 70 years old, Malaysian
- Joined the Board on 7 November 2006
- Attended all 10 Board Meetings held in 2013
- Chairman of the Board Risk Committee and Group Compensation Review Committee
- Member of the Audit Committee and Group Nomination and Remuneration Committee

Dato' Hamzah holds a Bachelor of Science (Hons) degree in Economics from Queen's University of Belfast, Northern Ireland and a Masters of Arts degree in Public Policy and Administration, with Development Economics, from the University of Wisconsin, United States of America.

He is also Chairman of CIMB Investment Bank.

Dato' Hamzah has 20 years' experience in various senior management and Board positions in Petroliam Nasional Berhad (Petronas), including Senior Vice President for Refining and Marketing, Senior Vice President for Corporate Planning and Development and Main Board Director. Prior to joining Petronas, he was a Director of the Economic Planning Unit in the Prime Minister's Department. He is currently a Director of SapuraKencana Petroleum Berhad.

- 68 years old, Malaysian
- Joined the Board on 7 November 2006
- Attended all 10 Board Meetings held in 2013
- Chairman of the Audit Committee
- Member of the Board Risk Committee, Group Nomination and Remuneration Committee and Group Compensation Review Committee

Dato' Zainal Abidin qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

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

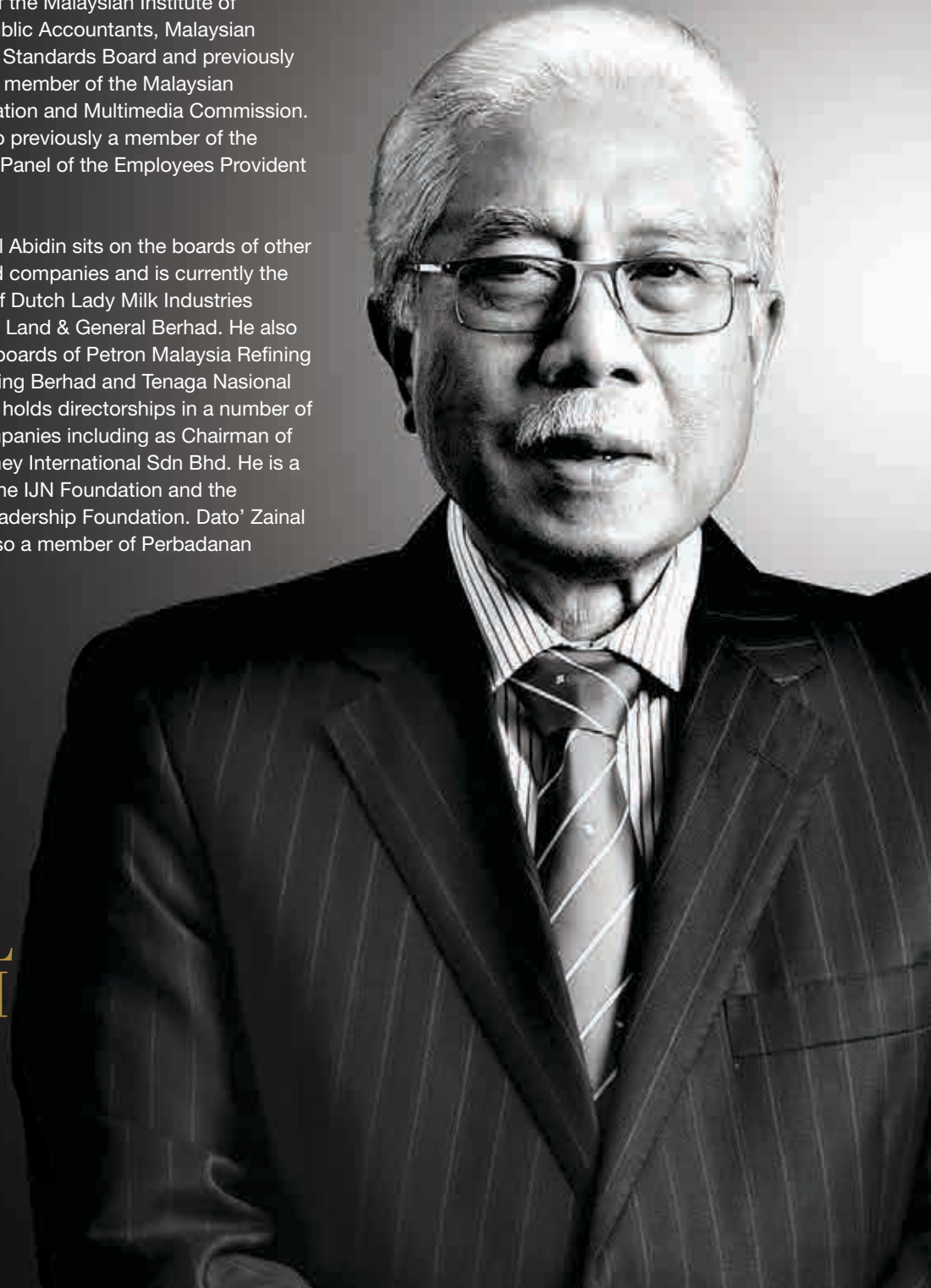
He has extensive experience in audit, management consulting and taxation, having been involved as a practicing accountant and consultant throughout his career. He was formerly the Country Managing Partner of Messrs Hanafiah Raslan and Mohamad which merged with Messrs Arthur Andersen in 1990 and was an Adviser with Messrs Ernst & Young Malaysia, until his retirement on 31 December 2004. Dato' Zainal Abidin was the Chairman of Pengurusan Danaharta

Nasional Berhad up to December 2005 when it ceased operations. He is also the Past President of the Malaysian Institute of Certified Public Accountants, Malaysian Accounting Standards Board and previously served as a member of the Malaysian Communication and Multimedia Commission. He was also previously a member of the Investment Panel of the Employees Provident Fund.

Dato' Zainal Abidin 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. 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. Dato' Zainal Abidin is also a member of Perbadanan Putrajaya.

DATO' ZAINAL ABIDIN PUTIH

Independent Director





DATO' ROBERT CHEIM DAU MENG

Non-Independent
Non-Executive Director

- 62 years old, Malaysian
- Joined the Board on 7 November 2006
- Attended all 10 Board Meetings held in 2013
- Member of the Board Risk Committee, Group Nomination and Remuneration Committee and Group Compensation Review Committee

Dato' Robert Cheim is a Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Accountants.

He is currently the Adviser for the Investment Banking Division of the Group, Vice Chairman of CIMB Thai Bank Public Company Limited, as well as a Director of CIMB Group Sdn Bhd and Chairman of CIMB Securities International Pte Ltd.

Dato' Robert Cheim joined Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank) in 1984 and held the position of Head of Corporate Finance, General Manager and Executive Director, before assuming the position of Chief Executive Officer from 1993 to 1999. From 1999 to 2006, he was an Executive Director of CIMB Investment Bank. Prior to joining CIMB Investment Bank, Dato' Robert Cheim served in various management positions with the former United Asian Bank Berhad (now known as CIMB Bank) between 1977 and 1984. He has also worked in various accounting firms in London.

He is also the Chairman and Independent Director of Tanjong Plc and Trustee of Yu Chai Foundation.

- 58 years old, Indonesian
- Joined the Board on 25 January 2010
- Attended 9 out of 10 Board Meetings held in 2013
- Member of the Board Risk Committee and the Group Nomination and Remuneration Committee

Glenn Muhammad Surya Yusuf graduated from the University of the Philippines in Manila with a Bachelor's degree in Economics in 1979 and earned his Masters degree in Business Management from the Asian Institute of Management Manila in 1981.

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 CIMB Niaga since April 2010. He assumed his current position as Vice President Commissioner of CIMB Niaga in June 2012.

He is a prominent figure in the Indonesian corporate scene, having over 28 years of experience in the corporate and financial sectors, including a tenure at the then PT Bank Niaga Tbk (1985-1994) where he rose to the position of Finance Director, Director General Financial Institutions, Ministry of Finance in 1998 and served as the third Chairman of the Indonesian Bank Restructuring Agency (IBRA) from 1998 to 2000.

He 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 from 1985 to 1989 and Manager Citicorp Capital Market Group in Indonesia in 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.

GLENN MUHAMMAD SURYA YUSUF

Independent Director





- 53 years old, Thai
- Joined the Board on 25 January 2010
- Attended 9 out of 10 Board Meetings held in 2013
- Member of the Board Risk Committee

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

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

She has had extensive experience in the financial services industry spanning more than 29 years including at Goldman Sachs and as an Adviser to TPG Capital.

WATANAN PETERSIK

Independent Director

112

- 56 years old, Japanese
- Joined the Board on 23 February 2012
- Attended 7 out of 10 Board Meetings held in 2013
- Member of the Board Risk Committee

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

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

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

He returned to the bank's headquarters in 2000, where he held a series of managerial positions in the areas of corporate planning and human resources. He was promoted to Executive Officer and General Manager of Corporate Risk Management Division at both BTMU and MUFG in May 2007. In April 2008, he became Executive Officer and General Manager of the Global Planning Division and in May 2011, he became Managing Executive of the Global Business Unit of BTMU. He assumed his current positions in May 2012.

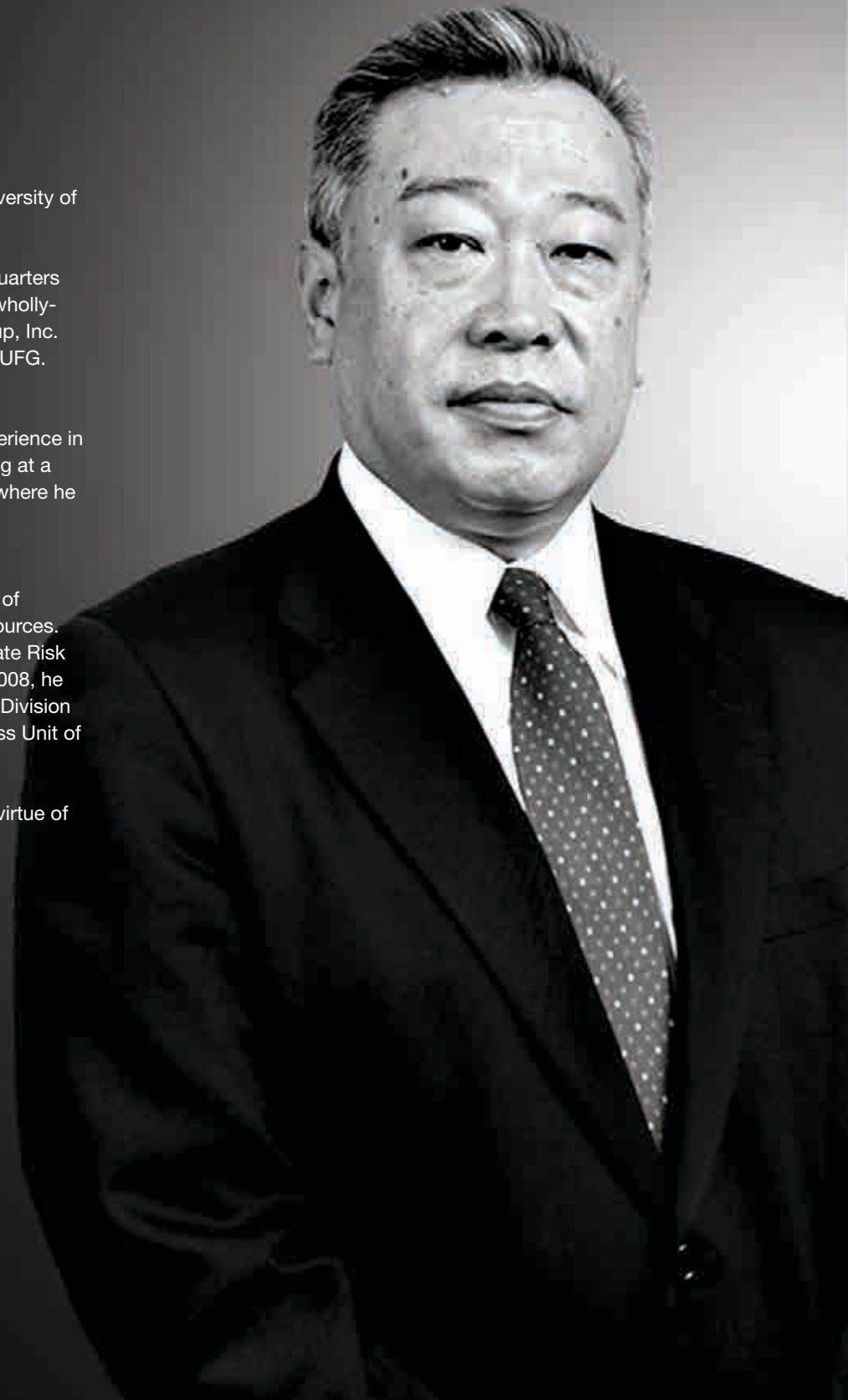
He does not have any conflict of interest with the Company, except by virtue of being a representative of BTMU.

Katsumi Hatao retired from the Board on 25 February 2014.

KATSUMI HATAO

Non-Independent

Non-Executive Director



DATIN ROSSAYA MOHD NASHIR

Group Company Secretary

Datin Rossaya Mohd Nashir, 45, is CIMB Group's Company Secretary. She supports the Chairman and the Board and advises them on their duties and responsibilities, governance matters including compliance to laws and regulatory requirements and ensures that a corporate governance framework is in place for the Board to perform its role professionally and effectively. She also acts as Secretary to various Board Committees as well as the Group Management Committee and 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 21 years of experience in corporate secretarial practice and has been with CIMB since 2002, when she joined the Corporate Legal Services Unit and later set up the Company Secretarial Department in 2004. She is also a Director of several subsidiaries in the Group. Datin Rossaya started her career with Time Engineering Group and subsequently joined Permodalan Nasional Berhad, where she assumed the position of Joint Company Secretary for several of its subsidiaries.

Datin Rossaya graduated with 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 takes an active interest in advocating greater participation of women in the boardroom.

Note on Board of Directors:

Family Relationship:

Save as disclosed, none of the Directors has any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest:

Save as disclosed, none of the Directors has any conflict of interest with the Company.

Conviction for Offences:

None of the Directors has convictions for any offences for the past 10 years.



Group Shariah Committee Profiles



**SHEIKH PROF. DR.
MOHAMMAD HASHIM KAMALI**

*Chairman and Chief Executive Officer (CEO)
International Institute Of Advanced Islamic
Studies*

Prof. Dr. Mohammad Hashim is a Canadian and Malaysia permanent resident. He is currently the Chairman and CEO of the International Institute of Advanced Islamic Studies and a member of the SC Shariah Advisory Council for the period from 1 July 2012 to 31 July 2014. He formerly served as a Professor of International Institute of Islamic Thought and Civilisation (ISTAC) and Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia (IIUM).

He has been teaching Islamic law and jurisprudence since 1985. He holds a 1st Class, BA Honours degree in Law and Political Science from Kabul University, Afghanistan, LL.M degree from the London School of Economics, England and a PhD in Islamic Law from the School of Oriental & African Studies, University of London, England. He is also a renowned writer in the area of Islamic law and jurisprudence and has written many books and articles on the subject.



SHEIKH NEDHAM YAQOOBI
Independent Shariah Adviser

Nedham Yaqoobi is a Bahrain national and is an International Shariah Scholar. He sits on the Shariah Supervisory Boards including the Dow Jones Islamic Market Indexes (DJIM), the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and the International Islamic Financial Market (IIFM). He is the author of several articles and publications on Islamic finance and other sciences, in English and Arabic.

He was educated in the classical Shariah in his native Bahrain and in Makkah under the guidance of eminent scholars, including Sheikh Abdulla al-Farisi, Sheikh Yusuf al-Siddiqi, Sheikh Muhammed Saleh al-Abbasi, Sheikh Muhamed Yasin al Fadani (Makkah), Shaikh Habib-ur-Rahman A. Zaini (India), Sheikh Abdulla bin Al-Siddiq Al-Ghumar (Morocco), and others. He has a BA in Economics and Comparative Religion and M.Sc. in Finance from McGill University, Montreal, Canada.



**SHEIKH DR. HAJI MOHD NAI'M
BIN HAJI MOKHTAR**

*Director, Family Support Division, Malaysian
Shariah Judiciary Department, Prime Minister's
Department, Malaysia*

Dr. Mohd Nai'm is a Malaysian, currently serving as Director, Family Support Division, Malaysian Shariah Judiciary Department, Prime Minister's Department. He received his LLB degree from International Islamic University, Malaysia (IIUM), LL.M from University of London, United Kingdom and PhD in Shariah from National University of Malaysia. He also holds a Diploma in Shariah Law & Practice and a Diploma in Administration & Islamic Judiciary both from IIUM.

He served as a lecturer at Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia from 1990 – 1997. He then joined Messrs. Zulkifli Yong, Azmi & Co as a Shariah Lawyer before being appointed as a Shariah Judge in 1998. He was also assigned as a Research Officer at the Malaysian Shariah Judiciary Department, Prime Minister's Department from 2003 – 2004 as well as Shariah Subordinate Court Judge for Federal Territory from 2007 – 2008 and Shariah Prosecutor for Federal Territory in 2008.



SHEIKH DR. SHAFAAI BIN MUSA

Associate Professor, Ahmad Ibrahim Kuliyyah of Laws, IIUM

Dr. Shafaai is a Malaysian, currently serving as Associate Professor, Ahmad Ibrahim Kuliyyah of Laws, IIUM. He is on secondment to Institut Intergriti, Kepimpinan Dan Latihan Semangat (Iklas), Yayasan Warisan Johor as Chief Executive Officer. He is also the Chairman of Sun Life Malaysia Takaful Berhad Shariah Committee (formerly known as CIMB Aviva Takaful Berhad).

He received his Degree in Shariah from University of Al-Azhar, Egypt, Master in Comparative Laws from IIUM and Ph.D. from Glasgow Caledonian University, United Kingdom.

He has more than 10 years of experience in teaching Islamic law and jurisprudence and wrote several researches and articles. He served as a Shariah adviser for Department of Islamic Development Malaysia in 2005.



SHEIKH DR. YOUSEF BIN ABDULLAH AL SHUBAILY

Associate Professor, Comparative Jurisprudence Department, High Institute of Judiciary, Imam Muhammad Bin Saud Islamic University, Kingdom of Saudi Arabia

Dr. Yousef, a citizen of the Kingdom of Saudi Arabia is currently attached as a Associate Professor at the Comparative Jurisprudence Department, High Institute of Judiciary, Imam Muhammad Bin Saud Islamic University in the Kingdom. He also serves as a Co-operating professor for the American Open University.

He obtained a Bachelor Degree from the Faculty of Shariah and Fundamentals of Islam and a Masters Degree from the Department of Comparative Jurisprudence at Muhammad bin Saud Islamic University in 1993 and 1996, respectively. In 2001, he obtained a Ph.D in Islamic Jurisprudence from the same university. Beyond his academic career, he has an extensive experience in serving on various Shariah boards of a number of banks and financial institutions in the Kingdom of Saudi Arabia, Bahrain, Kuwait, UAE, Qatar, United States of America and Britain. He also holds advisory functions in numerous religious and charitable organisations within and outside the Kingdom.

Dr. Yousef has written many books, academic papers and articles on Islamic jurisprudence and commercial law and has actively participated in numerous seminars and conventions in related areas. He also participates in religious and economic programs on television and radio broadcasts in the Kingdom and abroad. He is a regular guest for various television programmes including programmes aired by Al Majd, MBC and CNBC channels.



PROF. DR. NOOR INAYAH YAAKUB

Professor, Faculty of Economics and Management, Universiti Kebangsaan Malaysia (UKM) and Principal Fellow of Institute of West Asian Studies, Malaysia, UKM

Prof. Dr. Noor Inayah is a Malaysian, currently attached as a Professor at Faculty of Economics and Management, Universiti Kebangsaan Malaysia (UKM) and Principal Fellow of Institute of West Asian Studies, UKM. She is also a Director, Centre for Corporate Planning & Leadership, University Kebangsaan Malaysia. She received her Bachelor of Shariah Law (Hons) and Bachelor of Law (Hons) from International Islamic University, Malaysia, LL.M (Master of Comparative Conventional & Banking Law) from University of Bristol, United Kingdom and Ph.D (Comparative Conventional & Islamic Banking Law of Guarantee) from the University of Manchester, United Kingdom. She holds a certificate of Product Management from ISIS Innovation Centre, University of Oxford, United Kingdom.

She was admitted to the Malaysian Bar as an Advocate & Solicitor of the High Court of Malaya in 1996 and in the same year she was a qualified Shariah Lawyer. She practised law with Messrs. Abraham & Ooi and Co. from 1996-1997 before joining UKM as a lecturer in 1998.

She has more than 15 years of experience in teaching Islamic Law, Islamic and Conventional Banking Law, Takaful and Insurance Law, Equity & Trust Law and Business Law and Ethics. She has produced several academic research papers and articles mainly on the subject of Islamic and conventional banking law and takaful and insurance law of which some were presented in Islamic banking and finance proceedings and conferences and published in Malaysian and International high refereed/impact journals.

group MANAGEMENT COMMITTEE

DATO' LEE KOK KWAN

Chief Executive Officer,
Corporate Banking, Treasury & Markets

RENZO CHRISTOPHER VIEGAS

Chief Executive Officer,
Consumer Banking

TENGGU DATO' ZAFRUL BIN TENGGU ABDUL AZIZ

Chief Executive Officer,
CIMB Investment Bank

ARWIN RASYID

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

KENNY KIM

Group Chief Financial Officer

SUBHAK SIWARAKSA

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

MAK LYE MUN

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

KONG SOOI LIN

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

BADLI SYAH ABDUL GHANI

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

ISWARAAN SUPPIAH

Group Chief Information & Operations Officer

DAVID RICHARD THOMAS

Group Chief Risk Officer

HAMIDAH NAZIADIN

Group Chief People Officer

EFFENDY SHAHUL HAMID

Group Chief Marketing & Communications Officer

LIM TIANG SIEW

Group Chief Internal Auditor

TAN HONG KHENG

General Counsel

DATO' LEE KOK KWAN

Chief Executive Officer,
Corporate Banking, Treasury &
Markets

Dato' Lee Kok Kwan is the Chief Executive Officer of Corporate Banking, Treasury & Markets. His areas of responsibility include corporate banking; the Group's markets, sales and trading businesses in interest rates, credit, foreign exchange, commodities, equity and their derivatives; debt capital markets; fixed income investments; transaction banking; and the treasury and funding operations for the Group.

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

Dato' Lee is 48 years old and holds a BBA Joint Honours (1st Class) degree and a Master of Business Administration from Simon Fraser University of Canada. He is also the President of the Financial Markets Association of Malaysia and the Vice-Chair of the ASEAN+3 Bond Market Forum established under the auspices of the ASEAN+3 Bond Markets Initiative and the ASEAN+3 Finance Ministers to promote development of cross-border activities in the ASEAN+3 local currency bond markets.

MY2013

2013 was a volatile year with amplified effects on emerging markets. Nevertheless, Treasury & Markets did well and we were ASEAN's biggest local currency bond house for the third year running. The other Treasury businesses namely FX, rates, equity and commodity continue to develop strongly across the ASEAN region with flows increasing by 54% with particular emphasis on customer product proliferation for the retail, commercial and corporate banking client segments.

We made significant headway in 2013 as corporate customers increasingly viewed us as an ASEAN corporate bank able to deliver seamlessly cross border, be it for Malaysian Ringgit, Indonesian Rupiah, Singapore Dollar, Thai Baht or US Dollar corporate loans, cash management, trade financing, FX, bond funding, equity and hedging solutions.

Corporate Banking performed well with prudent growth across the region whilst growing moderately in Indonesia. Transaction Banking continued its momentum as we aggressively expanded our product offerings including Plug n Pay, Malaysia's first mobile point of sale for credit card merchants. On cash, current account balances across our commercial and corporate client segments did well. Trade financing grew strongly especially in Singapore.

We launched SpeedSend, our retail FX remittance platform, in January 2013 which we have since rolled out across Asean and selected non-Asean countries and the growth in customer volumes has been significant.

118

RENZO CHRISTOPHER VIEGAS

Chief Executive Officer,
Consumer Banking

Renzo Christopher Viegas is the Chief Executive Officer of Consumer Banking. He heads Consumer Banking in Malaysia and also oversees operations in Singapore and Cambodia.

His areas of responsibility include the development and smooth implementation of overall business strategies for consumer banking in Malaysia, Singapore and Cambodia. He is also responsible for the overall performance of Malaysian consumer banking, from planning and management to day-to-day operations.

Viegas 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. He joined CIMB Group in April 2012.

He is 52 years old and holds a Bachelor of Commerce degree from the University of Bombay. He is also a Fellow of the Institute of Chartered Accountants of India.

MY2013

When I joined CIMB in 2012, there was a tremendous opportunity to make a difference in consumer banking. By the end of 2013, CIMB Bank had reached record levels in sales, revenue and profit with our increased focus on productivity, digital banking and understanding our customers. This was a great result and there is more to come.

We continue to focus on driving productivity and we work relentlessly on alignment between product groups, segments, delivery channels, processes and shared support services.

We have accelerated our efforts in digital banking by enhancing CIMB Clicks, which is already one of the most recognisable brands in online banking. We also launched several innovative products including OctoSend and Kwik. All this is in line with Bank Negara efforts to promote safe, secure and efficient payment systems in Malaysia.

We are building greater understanding of our customers and their needs with increased investments in data mining, analysis and research.



TENGGU DATO' ZAFRUL BIN TENGGU ABDUL AZIZ

Chief Executive Officer,
CIMB Investment Bank

Zafrul joined CIMB Investment Bank as its Chief Executive Officer on 2 January 2014, and is responsible for the Investment Banking Division of CIMB Group across the region covering a number of businesses including Corporate Finance, Equity Capital Markets, Futures, Equities and Asset Management. He is also the co-head of Corporate Client Solutions.

Previously, he was the Chief Executive Officer of Maybank Investment Bank Berhad, Chief Executive Officer of Maybank Kim Eng Holdings, and Acting Head of Global Banking. Prior to joining Maybank, he was the Group Director of Kenanga Holdings Berhad and Director of Kenanga Investment Bank Berhad. He was also the Chief Executive Officer and substantial shareholder of Tune Money Sdn Bhd. He joined Tune Money Sdn Bhd after serving as the Head of Investment Banking in Citigroup Malaysia. Zafrul also served as Group Managing Director of Avenue Capital Resources (now ECM Libra), and the Chief Executive Officer of Avenue Securities and Chairman of Avenue Asset Management.

Zafrul is currently the President of the Kuala Lumpur Business Club and a member of the Advisory Board to the Faculty of Business and Accounting, University Malaya. His most recent appointments are Chairman of Enactus (formerly known as SIFE) Malaysia, a non-profit organisation aimed at grooming university students into future leaders, Board member of Malaysian Investment Development Authority (MIDA) and also Board member of Perbadanan PR1MA Malaysia. He also sits on the board of CIMB Investment Bank Berhad and Cagamas Holdings Berhad.

Zafrul is 41 years old. He graduated from Bristol University, UK with a Bsc (Hons) in Economics and Accounting and from Exeter University, UK with a Master's in Finance & Economics.

MY2013

I had the pleasure of joining CIMB Investment Bank as its CEO in January 2014, and therefore cannot claim any credit for the many successes and achievements attained by the Investment Banking and Asset Management businesses in 2013, much as I would have liked to. With Australia, India, Korea and Taiwan coming on-stream in 2013, we have now completed our APAC platform, with significant ramp-up in business in the last two quarters of 2013. I am truly proud to be part of this dynamic franchise, which has been recognised and lauded by the industry as the Best Islamic Investment Bank in Asia as well as the Best Bond House and Best Equity House in ASEAN. Looking ahead to 2014, I am confident that working as one team across APAC, we can achieve and even exceed all expectations!

120

ARWIN RASYID

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

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

Arwin's main role and duties are to establish long-term strategies for the bank, including assessing the corporate strategies for product and service developments of various business segments in Indonesia. He also provides policy directions and guidelines for operational support, customer service, information technology, system and processes, legal, financial, human resources, and compliance.

He served as the President Director of PT Telekomunikasi Indonesia Tbk until 2007. Prior to this, he was the Vice President Director of PT Bank Negara Indonesia Tbk, and President Director of PT Bank Danamon Tbk. He began his career with Bank of America in 1980 and subsequently joined Bank Niaga in 1987. During the first 11-year period at Bank Niaga, he became the Vice President Director and also held responsibilities for the Bank Recapitalisation Program. In 1999, Arwin became the Expert Staff at the Indonesian Bank Restructuring Agency (IBRA), responsible for risk management in Asset Management Investment and Asset Management Credit, as well as Forensic Investigation. He later became the Vice Chairman of IBRA in 2000.

Arwin is 57 years old, holds a Bachelor's degree in Development Studies from the Faculty of Economics at University of Indonesia, and holds a Master of Arts degree in International Economics & a Master of Business Administration degree in International Business from the University of Hawaii, USA. He has attended several noteworthy executive programmes from Harvard Business School, Wharton Business School and INSEAD.

MY2013

CIMB Niaga started 2013 with cautious optimism amid an unstable macro-economic environment. We doubled our efforts with our Transformation 2 strategy and focused on initiatives to position the consumer bank as the leading digital bank of Indonesia.

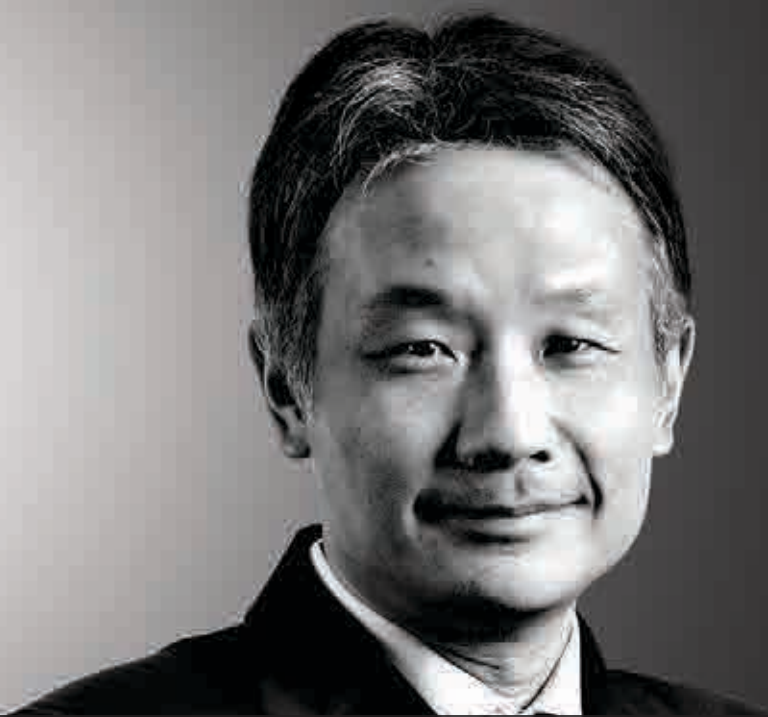
The push towards branchless channels such as internet, mobile, ATMs and CDMs resulted in 92% of customer transactions being branchless. We launched Rekening Ponsel (mobile wallet) which enables customers to send money directly to any mobile phone number and is proving very popular.

Corporate deals gained some traction as well. Our placement of USD1.5 billion in Asia Color was the biggest domestic equity offering in Indonesia since 2008. We fortified our strategic alliance with PT Taspen, the civil servant pension fund, and now are connected to 7 million members. Furthermore, we got government approval to accept Hajj fund deposits. These truly have been remarkable achievements.



KENNY KIM

Group Chief Financial Officer



MY2013

It was another exciting year for Group Strategy and Strategic Investments and Group Finance.

GSSI made significant strides in its private equity business with new investments and raised a new fund. Other new fund strategies are expected to come onstream in 2014 as we leverage on our regional CIMB ecosystem to provide clients with an active and vibrant '3rd asset class'.

We crystalised gains from 2 strategic investments during the year. The listing of Tune Ins Holdings Berhad resulted in a gain of RM194 million or 24 times money multiple on our investments. Thereafter, we set new valuation benchmarks when we exited from our insurance joint ventures at 3.5 times price to book, bringing in a RM515 million gain.

In January 2014, our capital position was bolstered with the raising of RM3.55 billion via a placement of 500 million new shares to a mix of domestic and foreign investors. This exercise at RM7.10 per share was a marginal 2% discount to the intraday volume weighted average price as at 10 January 2014, reflecting the market's confidence in our franchise.

Our regional expansion plans forged ahead with the launching of investment banking in Korea, Taiwan and India.

On the Group Finance front, we moved closer to a regional standardisation of management and financial reporting processes with the successful implementation of our GF Management System in Indonesia in November 2013.

Kenny Kim is the Group Chief Financial Officer and Chief Executive Officer of Group Strategy and Strategic Investments of CIMB Group. He is also a Director of CIMB Thai Bank PCL, Touch 'n Go Sdn. Bhd. and Capital Advisors Partners Asia Pte. Ltd.

As Group Chief Financial Officer, Kenny oversees the finance functions of CIMB Group, which span financial reporting and budgeting, finance operations and the provision of strategic advice on tax, accounting, capital planning and other financial matters for the Group.

As Chief Executive Officer of Group Strategy & Strategic Investments, he is responsible for identifying, developing, executing and managing the Group's key strategic initiatives both domestically and regionally, as well as overseeing the Group's strategic investments and business development initiatives including the private equity fund management business.

The Group's mergers and acquisitions and other corporate finance activities are also under his management. Kenny has overseen most of CIMB's major corporate exercises, including all of its mergers, acquisitions and disposals since 2004 as well as the regional integration of all the businesses under the CIMB Group.

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

Kenny is 46 years old and is a fellow of the Association of Chartered Certified Accountants, United Kingdom, a member of the Malaysian Institute of Accountants and a member of the Institute of Chartered Accountants in England and Wales' Corporate Finance Faculty. He holds a Masters of Science in Finance from the University of Lancaster, United Kingdom.

In recognition of his outstanding achievements, Kenny received the Alpha Southeast Asia's 2013 Best CFO in Southeast Asia and Best CFO in Malaysia awards.

122

SUBHAK SIWARAKSA

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

Subhak Siwaraksa is the President and Chief Executive Officer of CIMB Thai Bank PCL and the Country Head for Thailand.

Subhak is also the Chairman and the Director of Sathorn Asset Management Co., Ltd. He was previously the Board Governor of The Stock Exchange of Thailand and a member of its Audit Committee. 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 Chief Executive Officer and President from 2003 to 2008.

Subhak is 57 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.



MY2013

I appreciate 2013 as the year that CIMB Thai quickened its momentum. It was heartwarming to visit our branches and see our staff energetically competing in Project Next to raise their sales and service skills by sharing the winning initiatives of their peers and coaching their own colleagues.

The Thai economy reversed course and slowed down in the second half of the year as political tensions depressed consumer and business confidence. We look forward to a peaceful resolution of the tensions and I am also proud that despite the uneasy closing of the year, we stood by our customers and contributed to two major fund raising exercises in December with the listing of CP Tower Growth Leasehold Property Fund and Mega Lifesciences Public Co., Ltd.

MAK LYE MUN

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

Mak Lye Mun is the Chief Executive Officer of CIMB Bank, Singapore and Country Head of CIMB Singapore. In addition to these roles, his portfolio was further expanded in 2013 to include the oversight of CIMB Group's Private Banking business within the region.

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 56 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.

MY2013

I am pleased to report that CIMB Singapore has turned in another year of good performance in 2013. In particular, Treasury, Corporate Banking, Commercial Banking and credit cards were our top revenue contributors.

The quality of our earnings has improved as we become less dependent on one-off gains. At the same time, our earnings were less volatile as the percentage of our interest income to total income increased – a stark contrast to the days when we first started out.

While we kept our focus on the revenue targets, we continued to keep our non-performing loans low and improved our cost-income ratio. We also remained relentless in investing and strengthening our infrastructure and human resources to ensure that we meet the increasing demands of our expanding customer base.

In 2013, we officially commenced our Singapore Private Banking business, sealed several significant investment banking deals and also launched the new i-Trade@CIMB platform enabling our retail investors to access market data and execute orders more expeditiously.

124

KONG SOOI LIN

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

Kong Sooi Lin is Deputy Chief Executive Officer of CIMB Investment Bank and Co-Head of Corporate Client Solutions Division for Asia Pacific.

Sooi Lin also sits on the Investment Bank's Business Review Group Committee and Commitments Committee. Sooi Lin was appointed as Chairperson of CIMB Private Limited Sri Lanka in January 2012. In October 2012, she was appointed as director in all three of CIMB Group's subsidiaries in Australia, namely CIMB Securities International (Australia) Pty. Ltd., CIMB Corporate Finance (Australia) Ltd. and CIMB Capital Markets (Australia) Ltd. She also serves as a Commissioner on the Board of Commissioners of CIMB Securities Indonesia.

Being the leader for corporate client coverage for Asia Pacific, Sooi Lin is responsible for management and integration of client relationships to strategic marketing and building of the bank's brand value and market share.

Backed by 25 years of investment banking experience, Sooi Lin has extensive equity and debt transaction expertise, having advised on numerous highly profiled and industry-shaping corporate exercises in Malaysia and Asia Pacific.

Sooi Lin joined CIMB 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.

Sooi Lin is 53 years old and graduated with an honours degree in Commerce from the University of New South Wales, Australia.



MY2013

The transformation of CIMB Investment Bank into an Asia Pacific investment bank gained further momentum in 2013 through our expanded investment banking platform. It is definitely satisfying to see our efforts culminate in CIMB being named Asia's Domestic Bank of the Year in addition to several other house and deal awards won.

Network CIMB has definitely made an impact in our cross-border marketing successes as exemplified by one of our IPO deals which featured Australian promoters, a Taiwanese asset and a public listing in Singapore. As CCS continued to make traction across APAC, sector teams were also in the thick of our chase for greater market leadership.

CCS now being a new division within the investment bank strategically articulates our resilience to defend our main markets whilst ramping up activities in new markets. As we continue to differentiate ourselves from our competitors, I see 2014 will be another exciting year.

BADLISYAH ABDUL GHANI

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

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

As head of Islamic Banking, Badlisyah manages and oversees the overall Islamic banking and finance franchise of CIMB. CIMB Islamic operates as a parallel franchise to the Group's conventional operations and covers Islamic wholesale banking, Islamic consumer banking and Islamic asset management. As the Country Head of the Middle East and Brunei he manages and oversees the overall business of CIMB in those markets.

Badlisyah has 17 years of domestic, regional and global banking experience. He was previously attached to CIMB's Corporate Finance Division and before that, he worked in the Labuan International Offshore Financial Centre with a Malaysian Islamic banking group in various capacities in structured finance, capital markets and syndications.

He has been recognised by top international publications as 'Islamic Banker of the Year' and 'Top 20 Pioneer in Islamic finance'. He won the 'Outstanding Contribution to the Development of Islamic Finance' award for his role in the global Islamic financial markets.

Badlisyah sits on the Islamic Capital Market Consultative Panel of Bursa Malaysia, a Council Member of the Association of Islamic Banks in Malaysia, Chairman of the Islamic Capital Market Committee of the Malaysian Investment Banking Association, member of the Standing Group on Accounting for Islamic finance at the Malaysian Accounting Standards Board, member of the Islamic Finance Committee of the Malaysia Institute of Accountants and industry representative member of the Law Harmonisation Committee of Bank Negara Malaysia.

Badlisyah is 40 years old and holds a Bachelor of Laws degree from the University of Leeds, United Kingdom. He is an alumni of the ICLIF Leadership and Governance Program.

MY2013

2013 was a very challenging and eventful year at CIMB Islamic. The franchise continued to deliver strong financial results and respectable business growth amidst very difficult market conditions arising from regulatory changes and uncertainty.

I would attribute our success in 2013 to the hard work that we went through in building CIMB Islamic into the global brand of choice and the go-to bank for customers on all things Islamic finance. Our business model based on the Dual Banking Leveraged Model has proven instrumental in putting us where we are today.

Noteworthy activities for 2013 included our Islamic vessel financing offerings out of Singapore, our full suite of Islamic custodian services out of Malaysia and our Islamic credit cards in Indonesia. We won over 40 house and deal awards this year including the honour of winning the inaugural 'Leading Islamic Bank' award at the prestigious 2013 Global Islamic Economics Summit in Dubai.

126

ISWARAAN SUPPIAH

Group Chief Information &
Operations Officer

Iswaraan Suppiah is the Group Chief Information & Operations Officer.

Iswaraan is custodian of the Group's regionally integrated technology and operating vision to deliver a unified, seamless financial services value proposition in ASEAN for consumer banking and Asia Pacific for investment banking. He oversees operations, information technology, transformation, business process development and operational governance & assurance functions for CIMB Group's businesses. He heads a staff force of about 8,000 people across the Group's regional footprint.

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.

Iswaraan is 50 years old and a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Financial Planning Association of Malaysia.

MY2013

Our division has an informal slogan. When faced with a challenge, it is common for our staff to say, 'Make Possible'. It inspires our people to work smarter and set the bar higher. The year 2013 was our division's year of making possible.

Our pinnacle achievement in 2013 was the 1Platform project. We embedded our new regionally standard and streamlined core banking platform in Malaysia. This was the most complex leg of the 1Platform journey so far, covering thousands of processes and the largest base of products, services and customers. We cut over to 1Platform in Malaysia in early 2014, on schedule and well within budget.

In line with our digital banking strategy, we launched or proliferated exciting services including Kwik, Plug n Pay and tablet-based mobile sales. We kept operations and technology costs flat in our largest market even as we increased service levels and enhanced technology-led capabilities.



DAVID RICHARD THOMAS

Group Chief Risk Officer

David Thomas is Group Chief Risk Officer. The Group Risk Division oversees the risk management function of CIMB Group, including credit, market, operational and asset liability management risk as well as risk analytics and risk infrastructure.

The Group Risk Division is responsible for ensuring the consistent implementation of the Group's risk management policies and frameworks. The Division also identifies, assesses, measures, controls and reports the material risks of the Group which may impact its business operations, profitability, capital and reputation.

Before joining CIMB, David served as the Chief Risk Officer – Asia Pacific for the Royal Bank of Scotland. 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 during his 20 year tenure in Asia. He began his career at Wells Fargo Bank in California, USA.

David is 54 years old. He holds a Bachelor's Degree from Whitman College, Washington State, USA.

MY2013

2013 was a year of transformation for Group Risk. All five Risk Playbook projects for the year led to improvements in risk appetite, risk culture, risk governance and individual accountability.

Based on the Group's increasing size and complexity, Group Risk made a number of strategic hires including new Group Heads for Market Risk, Operational Risk, Retail Risk and Credit Policy as well as new Risk Director at CIMB Niaga. Additionally we created a new Head of Shariah Risk role as well as a Chief Risk Officer role for CIMB Securities while retaining our CRO structure at CIMB Thai, CIMB Niaga and CIMB Cambodia. Specialised regional Risk Centers of Excellence were created to create better alignment with stakeholders and within Risk itself.

The changes in 2013 promote increasing focus and alignment, and I feel that CIMB Risk is well positioned to support the growth of the Group.

128

HAMIDAH NAZIADIN

Group Chief People Officer

Hamidah Naziadin is the Head of Group Corporate Resources and a Commissioner of CIMB Niaga. She is also the Group Chief People Officer.

As Head of Group Corporate Resources, Hamidah holds regional responsibilities for Group Human Resource, Group Administration & Property Management, and Sports & Recreation. She also oversees the Commerce Leadership Institute and corporate responsibility initiatives.

Hamidah provides strategic direction and drives the human capital agenda across the Group. She has developed differentiated human capital strategies to manage the Group's diverse work force.

Hamidah has 27 years of experience in human resources in the financial industry, of which she spent 23 years with the Group. She has rolled out various leadership development programmes including the CIMB-INSEAD Leadership Programme and the CIMB-NTU Accelerated Universal Banking Programme to groom future leaders and universal bankers. Hamidah has also set up several learning academies in CIMB to build a competent work force for the Group.

Under her leadership, CIMB has won numerous human resource awards in Malaysia and across Asia. In 2013, the Life At Work Award, and the HR Asia Best Companies to Work for in Asia stood out. The CIMB ASEAN Stock Challenge also won the Best Innovation on Campus Award.

Hamidah is 50 years old and holds a Bachelor of Laws degree from the University of Wolverhampton, United Kingdom.



MY2013

I had an exciting year devoted to talent growth. My priority has always been to ensure that CIMB is powered for the future through integrated talent management. In 2013, we continued fuelling our talent with training and leadership development. We set up two new academies to focus on credit and corporate advisory, both critical banking areas. We innovated with CIMB Fusion to bring industry diversity to the experience of our fresh graduate talent. Across the board, we harnessed the best in our employees by emphasising high performance. Last but not least, as our banking franchise of different legacies settled down, we relooked at our job grade structures, and re-calibrated them for parity. This is the foundation for more exciting work to come and I am confident that we are poised to seize opportunities of the new era.

EFFENDY SHAHUL HAMID

Group Chief Marketing &
Communications Officer

Effendy Shahul Hamid is Head of Group Marketing & Communications.

In this role, Effendy oversees the marketing and communications infrastructure of CIMB. His areas of responsibility cover the entire spectrum of strategic marketing and communications, including brand management, marketing, sponsorship, events, media relations, internal communications and annual reporting. He drives channel activation functions within the Group, ensuring all customer touch points are consistent and effectively portrayed. He also manages franchise-wide efforts to ensure a consistent and differentiated CIMB brand for all of the Group's businesses across the region.

Prior to assuming his current role, Effendy was an investment banker and a corporate development professional. He was most recently a Director in CIMB Group's Investment Banking Division, primarily focusing on corporate advisory and origination. Previously, Effendy also served with several companies in a corporate development capacity, mostly involved in merger and acquisition activities across Asia Pacific and general business expansion initiatives.

Effendy is 41 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.

MY2013

2013 was about solidifying our regional marketing and communications infrastructure and putting the final pieces in place for us to again trade up and differentiate from the competition.

We restructured internally, resulting in better synergies and regional governance and the upside was almost immediate. I was able to better focus on the strategic marketing and communications needs across the Group, and at the same time, the individual businesses received better and more relevant 'service'.

Externally, we emphasised core positioning and continued to own the ASEAN space. The franchise also took on an Asia Pacific face with the completion of our investment banking platform. We welcomed our 2 millionth Facebook friend, had Phil Mickelson headline the CIMB Classic and were rated the most valuable banking brand in Malaysia.

I am happy to report to you that the Group's marketing and communications infrastructure is in a good place and already interesting things are in motion for what will be a very busy 2014.

130

LIM TIANG SIEW

Group Chief Internal Auditor

Lim Tiang Siew is the Group Chief Internal Auditor. He ensures that the Group Internal Audit Division supports the CIMB Group Audit Committee in discharging its responsibilities, as well as managing its governance, risk and control functions. He oversees a staff force of approximately 180 people in Malaysia as well as regional Internal Audit functions.

Tiang Siew joined CIMB Investment Bank 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. He has 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, 56 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.

MY2013

It is gratifying to note that with the contribution of all parties over the course of the past few years, the quality of governance, risk appreciation and internal control implementation has improved, as indicated by improved audit risk ratings overall.

With new regulatory requirements, additional regulator requests for audits and a widening scale of operations, our audit scope expanded over 2013. We completed 505 assignments over the year, covering audits of all key operations and investigations into specific areas.

Our IT Audit Department was actively involved in Malaysia's major 1Platform project, a number of audit staff completed Islamic finance qualifications and 17 branch managers participated in branch audit assignments. We conducted training on risk governance, internal controls and fraud and also organised our fifth regional conference on compliance, audit and risk in Yogyakarta to facilitate better interaction, sharing of business risks and concerns, experiences and best practices.



TAN HONG KHENG

General Counsel

Tan Hong Kheng is General Counsel for CIMB Group. In this role, he provides the strategic leadership for Group Legal, Group Compliance and Group Company Secretarial in dealing with legal and regulatory issues that impact the Group.

Previously, Hong Kheng set up and was the Head of the Special Situation Investments department of CIMB that was responsible for making buyout investments and the provision of expansion capital that included Tune Money Sdn. Bhd. and Tune Ins Holdings Berhad. The portfolio had laudable returns from its inception in 2006 through to 2013. Prior to that, Hong Kheng was selected in 2003 to head up CIMB Group's first investment banking foray into Indonesia.

Before his stint in Indonesia, Hong Kheng was active in M&A and fund raising deals in CIMB Group with broad cross-departmental experiences with the Investment Banking division, Corporate Finance department and Capital Markets department. He was the Investment Manager for Jerneh Insurance Berhad and practiced corporate and banking law with the law firms of Shook Lin & Bok and Lee Choon Wan & Co.

Hong Kheng's directorships include Financial Park (Labuan) Sdn. Bhd., Tune Money Sdn. Bhd. and Tune Ins Holdings Berhad, a public listed insurance holding company quoted on Bursa Malaysia of which he also serves on its Audit and Risk Committee.

Hong Kheng is 45 years old and holds a Bachelor of Economics (Accounting major) and a Bachelor of Laws (LLB) from Monash University, Australia. He earned his Master of Business Administration from the University of Chicago Booth School of Business on a CIMB scholarship. Hong Kheng was called as an advocate and solicitor to the Malaysian Bar and is a member of CPA Australia.

MY2013

Adaptability, that's how I would sum up my 2013. The General Counsel division came into being at the start of 2013 as a combination of three departments and adapting to that was the first order of the year. At the same time, a slew of domestic legislation and foreign regulations came into effect and General Counsel division was at the forefront of this adaptation.

In this role the balancing of trust is critical where we seek to facilitate business without compromising legal and regulatory integrity. Adaptability in such instances is important, particularly as our dealings traverse from regulators in Indonesia all the way to US Treasury officials in Washington DC.

What pleases me most about 2013 is the sense of dedication, teamwork and mentorship that was displayed at various levels of the division. The manner in which most General Counsel division members embraced the changes was adaptability at its finest.

In ensuring the continued sustainability and long-term performance of CIMB Group, and to protect and enhance the interests of the Shareholders and other stakeholders, CIMB Group is committed to excel in governance, transparency and accountability.

The Board promotes good governance culture and this is entrenched in all business and support units of CIMB Group. In 2013, the governance framework which complies with the Malaysian Code of Corporate Governance 2012 (MCCG 2012) was further reviewed to meet the recommended corporate governance principles and best practices of the ASEAN Corporate Governance Scorecard (ASEAN CGS) as well as developments in market practice and regulation.

CIMB Group was ranked second amongst the Top 500 public listed companies in Malaysia in the Malaysia-ASEAN Corporate Governance Index 2013 published by the Minority Shareholder Watchdog Group (MSWG). The report assesses the state of corporate governance practices of the Top 500 public-listed companies based on globally accepted parameters of corporate governance as well as other international best practices.

Several other awards received in 2013 in Corporate Governance, Leadership/Management, Risk and Investor Relations, bore testament to CIMB's group-wide efforts to raise the bar in corporate governance practices.

Statement on Corporate Governance

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



At the Malaysia – ASEAN Corporate Governance Index 2013 Awards ceremony.

Corporate Governance

- Top five Overall Corporate Governance Award – MSWG
- Top three Corporate Governance Transparency Award – MSWG
- Best Environmental, Social and Corporate Governance Award – MSWG
- Best for Shareholders' Rights and Equitable Treatment in Malaysia – Asiamoney Corporate Governance Poll

Leadership

- Chief Executive Officer (CEO) of the Year Award: Dato' Sri Nazir Razak – MSWG
- Best Executive in Malaysia: Dato' Sri Nazir Razak – Asiamoney Summer Awards 2013

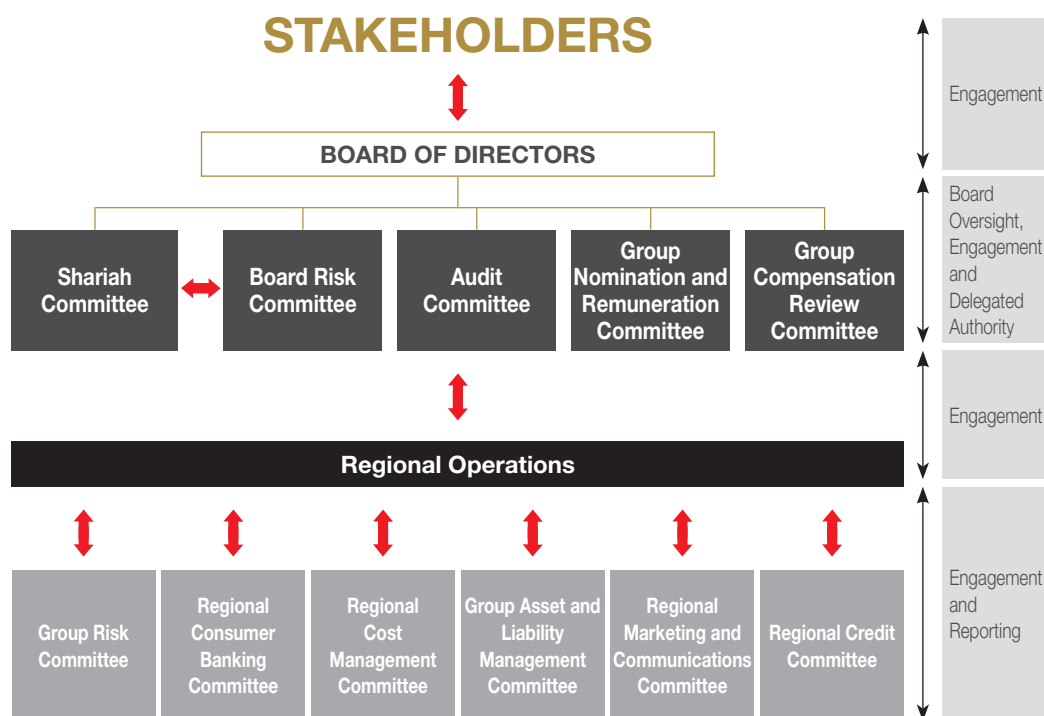
Risk

- House of the Year, Malaysia: CIMB Group in Asia Risk Awards 2013
- House of the Year, Indonesia: PT Bank CIMB Niaga Tbk in Asia Risk Awards 2013

Investor Relations

- Best CEO for Investor Relations in Malaysia (Large Cap): Dato' Sri Nazir Razak
- Best Company for Investor Relations in Malaysia (Large Cap)
- Best Investor Relations Website in Malaysia (Large Cap)
- Business Knowledge and Insights of Investor Relations Team for Malaysia

CIMB'S GOVERNANCE FRAMEWORK



The Shareholders, Board of Directors and Group Managing Director/Chief Executive Officer are responsible for the control and management of CIMB Group.

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. The Board of Directors oversees and appraises CIMB Group's overall strategic direction and performance. The Group Managing Director/Chief Executive Officer is responsible for managing CIMB Group's business and ensuring the implementation of its strategic and operational targets.

SHAREHOLDERS' RIGHTS

In accordance with the Companies Act, 1965, the Shareholders exercise their decision-making power at general meetings. Shareholders attend meetings in person or through an appointed proxy or authorised representative. Each share entitles the holder to one vote.

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
- Payment of fees to External Auditors

The Annual General Meeting of CIMB Group is convened annually in April. 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 accordance with Article 54 of the Company's Articles of Association, Notice and Agenda of the Annual General Meeting is delivered to the shareholders at least 21 days before the meeting. The Notice and Agenda is also published in the local English and Bahasa Malaysia newspapers and made available on CIMB Group's website at www.cimb.com. The Notice and Agenda is accompanied by explanatory notes and a statement explaining the rationale behind each Agenda item requiring Shareholders' approval.

BOARD OF DIRECTORS

CIMB Group is governed by a Board of Directors who is accountable to stakeholders for the strategic direction of CIMB Group and the pursuit of value creation for Shareholders.

Board Composition and Balance

CIMB Group's Board comprises one Executive Director and seven Non-Executive Directors, of whom five are independent including one woman Director. One Non-Independent Director is a nominee of Khazanah Nasional Berhad, while the second Non-Independent Director is an employee of CIMB Group. CIMB Group does not have a policy to allow non-controlling Shareholder(s) a right to nominate candidates to the Board.

Mr. Katsumi Hatao, who was a nominee of The Bank of Tokyo-Mitsubishi UFJ Ltd, has retired from the Board on 25 February 2014. CIMB is in the process of appointing a new candidate to represent the interests of The Bank of Tokyo-Mitsubishi UFJ Ltd on the Board of CIMB Group.

Independent Directors constitute more than half of the composition of the Board, exceeding the MCCG 2012's recommendation and the minimum number required under the Bursa Malaysia Securities Berhad (Bursa Securities) Main Market Listing Requirements (MMLR), Bank Negara Malaysia (BNM) Guidelines on Corporate Governance for Licensed Institutions (BNM/RH/GL 001-1) and BNM's Shariah Governance Framework for Islamic Financial Institutions (collectively 'BNM Guidelines') and The Green Book: Enhancing Board Effectiveness (Green Book) introduced by the Putrajaya Committee on Government-Linked Companies (GLC) in 2005 under the GLC Transformation Programme.

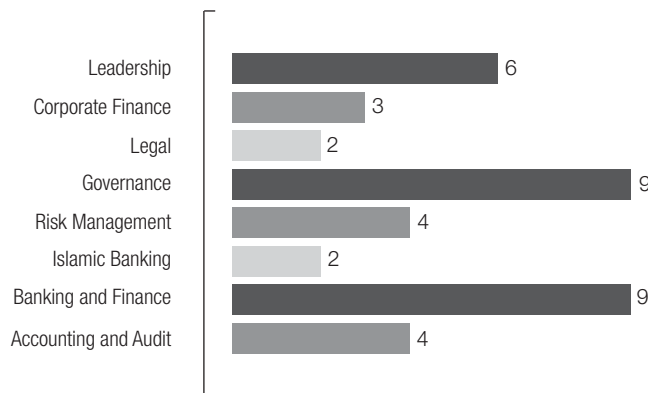
The higher proportion of Independent Directors enables a balanced and objective consideration of issues and enhanced accountability in the decision-making process at CIMB Group and mitigates any possible conflict of interest. Independent Directors provide the necessary checks and balances in ensuring that CIMB Group operates in a safe and sound manner, and bring new perspectives from other businesses that may enhance the effectiveness of the Board.

Board Diversity

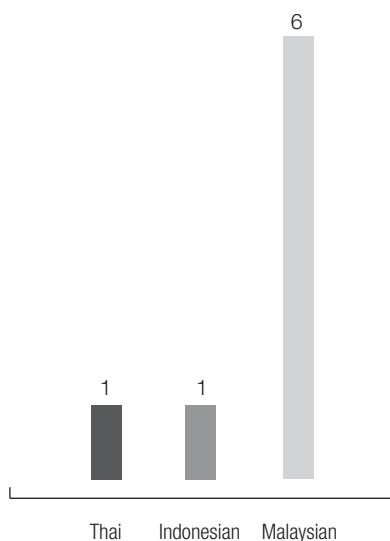
In maintaining a competitive advantage, the Board recognises that having a range of different skills, background and experience with a diversity of viewpoints amongst its Directors is important to ensure robust decision-making process and the effective governance of CIMB Group. The diversity in the composition of the Board ensures the good use of the differences in the wide range of skills, regional and industry experience, background, gender and other attributes of the Directors. This experience and their roles are described on pages 102 to 112.

The following diagram gives a brief overview of the current collective experience, geographical mix and nationality represented by the Board.

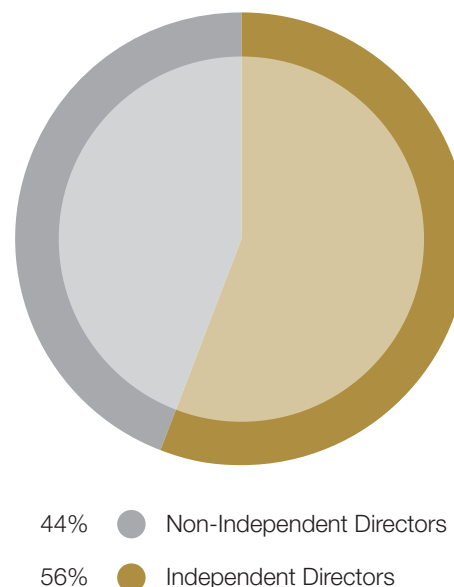
Board Members' Industry/Background Experience



Board Members' Nationality



Board's Composition



Directors' Independence

The Board, in considering the independence of a Director, needs to also determine that the Director does not have a material relationship with CIMB Group, other than solely as a consequence of being a Director. CIMB Group has also adopted a policy that limits its Independent Director's tenure to a maximum of nine years.

The Board, through the Group Nomination and Remuneration Committee, assesses the independence of its Independent Directors annually, using the Board and Board Committee Effectiveness Assessment questionnaire. The assessment takes into account the individual Director's ability to exercise independent

judgement to enhance the Board's accountability as well as other additional criteria, as follows:

- 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 Group or CIMB Group'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; and
- The individual's readiness to challenge others' assumptions, beliefs or viewpoints for the good of CIMB Group.

As a result of the assessment, the Board 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. The assessment further affirms that the Independent Directors are independent of Management and major/substantial shareholders.

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 Group, is required to give the Board and/or the Group Company Secretary immediate notice of such interest.

Details on the independent status of the Board, their roles in Board Committees and their attendance at meetings are as follows:

	Position	Initial Date of Appointment	Independent of the company/Major Shareholder	Attendance at meetings				
				Board	AC	BRC	GNRC	GCRC
Tan Sri Dato' Md Nor Yusof	Chairman/Non-Independent Non-Executive Director	27 June 2006	No Nominee of Khazanah Nasional Berhad	10/10	-	4/4	-	-
Dato' Sri Nazir Razak	Group Managing Director/Chief Executive Officer	27 January 2006	No	10/10	-	-	-	6/6
Datuk Dr. Syed Muhamad Syed Abdul Kadir	Senior Independent Director	7 November 2006	Yes	10/10	14/14	4/4	5/5 Chair	-
Dato' Hamzah Bakar	Independent Director	7 November 2006	Yes	10/10	11/14	4/4 Chair	5/5	6/6 Chair
Dato' Zainal Abidin Putih	Independent Director	7 November 2006	Yes	8/10	14/14 Chair	4/4	4/5	5/6
Dato' Robert Cheim Dau Meng	Non-Independent Non-Executive Director	7 November 2006	No Adviser to CIMB	9/10	-	4/4	4/5	5/6
Glenn Muhammad Surya Yusuf	Independent Director	25 January 2010	Yes	10/10	-	4/4	5/5	-
Watanan Petersik	Independent Director	25 January 2010	Yes	10/10	-	4/4	-	-
Katsumi Hatao*	Non-Independent Non-Executive Director	23 February 2012	No Nominee of The Bank of Tokyo-Mitsubishi UFJ, Ltd	7/10	-	4/4	-	-

Note: * Retired on 25 February 2014.

Segregation of positions of Chairman and Group Managing Director/Chief Executive Officer

The positions of Chairman and Group Managing Director/Chief Executive Officer respectively are held by different individuals with distinct and separate roles to enhance governance and transparency, so that no individual or group dominates Board proceedings.

Chairman

The Chairman, Tan Sri Dato' Md Nor Yusof, is responsible for the leadership and management of the Board and ensures that the Board and its Committees function effectively. He provides support, advice and maintains a healthy and effective relationship with the Group Managing Director/Chief Executive Officer. The Chairman is responsible for setting the Board's agenda and ensuring adequate time is available for discussion of all agenda items, in particular strategic issues. He inculcates openness and constructive debate by facilitating effective contribution from Non-Executive Directors, in particular. The Chairman, assisted by the Group Company Secretary, ensures good information flow between the Board, its Committees and Senior Management.

Group Managing Director/Chief Executive Officer

The Group Managing Director/Chief Executive Officer, Dato' Sri Nazir Razak has the overall responsibility for managing the businesses of CIMB Group and driving performance to achieve CIMB Group's strategic goals and commercial objectives. He heads the Group Management Committee, the highest management committee in CIMB Group and leads the management team in carrying out the corporate strategy and vision of the group. As Group Managing Director/Chief Executive Officer, he is accountable to the Board for the day-to-day operations of CIMB Group's businesses.

Dato' Sri Nazir continued to lead CIMB Group to excellence and this is acknowledged by the awards conferred to him and to CIMB Group. In 2013, Dato' Sri Nazir was the recipient of the CEO of the Year award from the Minority Shareholder Watchdog Group, Best Executive in Malaysia from Asiamoney and Best CEO for Investor Relations from the Malaysian Investor Relations Association.

Senior Independent Director

Datuk Dr. Syed Muhamad Syed Abdul Kadir joined the Board in 2006 and assumed the role of Senior Independent Director from 2012. Datuk Dr. Syed Muhamad 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.

Stakeholders' queries can be e-mailed directly to the Senior Independent Director at cimbSID@cimb.com or directed to the following address:

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

Appointments to the Board

The process of appointment of Board members is conducted in accordance with the BNM Guidelines and CIMB 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, Shariah Committee members and Key Senior Management. Detailed assessments are conducted on candidates and the Group Nomination and Remuneration Committee

confirms whether the candidates are fit for their respective roles and recommends the appointments for the Board's approval.

Recommendations for the appointment and re-appointment of Directors are subject to BNM's vetting and prior approval.

Re-appointment and Re-election of Directors

Directors appointed during the year are subjected to election by the Shareholders at the next Annual General Meeting after their appointments. The election of each director is conducted separately, unless the Shareholders recommend the election to be carried out in a single motion. Each year, one-third of the Directors who have been the longest in office since their last election, retire from office at the Annual General Meeting, and being eligible, may offer themselves for re-election by the Shareholders. Proposals for the re-appointment and re-election of Directors are reviewed and assessed by the Group Nomination and Remuneration Committee who will recommend the proposal to the Board and thereafter to the Shareholders for approval. In line with the requirement of the MMLR, no Director should serve more than 3 years without seeking re-election at the Annual General Meeting.

Pursuant to Article 76 and paragraph 7.26(2) of the MMLR, Tan Sri Dato' Md. Nor Yusof and Dato' Sri Nazir Razak shall retire at the forthcoming Annual General Meeting of CIMB Group and being eligible, have offered themselves for re-election.

Dato' Hamzah Bakar, who was appointed to the Board on 7 November 2006 and having attained the age of 70 years on 7 October 2013, shall retire at the forthcoming Annual General Meeting pursuant to Section 129(2) of the Companies Act, 1965. He has informed the Board of his intention not to seek re-election.

BOARD CHARTER

The Board has adopted a Board Charter which sets how its role, powers and responsibilities are exercised, having regard to principles of good governance, international best practice and applicable laws.

The Board Charter promotes the highest standard of governance and clarifies, amongst others, the roles and responsibilities of the Board. The Board Charter serves not only as a reminder of the Board's roles and responsibilities but also acts as a general statement of intent and expectation as to how the Board discharges its duties and responsibilities.

The Board Charter is subject to review by the Board from time to time to ensure CIMB Group remains at the forefront of best practices in governance.

The Board Charter comprises, amongst others, the following areas:

- Roles of the Board and Committees
- Roles of Chairman and Group Managing Director/Chief Executive Officer
- Board Composition and Terms of Reference
- Directors' Code of Ethics
- Stakeholder Communication
- Directors' Selection Criteria
- Terms and Tenure of Appointment
- Succession Planning
- Board Effectiveness Assessment
- Training and Development
- Processes of the Board

The roles and responsibilities of the Board have been expanded and are in line with the MCCG 2012, as follows:

- Reviewing and adopting a strategic plan for CIMB Group.
- Overseeing the conduct of CIMB Group's business to determine whether the business is being properly managed.
- Identifying principal risks, setting of risk appetites and ensuring the implementation of appropriate internal controls and mitigation measures.
- Succession planning, including ensuring all candidates appointed to senior management positions are of sufficient calibre and programmes are in place to provide for the orderly succession of senior management.
- Overseeing the development and implementation of shareholders' communications policy for CIMB Group.
- Reviewing the adequacy and the integrity of CIMB Group's management information and internal control system.
- Providing clear objectives and policies within which the senior management of CIMB Group is to operate.
- Ensuring that there are adequate controls and systems in place to facilitate the implementation of CIMB Group's policies.
- Avoiding any conflict of interest and ensuring disclosure of possible conflict of interest.

In addition to the above responsibilities, the Board has adopted a schedule of matters reserved for the Board's decision, which includes, inter alia, reviewing and approving the following:

- Strategic/business plans and annual budget;
- New investments, divestments, mergers and acquisitions, corporate restructuring, including the establishment of subsidiaries, joint ventures or strategic alliances both locally and abroad;
- Acquisition and disposal of material assets of CIMB Group;
- Annual financial statements and the quarterly financial results;
- Appointment of new Directors, CEO and Key Senior Management personnel;
- Related party transactions and capital financing.

The Board has also delegated specific authority to several Board Committees. Notwithstanding this delegation of authority, the Board remains responsible for its fiduciary duties.

Code of Conduct

The Board recognises its role in establishing ethical values that support a culture of integrity, fairness, trust, forthrightness and pursuit of excellence. To this, the Board has formalised a Code of Conduct with a view to promoting ethical values and standards amongst employees. The Code of Conduct outlines the minimum standard of conduct and serves as a guide for ethical behaviour. Details of the Code of Conduct can be found in the Company's website at www.cimb.com.

Number of Directorships

In line with the MMLR and the GLC Green Book, the number of directorship for each Director is limited to five in public listed companies and 10 in non-listed companies to ensure the Directors have the time to focus and fulfil their responsibilities effectively. None of the Directors currently serve on the boards of more than five public listed companies. The Group Managing Director/Chief Executive Officer adheres strictly to the BNM/RH/GP 001-1 on limit of directorships. He holds only four directorships within the CIMB group of companies of which two are in public-listed companies. The Group Company Secretary monitors the number of directorships held by each Director and advises the Directors on new appointments and ensures that the Group Nomination and Remuneration Committee has no objection to the said appointments before the Directors accept any additional directorship.

The Board is informed on changes to the directorships held by its members on a quarterly basis and is satisfied that the current external directorships held by the Board members would not impair their ability to contribute to the Company and that the Directors are able to devote sufficient time to the Company in discharging their roles and responsibilities effectively.

MEETINGS AND SUPPLY OF INFORMATION TO THE BOARD

The Board meets at least once every two months to discuss business strategy, financial performance, potential strategic acquisitions or alliances, matters pertaining to risk, compliance and governance as well as reports on matters deliberated by the respective Board Committees. The Board reviews, amongst others, the financial performance of the major subsidiaries, risk management and compliance reports and approves the quarterly results of

CIMB Group at its meetings. The meetings of the Board and Board Committees are scheduled in advance at least in the 3rd Quarter of the preceding year for the Directors to plan their schedules. In addition, Special Board meetings are held when necessary, to deliberate on major transactions and ad-hoc matters that require the Board's urgent attention and decisions. A Special Board meeting is held in the 4th Quarter of the year to plan and discuss CIMB Group's business strategy, while the business plan and budget is tabled and approved in the 1st Quarter of the succeeding year.

Directors participate in Board meetings in person, and if they are unable to attend in person, the Directors have the option to participate via tele-conference or tele-presence. In the event Directors are unable to attend in person or participate via teleconference due to unavoidable circumstances, they are encouraged to provide feedback to the Chairman on matters to be deliberated for their views to be given due consideration at the meetings.

Dealings in Securities

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

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 on a quarterly basis.

Conflict of Interest

A Director who has interest, either direct or indirect, in any proposal or transaction being considered declares his or her interest and abstains from participating in discussions and any decision-making on that proposal.

Access to Information and Advice

Meeting papers comprising financial performance reports, updates on corporate developments, business progress reports, risk and compliance reports and proposals are delivered to the Directors prior to the meetings. The Board is given sufficient time to evaluate the reports and proposals and if necessary, request additional information. This enables the Board to discharge its responsibilities effectively. The minimum information provided to the Board on proposals to be deliberated includes objective, background, key issues, rationale as well as financial and non-financial impact of the proposal for the Board to make informed and effective decisions.

The Directors have unrestricted and independent access to the advice and services of the Group Company Secretary in discharging their duties effectively. The Directors may communicate directly with Key Senior Management to seek advice and request further information as well as updates on any aspect of CIMB Group's operations and business concerns.

In addition, the Directors have the right to seek independent advice on specific matters that in their opinion requires unbiased evaluation, at the expense of CIMB Group. A formal procedure is in place to facilitate them in seeking independent professional advice. A copy of the report or independent advice will be made available to the Chairman and, if deemed appropriate, be circulated to all Directors for deliberation.

Annual Management Summit

On a yearly basis, Directors of CIMB Group together with other senior leaders across CIMB Group meet at the Annual Management Summit whereby division heads present their various new business strategies and synergistic opportunities. This provides an avenue for the Directors to interact with the senior managers up close and foster stronger relationships with all heads. The various key messages and business strategies put forward at the Annual Management Summit will be considered thoroughly to form key thrusts for the business plan and budget. Upon deliberation and approval by the Board, these recommendations and plans will then be cascaded to the business divisions for execution.

Company Secretary

The Group Company Secretary is responsible for advising and assisting the Board on matters relating to the affairs of the Company, including matters pertaining to governance and best practices, boardroom effectiveness and Directors' duties and responsibilities. All Directors have access to the advice and services of the Group Company Secretary, whose appointment and removal is a matter reserved for the Board.

The Group Company Secretary, Datin Rossaya Mohd Nashir, was appointed to assume her role in 2002, having 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 include ensuring the Board, Board Committees and Shareholders' meetings are properly convened in accordance with the laws and best practices and that records of proceedings at the Board, Board Committees and Shareholders' meetings are duly minuted and kept. She oversees the corporate secretarial practices of local and regional subsidiaries and manages the entire corporate secretarial process for all of CIMB Group's subsidiaries with support from the respective regional Company Secretaries.

The Group Company Secretary also facilitates the communication of key decisions and policies between the Board, Board Committees and Senior Management. Apart from assisting the Chairman in formulating agendas and conduct of Board, Board Committees and Shareholders' meetings, the Group Company Secretary also undertakes the following roles in three main key areas:

Shareholders

- Assisting in managing shareholders' communication and resolving their enquiries.
- Organising shareholders' meeting as well as the preparation of the meeting's agenda, invitation to the meeting, documents required for the meeting, the Annual Report, and the minutes of the meeting.
- Managing relationship with external stakeholders.

Company

- Facilitating highest standards of governance practices among CIMB Group entities and identifying areas for enhancements.
- Ensuring that CIMB Group complies with the statutory obligations under the relevant laws and regulations.
- Monitoring and ensuring that CIMB Group's governance framework complies with the MCCG 2012, BNM/RH/GL 001-1, the MMLR and the relevant laws, regulations and guidelines.
- Maintaining the safe keeping of statutory records of the companies within CIMB Group in compliance with applicable laws and regulations.

Board

- Managing Board and Shareholder processes group-wide.
- Ensuring procedures for the appointment of Directors is adhered to.
- Organising induction programmes for new Directors.
- Organising and assisting in Directors' Training.
- Updating the Board of Directors on any developments and changes in laws, regulations and guidelines pertaining to the statutory duties and code of conduct of Directors, Boards and Shareholders' Meetings, and its impact to CIMB Group's business in the jurisdictions within which CIMB Group 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.

In ensuring the uniformity of Board conduct and effective boardroom practices throughout CIMB Group, the Group Company Secretary has oversight on the overall corporate secretarial functions of CIMB Group, both in Malaysia and in countries where CIMB Group operate. 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.

TRAINING AND DEVELOPMENT OF DIRECTORS

In order for CIMB Group to remain competitive, the Board ensures that Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board. The role to review the training needs and professional development of Directors is delegated to the Group Nomination and Remuneration Committee.

Directors' development is an integral element of the process for appointment of new Directors and the Board is mindful of the need to keep abreast with industry developments, regulatory changes, changing commercial risks and latest market trends regionally and globally, and in the banking industry.

Newly appointed Directors receive an information pack comprising corporate information of CIMB Group, the Board Charter as well as other relevant documents. The Directors undergo an induction programme which involves meeting Key Senior Management to enable Directors to better understand CIMB Group's business, operations and challenges.

During the induction programme, the relevant Heads of Divisions brief the Directors on the functions and areas of responsibility of their respective divisions. This serves to familiarise the Directors with the operations and organisational structure of CIMB Group as well as to provide them with a platform in establishing effective channel of communication and interaction with Management.

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

Details of training programmes attended by the Directors in 2013 and time spent for each of the Directors are summarised as follows:

Training Programmes

Titles/Topics	Mode of Training	Duration
Banking and Finance		
• SC: World Capital Markets Symposium 2013	Conference	2 Days
• ASEAN Banking Solutions	Conference	1 Day
Compliance and Regulatory		
• CIMB Group: Briefing on Financial Services Act and Islamic Financial Services Act	Workshop	4 Hours
• BNM Dialogue Session on Financial Services Bill 2012 & Islamic Financial Bill 2012	Workshop	4 Hours
• FIDE Forum: Dialogue on Financial Services Act 2013 and Islamic Financial Services Act 2013	Forum	4 Hours
Corporate Governance		
• Malaysian Institute of Corporate Governance: Directors Duties Seminar	Course	1 Day
• Dialogue Presentation Session: Asean Corporate Governance Scorecard 2013	Course	1 Day

Titles/Topics	Mode of Training	Duration	Time Spent on Training	
			Directors	Time Spent*
Economics				
<ul style="list-style-type: none"> • CIMB's Asia Pacific Investor Conference, New York City • Credit Suisse: 15th Asian Investment Conference, Hong Kong • Asia Business Council's 2013 Spring Forum, Langkawi • Invest Malaysia 2013 • CIMB Annual Asia Pacific Conference 2013 • Network ASEAN Forum, Singapore • Macquarie ASEAN Conference, Singapore • The Singapore Summit – Connecting Asia and the World • Network Asean Forum • Asia Oil and Gas Conference • Khazanah Luncheon Talk by Dr. Rowan Williams on Human Priorities: The Urgency of an Ethical Economics • Perdana Leadership Foundation CEO Forum 2013: 'Better Times Ahead for Malaysia? Predictions, Trends and Outlook for 2013-2014' • Australia All Energy 2013 Exhibition & Conference • MICCI – Briefing on Iskandar Development Region & Inaugural Meeting of the Trade & Investment Council • 5th World Chinese Economic Forum 2013 • Khazanah Megatrend Forum (KMF) 2013 	<ul style="list-style-type: none"> Conference Conference Forum Conference Conference Forum Conference Conference Forum Conference Talk Forum Conference Conference Forum Forum 	<ul style="list-style-type: none"> 2 Days 2 Days 2 Days 1 Day 2 Days 2 Days 1 Day 1 Day 2 Days 2 Days 2 Hours 1 Day 2 Days 4 Hours 2 Days 1 day 	<ul style="list-style-type: none"> Tan Sri Dato' Md Nor Yusof Dato' Sri Nazir Razak Datuk Dr. Syed Muhamad Syed Abdul Kadir Dato' Zainal Abidin Putih Dato' Hamzah Bakar Dato' Robert Cheim Dau Meng Glenn Muhammad Surya Yusuf Watanan Petersik Katsumi Hatao ** 	<ul style="list-style-type: none"> 8 Days + 4 Hours 29 Days 12 Days 9 Days + 1 Hour 9 Days + 7 Hours 9 Days + 2 Hours 2 Days + 6 Hours 5 Days 1 Day + 2 Hours
Islamic Banking				
<ul style="list-style-type: none"> • The Islamic Financial Services Board: Pre-Summit events • 10th Kuala Lumpur Islamic Finance Forum • CIMB Group: Shariah Governance Framework Briefing 2013 	<ul style="list-style-type: none"> Conference Forum Workshop 	<ul style="list-style-type: none"> 1 Day 1 Day 2 Hours 		
Leadership and Business Transformation Management				
<ul style="list-style-type: none"> • CIMB-INSEAD Leadership Program Cohort 4 Capstone • Credit Suisse 4th Annual Emerging Markets Leadership Forum • CIMB Group Annual Management Summit 	<ul style="list-style-type: none"> Course Forum Forum 	<ul style="list-style-type: none"> 1 Day 2 Days 2 days 		
Risk Management				
<ul style="list-style-type: none"> • CIMB Group: Risk Posture Workshop • CIMB Group: 5th Regional Compliance, Audit & Risk Conference • CIMB Group: Mandatory Risk Appetite Workshop • BSL Directors' In House Training Programme On Risk Management • CIMB Group: Internal Capital Adequacy Assessment Process 	<ul style="list-style-type: none"> Workshop Conference Workshop Course Briefing 	<ul style="list-style-type: none"> 4 Hours 2 Days 4 Hours 1 Day 3 Hours 		

Note: * Based on 8 working hours per day.
** Retired on 25 February 2014.

DIRECTORS' REMUNERATION

The Level and Make-up of Remuneration

CIMB Group has established a remuneration framework for its 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 taken on by them. The framework is sufficient to attract and retain Directors for their contributions to CIMB Group.

In order that the remuneration framework remains competitive and consistent with CIMB Group's high performance culture, objective and strategy of CIMB Group, the framework for Non-Executive Directors is reviewed periodically or at least once every 3 years to ensure that they remain 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 in determining the fee quantum is based on the Directors' responsibilities and accountability to the Shareholders, membership in Board Committees, expertise, performance, risk, complexity and scope of business of CIMB Group. 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 conflicts of interest, 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 Group's Financial Statements.

Details of the remuneration package for financial year 2013 are as follows:

	Directors' Fees (per annum) (RM)	Other Remuneration (per month) (RM)	Meeting Allowance (per meeting) (RM)
Board			
Chairman	90,000	30,000	3,000
Members	90,000	-	3,000
Audit Committee			
Chairman	12,000	-	2,000
Members	12,000	-	1,000
Group Nomination and Remuneration Committee			
Chairman	12,000	-	1,000
Members	12,000	-	1,000
Board Risk Committee			
Chairman	12,000	-	1,000
Members	12,000	-	1,000
Group Compensation Review Committee			
Chairman	-	-	-
Members	-	-	-

Note: Independent Directors do not receive options, performance-related shares or bonuses from CIMB Group.

The aggregate remuneration paid to the Directors by CIMB Group and its subsidiaries in 2013, is as follows:

Directors	Fees RM'000	Salary and/or Other Remuneration RM'000	Benefit-in- Kind RM'000	Total RM'000
Executive Director				
Dato' Sri Nazir Razak* ¹	–	5,135	3,865	9,000
	–	5,135	3,865	9,000
Non-Executive Directors				
Tan Sri Dato' Md Nor Yusof	126	405	23	554
Dato' Zainal Abidin Putih	300	547	37	884
Dato' Hamzah Bakar	186	291	21	498
Dato' Robert Cheim Dau Meng* ²	–	766	121	887
Datuk Dr Syed Muhamad Syed Abdul Kadir	270	549	26	845
Cezar Peralta Consing* ³	7	–	–	7
Glenn Muhammad Surya Yusuf	145	126	42	313
Watanan Petersik	114	206	–	320
Katsumi Hatao* ⁴	114	32	–	146
Sub-total	1,262	2,922	270	4,454
Grand Total	1,262	8,057	4,135	13,454

Notes:

*1 The functions and responsibilities of the Group Managing Director/Chief Executive Officer are carried out on a Group basis. The salary, other remuneration and benefits-in-kind for the Group Managing Director/Chief Executive Officer were paid by CIMB Investment Bank Berhad.

*2 Dato' Robert Cheim Dau Meng holds an executive position in the CIMB banking group and his salary and benefits-in-kind were paid by CIMB Investment Bank Berhad.

*3 Resigned on 23 January 2013.

*4 Retired on 25 February 2014.

BOARD COMMITTEES

The Board has appointed Directors who have relevant knowledge and skills to act as members of Board Committees, with the specific duty to pre-screen matters that need prudent attention prior to submission to the Board of Directors. The Board has established properly constituted Audit Committee, Board Risk Committee, Group Nomination and Remuneration Committee and Group Compensation Review Committee with formal delegated responsibilities. This delegation ensures that adequate time is devoted by the Board members for independent oversight of key controls. All the Board Committees are chaired by Independent Directors, who are responsible for the effective operations of the Committees and the fulfilment of their duties which are clearly outlined in the Terms of Reference approved by the Board. The Terms of Reference of the Board Committees are regularly reviewed to ensure they remain aligned with CIMB Group's corporate vision and mission.

The Chairmen of the Board Committees report on matters dealt with at their respective Board Committee Meetings to the Board. Minutes of the Audit Committee, Board Risk Committee and Group Nomination and Remuneration Committee meetings are also presented at the Board meetings for further discussion and direction, if any. The Board accepts that while these Committees have the authority to deliberate on matters delegated to them, all recommendations and/or decisions made by these Committees are brought to the attention of the Board, who is collectively responsible for CIMB Group's success, business, strategy, risk management, operational and financial performance.

The Board Committees are as follows:

Audit Committee

The Audit Committee comprises solely of Independent Directors with financial background and extensive experience in accounting and audit in compliance with the requirements of the BNM/RH/GL 001-1 and the MMLR.

The key responsibilities of the Audit Committee are overseeing the integrity of CIMB Group's financial reporting, disclosure, regulatory compliance, risk management and internal controls processes and in ensuring high governance standards are practiced within CIMB Group. The Audit Committee meets regularly to review, amongst others, the quarterly results, semi-annual and annual financial statements, audit reports which include observations pertaining to risk management, internal controls and major investigations, as well as status of major credit facilities granted and related party transactions. The Audit Committee also approves the annual audit plan of the Group. Relevant members of the Management team attend the meetings to assist the Committee in discharging its duties. The External Auditors also meet up with the Audit Committee both privately without the presence of Management as well as on other appropriate occasions.

The role of the Audit Committee also includes assessing the performance, independence and objectivity of external auditors on an annual basis, a fundamental requirement for good governance. In 2013, the Audit Committee conducted a review on its Terms of Reference to further enhance and strengthen its role.

The Chairman of the Audit Committee is Dato' Zainal Abidin Putih, who has more than 30 years of extensive experience in audit, management consulting and taxation.

The Audit Committee met 14 times in 2013 to deliberate on matters relating to CIMB Group. In addition, 17 other meetings were held to deliberate on matters relating to the three Malaysian banking institutions under CIMB Group. The Audit Committee also met on two other occasions in 2013 without the presence of Key Senior Management.

The Audit Committee keeps the Board informed of its activities and recommendations from time to time at the Board Meetings. A summary of the activities undertaken by the Audit Committee during the financial year under review and its terms of reference are set out in the Audit Committee Report on pages 182 to 187 of the Annual Report.

Board Risk Committee

The Board Risk Committee comprises seven members who are Non-Executive Directors of which five are independent. The Board Risk Committee is responsible for formulating and reviewing the risk management policies and risk strategy of CIMB Group.

The Board Risk Committee together with the Group Chief Risk Officer defines the risk management objectives across risk categories and business lines with a view of setting the Group'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 Group's Risk Management Framework are elaborated on pages 170 to 177 of this Annual Report.

Group Nomination and Remuneration Committee

The Group Nomination and Remuneration Committee comprises wholly of Non-Executive Directors, with 80% of them being independent.

The Group Nomination and Remuneration Committee is responsible for selecting suitable candidates and proposing them to the Board for their nomination as members of the Board and Board Committees as well as Key Senior Management. It also determines the framework for the remuneration for the Non-Executive Directors and the Group Managing Director/ Chief Executive Officer. The Group Nomination and Remuneration Committee also oversees the nomination process and remuneration package of Non-Executive Directors and Key Senior Management of the local and regional subsidiaries and joint-venture entities of CIMB Group.

The Group Nomination and Remuneration Committee 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, as follows:

Nomination Procedure

The Group Nomination and Remuneration Committee is responsible for assisting the Board in maintaining an effective Board which contributes to the successful oversight and stewardship of CIMB Group. It ensures that the Board has an appropriate mix of skills and experience to be a competent decision-making body.

Prior to recommending the nomination of a new Director, the Group Nomination and Remuneration Committee undertakes a meticulous and comprehensive appraisal of the candidate based on a set of criteria adopted by

the Board. In selecting and nominating the proposed candidates for the Board, Board Committees and Key Senior Management positions, the Group Nomination and Remuneration Committee takes into consideration the specific qualifications, knowledge, abilities, skills, experience and expertise of each individual as well as their leadership, vision and attitude towards CIMB Group, with the view that such qualities would be beneficial to CIMB Group's operations. The Group Nomination and Remuneration Committee also takes into consideration the appropriate size, structure and composition of the Board which is not only well-balanced and supportive of good governance and efficient management, but also complies with regulatory requirements and is suitable for the changing business environment. CIMB Group leverages on industry database and CIMB Group's Independent Directors' network to source for new candidates for Board appointments.

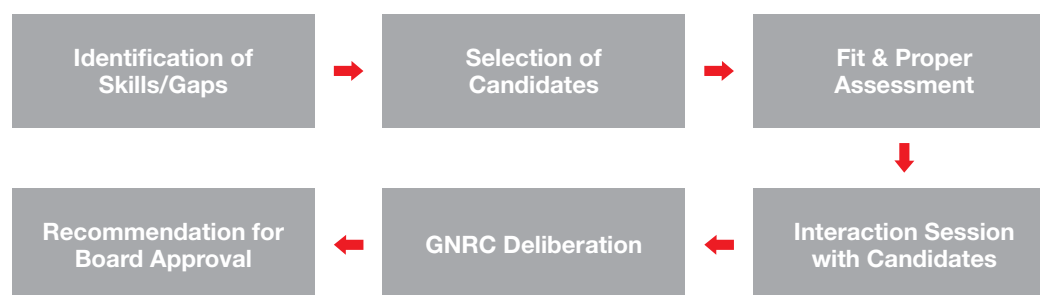
The Chairman of the Group Nomination and Remuneration Committee conducts an interaction session with the proposed candidates and assesses the candidates based on the following aspects:

- Relevant skills and experience
- Competency in specialised areas of practice
- Track record of success
- Independence (where relevant) and objectivity
- Willingness to challenge prevailing opinion
- Consistent availability
- Sound judgement and broad perspective
- Integrity

Non-Executive Directors are expected to confirm and undertake that they will have sufficient time to meet the Board's expectations and will seek the Chairman's approval before accepting any new external directorship or taking up additional roles.

The process for identifying and nominating new candidates for appointments entails the following steps:

Nomination Framework



The Fit and Proper Policy for Key Responsible Persons adopted by CIMB Group sets out the guidelines for the re-appointment and re-election of Directors who are eligible for re-appointment. In considering the proposed re-appointment or re-election, the Group Nomination and Remuneration Committee conducts assessment on the Directors based on the following criteria:

- Contribution in terms of knowledge in specific areas
- Training attended by the Directors
- Time commitment by the Directors
- Independence and conflict of interest

The Terms of Reference of the Group Nomination and Remuneration Committee with regard to its nomination role are as follows:

- Establishing clear, formal and transparent procedures for the re-election and appointment of the Directors.
- Establishing minimum requirements for the Board, namely required mix of skills, experience, qualification and other core competencies required of each Director. The Group Nomination and Remuneration Committee is also responsible for

establishing the minimum requirements for the CEO. The requirements and criteria should be approved by the full Board.

- Recommending and assessing the nominees for directorship, Board Committee members as well as nominees for the CEO and ensuring compliance with Section 55 Financial Services Act, 2013 and Section 68 of the Islamic Financial Services Act, 2013. This includes assessing Directors for re-appointment, before an application for approval is submitted to BNM. The actual decision as to who shall be nominated should be the responsibility of the Board. Subsequent to the assessment, in the event there are changes concerning a Director that would affect his contribution and attendance to the Board, the Chairman shall request a follow-up assessment on the Director, as and when required.
- Overseeing the overall composition of the Boards and the Board committees in terms of the appropriate size and skills, gender diversity and the balance between Executive Directors, Non-Executive Directors and Independent Directors through annual reviews.

- Recommending to the Board the removal of a Director/CEO from the Board/ Management and Key Senior Management if the Director/CEO and Key Senior Management are ineffective, errant and negligent in discharging their responsibilities.
- Establishing a mechanism for the formal assessment of the effectiveness of the Board as a whole and the contribution of each director to the effectiveness of the Board, the contribution of the Board's various committees and the performance of the CEO and other Key Senior Management. Annual assessment should be conducted based on an objective performance criterion. Such performance criteria should be approved by the full Board.
- Reviewing the suitability of Independent Directors to remain on the Boards and Board Committees, when they have reached the maximum tenure as determined by the Board. The Group Nomination and Remuneration Committee may, at its discretion recommend to extend the Directors' tenure for the approval of the respective Boards and BNM, where necessary, subject to the approval by the respective shareholders.
- Facilitating induction programmes for new Directors and reviewing training programmes and ensuring that all Directors receive continuous training programme in order for them to keep abreast with the latest development in the industry.
- Overseeing the appointment, succession planning and performance evaluation of Key Senior Management officers.
- Whenever key expatriates at CIMB Group's financial institutions are employed, to ensure there is in place a process for the transfer of expertise and skills from the expatriates to the staff of the financial institutions.

- Assessing on an annual basis that the Directors and Key Senior Management officers are not disqualified under Section 55 of the Financial Services Act, 2013 and Section 68 of the Islamic Financial Services Act, 2013.
- The Group Nomination and Remuneration Committee recommends all nominations to the Board for decision.

Remuneration Procedure

The Group Nomination and Remuneration Committee is responsible for recommending the remuneration and other benefit packages of Independent Directors, Group Managing Director/Chief Executive Officer and Key Senior Management of CIMB Group, for approval by the Board.

The remuneration packages of the Group Managing Director/Chief Executive Officer and Key Senior Management of CIMB Group, which include salaries, allowances, bonuses, options and benefits-in-kind, are linked to their individual performance and that of CIMB Group's. Any salary review will take into consideration industry standards and benchmarked against similar-sized companies to remain competitive. The remuneration framework for Directors is as explained on page 142.

In reviewing and determining the remuneration package, the Group Nomination and Remuneration Committee takes into consideration the Directors' responsibilities and accountability to shareholders, membership in Board Committees, expertise, performance, risk, complexity and scope of business of CIMB Group. The compensation framework of the Group Managing Director/Chief Executive Officer and Key Senior Management are linked to their Key Performance Indicators (KPIs) and designed to promote long-term success of CIMB Group as well as individual performance.

The Terms of Reference of Group Nomination and Remuneration Committee with regard to its remuneration role are as follows:

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

In 2013, the activities of Group Nomination and Remuneration Committee included the following:

Remuneration Matters

- Setting of Key Performance Indicators for the Group Managing Director/Chief Executive Officer and the Executive Directors of CIMB Group.
- Appraising and determining the compensation package for the Executive Directors of CIMB Group.

Nomination Matters

- Conducting individual Assessment of Directors eligible for appointment and re-appointment by BNM.
- Conducting Annual Assessment of Directors of CIMB Group eligible for re-appointment at Annual General Meeting.
- Evaluating new candidates to be appointed as Directors, Shariah Committee members and Key Senior Management positions.

Board Effectiveness Assessment

The Board 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 and Board Committees as well as the performance of individual Directors. CIMB Group has introduced the Board Effectiveness Assessment (BEA) questionnaire for evaluation of the performance of the Board, Board Committees and individual Directors.

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

In 2013, the Group Nomination and Remuneration Committee conducted a review of the BEA questionnaire to ensure its alignment with the requirements of the MCCG 2012, Financial Services Act 2013, Islamic Financial Services Act 2013 and BNM's Shariah Governance Framework, and other industry best practices.

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

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

- Board Structure and Objectives
- Board Processes
- Board Development
- Interaction and Communication with Management and Stakeholders
- Strategy and Planning
- Accountability and Audit
- Contribution by Individual Board Members

Recommendations affecting the company's management and operations arising from the BEA exercise are communicated to Management for implementation.

In addition to the BEA, the Group Nomination and Remuneration Committee conducts individual assessment of Directors, CEOs/

Executive Directors, Shariah Committee members and Key Senior Management annually to determine the fitness and propriety of key responsible persons.

Succession Planning

The Group Nomination and Remuneration Committee oversees the succession planning of Key Senior Management positions across CIMB. Together with the Talent Review Board, the Group Nomination and Remuneration Committee is committed to building a strong senior leadership bench.

The composition of the Talent Review Board is as follows:

- Tan Sri Dato' Md Nor Yusof (Chairman)
- Dato' Zainal Abidin Putih
- Dato' Hamzah Bakar
- Dato' Sri Nazir Razak
- Dato' Robert Cheim Dau Meng
- Arwin Rasyid
- Renzo Christopher Viegas
- Hamidah Naziadin

The Terms of Reference of the Talent Review Board are as follows:

- Reviewing and endorsing strategic human capital related policies and initiatives in line with CIMB Group's corporate priorities, such as succession planning system, leadership development strategy and talent identification methods.
- Overseeing succession management of key talent pools including internal development and external sourcing.
- Ensuring issues related to talent development and management are undertaken to institutionalise CIMB Group while achieving business objectives of various stakeholders.

In 2013, CIMB Group 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 leadership culture across CIMB Group to support the corporate vision of becoming the leading ASEAN franchise. The talent pool will be given opportunities to identify relevant development opportunities and create their learning paths through individual development planning. 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 Group continued to groom its future leaders through its flagship leadership programme, the CIMB-INSEAD Leadership Programme (CLP) which was launched in 2010. The programme boasts 105 CLP alumni with another 26 more senior executives enrolled in the current cohort.

In order to prepare CIMB Group's future leaders for increased responsibility, CLP alumni are given multiple platforms to step-up into leadership roles. These also provide them with an opportunity to embed a Leaders-Give-Back culture by contributing in various regional leadership development initiatives to develop and shape the future leaders of CIMB Group. The alumni members participate as Lead Directors of various CIMB Academies, key speakers in leadership platforms, mentors of managerial and graduates development programmes, sponsors for action learning projects, and committee members in various management and regional committees and task forces. Employees who are transitioning into senior leadership positions are also offered executive coaching to support and accelerate their growth.

Core leadership development initiatives transcend beyond the senior leadership group to permeate into 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 Group leaders.

Further details on CIMB Group's Human Capital and Talent Development initiatives are set out on pages 196 to 199 of the Annual Report.

Group Compensation Review Committee

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

The Terms of Reference of the Group Compensation Review Committee are as follows:

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

- Conduct Fit and Proper assessment on Key Responsible Persons other than Directors, Shariah Committee members, Chief Executive Directors/Executive Directors, to comply with the BNM's Guidelines on Fit and Proper for Key Responsible Persons.

Other Group Committees

CIMB Group has also established other Board and Management Committees to assist the Board and Management in managing CIMB Group's 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 Group's Islamic banking and capital markets businesses.

This establishment 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 Group are Shariah-compliant. In advising on such matters, the Shariah Committee ensures that the rulings relating to the Islamic banking and capital markets products and services comply with the judgements or the ijthad of the relevant Shariah authorities, including the Shariah Advisory Council of BNM and Securities Commission in Malaysia, the Fatwa issued by Dewan Syariah Nasional – Majelis Ulama Indonesia and the Brunei State Mufti's Office, wherever applicable. The Shariah Committee also takes into consideration Shariah Courts' judgements and rulings published by the National and State Fatwa Councils, Dewan Syariah Nasional – Majelis Ulama Indonesia and the Brunei State Mufti's Office.

The members of the Group Shariah Committee and their attendance at meetings held in 2013 are as follows:

Members	Nationality	No. of Meetings	
		Attended	Held
Sheikh Professor Dr. Mohammad Hashim Kamali	Canadian (Malaysian Permanent Resident)	6	6
Sheikh Nedham Yaqoobi	Bahraini	6	6
Sheikh Dr. Haji Mohd Nai'm Haji Mokhtar	Malaysian	5	6
Sheikh Associate Professor Dr. Shafaai Musa	Malaysian	5	6
Sheikh Dr. Yousef Abdullah Al Shubaily	Saudi Arabian	5	6
Professor Dr. Noor Inayah Yaakub	Malaysian	6	6

International Advisory Panel

The International Advisory Panel (IAP) acts as an advisory body to CIMB Group's Senior Management in the formulation and implementation of its international expansion policies. The IAP meets annually to review CIMB Group's international expansion strategies and plans. The IAP comprises members of various nationalities whose combined experiences span a broad spectrum including the financial markets, industry, policy formulation and academia, both domestically and internationally. The members are as follows:

- Tun Musa Hitam (Chairman)
- 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
- Rex Auyeung
- Nicholas RH Bloy
- Dr. Roberto F. de Ocampo

Detailed explanation of the IAP activities and its focus in 2013 are set out on pages 088 to 089 of the Annual Report.

Management Committees

The following Management Committees have been established to assist the Group Managing Director/Chief Executive Officer and Management in managing the various businesses and support activities in CIMB Group:

Group Wide Committees

- Group Management Committee
- Group Executive Committee
- Group Risk Committee
- Group Wholesale Bank Risk Committee
- Group IT Strategy Committee
- Group Human Resource Committee

Regional Consultative Committees

- Regional Consumer Banking Committee
- Regional Cost Management Committee
- Regional Credit Committee
- Regional Marketing and Communications Committee
- Group Asset and Liability Management Committee

Regional Committees

- Consumer Banking Committee
- Regional Investment Banking Management Committee
- Corporate Banking, Treasury and Markets Management Committee
- Balance Sheet Management Committee
- Cost Management Committee
- Crisis Management Committee
- Disciplinary Committee
- IT Prioritisation Committee
- Occupational Safety and Health Committee
- Operational Risk Committee
- 1Platform Committee
- Marketing and Communications Committee

PROACTIVE COMMUNICATION WITH STAKEHOLDERS

CIMB Group recognises the various rights and roles of its stakeholders, both internally and externally.

Shareholders

The Board ensures that shareholders and the investing public are continuously kept up-to-date and informed on CIMB Group's business strategy and direction. Two-way communication with the shareholders is essential in ensuring successful implementation of CIMB Group's strategies and helps to foster shareholders' confidence in CIMB Group's success.

In an effort to raise the level of corporate credibility and governance as well as investor confidence, CIMB Group has designed a structured approach to communication 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, step-by-step approach in handling material information and the mechanism used to gauge external opinions. It is CIMB Group'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. Contacts and communication with stakeholders are conducted through the designated spokespersons approved by the Board or the Group Managing Director/Chief Executive Officer.

Investor Relations

Investor Relations has the primary responsibility for managing and engaging institutional shareholders led by the Group Managing Director/Chief Executive Officer, supported by the Head of Investor Relations and other Key Senior Management. This is achieved through a combination of regular analyst briefings and conference calls during the announcement of quarterly financial results, investor conferences and road shows both locally and outside Malaysia, and direct one-to-one meetings and teleconferences with institutional shareholders. Investor meetings are designed to reach out not only to existing shareholders but former and prospective shareholders. The Group Company Secretary plays her role in maintaining close contact with individual shareholders and engages them prior to Shareholders' Meetings to enable them to convey their views and feedback to the Board effectively. Major Shareholders' views are also sought and the Board is kept informed by means of regular Board and Board Committee meetings.

Another important method of communication with shareholders is the publication of the Annual Report which contains comprehensive information on CIMB Group such as financial performance and review, corporate milestones, business reviews, governance framework and growth strategies. CIMB Group also utilises its corporate website to communicate with the public, as part of its initiatives to promote environmental awareness. There is a dedicated section for Corporate Governance within the CIMB Group website where various materials including the Code of Conduct and Board Charter are publicly made available. The quarterly financial results, annual reports, notices of general meetings, circulars to shareholders, notification of change in substantial shareholders, and other information which are announced via Bursa LINK are also accessible at www.cimb.com. CIMB Group

ensures that its website is current, informative and contains information relevant to all shareholders. Corporate news, Stock Information and Analyst Coverage are also made available under the Investor Relations section for the information of the investing public.

All shareholders and retail investors have the opportunity to meet the Directors and Key Senior Management at its Annual General Meeting to raise their concerns and queries. The Annual General Meeting also provides the individual shareholders an opportunity to view CIMB Group up close as the Group Managing Director/Chief Executive Officer presents CIMB Group's financial performance which includes the performance overview, key accomplishments, strategic overview of the year, 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 engage with shareholders personally to understand their needs and seek their feedback. The Board 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 turnout at the Company's Annual General Meetings has seen an increasing trend year-on-year, as a result of CIMB Group's efforts to encourage increased Shareholders' participation and interaction. With this in mind, the Board takes cognisance in serving 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 2012	26 March 2013
Annual Report 2013	24 March 2014
2013 Quarterly Results	Date of Issue/Release
First Quarter	21 May 2013
Second Quarter	26 August 2013
Third Quarter	18 November 2013
Fourth Quarter	25 February 2014

The primary contacts for Investor Relations are as follows:

Dato' Sri Nazir Razak

Group Managing Director/Chief Executive Officer

Tel: 603-2261 8882

Email: nazir.razak@cimb.com

Dato' Lee Kok Kwan

Chief Executive Officer, Corporate Banking, Treasury & Markets

Tel: 603-2261 9696

Email: kkwan.lee@cimb.com

Shahnaz Jammal

Head of Capital and Balance Sheet Management

Tel: 603-2261 8998

Email: shahnaz.jammal@cimb.com

Steven Tan Chek Chye

Head of Investor Relations

Tel: 603-2261 9696

Email: steven.tan@cimb.com

Investor Relations Activities in 2013

	Number of meetings/ roadshows	Number of fund managers/analysts met
Conference meetings	85	278
Direct one-on-one meetings	106	392
Tele-conferences	13	24

CIMB Group's Investor Relations activities are set out on pages 013 to 017 of the Annual Report.

Employee Engagement and Inclusiveness

As a responsible and caring employer, CIMB Group realises and appreciates the immense contribution of its employees who form the core driving force of the organisation. With this in mind, CIMB Group 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 Group 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 have a damaging impact to CIMB Group's reputation.

Reference can be made to the Sustainability Report for further details on Employee Engagement in the workplace.

Corporate Responsibility

As a good corporate citizen, CIMB Group has shifted its focus from giving back to the community (this being corporate social responsibility) to addressing the concerns of stakeholders regarding issues impacting the long-term sustainability of CIMB Group's business.

The other stakeholders of CIMB Group include customers, government bodies, regulators, consumer groups, non-governmental organisations (NGOs), suppliers and the media.

Towards this end, CIMB Group publishes a comprehensive Corporate Responsibility Report outlining in detail the efforts and initiatives of CIMB Group as a responsible corporate citizen for the benefit of its stakeholders. The Corporate Responsibility Report which forms part of CIMB Group's Annual Report provides a clear, comprehensive and transparent representation of CIMB Group's contributions.

CIMB Group's contribution to the 'Community' aspect of corporate responsibility initiatives continue to be a strong focus area. In 2013, CIMB Foundation, which is tasked with implementing CIMB Group's initiatives in this area, spent RM12.6 million for community initiatives in its three pillars this being Community Development, Sports and Education.

The Board of Trustees comprises six members, all of whom except Tan Sri Dato' Md Nor Yusof are independent.

The audited accounts of CIMB Foundation are published in this Annual Report and are contained in the Sustainability Report, together with a report on the activities of the Foundation, and a list of its 20 largest grants.

ACCOUNTABILITY AND AUDIT

Financial Reporting

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 Financial Statements are prepared on a going concern basis and give a true and fair view of the state of affairs of CIMB Group as at 31 December 2013.

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

The Audit Committee assists the Board in overseeing the financial reporting, internal control, risk management and governance processes. The Audit Committee reviews the quarterly, semi-annual and year-end financial results, audit plan, audit report, functions of GIAD, status of major credit facilities granted, related party transactions, conflict of interest situations and 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 Group has complied with BNM's requirements on financial reporting.

Based on the Audit Committee's recommendation and confirmation, the Board is satisfied that it has met its obligation to present a balanced and understandable assessment of CIMB Group's position and prospects in preparing the Financial Statements, reflected in the Directors' Report as set out on pages 012 to 021 of the Financial Statements section of the Annual Report.

Related Party Transactions

All related party transactions (RPTs), including transactions with Directors and employees, are conducted at arm's length basis and in accordance with CIMB's Policy and Procedures on RPTs. This policy ensures that RPTs are undertaken in the best interest of CIMB Group 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 assist 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 Note 42 to the Financial Statements which are in the Financial Statements section of the Annual Report.

Internal Control

The Board is responsible for establishing a sound system of internal control and in determining CIMB Group's level of risk tolerance as well as to continuously identify, assess and monitor key business risks to safeguard shareholders' investments and CIMB Group's assets. These functions are carried out by the Audit Committee and Board Risk Committee who are responsible for risk management functions, financial reporting, disclosures, regulatory compliance and internal control processes. To achieve this, the Board ensures that the business processes, risk management, policies and procedures, control mechanism are adequate and appropriate through periodic testing and assessment of the adequacy and effectiveness of the system of internal control.

The size, geographical presence and complexity of the business of CIMB Group as well as the dynamic operating environment require the Board to constantly review and monitor the effectiveness of its system of internal control. Regular self-testing and high level risk assessment are conducted followed by review and update on a real-time basis. CIMB Group had during the year under review, invested considerable time in areas of financial reporting systems and business processes including data integrity.

Based on the review undertaken throughout the year, the Board concluded that CIMB Group's system of internal control is adequate in meeting its changing needs and regulatory requirements. The Statement on Risk Management and Internal Control on pages 158 to 169 of the Annual Report clearly sets out the various internal control processes and explains the control mechanism in place in pursuing CIMB Group's objectives.

Matters pertaining to Internal Control can be addressed to the following persons overseeing Internal Control matters:

Internal Control:

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:**

Iswaran Suppiah

Group Chief Information & Operations Officer

Tel: 603-2261 7777

Email: iswaran.suppiah@cimb.com

Whistle-Blowing Policy

A well-disciplined and professional workforce is the cornerstone of the success of CIMB Group. All employees of CIMB Group 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 Group with accessible avenue to report on 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 Managing Director/Chief Executive Officer.

Relationship with Internal and External Auditors

The Group Internal Audit Division (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 time frame.

GIAD also assists the Board 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 Group's External Auditors on audit and internal control issues. The External Auditors review the effectiveness of CIMB Group'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 and the Audit Committee maintain a formal and appropriate relationship with the External Auditors. For the period under review, the Audit Committee had two meetings with the External Auditors without the presence of Management. This has encouraged a greater exchange of independent, open view and opinions/dialogue between both parties. Apart from that, the External Auditors are also invited to attend CIMB Group's meetings such as Audit Committee meetings (where appropriate) and Annual General Meetings. The Audit Committee reviews the independence of External Auditors annually and ensures that provision of other

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 Engagement Partner and the Concurring Partner of the External Auditors at least once every five years.

CIMB Group has established a framework for the appointment/re-appointment of External Auditors, which is in line with BNM/RH/GL 001-1 and Guidelines for the Appointment/ Reappointment of External Auditors by Banking Institutions, which require the Audit Committee to assess the independence, objectivity and performance of External Auditors. The assessment also facilitates BNM in processing CIMB Group's application for appointment/ re-appointment 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 respondent's satisfaction with their service as CIMB Group's External Auditor. An Assessment Questionnaire is issued to selected personnel across the Group who have a working relationship with the External Auditors, who are then requested to review the service level of the External Auditors and confirm that the External Auditors have a reasonable understanding of CIMB Group's business and are able to support CIMB Group from an accounting standpoint.

CONCLUSION

The Board is fully satisfied that in 2013 CIMB Group had observed good governance practices in accordance with the principles and recommendations of MCCG 2012, the MMLR and the BNM Guidelines.

This Statement on Corporate Governance was approved by the Board of Directors on 28 February 2014.

Compliance with the Malaysian Code on Corporate Governance 2012

The table below outlines CIMB Group's status of compliance with the MCCG 2012:

Principle 1 – Establish Clear Roles and Responsibilities

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 1.1 – The Board should establish clear functions reserved for the Board and those delegated to Management.	Complied	<ul style="list-style-type: none"> The Terms of References of the Board and Board Committees have been established. Schedule of Matters Reserved for the Board is incorporated into the Board Charter.
Recommendation 1.2 – The Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions.	Complied	<ul style="list-style-type: none"> Roles and Responsibilities of the Board are incorporated in the Board Charter.
Recommendation 1.3 – The Board should formalise ethical standards through a Code of Conduct and ensure its compliance.	Complied	<ul style="list-style-type: none"> The Board has approved its Code of Ethics which is incorporated in the Board Charter and Code of Conduct for employees.
Recommendation 1.4 – The Board should ensure that the company's strategies promote sustainability.	Complied	<ul style="list-style-type: none"> Sustainability strategies are encapsulated in CIMB Group's Vision and Mission and forms part of the published Corporate Responsibility Report.
Recommendation 1.5 – The Board should have procedures to allow its members access to information and advice.	Complied	<ul style="list-style-type: none"> Procedure for Directors to seek Independent Advice has been established.
Recommendation 1.6 – The Board should ensure it is supported by a suitably qualified and competent Company Secretary.	Complied	<ul style="list-style-type: none"> The Board is supported by a qualified and competent Company Secretary.
Recommendation 1.7 – The Board should formalise, periodically review and make public its Board Charter.	Complied	<ul style="list-style-type: none"> The Board Charter has been formalised and is subject to review every 2 years, and is available in the Company's website.

Principle 2 – Strengthen Composition

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 2.1 – 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"> Members of the Group Nomination and Remuneration Committee comprise only Non-Executive Directors. 4 of the total 5 members of the Group Nomination and Remuneration Committee are Independent Directors.
Recommendation 2.2 – 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"> The Terms of Reference of the Group Nomination and Remuneration Committee is in line with this recommendation. The criteria on the recruitment process and annual assessment of Directors is contained in the Policy and Procedures Manual on Fit and Proper Test for Key Responsible Persons.
Recommendation 2.3 – The Board should establish formal and transparent remuneration policies and procedures to attract and retain Directors.	Complied	<ul style="list-style-type: none"> The Terms of Reference of the Group Nomination and Remuneration Committee is in line with this recommendation. A Remuneration Framework has been established and is subject to review every 3 years.

Principle 3 – Reinforce Independence

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 3.1 – The Board should undertake an assessment of its Independent Directors annually.	Complied	<ul style="list-style-type: none"> The Group Nomination and Remuneration Committee undertakes assessment of all Directors annually via the Board Effectiveness Assessment exercise.
Recommendation 3.2 – 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"> The tenure of an Independent Director is capped at 9 years and this is incorporated into the Terms of Reference of the Group Nomination and Remuneration Committee and the Board.
Recommendation 3.3 – 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"> The Terms of Reference of the Group Nomination and Remuneration Committee and the Board is in line with this recommendation.

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 3.4 – 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"> The positions of Chairman and Group Managing Director/ Chief Executive Officer are held by different individuals. The Chairman is a Non-Independent Non-Executive member of the Board.
Recommendation 3.5 – 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"> The Chairman is a Non-Independent Non-Executive member of the Board. The Independent Directors make up 56% of the total Board composition.

Principle 4 – Foster Commitment

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 4.1 – 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"> This recommendation is incorporated into the Terms of Reference of the Group Nomination and Remuneration Committee, and Policy and Procedures Manual on Fit and Proper Test for Key Responsible Persons.
Recommendation 4.2 – The Board should ensure its members have access to appropriate continuing education programmes.	Complied	<ul style="list-style-type: none"> The Group Company Secretary facilitates the Directors' participation in training programmes and ensures the Directors undergo ongoing training.

Principle 5 – Uphold Integrity in Financial Reporting

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 5.1 – The Audit Committee should ensure financial statements comply with applicable financial reporting standards.	Complied	<ul style="list-style-type: none"> Directors' Responsibility Statement in relation to financial reporting standards is tabled to the Audit Committee during presentation of annual Audited Financial Statements.
Recommendation 5.2 – The Audit Committee should have policies and procedures to assess the suitability and independence of external auditors.	Complied	<ul style="list-style-type: none"> Procedures to assess the suitability, independence and performance of external auditors have been established.

Principle 6 – Recognise and Manage Risks

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 6.1 – The Board should establish a sound framework to manage risks.	Complied	<ul style="list-style-type: none"> 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 has established a framework to formulate and review risk management policies and risk strategies.
Recommendation 6.2 – The Board should establish an internal audit function which reports directly to the Audit Committee.	Complied	<ul style="list-style-type: none"> The Group Internal Audit Division reports directly to the Audit Committee.

Principle 7 – Ensure Timely and High Quality Disclosure

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 7.1 – The Board should ensure the Company has appropriate corporate disclosure policies and procedures.	Complied	<ul style="list-style-type: none"> This recommendation is reflected in the Group Communication Policy.
Recommendation 7.2 – The Board should encourage the Company to leverage on information technology for effective dissemination of information.	Complied	<ul style="list-style-type: none"> Information is disseminated via the Company's website, announcements made via Bursa LINK and social media such as Twitter and Facebook.

Principle 8 – Strengthen Relationship between Company and Shareholders

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 8.1 – The Board should take reasonable steps to encourage shareholder participation at general meetings.	Complied	<ul style="list-style-type: none"> Serve longer than the required minimum notice period for shareholders' meetings when possible, and engage stakeholders prior to each meeting.
Recommendation 8.2 – The Board should encourage poll voting.	Complied	<ul style="list-style-type: none"> Poll voting is available upon request by the shareholders.
Recommendation 8.3 – The Board should promote effective communication and proactive engagements with shareholders.	Complied	<ul style="list-style-type: none"> Communication and engagement with shareholders are through investor conferences, roadshows, direct one-on-one meetings and tele-conferences.

Statement on Risk Management and Internal Control

BOARD RESPONSIBILITY

The Board recognises its responsibility to determine the CIMB Group's level of risk appetite and to continuously identify, assess and monitor key business risks to safeguard shareholders' investments and the group's assets, in a manner which enables CIMB Group to maximise profitable business opportunities. This forms an integral part of the Board's overall responsibility and oversight of CIMB Group's system of internal control, in line with good corporate governance. For this purposes, the Board has ensured the establishment of key processes for reviewing the effectiveness, adequacy and integrity of CIMB Group's system of internal controls and risk management. Whilst it is not possible to eliminate all risks of failure in achieving the group's objectives, the system of internal controls and risk management is designed to reduce these risks by identifying, managing and controlling risks, including operational risk.

The Board is satisfied that CIMB Group has in place a sound system of internal control that is functioning adequately and that integrity is maintained throughout. Periodic testing of the adequacy, effectiveness, efficiency and integrity of the internal control systems and processes are 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 the Group's risk management and internal control system is operating adequately and effectively.



CIMB Group's 5th Regional Compliance, Audit and Risk Conference on 13 & 14 June 2013, in Yogyakarta, Indonesia.



RISK MANAGEMENT AND CONTROL FRAMEWORK

The Board recognises that sound risk management and internal control 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 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 defense model in implementing the EWRM framework. This provides clear accountability of risk management across the group. The business units which are the first line of defense 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 defense 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 defense, 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 2013, CIMB 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 2013, we have successfully maintained our WebTrust certification for the CIMB Clicks retail banking platform and the ISO 27001 certification for CIMB IT Security Operations. These certifications require consistent maintenance and enhancement to enable effective information security management. ISO 27001 requires management to systematically examine information security risks, taking into account the threats, vulnerabilities and impacts. A comprehensive suite of information security controls and risk treatments are designed and implemented to mitigate such risks.

In line with the banking business growth and IT Infrastructure expansions, our technology design was constantly reviewed in 2013 and improved to effectively mitigate both internal and external risks and threats. The improvement is evidenced by completion of some major IT Security Blueprint components and security control enhancement projects, such as network admission controls, server compliance tools, security monitoring, user ID provisioning, database security, and control to personal mobile devices.

At the network security level, additional firewalls and network access control lists were deployed to manage security domains for group users and network resources in a logical and physical manner and allow restrictions on access and authorisation at the 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 are 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 Audit Committee (“AC”) comprises independent Non-Executive Directors. It is a Board-delegated committee to provide oversight of financial reporting, disclosure, regulatory compliance, risk management, governance practices and monitoring of internal control processes within the group. Senior Management, internal auditors and external auditors report to the AC on the effectiveness and efficiency of its internal controls.

All significant and material findings by the internal auditors, external auditors and regulators are reported to the AC for review and deliberation. The AC reviews and ensures the implementation of Senior Management’s mitigation plans to safeguard the interests of the group and to upkeep proper governance. The Management of business and support units that are rated as ‘Above Average Risk’ or ‘High Risk’ by internal audit is counseled by the AC.

The AC also reviews all related party transactions and audit and non-audit related fees proposed by the external auditors of CIMB Group. The AC conducts field visits including those overseas whenever necessary. This enables the AC to actively interact with the relevant staff on the expectations of the group with regard to compliance, internal controls and risk management.

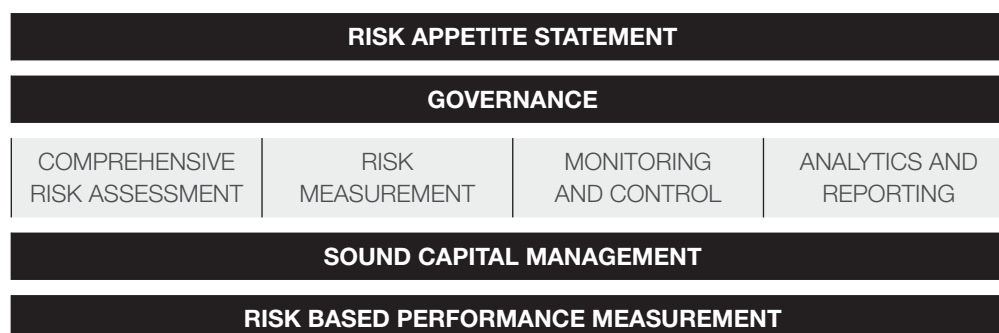
Presentations of business plans, current developments, operations, risks of the business and controls to mitigate risks are made by the relevant business and support units as and when deemed necessary by the AC.

The AC also attends CIMB Group’s Annual Management Summit where each business and support unit reviews its operations for the year and presents 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.

Overarching the EWRM framework are the Risk Appetite Statement and the Risk Governance Structure. Whilst risk appetite defines the amount and type of risks that CIMB Group is able and willing to accept in pursuit of its strategic and business objectives, a strong risk governance structure is what binds the EWRM framework together. The Board of Directors is ultimately responsible for CIMB Group's risk management activities, and provides strategic direction through the Risk Appetite Statement and relevant risk management frameworks for the group. The implementation and administration of the EWRM framework are effected through the three lines of defense model with oversight by the risk governance structure which consists of various risk committees, as described below.

The center of the EWRM framework is made up of four building blocks, namely Comprehensive Risk Assessment, Risk Measurement, Monitoring & Control, and Analytics & Reporting.

Comprehensive Risk Assessment provides the process for the identification of the group's material risks, from the perspective of impact on CIMB Group's financial standing and reputation. Apart from the annual comprehensive risk assessment exercise, the group's material risks are identified on an on-going basis as well as part of the consideration for any strategic projects, including new product development.

Consistent and common methodologies of Risk Measurement allow the group to aggregate and compare risks across business units, geographies and risk types. Further, it provides a tool for the Board and Senior Management to assess the sufficiency of its liquidity surplus and reserves, and health of its capital position under various economic and financial situations.

Various risk management tools are employed to Monitor and Control the risk taking activities within the group. These include limit monitoring, hedging strategies and clearly documented control processes. These controls are regularly monitored and reviewed in the face of changing business needs, market conditions and regulatory changes.

Timely reporting and meaningful analysis of risk positions are critical to enable the Board and Senior Management to exercise control over material exposures and make informed business decisions.

Sound Capital Management and Risk Based Performance Measurement form the base upon which the EWRM framework is built. CIMB Group's capital resources are continuously assessed and managed to undertake its day-to-day business operations and risk-taking activities, including considerations for its business expansion and growth. Each year internal capital targets will be set and capital will be allocated to each business unit based on the respective business plans, budgeted profit and targeted Risk Adjusted Return on Capital. Business units' economic profitability will be measured having considered both its risks and capital consumption. The adoption of a risk-based performance measurement allows for performance and profitability of different business units to be compared on a common yardstick.

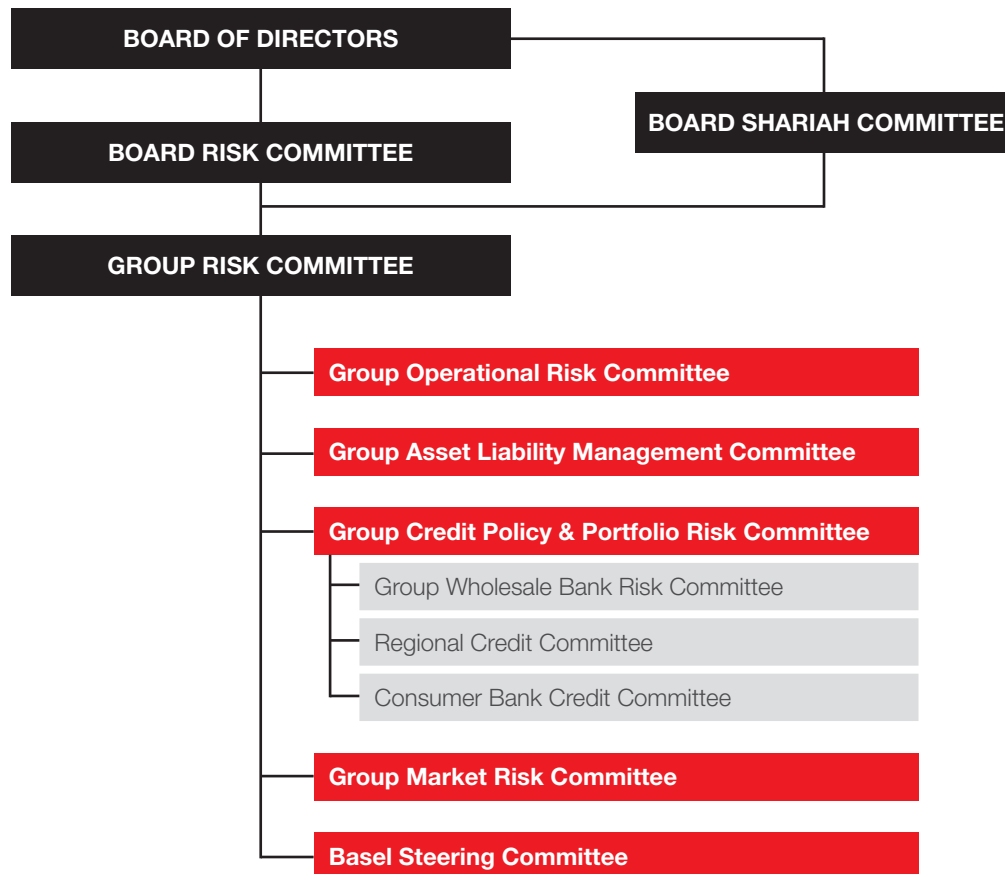
- **Risk Governance Structure**

In consideration of the expansion of CIMB Group's regional agenda into Asia Pacific, in May 2013, the Board approved a revision to the group's risk governance structure with the establishment of several risk committees and elevation of the existing Basel Steering Committee. The revised risk governance structure allows for thorough deliberations and clear accountability of each of the committees.

Similar risk committees are set-up in each of CIMB Group's overseas subsidiaries in their respective jurisdiction. Whilst recognising the autonomy of local jurisdiction and compliance to local requirements, CIMB Group also strives to ensure a consistent and standardised approach in its risk governance process.

The revised structure of CIMB Group's Risk Committees is depicted as follows:

Group Risk Management Governance Structure



- **Board Risk Committee**

At the apex of the governance structure is the Board, which decides on the entity's Risk Appetite corresponding to its business strategies. The Board Risk Committee ("BRC") reports directly to the Board and assumes responsibility on behalf of the Board for the supervision of risk management and control activities. The BRC determines CIMB Group's risk strategies, policies and methodologies, keeping them aligned with the principles within the Risk Appetite Statement. 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 CIMB 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 groupwide 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 CIMB 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 the group, GRC supported by 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 Operational Risk Committee, Group Asset Liability Management Committee, Group Credit Policy & Portfolio Risk Committee, Group Market Risk Committee and Basel Steering Committee, with each committee overseeing and responsible for specific risk areas namely operational risk, liquidity risk, credit risk, market risk and capital risk.

- **Group Shariah Committee**

The Group 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 Group Shariah Department that functions as an internal adviser on Shariah matters to all business and support units within the group in carrying out of 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 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 & Secretariat;
- b) Shariah Compliance Review;
- c) Shariah Risk Management;
- d) Shariah Audit.

The Shariah Department facilitates the implementation of Shariah Research & Secretariat, whilst Shariah Review, Shariah Risk Management and Shariah Audit functions are performed by the Group Compliance Department, Group Risk Management Division and Group Internal Audit Division respectively.

- a) **Shariah Research & Secretariat;**

The Shariah Research & Secretariat 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) *Shariah 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) *Shariah 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.

In carrying out both tasks, Shariah Research & Secretariat Unit is guided by the Shariah Compliance Policy and General Procedures Manual. All communication between CIMB Group and the Shariah Committee will be facilitated solely by this unit.

b) Shariah Compliance Review

In line with the 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.

c) Shariah Risk Management

As part of the EWRM framework, Shariah non-compliance 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 specific Shariah Risk Management team to facilitate a systematic and consistent approach to the management of Shariah non-compliance risk. The team provides guidance and enables the first line of defense to systematically identify, monitor and control Shariah non-compliance risks, thus minimising the potential Shariah non-compliance events.

d) Shariah Audit

Group Internal Audit Division 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. Group Internal Audit Division makes recommendations for improvements and enhancements where appropriate. Findings related to Shariah products and services are reported to the Shariah Committee.

• Group Management Committee

The Group Management Committee ("GMC") assists the Group Managing Director/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 CIMB Group's internal policies and procedures, that goes to the heart of how the group conducts business. CIMB Group has established a number of policies and procedures which are designed to enhance the integrity of the system of internal control and mitigate risks. Delegated Authority and authority limits are established to facilitate smooth daily banking and financing operations, trading activities, extension of credit facilities, restructuring, investments as well as acquisitions and disposals of assets. The results of operating units are reported monthly at GMC meetings and compared with the approved budget.

The GMC members review their respective business plans and report to the Group Managing Director/Chief Executive Officer the performance of their respective business divisions in line with CIMB Group's strategy and other matters as directed by the Board and the Group Managing Director/Chief Executive Officer.

• Internal Policies and Procedures

Clearly documented internal policies and procedures of all business units have been approved by the Board for application across CIMB Group. Policies and procedures serve as a day-to-day operational guide to ensure compliance with internal controls and the applicable laws and regulations. Regular reviews and updates are performed to the policies and procedures. This is done with the intent to ensure continuous improvements in operational efficiency whilst 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 Board of CIMB Group and its major subsidiaries receive periodic management reports which highlight the key financial and operating statistics as well as legal and regulatory matters. The Board deliberates on these matters and where necessary, ensures that prompt actions are taken in executing and resolving the matters in a timely and satisfactory manner. Each business unit presents its respective management report at the monthly GMC meetings. The performance of each business unit 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**

Group Internal Audit Division (“GIAD”) reports independently to the 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 the Management. In evaluating the internal controls, GIAD adopts the 5 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 departments. The selection of the units to be audited from the audit universe is based on an annual audit plan that is approved by the AC. The annual audit plan is developed based on assessment of risks, exposures and strategies of CIMB Group. Units that are assessed to be high risk are subject to an annual audit, while those that are assessed to be medium or low risk are subject to a cycle audit. Notwithstanding the risk

assessment, the annual audit plan will include units that must be audited annually due to regulatory requirements, recent incidence of fraud or ‘High Risk’ audit rating in the 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’ 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. AC reviews and evaluates any exceptions or noncompliance raised by GIAD and monitors 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.

The banking subsidiaries outside Malaysia have their own Audit Committees. These foreign banking subsidiaries have their own internal audit departments. The asset management and electronic collection system subsidiaries in Malaysia also have their own Audit Committees but the internal audit function for these subsidiaries is carried out by GIAD. The AC meets with the

relevant subsidiary’s Audit Committee once a year to discuss governance and audit matters. The internal audit departments of the foreign banking subsidiaries submit a report to the AC once every quarter. These internal audit departments follow the same audit planning and audit rating methodology as GIAD with such modifications as necessary to suit local environment and regulations.

Periodically, an external assessment of GIAD’s internal audit activity is conducted by a qualified external independent reviewer. The last external assessment was conducted in 2009. An international public accounting firm had been appointed recently as an independent reviewer to conduct a fresh assessment and is expected to finalise its report to the AC by Q2 2014.

- **Group Compliance Framework**

The Group Compliance (“GC”) function is driven by the GC Department, which is headquartered in Malaysia. Its main function is to facilitate, advice, 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 Department reports independently to the Board and appropriate governance has also been established with clear reporting lines by the local and regional compliance officers to the Group Head of Compliance, in addition to their direct reporting lines to their respective local entity Boards, to the extent permitted by the regulations of the local jurisdictions. The respective entity Boards, as well as CIMB Group Sdn. Bhd.’s Board, are provided with compliance reports on a regular basis to facilitate the Boards having a holistic and overall view of all compliance matters across the group.

CIMB Group has in place a GC Framework whereby the setting of compliance policies and standards with appropriate mechanisms and tools are driven from the top level to ensure consistency in approach in managing compliance risk across the local and regional entities within the group. The GC Framework requires all the 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. Scheduled trainings are regularly conducted 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 a Compliance Matrix to ensure that the group complies with regulatory requirements. The Compliance Matrix is a document that encompasses relevant laws, regulations and guidelines that apply to the business and support units/entities. Business and support units/entities are also required to conduct a Self-Testing exercise on the Compliance Matrix and a verification of this Self-Testing is done independently by the GC Department. Additionally, the GC Department conducts scheduled Compliance Reviews on the 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 work plan is tabled and approved by the respective entity Boards.

- **Group-Wide Chinese Walls Policy and Group Conflict Management Policy**

CIMB Group has established the Chinese Walls Policies and Procedures Manual ("Chinese Walls P&P") and Conflict Management Policies and Procedures ("Conflict P&P") which are adopted and implemented in the relevant group entities in which CIMB Group has presence.

The Chinese Walls P&P sets out 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 laws.

The Chinese Walls P&P are applicable to the management and Board committees, particular divisions and all relevant employees within the group which are most likely to have access to material non-public price sensitive information to manage the risk of breach of insider trading provisions under applicable laws or regulation of the various jurisdictions in which CIMB Group operates.

The Conflict P&P 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 group entities carrying out its business activities.

The Board affirms that adherence to a sound internal control framework is the foundation for efficient business operations within the group. During the period, CIMB Group has instituted numerous initiatives to strengthen its systems of internal control and risk management. These include:

- **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 ("HRPP")**

The 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 internal controls lie in its people having the right competencies and being able to exercise correct judgments when performing their responsibilities.

CIMB Group thus carries out an annual performance appraisal/review exercise for all employees to ensure that employees have the competencies to fulfill the tasks assigned, and if they do not, appropriate training, coaching or mentoring are given. Assessments are recorded on the online appraisal system for future reference and the charting of career development. CIMB Group is also looking at a risk-adjusted performance measures to ensure business sustainability.

In 2013, CIMB Group set up two virtual academies, the Credit Academy and Corporate Advisory Academy, for unified learning frameworks across the region, and to strengthen the competencies of employees in these two core banking areas in a structured manner. This further boosts the learning and talent agenda of the group.

- **Culture**

Integrity is one of the core values that are persistently emphasised by 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.

Where suspected fraud is detected, CIMB 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, CIMB 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 act which is in breach of this value. CIMB Group firmly believes in acting professionally, fairly and with integrity in all business dealings and relationships. Whilst CIMB 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 CIMB 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.

- **Business Continuity Management ("BCM")**

CIMB Group is committed in safeguarding the interests of all stakeholders by ensuring an appropriate level of continuity of business processes and functions throughout the group. The responsibilities for implementing and running the BCM programme lies with the Board of Directors and Management.

The objective of business continuity is to ensure the safety of employees and to promote organisational resilience by ensuring that critical business processes can continue, or be recovered in a timely manner, following a disruption, thus ensuring:

- (i) customer expectations and quality of services continue to be met, or be managed, in such a way that customers are retained and new business opportunities are met;
- (ii) operations are not adversely affected, thus maintaining the quality of management and meeting statutory and regulatory requirements;
- (iii) profits and shareholder values are maintained and do not suffer significant deterioration;
- (iv) reputation and image to stakeholders and the public are not negatively affected following business disruptions; and
- (v) compliance to the 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.

The BCM process is based on a developed framework, a guidance which is regularly updated and aligned with international standards. The BCM process includes understanding the business functions and its continuity strategies, responses, culture, exercises and plan maintenance. BCMs had been documented for the mission critical functions and processes within our organisation whilst disaster recovery plans had been documented for business critical systems. These plans are rehearsed and tested on a regular basis.

CIMB Group has in place a BCM department, whose primary role is to ensure effective coordination and supervision of all BCM activities by introducing an integrated and standardised BCM approach across the organisation. Annual BCM workshops are conducted for various business units within the group and with regional counterparts, with support from the Crisis Management Committee and Group Human Resource, in efforts to increase employee awareness and efficiency.

- **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. The on-going training modules entitled “Disputed Forensic Documents” and “How to Suspect Staff Planning/Committing” were conducted with

relevant staff. 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.

- **Self Assessment Review Program (ShARP)**

ShARP is a tool to empower risk owners to perform process risk analysis. This analysis involves identification, assessment, mitigation, monitoring and reporting of operational risk at a process level. The objective of the ShARP implementation is to put in place inherently stronger internal processes and with that, to see a reduction in residual risk and failures. The risk owners identify the risk profiles of their business units, manage and report the significant risks in their business-as-usual and, at the same time, adhere to key controls through the submission of Certified Digital Assurance to the respective division heads.

The self assessment results from ShARP are to be reported to the heads of business units along with the key risks of the respective business units. Through an aggregation process across the business units, the division level risk profile is ascertained. The final level of aggregation is across divisions, to ascertain the risk profile level of the respective country/organisation.

- **Anti-Money Laundering/Counter Financing of Terrorism (“AML/CFT”)**

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 leading practices.

The Group AMLA Office function, a unit within the Group Compliance Department has established 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 AML Compliance Officer and the alternate Group AML Compliance Officer were appointed, in accordance with Malaysian Laws and Regulations, to 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 AMLA Compliance Programme framework which includes the establishment of documented policies and procedures on Customer Due Diligence (“CDD”) duly approved by the Board, staff roles and responsibilities, the appointment of an Anti-Money Laundering Compliance Officer, monitoring and reporting of suspicious transactions, record retention, employee training, updates to Senior Management and an independent audit of the internal AML/CFT measures.

CIMB Group's 1AML system in Malaysia 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 and Payment Filtering.

CIMB Group's AML/CFT and customer screening systems are supported with databases of sanctioned or high risk individuals and entities identified by international, regional and domestic regulators and law enforcement agencies, for purposes of due diligence and subject checking.

The Board and Management of CIMB Group are aware and will continue to maintain adequate oversight of the AML/CFT measures undertaken by all RIs including enhancing the effectiveness of the internal controls, mechanisms and system to effectively combat money laundering and financing of terrorism activities.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors, Messrs PricewaterhouseCoopers 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 the group.

CONCLUSION

The Board, through the AC, BRC and 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 controls and risk management 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 the Group to achieve continued profitability and sustainable growth in shareholder value in today's globalised and inter-linked financial and economic environment.

The Group embraces risk management as an integral component of the Group's business, operations and decision-making process. In ensuring that the Group achieves optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of the risk taking process by providing independent inputs 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.

The objectives of CIMB Group's risk management activities are to:

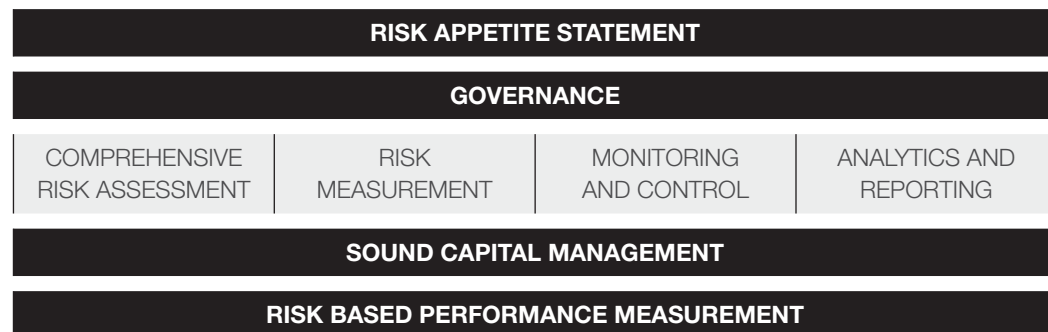
- Identify the various risk exposures and capital requirements;

- 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
- Create shareholder value through proper allocation of capital and facilitate development of new businesses.

Enterprise Wide Risk Management Framework

CIMB Group employs an Enterprise Wide Risk Management (EWRM) framework as a standardised approach to manage its risk and opportunity effectively. The EWRM framework provides the 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 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 risks for the Group.

Overarching the EWRM framework are the Risk Appetite Statement and the Risk Governance Structure. Whilst risk appetite defines the amount and type of risks that the Group is able and willing to accept in pursuit of its strategic and business objectives, a strong risk governance structure is what binds the EWRM framework together. The Board of Directors is ultimately responsible for the Group’s risk management activities, and provides strategic direction through the Risk Appetite Statement and relevant risk management frameworks for the Group. The implementation and administration of the EWRM framework are effected through the three lines of defence model with oversight by the risk governance structure which consists of various risk committees, as described below.

The centre of the EWRM framework is made up of four building blocks, namely Comprehensive Risk Assessment, Risk Measurement, Monitoring & Control, and Analytics & Reporting.

Comprehensive Risk Assessment provides the process for the identification of the Group’s material risks, from the perspective of impact on the Group’s financial standing and reputation. Apart from the annual comprehensive risk assessment exercise, the Group’s material risks are identified on an on-going basis as well as part of the consideration for any strategic projects, including new product development.

Consistent and common methodologies of Risk Measurement allow the Group to aggregate and compare risks across business units, geographies and risk types. Further, it provides a tool for the Board and Senior Management to assess the sufficiency of its liquidity surplus and reserves, and health of its capital position under various economic and financial situations.

Various risk management tools are employed to Monitor and Control the risk taking activities within the Group. These include limit monitoring, hedging strategies and clearly documented control processes. These controls are regularly monitored and reviewed in the face of changing business needs, market conditions and regulatory changes.

Timely reporting and meaningful analysis of risk positions are critical to enable the Board and Senior Management to exercise control over material exposures and make informed business decisions.

Sound Capital Management and Risk Based Performance Measurement form the base upon which the EWRM framework is built. The Group’s capital resources are continuously assessed and managed to undertake its day-to-day business operations and risk-taking activities, including considerations for its business expansion and growth. Each year internal capital targets will be set and capital will be allocated to each business units based on the respective business plans, budgeted profit and targeted Risk Adjusted Return on Capital (RAROC). Business units’ economic profitability will be measured having considered both its risks and capital consumption. The adoption of a risk-based performance measurement allows for performance and profitability of different business units to be compared on a common yardstick.

Risk Management Governance

At the apex of the governance structure are the various Boards, which decides on the entity’s Risk Appetite corresponding to its business strategies. The Board Risk Committee (BRC) reports directly to 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 Statement. The BRC also oversees the implementation of the EWRM framework and provides strategic guidance and reviews the decisions of the GRC.

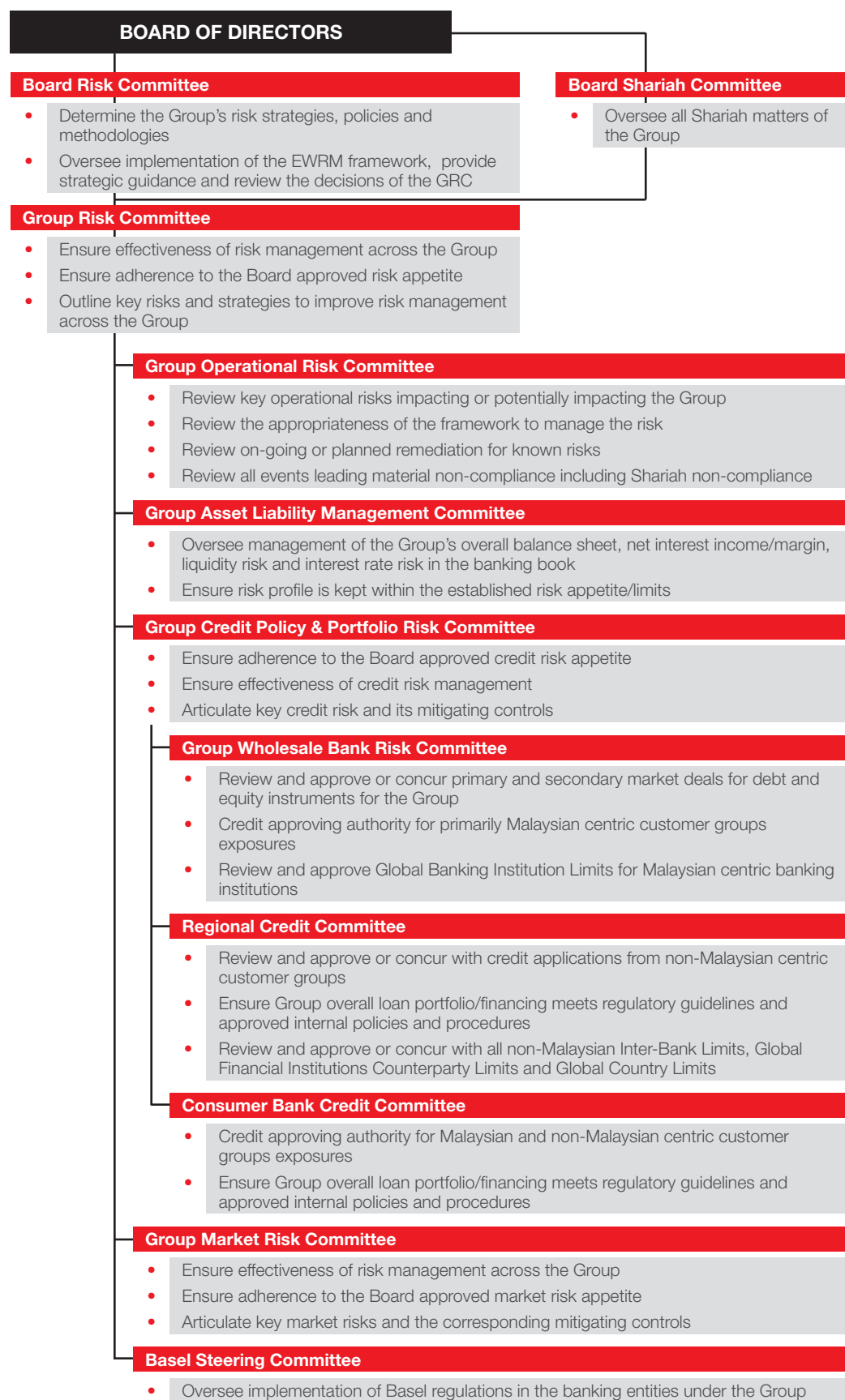
In order to facilitate the effective implementation of the EWRM framework, the BRC has established various risk committees within the Group with distinct lines of responsibilities and functions, which are clearly defined in the terms of reference.

The responsibility of the supervision of risk management functions is delegated to the GRC comprising senior management of the Group and 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. The GRC is further supported by specialised risk committees, namely Group Credit Policy & Portfolio Risk Committee (GCPRC), Group Market Risk Committee, Group Operational Risk Committee, Group Asset Liability Management Committee (GALCO) and Basel Steering 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 the Group;
- (iii) Liquidity risk, arising from a bank's inability to efficiently meet its present and future funding needs or regulatory obligations, when they become 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;
- (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/benchmark rates;
- (vi) Capital Risk, arising from the failure of not meeting the minimum regulatory and internal requirements that could incur regulatory sanction of the Group, resulting in a potential capital charge; and
- (vii) Shariah Non-Compliance Risk, arising from failure to comply with the Shariah rules and principles as determined by the relevant Shariah regulatory councils or committees.

The roles and responsibilities of the committees and sub-committees are set out in the following chart:



The overseas subsidiaries' risk committees are set-up in a similar structure in their respective jurisdictions. Whilst recognising the autonomy of the local jurisdiction and compliance to local requirements, the Group 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.

Three-Lines of Defence

The 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 risks across the 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 risks through effective controls. The second line of defence provides oversight functions, performs independent monitoring of business activities and reporting to management to ensure that the Group is conducting business and operating within the approved appetite and in compliance to regulations. The third line of defence is Group Internal Audit Division which provides independent assurance to the Boards that the internal controls and risk management activities are functioning effectively.

The Roles of Group Chief Risk Officer (CRO) and Group Risk Division (GRD)

Within the second line of defence is Group Risk Division (GRD), a function independent of business units that assists the Group's management and various risk committees in the monitoring and controlling of the Group's risk exposures.

The organisational structure of GRD is made of two major components, namely the Chief Risk Officers and the Risk Centres of Excellence. GRD is headed by the Group Chief Risk Officer who is appointed by the Board to spearhead risk management functions and implementation of the EWRM. The CRO:

- a) Actively engages the Board and senior management on risk management issues and initiatives.
- b) Maintains an oversight on risk management functions across all entities within the 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 EWRM framework. The Risk Centres of Excellence consisting of Risk Analytics & Infrastructure, Market Risk, Operational Risk, Asset Liability Management, Credit Risk and Shariah Risk Centres of Excellence are specialised teams of risk officers responsible for the active oversight of group-wide functional risk management.

- a) **Risk Analytics & Infrastructure Centre of Excellence**
Risk Analytics & Infrastructure Centre of Excellence spearheads the Group's efforts towards Basel II implementation. In this regard, it develops and implements all

internal rating and scoring models and closely monitors the performance of the rating and scoring models to ensure relevance to current market conditions and integrity of ratings. It also computes and aggregates the risk-weighted assets for credit risk for monthly regulatory reporting as well as projects the capital requirements for credit risk to support capital management planning and analysis. Risk Analytics & Infrastructure Centre of Excellence monitors the non-retail credit risk profile of risk-taking activities in terms of asset quality, rating distribution and credit concentrations. In addition, it initiates and/or proposes its risk policies, risk measurement methodologies and risk limits to the Board for approval.

- 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 and process for the identification, assessment, reporting, mitigation and control of operational risks by the respective risk owners across the Group.
- 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/benchmark rate risk as well as recommending policies and methodologies to manage the said risks.

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 the Group.

f) Shariah Risk Centre of Excellence

The Shariah Risk Centre of Excellence formulates Shariah Risk Framework and provides guidance and training on the Shariah Risk Management to enable the first line of defence to identify, assess, monitor and control Shariah risk in their Islamic business operations and activities.

In addition to the above Risk Centres of Excellence, Regional Risk was established with the objective of overseeing the risk management functions of the regional offices as well as the Group's unit trust and Non-Malaysian securities businesses. Regional Risk also houses the validation team.

The regional offices and the respective teams in risk management units within the unit trust business and Non-Malaysian securities businesses identify, analyse, monitor, review and report the relevant material risk exposures of each individual country and/or businesses.

The Validation Team is independent from the risk taking units and model development team, and reports to Regional Risk. The function of this unit is to perform validation, as guided by regulatory guidelines and industry best practices on rating systems, estimates of the risk components, and the processes by which the internal ratings are obtained and used. The unit provides recommendations to the modelling development team and the business users. The unit reports its findings and recommendations to GRC and BRC.

In ensuring a standardised approach to risk management across the Group, all risk management teams within the Group are required to conform to the Group's EWRM framework, subject to necessary adjustments required for local regulations. For branches and subsidiaries without any risk management 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 the obligor, market counterparty or issuer of securities or other instruments held, failing to perform its contractual obligations to the 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 the Group's counterparties will not be able or willing to fulfil their obligation on transactions on or before settlement date. In derivative

activities, credit risk arises when counterparties to derivative contracts, such as interest/profit rate swaps, are not able to or willing to fulfil their obligation to pay the positive fair value or receivable resulting from the execution of contract terms. Credit risk may also arise where the downgrading of an entity's rating causes the fair value of the Group's investment in that entity's financial instruments to fall.

Loans/Financing assets remain the most significant credit risk to which CIMB Group is exposed. Without effective credit risk management, the impact of the potential losses can be overwhelming. The purpose of credit risk management is to keep credit risk exposure to an acceptable level vis-à-vis the capital, and to ensure the returns commensurate with risks.

Consistent with the three-lines of defence model on risk management where risks are managed from the point of risk-taking activities, the Group implemented the Risk-based Delegated Authority Framework. This 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 from the business units as the second line of defence. This enhances the collaboration between GRD and the business units.

The Framework encompass the introduction of 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. The 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. Credit applications are independently evaluated by the Credit Risk Centre of Excellence team prior to submission to the relevant committees for approval.

The GCPRC with the support of Group Wholesale Bank Risk Committee, Regional Credit Committee, Consumer Bank 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/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 a policy of the Group that all exposures must be rated or scored based on the appropriate internal rating models, where available. Retail exposures are managed on a portfolio basis and the risk rating models are designed to assess the credit worthiness and the likelihood of the obligors to repay their debts, performed by way of statistical analysis from credit bureau and demographic information of the obligors. The risk rating models for non-retail exposures are designed to assess the credit worthiness of the corporations or entities in paying their obligations, derived from risk factors such as financial history and demographics or company profile. These rating models are developed and implemented to standardise and enhance the credit underwriting and decision-making process for the Group's retail and non-retail exposures.

Credit reviews and rating are conducted on the credit exposures at least on an annual basis and more frequently 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 GCPRC, GRC and BRC so that deteriorating exposures are identified, analysed and discussed with the relevant business units for appropriate remedial actions including recovery actions, if required.

The employment of various credit risk mitigation techniques such as appropriate credit structuring, and posting of collateral and/or third party support form an integral part of credit risk management process. Credit risk mitigants are taken where possible and are considered secondary recourse to the obligor for the credit risk underwritten.

All extension of credit in so far as deemed prudent, should be appropriately and adequately secured. GWBRC and RCC are empowered to approve any inclusion of new acceptable collateral/securities.

In mitigating the credit risks in swaps and derivative transactions, the Group enters into master agreements that provide for closeout and settlement netting with counterparties, whenever possible. A master agreement that governs all transactions between two parties, creates the greatest legal certainty that credit exposures will be netted. In effect, it enables the netting of outstanding obligations upon termination of outstanding transactions if an event of default occurs.

The net credit exposures with each counterparty are monitored based on the threshold agreed in the master agreement and the Group may request for additional margin for any exposures above the agreed threshold, in accordance with the terms specified in the relevant Credit Support Annexes or the master agreement.

2. Market Risk

Market risk is defined as any fluctuation in the market value of a trading or investment exposure arising from changes to market risk factors such as interest/benchmark rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility.

Market risk results from trading activities that can arise from customer-related businesses or from proprietary positions. The Group hedges the exposures to market risk by employing varied strategies, including the use of derivative instruments.

CIMB Group adopts various measures in its risk management process to manage market risk. An accurate and timely valuation of position is critical to providing the Group with its current market exposure. The GRC with the support of Group Market Risk Committee ensure that the risk exposures undertaken by the Group is within the risk appetite approved by the Board. GRC and Group Market Risk Committee, supported by the Market Risk Centre of Excellence in GRD is responsible to measure and control market risk of the Group through robust measurement and the setting of limits while facilitating business growth within a controlled and transparent risk management framework.

Market Risk Centre of Excellence values the exposure using market price or a pricing model where appropriate. The valuation process is carried out on all Held for Trading and Available for Sale positions on daily basis in compliance with the independent price verification requirements. These valuation methods are used in deriving the fair value to restate the security value to its current value for the purpose of calculating the profits and losses or to confirm that margins required are being met.

Treasury products approval processes will be led by the Market Risk Centre of Excellence to ensure operational readiness before launching. All new products are assessed by components and in totality to ensure financial risks are accurately identified, monitored and effectively managed.

All valuation methods and models used are validated by the Quantitative Analysts to assess its applicability to market conditions. The process includes

verification of the inputs, assumptions used, programming codes and model reporting capability. Existing valuation models are reviewed at least on a yearly basis to ensure that they remain relevant to changing market conditions. Back-testing of newly approved or revised models are conducted to review the model and input data.

The Group also adopts a value-at-risk (VAR) approach in the measurement of market risk. Back-testing is performed to validate and reassess the accuracy of the existing VAR model. VAR is a statistical measure of the potential losses that could occur as a result of movements in market rates and prices over a specified time horizon within a given confidence level. Back-testing involves the comparison of the daily model-generated VAR forecast against the actual or hypothetical profit or loss data over the corresponding period.

Stress testing is conducted to capture the potential market risk exposures from an unexpected market movement. In formulating stress scenario, consideration is given to various aspects of the market; for example identification of areas where unexpected losses can occur and areas where historical correlation may no longer hold true.

In addition to the above, Market Risk Centre of Excellence undertakes monitoring and oversight process at Group Treasury and Equity Market & Derivatives trading floors, which include reviewing treasury trading strategy, analysing positions and activities vis-à-vis changes in the financial markets, monitoring limits usage, assessing limits adequacy and verifying transaction prices.

3. Liquidity Risk

Liquidity risk is defined as the current and prospective risk to earnings, shareholder funds or the Group's reputation arising from the Group's inability to efficiently meet its present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they are due, which may adversely affect its daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the timing of cash flows.

The objective of CIMB Group's liquidity risk management is to ensure that the Group can meet its cash obligation in a timely and cost-effective manner. To this end, the Group's liquidity risk management policy is to maintain high quality and well diversified portfolios of liquid assets and sources of funds under both normal business and stress conditions. Due to its large delivery network and marketing focus, the Group is able to maintain a diversified core deposit base comprising savings, demand and fixed deposits, thus providing the Group with a stable large funding base. The Group maintains large buffers of liquidity throughout the year to ensure safe and sound operations from a strategic, structural and tactical perspective.

The day-to-day responsibility for liquidity risk management and control in each individual entity is delegated to the respective Country Asset Liability Management Committee (Country ALCO) which subsequently report to GALCO. GALCO 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 the Group liquidity risk profile, works closely with Group Treasury and Investments 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. Group Treasury 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 the Group is governed by a set of established liquidity risk appetite and tolerance levels. Management Action Triggers (MATs) have been established to alert management to potential and emerging liquidity pressures. The Group Liquidity Risk Management Policy is subjected to annual review while the assumptions and the thresholds levels are regularly reviewed in response to regulatory changes and changing business needs and market conditions. Liquidity positions are monitored on a daily basis and complied with internal risk thresholds and regulatory requirements for liquidity risk.

The Group's contingency funding plan 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 the Group's management whenever the Group's liquidity position may be at risk. It provides the Group with the analytical framework to detect a likely liquidity problem and to evaluate the 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 the 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 ALCOs, the GRC, and the BRCs/ Board of Directors of the Group. The test results to date have indicated that the Group possesses sufficient liquidity capacity to meet the liquidity requirements under various stress test conditions.

4. Interest Rate Risk in the Banking Book/Rate of Return Risk in the Banking Book (IRRBB/RORBB)

IRRBB/RORBB is defined as the current and potential risk to the Group's earnings and economic value arising from movement of interest rates/benchmark rates.

IRRBB/RORBB undertaken by the Group is governed by an established risk appetite that defines the acceptable level of risk to be assumed by the Group. The risk

appetite is established by the Board. GALCO is a Board delegated Committee which reports to the GRC. With the support from Asset Liability Management Centre of Excellence under GRD and Capital & Balance Sheet Management under CEO's Office, the GALCO is responsible for the review and monitoring of Group's balance sheet, business and hedging strategies, the overall interest rate risk/rate of return risk profile and ensuring that such risk profile is within the established risk appetite. Corporate Banking, Treasury & Markets (CBTM) is responsible for day-to-day management of exposure and gapping activities, including execution of hedging strategies.

IRRBB/RORBB is measured by:

Economic Value of Equity (EVE) sensitivity: EVE sensitivity measures the long term impact of sudden interest/benchmark rates movement across the full maturity spectrum of the Group's assets and liabilities. It defines and quantifies interest rate risk/rate of return 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/benchmark rates. Such measure helps the Group to quantify the risk and impact on capital with the focus on current banking book positions.

The Group's EVE sensitivity is computed by using a simulation method that analyses IRRBB/RORBB in terms of changes in the EVE resulting from various rate shock scenarios. Such method takes into account varying degree of rate sensitivities exist between banking book positions (basis risk), projected changes in cash flow behaviours (embedded optionality such as

prepayment or roll-over of cash flows under various rate scenarios), non-parallel shifts of the yield curve (yield curve risk), and the existence of embedded floor/cap rates on specific products in the banking book.

Earnings at Risk (EaR): EaR measures the short term impact of sudden interest/benchmark rates movement on reported earnings over the next 12 months. It defines and quantifies interest rate risk/rate of return risk as the change in net interest income caused by changes in interest/benchmark rates.

The Group's EaR is computed by using a dynamic simulation method that analyses IRRBB/RORBB 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.

The 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 systems and tools including:
 - Operational Risk Management System;
 - Operational Event and Loss Data Management;
 - Risk and Control Self-Assessment; and
 - Key Risk Indicators.

The ORM system incorporates the various operational risk tools such as the Loss Event Database, Risk and Control Self-Assessment and Key Risk Indicators. 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 and changes to the process flow are subjected to a rigorous risk review through sign-offs from the relevant support units where all critical and relevant areas of risk are being appropriately identified and assessed independently from the risk takers or product owners. The Group's New Product Development Policy Manual also safeguards and protects the interest of customers through proper regulatory disclosure requirements, the availability of options or choices when the products and services are offered to the public.

The promotion of a risk management culture within the Group whereby the demand for integrity and honesty is non-negotiable remains the core theme in the Group's operational risk awareness

programme. The e-learning module on operational risk management has enhanced the awareness of operational risk amongst the staff.

6. Shariah Non-Compliance Risk

Shariah non-compliance risk is the risk that arises from the Group's failure to comply with the Shariah rules and principles determined by the relevant Shariah regulatory councils or committees. Shariah non-compliance will lead to financial and non-financial impact to the Group such as reputation risk, higher capital charges and non-recognition of income or earnings arising from invalidated Shariah contract. The appropriate treatment of any non-Shariah compliant income or earnings shall be advised and approved by the Group's Shariah Committee, which may include channelling the income or earnings to charitable organisation.

The Group has in place a Shariah Compliance Policy and General Procedures Manual that governs the roles and responsibilities of the Shariah Committee, 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 Shariah Risk Management control process and Shariah Department. Shariah Risk Management is performed by the Shariah Risk Centre of Excellence by facilitating a systematic and consistent approach to the management of Shariah non-compliance risk. It provides guidance to enable the first line of defence to systematically identify, assess, monitor and control Shariah non-compliance risks, thus minimising the potential Shariah non-compliance events.

Apart from monitoring and analysing the Shariah non-compliance events/incidences submitted by Designated Compliance and Operational Risk Officers to Shariah Compliance Review Unit for decision by Shariah Committee and escalation to the relevant risk committees, Shariah Risk Centre of Excellence also actively participates in the Islamic products and services development discussions to ensure that all Shariah non-compliance risk management issues are appropriately identified, assessed, managed and controlled. Shariah Risk Management Centre of Excellence 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 are subject to prior approval from Shariah Committee before implementation.

7. Reputation Risk

Reputation Risk is defined as the current or prospective risk to earnings and capital arising from the adverse perception by the stakeholders about the Group's behaviour and performance. Such adverse perception, whether true or not, may impair public confidence in the Group, result in costly litigation, or lead to a decline in its customer base, business or revenue.

The Group is cognisant of the fact that reputation is built as a result of the on-going interactions between the Group and its stakeholders and acknowledges the importance of reputation in its business operations. Consequently, reputation risk is recognised as one of the material risks of the Group.

The objectives of the Group's Reputation Risk Management framework are, amongst other, to:

- i) Establish standards to manage reputation risk proactively;
- ii) Ensure that the business is operated to the highest standards of governance and controls;
- iii) Foster a culture where staff are aware of their responsibility in managing reputation risk.

The framework details the roles and responsibilities of each stakeholder and processes in managing reputation risks.

8. Basel II Implementation

BNM adopted a two-phase approach for implementing the standards recommended by the Bank of International Settlements set out in "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" (Basel II) in Malaysia. In the first phase, banking institutions are required to adopt the Standardised Approach for credit risk by the end of 2008. In the second phase, qualified banking institutions are allowed to migrate directly to the IRB beginning from 2010.

The Group had in May 2007 applied for direct migration to the IRB. The approach adopted by CIMB Bank Group for credit risk will be Advanced IRB for retail exposure and Foundation IRB for corporate exposure. Over the last few years, the Group has implemented various initiatives to enhance its risk management standards to meet Basel II requirements. BNM has approved the Group to migrate to IRB for credit risk in July 2010.

The Basel Steering Committee chaired by the Group CEO was set up to oversee the implementation initiatives across the Group with the assistance of various sub-committees. The Basel Steering Committee shall continue to oversee initiatives towards complying with the requirements within the stipulated timeframe.

The Group's operational risk is currently based on the Basic Indicator Approach and the Group has progressively set the various foundations to move towards Basel II standardised approach and building its capabilities towards the advanced measurement approach.

The EWRM framework requires the business and support units to identify all material risks affecting the Group's business and operations on an on-going basis. Capital is then allocated to all relevant units for risk-taking purposes. CIMB Group's Capital Management Framework provides the methodology and processes in capital management, including a capital allocation process that optimises risk-adjusted return on capital. These initiatives were implemented under Basel II to further enhance the use of risk management parameters in the Group's Capital Management Framework.

In 2010, BNM issued RWCAF – Disclosure Requirements (Pillar 3) with the aim to promote better market discipline and enhance transparency by setting the minimum requirements for market disclosures of information of the risk management practices and capital adequacy of the banking institutions. Pursuant to this Guidelines, the Group has made the relevant disclosures under Pillar 3 in the Annual Report. Please refer to "Basel II Pillar 3 Disclosures" for detailed disclosures.



audit

COMMITTEE REPORT



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 during 2013 are as follows:

Name of Committee Member	Status	Number of Committee Meetings	
		Held	Attended
Dato' Zainal Abidin Putih	Chairman/ Independent Non-Executive	14	14
Datuk Dr. Syed Muhamad Syed Abdul Kadir	Senior Independent Non-Executive	14	14
Dato' Hamzah Bakar	Independent Non-Executive	14	11

In addition to the 14 meetings held to deliberate on matters relating to the Group, 17 other meetings were held to deliberate on matters relating to the three Malaysian banking institutions, making a total of 31 meetings for the year. Deliberations on reports tabled to the Committee were robust and detailed. 505 assignments were completed by the Group Internal Audit Division (GIAD) during the year and tabled to the Audit Committee.

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

2. 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 2013

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 17 May 2013 and 16 December 2013 without the presence of the Group management and Executive Directors to discuss relevant issues and obtain feedbacks.
- h. Reviewed the internal control issues identified by internal, external and regulatory auditors, as well as Management's response to audit recommendations and implementation of agreed action plans.
- i. Reviewed the financial statements of the Group on a quarterly basis and the draft announcements before recommending them for the Board's approval.
- j. Received quarterly updates from the Heads of Internal Audit of CIMB Niaga and CIMB Thai on their findings and make appropriate recommendations for improvements.
- k. Reviewed the proposals for non-audit services rendered by the external auditors.
- l. Reviewed write-off proposals as presented by the Management before recommending them for the Board's approval.
- m. Discussed and deliberated with relevant Heads of Divisions and Departments, where heads presented their business strategies, operational concerns and challenges and relevant Management action plans for the year.
- n. Attended meetings with the respective Audit Committees and Management of CIMB Niaga and CIMB Thai. In each of the meeting, businesses and issues of respective operations were presented and discussed.
- o. Reviewed related party transactions and the adequacy of the Group's procedures in identifying, monitoring, reporting and reviewing related party transactions.
- p. Reviewed impact of key changes in legislation on the Group's banking business, in particular Financial Services Act 2013, Islamic Financial Services Act 2013, Personal Data Protection Act, Competition Act 2010 and Foreign Account Tax Compliance Act.
- q. Ensured compliance with regulatory requirements and internal policies, and status update on follow up by Management on internal and external audit recommendations.
- r. Attended the Group's 5th Regional Compliance, Audit and Risk Conference where regionalisation of the Group's regulatory framework, internal audit strategy and risk management process and updates were presented and discussed.
- s. Attended the Group's Annual Management Summit where each business and support unit reviews its operations for the year and presents strategies and plans for the coming year.
- t. Endorsed the proposed updates to the Group Internal Audit Division Policy Manual.
- u. Approved the updates to the Terms of Reference of Group Audit Committee.

4. TRAININGS

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

Audit Committee Member	Trainings attended
Dato' Zainal Abidin Putih	<ul style="list-style-type: none"> • CIMB Group: Internal Capital Adequacy Assessment (ICAAP) briefing • CIMB Group: Briefing on Financial Services Act 2013 and Islamic Financial Services Act 2013 • CIMB Group: Shariah Governance Framework Briefing 2013 • CIMB Group: 5th Regional Compliance, Audit and Risk (CAR) Conference • PLF CEO Forum 2013: 'Better Times Ahead for Malaysia? Predictions, Trends and Outlook for 2013-2014' • CIMB Annual Asia Pacific Conference • Australia All Energy 2013 Exhibition & Conference • CIMB Group Annual Management Summit
Datuk Dr. Syed Muhamad Syed Abdul Kadir	<ul style="list-style-type: none"> • Malaysian Institute of Corporate Governance (MICG): Directors Duties Seminar (Speaker) • CIMB Group: Internal Capital Adequacy Assessment (ICAAP) briefing • CIMB Group: Briefing on Financial Services Act 2013 and Islamic Financial Services Act 2013 • CIMB Group: Shariah Governance Framework Briefing 2013 • CIMB Group: Mandatory Risk Appetite Workshop • MINDA Women Directors On Boarding Training Programme (Guest Panelist) • CIMB Group: 5th Regional Compliance, Audit and Risk (CAR) Conference • Dialogue Presentation Session: Asean Corporate Governance Scorecard 2013 • CIMB Annual Asia Pacific Conference 2013 • BSL Director's In House Training Programme On Risk Management • FIDE Forum: Dialogue on Financial Services Act 2013 and Islamic Financial Services Act 2013 • Khazanah Luncheon Talk by Dr. Rowan Williams on Human Priorities: The Urgency of an Ethical Economics • CIMB Group: Risk Posture Workshop • 10th Kuala Lumpur Islamic Finance Forum (KLIFF) – Moderator • CIMB Group Annual Management Summit
Dato' Hamzah Bakar	<ul style="list-style-type: none"> • CIMB Group: Internal Capital Adequacy Assessment (ICAAP) briefing • CIMB Group: Briefing on Financial Services Act 2013 and Islamic Financial Services Act 2013 • CIMB Group: Shariah Governance Framework Briefing 2013 • Asia Oil and Gas Conference • CIMB Group: 5th Regional Compliance, Audit and Risk (CAR) Conference • FIDE Forum: Dialogue on Financial Services Act 2013 and Islamic Financial Services Act 2013 • CIMB Group: Risk Posture Workshop • CIMB Group Annual Management Summit

Terms of Reference of the Audit Committee

1. COMPOSITION

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

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

The Audit Committee comprises three (3) independent non-executive directors. The Chairman of the Committee, Dato' Zainal Abidin Putih is a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA).

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

Area	Responsibility
External audit	<ul style="list-style-type: none"> (a) To consider the appointment of external auditors, their remuneration and matters of resignation or dismissal. (b) To discuss and review with the external auditor before the audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved. (c) To assess objectivity, performance and independence of external auditors (eg by reviewing and assessing the various relationships between the external auditors and the Group or any other entity). (d) To approve the provision of non-audit services by the external auditors, evaluating whether such non-audit services would impair their independence. (e) To ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgment of the auditors. (f) To ensure that the financial statements are prepared in a timely and accurate manner with frequent reviews of the adequacy of allowances against contingencies and impairment of assets. (g) To discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of management where necessary). (h) To review the external auditors' management letter and management's response. (i) To meet with the external auditors at least twice a year without the presence of the management or Executive Directors to discuss any key concerns and obtain feedbacks.
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.

Area	Responsibility
Others	<ul style="list-style-type: none"> <li data-bbox="658 394 1802 459">(a) To engage on a continuous basis with senior management in order to be kept informed of matters affecting the Group. <li data-bbox="658 471 1802 504">(b) To convene meetings with internal auditors, external auditors or both whenever deemed necessary. <li data-bbox="658 515 1802 620">(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 the CIMB Group Holdings Berhad and ensure prompt publication of annual financial statements. <li data-bbox="658 631 1802 865">(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 data-bbox="722 703 1802 736">– any change in accounting policies and practices; <li data-bbox="722 747 1802 780">– significant adjustments arising from the audit; <li data-bbox="722 792 1802 824">– the going concern assumption; and <li data-bbox="722 836 1802 865">– compliance with applicable financial reporting standards and other legal or regulatory requirements. <li data-bbox="658 877 1802 909">(e) To review all related party transactions and keep the Board of Directors informed of such transactions.

Group 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, the Securities Commission of Malaysia and the Labuan International Business and Financial Center 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 to provide 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. CIMB Group's Shariah Committee consists of six Independent Non-Executive Members. All six members have the pre-requisite Shariah qualifications imposed by Bank Negara Malaysia.

Name of Shariah Committee Member	Nationality	Status	Number of Committee Meetings	
			Held	Attended
Sheikh Professor Dr. Mohammad Hashim Kamali	Canadian (Malaysia PR)	Independent Non-Executive Member	6	6
Sheikh Nedham Yaqoobi	Bahraini	Independent Non-Executive Member	6	6
Sheikh Dr. Haji Mohd Na'im Haji Mokhtar	Malaysian	Independent Non-Executive Member	6	5
Sheikh Associate Professor Dr. Shafaai Musa	Malaysian	Independent Non-Executive Member	6	5
Sheikh Dr. Yousef Abdullah Al Shubaily	Saudi Arabian	Independent Non-Executive Member	6	5
Professor Dr. Noor Inayah Yaakub	Malaysian	Independent Non-Executive Member	6	6

MAIN ACTIVITIES IN 2013

The Group Shariah Committee reviewed and advised on about 50 proposals by CIMB Group for new Islamic consumer banking products and services together with their documents; out of which circa 45 proposals were approved. The Committee also reviewed and advised on about 35 proposals by CIMB Group for new wholesale banking deals and their documents, out of which circa 30 proposals were approved.

The Committee also noted, reviewed and endorsed the following and was satisfied that each had been done effectively and in conformity to requirements:

1. The allocation of profit and charging of losses relating to investment accounts;
2. All contracts, transactions and dealings entered into by the CIMB Group during the year ended 31 December 2013;
3. All earnings that may have been realised from sources or by means prohibited by Shariah for purpose of disposal to charitable causes.

The Committee also reviewed and approved CIMB Group's new policies and procedures manual, including variations and amendments to the existing policies and procedures manual, and marketing and branding collaterals, sales brochures for products and campaign materials.

The Committee has also developed and maintained a system of monitoring and reporting which provides the necessary internal controls in line with the Islamic Financial Services Act ("IFSA") and Shariah Governance Framework to ensure that any new Islamic financial transactions are properly authorised and transacted in accordance to 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 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, of relevant documentation and procedures adopted by the CIMB Group. Apart from the above, the Committee also reviewed and approved 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 2013.

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 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 shall be based on a few considerations as follows:

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 self-assessment/ self-reporting mechanism and periodic independent review undertaken by 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 2nd line of defence.
4. Availability of a strong team of internal auditors who conduct periodic Shariah audits of all the Group's Islamic banking and finance operations on a scheduled and periodic basis.

The 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.

TRAINING

Listed below are the seminars and training events which committee members attended to keep abreast of the latest market trends and developments:

Group Shariah Committee Member	Trainings attended
Sheikh Professor Dr. Mohammad Hashim Kamali	<ul style="list-style-type: none"> • Lecture on French Foreign Policy in the Challenging World: Moderation as Framework in addressing Non-Traditional Security Threats by Dr Pascal Boniface, Kuala Lumpur, Malaysia • Dialogue on Diversity, Peace and Diplomacy Putrajaya, Malaysia • International Buddhist-Muslim Forum on Peace and Sustainability, Kuala Lumpur, Malaysia • Shariah Advisers Workshop on Ranking of Rights in Capital Market Products, Kuala Lumpur, Malaysia • New Conversations in Islamic and Christian Political Thought Affections, Art and Contemporary Practice, Oxford, United Kingdom • Workshop on Understanding Concept and Mechanics of Derivatives Market Products, Kuala Lumpur, Malaysia • Peace and Security Forum 2013, Kuala Lumpur, Malaysia, • Intellectual Discourse on the Concept of Al-Wasatiyyah and the Place of Islamic Moderation, Kuala Lumpur, Malaysia • Conference on the Transformation of Security and Fundamental Rights Legislation Rights and Responsibilities: Between Hope And Challenges • Public Forum on Middle East Revisited: Geo Strategic Implications, Democratic Transformation Challenge and Economic Potential (Case of Egypt) • Roundtable with the theme 'Peaceful Co-Existence: The Experience of Moderation in India', Kuala Lumpur, Malaysia
Sheikh Nedham Yaqoobi	<ul style="list-style-type: none"> • AAOIFI Shariah Conference, Bahrain • Dallah Barakah Symposium on Islamic Economic, Jeddah, Saudi Arabia • Muzakarah Penasihat Syariah, Kuala Lumpur, Malaysia • Kuala Lumpur Islamic Finance Forum 2013, Malaysia • 8th International Shariah Scholars Forum, Kuala Lumpur, Malaysia
Sheikh Dr. Haji Mohd Na'im Haji Mokhtar	<ul style="list-style-type: none"> • Persidangan Transformasi Perundangan Berhubung Dengan Keselamatan Dan Hak Asasi, Kuala Lumpur, Malaysia • Bengkel Dalaman Jawatankuasa Isu Harta Al-Mafqud (BMU), Kuala Lumpur, Malaysia • Global Forum On Best Practices In One Stop Services 2013: Harnessing The Power Of Collaborative Innovation In One Stop Service (OSS), Subang Jaya, Malaysia • Forum Kursus Pentadbiran Harta Pusaka Mengikut Perspektif Islam, Kuala Lumpur, Malaysia • Slot Dinamika Perundangan, Kuala Lumpur, Malaysia • Undang-Undang Jenayah Syariah Majlis Ilmu 2013, Brunei • Seminar on Islamic Law in Practice with Global Perspective, Kuala Lumpur, Malaysia
Sheikh Associate Professor Dr. Shafaai Musa	<ul style="list-style-type: none"> • Muzakarah Ahli Majlis Penasihat Syariah Institusi Kewangan Kali Kesembilan, Kuala Lumpur, Malaysia • Ijtima' ASAS Peringkat Kebangsaan, Kuala Lumpur, Malaysia • Kuala Lumpur Islamic Finance Forum 2013 • Muzakarah Penasihat Syariah Kewangan Islam 2013 Kali ke 8 Kuala Lumpur, Malaysia

Group Shariah Committee Member Trainings attended

Sheikh Dr. Yousef Abdullah Al Shubaily	<ul style="list-style-type: none"> • AAOIFI Shariah Conference, Bahrain • Dallah Barakah Symposium on Islamic Economic, Jeddah, Saudi Arabia • 4th Abu Dhabi Islamic Bank Conference, Abu Dhabi, United Arab Emirates • 5th Shura Fiqh Conference, Kuwait • 5th Research and studies consulting Islamic banking conference, Doha, Qatar
Professor Dr. Noor Inayah Yaakub	<ul style="list-style-type: none"> • 10th Kuala Lumpur Islamic Finance Forum 2013 themed Islamic Finance: Initiatives, Opportunities and Linkages, Kuala Lumpur, Malaysia • Thematic Workshop on Intangible Assets, Kuala Lumpur, Malaysia • Discussion with BNM on the Operational Practices of Commodity Murabahah Deposit, Kuala Lumpur, Malaysia • Kongres Majlis Profesor Negara, Kuala Lumpur, Malaysia • Workshop on comparative equitable principles in Banking Law in Commonwealth countries, Holland

TERMS OF REFERENCE

Area	Responsibilities
Shariah Advisory	<ul style="list-style-type: none"> • 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 are Shariah-compliant at all times. • 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.
Settings of Policies and Framework	<ul style="list-style-type: none"> • 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 Shariah Committee and to suggest for their revision, improvement and updates from time to time as may be necessary. • To review and endorse BNM SGF as provided by various tools such as Shariah Compliance Manual and various implementation functions within CIMB Group including Shariah research, Shariah review, Shariah audit and Shariah risk management.
Shariah Rulings	<ul style="list-style-type: none"> • To ensure high standards in arriving at Shariah decisions through a proper Shariah deliberation process. • To supervise and monitor the decision making of the other Shariah Committees formed within CIMB Group in Malaysia or other Jurisdictions.
Others	<ul style="list-style-type: none"> • To keep abreast of the latest development of Islamic banking business globally, regulatory changes affecting CIMB Group’s business, the rulings made by the SACs and the changes in the latest Shariah research, Ijtihad, Fatwas or findings. • To engage actively in deliberating Shariah issues presented before the Group Shariah Committee.

FUNCTIONS & 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 documentation. GIAD makes recommendations for improvements and enhancements where appropriate. Findings related to Shariah products and services are reported to the Shariah Committee. GIAD's scope of coverage encompasses all business and support units, except for CIMB Niaga and CIMB Thai, which have their own internal audit departments. 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 'High Risk' audit rating 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.

Internal Shariah Audit Reports

Audit reports prepared by GIAD have a specific section highlighting specific Shariah related matters where applicable. During the year, 362 audit assignments covering Shariah related products and control systems were completed by GIAD.

Internal Shariah Risk Management Function

Shariah Risk Management is a function to systematically identify, measure, monitor and control Shariah non-compliance (SNC) risks in the Group's Islamic banking and financing activities to mitigate any possible SNC events. The control function is part of the Group's Enterprise-Wide Risk Management Framework. Earlier, the Shariah Risk Management is a function within the Operational Risk Management until a dedicated Shariah Risk Management Department (SRMD) was established in 2013. The Group adopts the BNM SGF definition of Shariah Risk Management and accordingly, scopes our Shariah risk management activities to manage risks of Shariah non-compliance. Monitoring of Shariah compliance and Shariah governance is carried out through Shariah Review and Shariah Audit functions, supported by Shariah Risk Management control process and Shariah Department. SRMD also actively participates in the Islamic product development discussions to ensure that all inherent Shariah non-compliance risk are appropriately identified, managed and controlled.

SRMD leverages on the existing ORM system for the Designated Compliance & Operational Risk Officer (DCORO) to input their inherent risk identification, and assessment of their existing controls in the Risk Control and Self Assessment (RCSA) report. SRMD will validate all RCSAs submitted by the SBUs taking into account existing controls that have been put in place.

As for any losses due to SNC events, SRMD and Operational Risk Management Department (ORMD) will jointly analyse the potential impact based on the historical trends and actual unrecognised income derived from SNC events and review the effectiveness of existing controls to avoid recurrences.

Internal Shariah Risk Management Reports

In November 2012, the CIMB Group Shariah Committee and relevant Boards approved the CIMB Group Islamic Operational Risk Management Framework with a section on Shariah Non-Compliance Risk and Shariah Governance Structure. This framework was developed by the Group's Operational Risk Management Department (ORMD). The Framework is aligned to the conventional operational risk saved that all matters and issues related to Shariah shall be guided by CIMB Group Shariah Compliance Policy and General Procedures Manual.

Among other things, the first line of defence (business and support units) are required to identify the inherent SNC risks and their mitigating controls in the RCSA and report any losses due to SNC events directly into the operational risk management system, which provides a standard platform for the automated process of reporting, reviewing and monitoring the identified risks. At the same time, SRMD works closely with the Shariah Compliance Review Unit to ensure Shariah compliance and any non compliance findings will be shared with SRMD and to inform the relevant DCOROs to key in the details of the losses in the system. SRMD will analyse the potential impact based on the historical trends and actual unrecognised income derived from SNC events taking into account existing controls that have been put in place and their effectiveness in mitigating such risks and avoiding recurrences.

Moving forward, the Shariah Risk Management Framework would be developed by SRMD to articulate the objectives, guiding principles, governance structure and processes inherent in the way Shariah Risk Management will be managed in CIMB Group.

Internal Shariah Review Function

Under the BNM SGF, Shariah Review function refers to regular assessment on Shariah compliance in the activities and operations of an Islamic financial institution (IFI) by qualified Shariah officers with the objective of ensuring that the activities and operations carried out by the IFI do not contravene with the Shariah requirements. The function involves the examination and independent evaluation of the activities and operations of the business/ support units within CIMB Group and their level of compliance with Shariah rulings.

Internal Shariah Review Reports

CIMB Group Shariah Compliance Review Policies and Procedures Manual was approved by the Shariah Committee in July 2013 and subsequently approved by relevant Boards in August and September 2013. All observations arising from Shariah reviews of business/ support units within CIMB Group are incorporated into internal Shariah Review Reports, whereby the observations are tracked and followed up until closed. These Shariah Review Reports are tabled to the Group Shariah Committee and the relevant Boards, annually.

Shariah Research Function

The Shariah Research Function is undertaken by the Shariah Department. The 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 Group

Shariah Committee's approval, providing an independent assessment of the same. This function ensures proper deliberation by the 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, Shariah Research function is guided by the CIMB Group Shariah Compliance Policy and General Procedures Manual, Guidelines, Rules, Terms and Procedures in relation to the Shariah Committee and Shariah Coordinator, and the BNM SGF.

Shariah Research Reports

The Shariah Research Unit reports to the Management on Shariah issues related to new products, services, business deals, policies, procedures and marketing materials and reviews and conducts research where necessary. Together with the Company Secretary under the Group General Counsel Division, 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 Shariah compliance awareness within CIMB Group and maintains records of Shariah rulings and decisions of the Group Shariah Committee for internal research and advisory purposes.





INTO A NEW ERA OF
INTEGRATED
BANKING

Human Capital Growth and Talent Development Initiatives



Hamidah Naziadin receives the Life at Work Award on behalf of CIMB Group from Malaysian Deputy Prime Minister Tan Sri Muhyiddin Yassin.

GROWING TALENT

Our corporate theme for 2014 is Differentiating CIMB, and one key factor that differentiates us from other corporations in the region is our relentless focus on growing talent.

The financial services sector is a people-driven service industry and talented, engaged employees bring an obvious competitive advantage. With a training budget for 2013 of more than RM79 million, we rolled out a slew of talent growth programmes in a wide range of disciplines and across hierarchy levels.

We continue to encourage staff to take up industry-driven qualifications and are proud to have launched our CIMB Credit Academy in April, and our CIMB Corporate Advisory Academy six months later, to focus on these two critical banking areas.

Two large internal projects that spanned almost the year were the harmonisation of our employee grading structure across businesses and geographies, and a Mutual Separation Scheme (MSS) in Malaysia that saw 1,217 Malaysian staff voluntarily leave our ranks either for early retirement or to make a career change. The last time we had a MSS was in 2005.

Both of these internal projects were necessary because CIMB Group is an organisation that has grown fast, from the merger of many smaller wholesale and consumer banks.

CIMB Group is focused on ensuring it has a workplace environment where its 40,804 people can thrive, where high performance is recognised and rewarded, where talent grows, and employees can build on their strengths within a network of experience and opportunity.

Fulfilling these people-focused commitments is a key building block in the transformational changes at CIMB Group. It is core to the construction of our Network CIMB and in our ability to reach our vision to be the leading ASEAN company.

In order to stay focused with such a large and diverse remit, Group Corporate Resources framed its efforts through 2013 around its six commitments to its employees – Towards an ASEAN Champion, Thriving on Diversity, Obsessed with Talent Growth, Competitive Remuneration, Corporate Responsibility Leadership and Dynamic Workplace.

ASEAN DIVERSITY

Strength in diversity is one of CIMB Group's five core values. We respect different cultures, we value varied perspectives, and we recognise diversity as a source of strength across our network of employees. Building an understanding of the CIMB Group as a franchise across ASEAN means that CIMB Group employees embrace multicultural perspectives to better serve our customers.

In practical terms, we deliver on CIMB Group's diversity by bringing people together from businesses and geographies across the region, to work and learn from each other at all levels of the company. Adopting a top-down and a bottom-up approach, we put people together in learning and training, on working committees, on special projects, management committees and also our Board of Directors, and not least, in fun activities.

We also take a holistic and blended approach to develop and deploy our people. Firstly, we have formal classroom-based training. Secondly, we encourage coaching, mentoring and exposure to various Group task forces and committees, and outward bound programmes. The third and possibly the most impactful component is on-the-job training, involving stretch assignments and regional mobility.

In 2013, we almost doubled the strength of our Global Employee Mobility (GEM) programme, which enables staff to gain work experience in countries around the region. Some 119 employees (compared to 63 in 2012) were successfully mobilised. The growth was in part due to the opening of our new offices in Australia and China, and the implementation of our 1Platform core banking system.



The CIMB Has Talent Finals held in Jakarta in November featured 18 individual or group performances over eight hours to a packed hall.

OBSESSED WITH TALENT GROWTH

At the top end of our talent pool, one key success strategy is anchored in our current leaders – the ones who built up CIMB Group – coaching, mentoring and teaching our up-and-coming talent. Our leaders understand CIMB Group and know the banking industry and we believe that riding on the shoulders of these giants is the best way to build the organisation.

We have a dedicated leadership development centre, the Commerce Leadership Institute (CLI) which focuses on key leadership positions across the Group and the top one percent of managers Group-wide, in order to strengthen our leadership pipeline and to foster bonds between present and emerging leaders of the

Group. Our management talent is particularly involved in the CIMB-INSEAD Leadership Programme, which is run by the CLI.

Of course, talent development in CIMB Group is not only at leadership level. Through our collaboration with Singapore's Nanyang Technological University, middle management has the opportunity to partake in the Accelerated Universal Bankers (AUB) programme. This six-month programme builds on the universal banking perspective of CIMB Group and offers cross-border and cross-department perspectives.

We also gained traction in institutionalising CIMB Group with our new CIMB Credit Academy opening in April and the Corporate Advisory Academy in October. Numerous employees from Malaysia, Indonesia, Singapore and Thailand who underwent credit skills enhancement programmes through the facilitation of the Credit Academy have graduated with the globally-recognised Diploma in Credit from the Chartered Banker Institute. Senior leaders also went through workshops.

Corporate Advisory has always been a key CIMB Group strength and the academy fosters networking and sharing of knowledge, and grooms corporate advisors who can anticipate clients' needs and provide innovative solutions to optimise clients' returns. One of the first few activities it launched were a negotiation impact bootcamp for senior leaders, and sector-specific talks over Webex for employees across Asia Pacific.

At the fresh graduate level, our The Complete Banker™ programme (TCB) grew from strength to strength. This exclusive management trainee programme took in 110 new recruits from Malaysia, Indonesia, Singapore, Thailand and Cambodia, and will expand to include trainees from Australia and Hong Kong in 2014. Since the scheme started in 2003, more than 700 graduates have completed the TCB programme.

We set new benchmarks on graduate experience and employer collaboration with CIMB Fusion, a graduate trainee programme that involves CIMB Group and six other large corporates in Malaysia i.e. PWC, Accenture, HP, DraftFCB, ZICOLaw and Teach for Malaysia. Through CIMB Fusion, our Gen Y talent will work with CIMB Group and one of our six partners, giving them cross-industry exposure right at the start of their careers. In Indonesia, we launched our Branch Manager Entrepreneurial Programme to strengthen and energise our retail banking leaders.



CIMB Group signed a MOU in April with the Institute of Bankers Malaysia to facilitate our staff taking up the Chartered Banker qualifications; Tan Kay Luan, CEO of IBBM exchanging documents with Hamidah Naziadin, Group Chief People Officer, witnessed by Dato' Lee Kok Kwan, Chief Executive Officer Corporate Banking, Treasury & Markets.

COMPETITIVE REMUNERATION

We take a holistic approach to rewarding our talent. Our total rewards system ensures that our people are competitively-remunerated and enjoy careers where there are opportunities for learning, growth and promotion.

On top of competitive salaries and benefits, long-term incentive plans and equity plans, we motivate and empower our people via opportunities for career advancement and skills development. Our job grading structure harmonisation exercise undertaken in 2013 ensures parity across the franchise and sets the stage for more effective integrated talent management and benchmarking of our total rewards system.

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

Our performance management cycle starts in January with business goals and key performance indices set by senior management. These are then cascaded through the bank with individual goals and targets set. Throughout the year, our people are coached and given feedback on their performance and the outcome is used to determine remuneration, career development and performance improvement plan for the following year. This includes career pathing and a clear indication of the competencies needed for promotion.

DYNAMIC WORKPLACE

Engaging our people is key to our operations and we address this right from the start of each person's employment with an orientation programme that gives new employees a clear understanding of CIMB Group's strategic direction and values.

Like all successful organisations, communication with our staff is key, so that they understand our strategy and are committed to it. Dato' Sri Nazir himself writes a weekly blog, as do our country heads in Indonesia and Thailand. We actively engage staff through face-to-face meetings, town halls, video and teleconferencing, emails and our online portal CIMBNet.

We also organise fun activities like football clinics for children of staff, treasure hunts, bowling competitions, and more serious activities like safety workshops for women employees and children of staff. We help employees in times of difficulties such as natural disasters, and rally other employees to give their support.

Possibly, one of the most impactful employee engagement initiatives in 2013 was our CIMB Emerging ASEAN Leaders Award (or CIMB Emerald Award). This Award was launched to recognise and reward our middle managers who collectively manage 80 percent of the organisation, and who are key to the long term success of CIMB Group. Our top ten CIMB Emerald Award winners will undergo special leadership grooming.

Retirement and long service awards are also a cause for celebration at CIMB Group as we take a holistic view of the working lives of our staff. We have a staff welfare fund and a scholarship fund for staff and their children. We gave out scholarships and sponsorships worth close to RM1 million in 2013. We also value our relationship with the various unions that represent our employees.

CIMB Group is an organisation made up of multiple cultures across borders and businesses. It is important that our diverse workforce operate as one CIMB. In 2013, we held our inaugural 'CIMB Has Talent' show and hundreds of CIMBians auditioned their musical and dance talents. Some 39 staff from Indonesia, Malaysia, Thailand, Singapore, Cambodia, Hong Kong and India made it to the finals in Jakarta. What strength in diversity!

CORPORATE RESPONSIBILITY LEADERSHIP

Giving back to the community is a key component of CIMB Group's DNA and is specifically enshrined in CIMB Group's five core values. Over and above the contributions of our body corporate, we continue to encourage our employees to give back to the community and have a policy to reward community service days.

Corporate social responsibilities are part of a virtuous circle, as when we support people in our community, workplace, marketplace and environment, we help to build social sustainability and create long term value. For more details on corporate responsibility and other aspects of the CIMB Group workplace, please read the accompanying Sustainability Report.

2013 AWARDS

CIMB Group was conferred 'The Life at Work Award' by the Ministry of Women, Family and Community Development in August. The Award refers to CIMB Group as 'The Preferred Workplace for the Advancement of Women.' HR Asia named CIMB Group as one of 'Best Companies to Work for in Asia'. Our CIMB ASEAN Stock Challenge that brought cross-border stock trading to university students across Malaysia, Indonesia, Singapore and Thailand won the 'Best Innovation on Campus Award'. Our internship story also won the 'Best Internship Experience' at Malaysia's 100 Leading Graduate Employers awards. On top of this, CIMB Niaga also won numerous sustainability reporting and corporate governance awards.



corporate
RESPONSIBILITY

Corporate Responsibility

201

Seven years after its establishment, CIMB Foundation has made a difference to the lives of countless Malaysians and Southeast Asians. Not only have we helped young people to become champions in sports, and afforded them opportunities to improve their English and learn the use of computers, but we have also helped a number of students to follow their dreams with our scholarships and internships. We have also enabled those who are less fortunate to improve their lives with our grants for starting or expanding businesses.



Young stars of CIMB YFA-Bintang, our community football academy.

In 2013, CIMB Foundation was involved in 94 projects throughout Malaysia, impacting many lives through our programmes that are aimed at empowering communities and giving them a way up the economic ladder.

CIMB Group in turn has introduced an award that puts a spotlight on middle managers whom their peers and superiors consider the best of the best. With our free health talks and screenings, CIMB Group ensures that staff welfare is always at the forefront.

A more in-depth report on our Corporate Social Responsibility (CSR) activities can be found in our Sustainability Report 2013.

We give back not because we can, but because it's a part of CIMB Group's DNA.

2013 was a bumper year for our sports programmes, with numerous wins all over the world. Topping the tables is our CIMB Junior Squash Development Programme through which our juniors won the gold for Boys' and Girls' Team events at the Asian Youth Games and the Girl's Individual gold and Boy's Individual silver. At the cream of Junior Squash, the British Junior Open, our youngsters won the Girl's U13 and U15 gold whilst the boys came away with a silver medal. All in all, a rich harvest for squash.

Our community football academy, CIMB YFA-Bintang also scored well in 2013. Three players from our junior team represented Malaysia at international matches and one junior was selected as Captain for the U16 national team at the Asian Football Federation Cup. Our consistent wins at the Asian World Youth Cup, Youth 1MCC 9s, Kul Kids, KL Grassroots League, KL Youth Soccer International matches have put us on the radar of the other teams.

202

Golf has also brought us a measure of glory with our juniors winning the gold medal at the SEA Games in 2013. Our training camps enable some 80 junior players from the region to train with top coaches from the USA thereby giving them a greater chance of winning on the world stage. Of note, too, are junior golfers who have received scholarships to study in American and Singaporean educational establishments.

Rugby had a few successes to add to our list. Our CIMB COBRA Rugby Development Programme allows youths to learn the sport and participate in tournaments organised by COBRA. In 2013, our juniors were age group champions in the BLRAC Bangkok International 10s and the Zahira International 7s.

The prestigious CIMB Regional Scholarship has seen four recipients graduate and return to their home country to pursue a career in their field of study.

Sooksun Popun-Ngarm graduated with a Master's in Environmental Law and Policy from UCL, London and is now working with a government agency in Thailand. Janet Moo returned to Malaysia with an MSc in Mental Health in Learning Disabilities and spent some time conducting classes for autistic and Down's Syndrome children in Kuala Lumpur.

CIMB Foundation's flagship programme Community Link is a partnership between the Group's consumer banking franchise and staff in headquarters. This partnership allows staff to play an active role in community projects and keeps branch staff in close contact with customers in their surrounding areas.

Community Link approved grants totalling RM3.3 million in 2013 with grants to a wide variety of community projects; working with Rotary Club, we gave sight back through cataract and lens replacements operations to the underprivileged.

On our eastern wing, Community Link sponsored the Borneo Eco Film Festival workshops where indigenous people were taught film making skills to allow them to produce short documentaries to showcase the ecological problems faced by their communities. Back in Kuala Lumpur, funding was given to a street party to showcase cultural performances of the Peninsula and Borneo.

As the English language is the main thrust of our educational programmes, Community Link sponsored Buku Jalanan Titi run by a group of volunteers who provide reading materials to the public in the Titiwangsa area. Our partners have organised story telling camps for children where kids are allowed to act out the stories and to learn how to tell stories themselves. The disadvantaged are not left out as CIMB Foundation sponsored courses that enabled 18 to 40 year olds to learn reading and writing skills that give them greater opportunities in the workplace.

CIMB Group's projects are not only in urban areas, we try to direct our attention as much as possible to those who need it most in the rural areas of Malaysia. In 2013, we were pleased when the Mah Meri community approached us to fund their welding and carving workshops to improve the livelihood of their young.

With our move to KLSentral, CIMB Foundation and the Corporate Responsibility Department have jointly launched Project Brickfields whose aim is to ensure that our new neighbourhood is looked after. We have cemented partnerships with blind and disabled organisations in the neighbourhood and have started working with all the schools in the Brickfields area. Our celebration of religious festivals now take place in houses of worship in Brickfields and includes a lunch and donation of foodstuffs to the needy of the area.

Our partnership with PINTAR in adopting the lowest performing schools reaped rewards with better pass rates for the pupils in our schools in Perlis. At a meeting held with the schools, it was clear that the confidence level of these rural children had increased thanks to the story books, computers and workbooks supplied by CIMB Foundation.

In the workplace, CIMB Group introduced the Emerald Awards for emerging ASEAN Leaders. The award recognises the role leading middle managers play in CIMB Group. In terms of employee engagement, our staff enjoyed huge discounts from Harvey Norman during a three day sale at Menara Bumiputra-Commerce, flower arrangement classes, make-up workshops and a variety of fun classes that encourage teamwork and bonding.

Sustainability Report excerpts

203

COMMUNITY LINK: ENGLISH AND ICT

Buku Jalanan Titi

CIMB Foundation's grant provided free reading materials to the public at Titiwangsa Lake Garden. Buku Jalanan Titi is organised by a group of volunteers who provide reading materials to the public on a fortnightly basis. The programme also holds events, classes and performances for individuals and organisations. More than 500 people have used the semi-mobile library.

Learning and understanding English

The Learning and Understanding English programme encourages the use of the English language by low income deaf people. It also introduces this section of the community to ICT which is important in their acquiring information and knowledge. The ability to understand English also helps build confidence, enabling them to play a greater role in society. 115 deaf people from the Persatuan Orang Pekak Perak are well on their way to mastering the English language.



Story telling training camps

These camps helped 263 children learn how to express themselves in English. The camps taught the children the importance of grammar, pronunciation and diction. Part of the camp also taught them creative thinking skills to enable the children to come up with their own stories to tell.

NILAM project

This is a reading project aimed at teachers and children. A total of 1,789 pupils from Forms 1 to 5 attended the classes that paved the way to better English through reading.

English Language Skills for Disadvantaged Women

This programme sponsored by CIMB Foundation taught 100 disadvantaged women aged between 18 and 40 years old to read, write and speak English. These women mastered good communication skills allowing them to speak confidently and effectively. They were encouraged to use English in their places of work. They were also taught basic IT skills such as how to use email.

Improving English through ICT

CIMB Foundation continues to encourage students to learn English through interactive ICT exercises through this initiative. These exercises are designed to build students' confidence in communicating using English. Self-access learning activities through ICT were introduced to the students. It is hoped that this programme will help improve the English pass rate in the UPSR examinations.





NATION BUILDING: DEVELOPING THE LOCAL COMMUNITY

Project Brickfields

Project Brickfields is a joint initiative by CIMB Foundation and the Group's Corporate Responsibility Department. Since moving in to our new headquarters Menara CIMB at KL Sentral, Project Brickfields has reached out to the surrounding communities with initiatives that aim to improve their standard of living. We have forged relationships with various handicapped and blind NGOs in the area and also opened our programmes at Cruyff Court futsal field to include disabled football and futsal matches.

Brickfields is home to many handicapped organisations and as such, the main thrust of our programmes will be to afford their members a better life. To date, we have started work with the Malaysian Association for the Blind to build their digital library which will allow users to access information and reading materials with greater ease.

Project Brickfields also ensures that residents in our neighbourhood do not want for anything during the festive season. We celebrated Deepavali and Christmas in houses of worship in the area and handed food and sundry goods to the needy. Chinese New Year was celebrated with lion dances and the giving of ang pow and oranges to the elderly of Brickfields.

Working with Lions Club of Bukit Kiara, CIMB Foundation feeds the poor and homeless for 26 weeks of the year, alternatingly weekly with the Lions Club. This initiative helps some 100 homeless men and women every day and is invariably their only source of food.

CIMB NIAGA SCHOLARSHIP PROGRAMME

CIMB Foundation provides bright Indonesian students with opportunities to pursue tertiary education at Malaysian universities in selected fields through the CIMB Niaga Scholarship.

This scholarship programme aims to increase bilateral linkages between Malaysia and Indonesia. It supports the development of Indonesian education and identifies talents who will become competent and skilled professionals in their fields.

A total of 15 scholarships have been awarded since its inception in 2008. Seven scholars have graduated; five will graduate in 2014; and three are still pursuing undergraduate studies at the University of Malaya.

The most notable achievements include:

- Six scholars scoring CGPA 3.5 and above.
- The overall performances of these scholars are quite balanced in terms of academic and extra co-curricular activities. Most are very active and hold important positions in various clubs in their respective universities.



- A scholar from UKM, Satria Aji, won the SieMyCity game design competition and received a cash prize of RM10,000 and a four-day trip to Berlin University.
- Firmansyah Shidiq Wardhana was selected from 8,000 international applicants as a delegate for Harvard University Project Asia and International Relations 2013. This project was conducted by Harvard University and the American University of Dubai. He is currently in the second year of a Business Administration course at UM.

CIMB Niaga Scholars also possess a corporate sense of belonging. In 2013, Adilla Aratinka contributed as an intern in CIMB Investment Bank. Andreas and Satria, who interned with CIMB Bank, were involved with the 1Platform core banking project in CIMB Malaysia.





INTO A NEW ERA OF
DIGITAL
BANKING

Regional Notable Deals

REGIONAL M&A DEALS

SapuraKencana Petroleum Berhad

USD2.9 billion combination and integration of the respective tender rig businesses of SapuraKencana Petroleum Berhad and Seadrill Limited via acquisition of the entire issued share capital of Seadrill Tender Rig Ltd and 94% of the issued share capital of PT Nordrill Indonesia



Massive Equity Sdn Bhd

RM3.612 billion privatisation of both QSR Brands Bhd and KFC Holdings (Malaysia) Bhd through the acquisition of all their assets and liabilities by Triple Platform Sdn Bhd



Felda Global Ventures Holdings Berhad

RM2.2 billion acquisition of 51% equity interest in Felda Holdings Berhad from Koperasi Permodalan Felda Malaysia Berhad



Khazanah Nasional Berhad

USD252 million acquisition of 90% equity interest in Acibadem Saglik ve Hayat Sigorta A.S by Avicennia Capital, Khazanah's insurance holding company, from Mr. Mehmet Ali Aydinlar and family and The Abraaj Group

**KHAZANAH
NASIONAL BERHAD**

Koperasi Pegawai BULOG Seluruh Indonesia (KOPELINDO)

Yayasan Bina Sejahtera Warga BULOG (YABINSTR)

IDR1.16 trillion divestment of 14% stake in Bank Bukopin to Bosowa Corporation

**Koperasi Pegawai
BULOG Seluruh
Indonesia**

**Yayasan Bina
Sejahtera Warga
BULOG**

Wesfarmers Limited

AUD532 million Sale and Leaseback JV of Coles Grocery Stores



REGIONAL EQUITY DEALS

UMW Oil & Gas Corporation Berhad

RM2.7 billion IPO on Bursa Malaysia

**SapuraKencana Petroleum Berhad**

RM1.6 billion new share placement

**Travellers International Hotel Group, Inc.**

PHP18.0 billion IPO on Philippine Stock Exchange

**AirAsia X Berhad**

RM1.1 billion IPO on Bursa Malaysia

**Sona Petroleum Berhad**

RM550 million IPO on Bursa Malaysia

**Tune Ins Holdings Berhad**

RM284 million IPO on Bursa Malaysia

**Tropicana Corporation Berhad**

RM154 million private placement

**KLCC Stapled Group**

Creation of the first stapled structure in Malaysia comprising KLCC Real Estate Investment Trust units stapled together with KLCC Property Holdings Berhad shares listed as stapled securities on Bursa Malaysia



PT Matahari Department Store Tbk

USD1.5 billion share placement

**Asian Pay Television Trust**

SGD1.35 billion IPO of a business trust on Singapore Exchange

**Mega Lifesciences PCL**

THB3.8 billion IPO and Private Placement on The Stock Exchange of Thailand

**Fortescue Metals Group**

AUD503 million secondary share placement

FORTESCUE METALS GROUP**ERM Power Limited**

AUD74.7 million share placement

ERM POWER LIMITED**China Huishan Dairy Holdings Company Limited**

USD1.5 billion IPO on Hong Kong Stock Exchange

**Kerry Logistics Network Limited**

USD284 million IPO on Hong Kong Stock Exchange

**Macau Legend Development Ltd**

HKD2,197 million IPO on Hong Kong Stock Exchange



Fu Shou Yuan International Group Limited

USD215 million IPO on Hong Kong Stock Exchange



Hydoo International Holding Limited

USD213 million IPO on Hong Kong Stock Exchange



Termbray Petro-King Oilfield Services Limited

HKD820 million IPO on Hong Kong Stock Exchange



Time Watch Investments Limited

HKD810 million IPO on Hong Kong Stock Exchange



REGIONAL DEBT DEALS**CIMB Bank Berhad**

RM10.0 billion Tier 2
Subordinated Debt Programme

USD45 million Floating Rate
Notes due 2015

USD20 million Floating Rate
Notes due 2016

SGD20 million Fixed Rate Notes
due 2018

**CIMB Bank Berhad**

HKD950 million Fixed Rate
Notes due 2016

HKD775 million Floating Rate
Notes due 2016

HKD430 million Fixed Rate
Notes due 2016

HKD350 million Fixed Rate
Notes due 2016

HKD171 million Fixed Rate
Notes due 2018

**BGSM Management Sdn Bhd**

RM10.0 billion Islamic Medium Term
Notes Programme under the Shariah
principle of Musharakah

**Public Bank Berhad**

RM10.0 billion Subordinated Medium
Term Notes Programme

**Bank Kerjasama Rakyat Malaysia Berhad**

RM9.0 billion Islamic Commercial
Papers Programme and Islamic Medium
Term Notes Programme under the
Shariah principle of Musharakah issued
via Imtiaz Sukuk II Berhad (with a
sub-limit of up to RM1.0 billion for the
ICP Programme)

**Malakoff Power Berhad**

RM5.38 billion Sukuk under the Islamic
Principle of Murabahah via Tawarruq
Arrangement

**Battersea Project Holding Company Limited****Battersea Phase 1 Holding Company Limited**

GBP790.2 million Credit Facilities for (i)
the refinancing of the Battersea Power
Station Land Loan; and (ii) development
of Phase 1 of The Battersea Power
Station

**Telekom Malaysia Berhad**

RM3.0 billion Islamic Commercial Paper
Programme and Islamic Medium Term
Note Programme under the Islamic
Principle of Wakalah Bi-Al-Istithmar



Malaysia Airports Holdings Berhad

RM2.5 billion Senior Sukuk Programme and Perpetual Subordinated Sukuk Programme under the Islamic principle of Musharakah

**Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd**

RM2.3 billion Islamic Medium Term Notes Programme under the Shariah principle of Musharakah and RM180 million Redeemable Secured Junior Bonds

**Syarikat Prasarana Negara Berhad**

RM2.0 billion Islamic Medium Term Notes Programme irrevocably and unconditionally guaranteed by the Government of Malaysia

**Khazanah Nasional Berhad**

SGD600 million Exchangeable Trust Certificates due 2018 issued via Indah Capital Limited

**KHAZANAH
NASIONAL BERHAD**

Sabah Development Bank Berhad (34638-W)

RM1.5 billion Commercial Papers Programme and Medium Term Notes Programme

**Sarawak Hidro Sdn Bhd**

RM1.0 billion Islamic Medium Term Notes Programme irrevocably and unconditionally guaranteed by the Government of Malaysia

**Teknologi Tenaga Perlis Consortium Sdn Bhd**

RM835 million Sukuk Murabahah

**Urusharta Cemerlang Development Sdn Bhd**

RM750 million Syndicated Revolving Credit Facilities

**URUSHARTA
CEMERLANG
DEVELOPMENT SDN
BHD**

SP Setia Berhad

RM700 million Unrated Subordinated Islamic Perpetual Notes under Sukuk Musharakah Programme

Builder of Distinction

Setia
S P SETIA BHD GROUP

Jati Cakerawala Sdn Bhd

RM540 million Sukuk Murabahah

**JATI CAKERAWALA
SDN BHD**

Batu Kawan Berhad

RM500 million Sukuk Musharakah Programme

**BATU KAWAN
BERHAD**

Tanjung Bin O&M Berhad

RM470 million Islamic Securities under the Islamic Principle of Wakalah Bi Al-Istithmar

**TANJUNG BIN
O&M**

Malaysia Airlines System Berhad

USD72.5 million Syndicated Facility each for financing of two A330-300

malaysia
airlines

AirAsia X Berhad

USD80 million Syndicated Facility for financing of an A330-300

**Republic of Indonesia**

USD1.5 billion 6.125% Trust Certificates due 2019

**REPUBLIC OF
INDONESIA**

PT Astra Sedaya Finance

IDR1.8 trillion Senior Debt via 2nd Shelf Registration Programme Phase 2 of IDR10.0 trillion

IDR1.7 trillion Senior Debt via 2nd Shelf Registration Programme Phase 1 of IDR10.0 trillion

IDR1.47 trillion Senior Debt via 1st Shelf Registration Programme Phase 3 of IDR8.0 trillion



**Lembaga Pembiayaan Ekspor
Indonesia**

IDR3.86 trillion Senior Debt via 1st Shelf
Registration Programme Phase 3 of
IDR10.5 trillion



**PT Bank Tabungan Negara (Persero)
Tbk**

IDR2.0 trillion Senior Debt via 1st Shelf
Registration Programme Phase 2 of
IDR4.0 trillion



**PT Sarana Multigriya Finansial
(Persero)**

IDR1.119 trillion Senior Debt via 2nd
Shelf Registration Programme Phase 2
of IDR5.0 trillion



IDR520.0 billion Medium Term Notes VI

PT Bank CIMB Niaga Tbk

IDR1.45 trillion Senior Debt via 1st Shelf
Registration Programme Phase 2 of
IDR8.0 trillion



PT Agung Podomoro Land Tbk

IDR1.2 trillion Senior Debt via 1st Shelf
Registration Programme Phase 1 of
IDR2.5 trillion



PT PP (Persero) Tbk

IDR700.0 billion Senior Debt via 1st
Shelf Registration Programme Phase 1
of IDR1.0 trillion



PT Indomobil Finance Indonesia

IDR612.0 billion Senior Debt via 1st
Shelf Registration Programme Phase 2
of IDR4.0 trillion



PT CIMB Niaga Auto Finance

IDR400.0 billion Medium
Term Notes II



IDR200.0 billion Medium
Term Notes I

PT Bank Resona Perdania

IDR150.0 billion Medium Term Notes V

**PT BANK RESONA
PERDANIA****Housing and Development Board**SGD1.45 billion Medium Term Notes
due 2018**City Developments Limited**SGD75 million 3 year 2.0% Trust
Certificates due December 2016SGD50 million 7 year 2.745% Trust
Certificates due April 2020**Hotel Properties Limited**SGD100 million 10NC5 Medium Term
Notes due 2023**Heineken N.V.**SGD75 million Fixed Rate Notes due
2015**Frasers Centrepoint Trust**SGD60 million Guaranteed Senior
Medium Term Notes due 2017 issued
via FCT MTN Pte Ltd**Bank for Agriculture and Agricultural
Cooperatives**THB37.0 billion Senior Secured
DebenturesTHB10.0 billion Senior Secured
Debentures

THB8.0 billion Senior Secured Debentures

THB3.0 billion Senior Secured Debentures

THB2.0 billion Senior Secured Debentures

**BANK FOR
AGRICULTURE AND
AGRICULTURAL
COOPERATIVES****Krunghthai Card PCL**THB5.0 billion Senior Unsecured
DebenturesTHB3.0 billion Senior Unsecured
Debentures

Quality Houses PCL

THB3.0 billion Senior Unsecured
Debentures

THB2.0 billion Senior Unsecured
Debentures

**QUALITY HOUSES
PCL**

Home Product Center PCL

THB4.0 billion Senior Unsecured
Debentures



National Housing Authority

THB2.0 billion Senior Secured
Debentures

THB2.0 billion Senior Secured
Debentures

THB2.0 billion Senior Secured
Debentures

**NATIONAL HOUSING
AUTHORITY**

Land and Houses PCL

THB3.5 billion Senior Unsecured
Debentures



Ticon Industrial Connection PCL

THB2.0 billion Senior Unsecured
Debentures

THB900 million Senior Unsecured
Debentures

THB440 million Senior Unsecured
Debentures



TPI Polene PCL

THB3.0 billion Senior Unsecured
Debentures

TPI POLENE PCL

Bangkok Mass Transit Authority

THB1.85 billion Senior Secured
Debentures

THB1.0 billion Senior Secured
Debentures

**BANGKOK MASS
TRANSIT AUTHORITY**

Ananda Development PCL

THB2.605 billion Senior Unsecured
Debentures



State Railway of Thailand

THB1.6 billion Senior Secured
Debentures

THB1.0 billion Senior Secured
Debentures

THB754.79 million Senior Secured
Debentures

**STATE RAILWAY
OF THAILAND**

Metropolitan Electric Authority

THB1.0 billion Senior Unsecured
Debentures

THB900 million Senior Unsecured
Debentures

**METROPOLITAN
ELECTRIC
AUTHORITY**

Asia Sermkij Leasing PCL

THB1.3 billion Senior Unsecured
Debentures

THB350 million Senior Unsecured
Debentures

**Prinsiri PCL**

THB700 million Senior Unsecured
Debentures

THB550 million Senior Unsecured
Debentures

**Expressway Authority of Thailand**

THB1.0 billion Senior Secured
Debentures

**EXPRESSWAY
AUTHORITY OF
THAILAND**

Easy Buy PCL

THB1.0 billion Senior Unsecured
Debentures

**Bangkok Chain Hospital PCL**

THB800 million Senior Unsecured
Debentures

**SC Asset Corp PCL**

THB800 million Senior Unsecured
Debentures

THB600 million Senior Unsecured
Debentures

SC ASSET

Lalin Property PCL

THB630 million Senior Unsecured
Debentures



Singer Leasing (Thailand) Co., Ltd.

THB320 million Senior Secured
Debentures



Wesfarmers Limited

AUD304 million Wesfarmers' Bunnings
lease securitisation



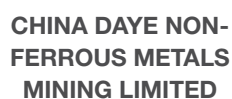
AIA Group Limited

USD500 million Medium Term Notes



**China Daye Non-Ferrous Metals
Mining Limited**

RMB820 million Credit Enhanced
RMB-Denominated USD-Settled
Convertible Bonds due 2018



Want Want China Holdings Limited

USD600 million Guaranteed Senior
Notes due 2018



**Advanced Semiconductor
Engineering, Inc.**

USD400 million Zero Coupon
Convertible Bonds due 2018



Islamic Development Bank

USD1.0 billion Trust Certificates due
2018 issued via IDB Trust Services
Limited



Notable Achievements

ALB SOUTHEAST ASIA

DEAL AWARDS 2013

- **Equity Market Deal of the Year:**
USD3.1 billion Felda Global Ventures Holdings IPO
- **Islamic Finance Deal of the Year:**
Axiata Group Berhad's RMB1.0 billion Sukuk Issuance
- **Southeast Asia M&A Deal of the Year:**
AIA Acquisition of ING Group Malaysian Insurance Business

ALPHA SOUTHEAST ASIA

FINANCIAL INSTITUTION AWARDS 2013

- **Best Investment Bank in Malaysia**
- **Best Bond House in Malaysia**
- **Best Equity House in Malaysia**
- **Best Institutional Broker in Malaysia**
- **Best Retail Broker in Singapore**
- **Best Retail Broker in Indonesia**
- **Best Private Wealth Management Bank in Malaysia**
- **Special Marquee Awards:**
Best Islamic Finance Bank in Southeast Asia
- **Special Marquee Awards:**
Best Asset Manager in Southeast Asia

DEAL AND SOLUTION AWARDS 2013

- **Best Deal of the Year in Southeast Asia:**
Matahari Department Store's USD1.5 billion re-IPO
- **Best Islamic Finance Deal of the Year in Southeast Asia:**
Danainfra ICP's RM300 million Exchange Traded Retail Sukuk

- **Best Bond Deal of the Year for Retail Investors in Southeast Asia:**

Danainfra ICP's RM300 million Exchange Traded Retail Sukuk

- **Best IPO Deal of the Year in Southeast Asia:**

UMW Oil & Gas' USD820 million IPO

- **Best IPO Deal of the Year for Retail Investors in Southeast Asia:**

UMW Oil & Gas' USD820 million IPO

- **Best Islamic REIT Deal of the Year in Southeast Asia:**

KLCC Property Holdings Stapled Securities Restructuring

- **Best Mid-Cap Equity Deal of the Year in Southeast Asia:**

Sona Petroleum's RM550 million IPO

- **Best Trade Finance Solution of the Year in Southeast Asia**

- **Best Islamic Bank in ASEAN**

- **Best Bond House in ASEAN**

- **Best Equity house in ASEAN**

- **Most Innovative Islamic Finance Deal of the Year in Southeast Asia:**

Khazanah Nasional's (via Indah Capital Limited) SGD600 million Exchangeable Sukuk

INVESTOR CORPORATE AWARDS 2013

- **Most Organised Investor Relations**
- **Strongest Adherence to Corporate Governance**
- **Best CFO in Malaysia: Kenny Kim**
- **Best CFO in Southeast Asia: Kenny Kim**

ASIAN BANKING & FINANCE

WHOLESALE BANKING AWARDS 2013

- **Domestic Cash Management Bank of the Year in Malaysia**
- **Domestic Cash Management Bank of the Year in Indonesia**
- **Domestic Cash Trade Finance Bank of the Year in Indonesia**

ASIA RISK AWARDS

- **House of the Year, Malaysia**
- **House of the Year, Indonesia**

ASIAMONEY

BEST MANAGED COMPANY AWARDS 2013

- **Best Managed Company in Malaysia-Large-Cap: CIMB Group**
- **Best Executive in Malaysia:**
Dato' Sri Nazir Razak, CIMB Group

BEST ISLAMIC BANK AWARDS 2013

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

BEST BANK AWARDS 2013

- **Best Equity House**

REGIONAL DEAL AWARDS 2013

- **Best IPO in the Region:**
China Huishan Dairy Holdings USD1.5 billion IPO

COUNTRY DEAL AWARDS 2013

- **Country Deal of the Year for Malaysia:**
Indah Capital SGD600 million Zero Coupon Exchangeable Sukuks due 2018
- **Country Deal of the Year for Hong Kong:**
China Huishan Dairy Holdings USD1.5 billion IPO
- **Country Deal of the Year for Indonesia:**
PT Matahari Department Store's USD1.5 billion re-IPO

FOREIGN EXCHANGE POLL 2013

- **Best Overall Domestic Provider of FX Services in Malaysia** as voted by financial institutions
- **Best Domestic Provider of FX Services in Malaysia** as voted by corporates
- **Best Domestic Provider for FX Options in Malaysia** voted by corporates
- **Best Domestic Provider for FX Products and Services in Malaysia** as voted by corporates
- **Best Domestic Provider for FX Research & Market Coverage in Malaysia** as voted by corporates
- **Best FX Provider for FX Options in Thailand** as voted by corporates
- **Best for FX Options in Asia Pacific** as voted by financial institutions

PRIVATE BANKING POLL 2013

- **Best Domestic Private Bank in Malaysia**

CASH MANAGEMENT POLL 2013

- **Best Local Cash Management Bank in Malaysia** as voted by small-sized corporates
- **Best Local Cash Management Bank in Malaysia** as voted by medium-sized corporates
- **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 by medium-sized corporates
- **Best Overall Domestic Cash Management Services in Malaysia** as 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 Overall Domestic Cash Management Services in Indonesia** as voted by medium-sized corporates
- **Best Overall Domestic Cash Management Services in Thailand** as voted by small-sized corporates
- **Best Overall Domestic Cash Management Services in Thailand** as voted by medium-sized corporates

- **Best Overall Cross-Border Cash Management Services in Thailand** as voted by small-sized corporates
- **Best Overall Cross-Border Cash Management Services in Thailand** as voted by medium-sized corporates

CORPORATE GOVERNANCE POLL AWARDS 2013

- **Best for Shareholders' Rights and Equitable Treatment in Malaysia**

FIXED INCOME POLL 2013

- **Overall Best Sales Service in Credit Derivatives on the Local Currency Bonds for MYR**
- **Overall Best Sales Service in Credit Derivatives on the Local Currency Bonds for IDR**
- **Overall Best Local Currency Interest Rates Market & Research Coverage for MYR**
- **Overall Best Local Currency Interest Rates Market & Research Coverage for IDR**
- **Overall Best Local Currency Interest Rates Market & Research Coverage for THB**
- **Overall Best Sales Service in the Local Currency Commodities Derivatives for MYR**
- **Overall Best Pricing for Local Currency Commodities Derivatives for MYR**
- **Best for Credit Sales in Malaysia**
- **Best for Credit Research and Market Coverage in Malaysia**

- **Best for Interest Rates Derivatives in Malaysia**
- **Best for Credit Services in Indonesia**
- **Best for Credit Sales in Indonesia**
- **Best for Credit Derivatives in Indonesia**
- **Best for Credit Research and Market Coverage in Indonesia**
- **Best for Interest Rates Research in Thailand**
- **Best for Interest Rates Product & Sales in Thailand**
- **Best for Interest Rates Derivatives in Thailand**
- **Overall Best for Credit in Malaysia**
- **Overall Best for Credit in Indonesia**
- **Overall Best for Interest Rates in Thailand**
- **Overall Best Regional Credit Sales Person:** Foo Boon Liong

BROKERS POLL 2013

- **Best Local Brokerage in Malaysia**
- **Best for Overall Country Research in Malaysia**
- **Best Analyst in Malaysia:** Terence Wong
- **Best Overall Sales Services in Malaysia**
- **Best Execution in Malaysia**
- **Best in Sales Trading in Malaysia**
- **Best Analyst in Indonesia:** Erwan Teguh
- **The Most Improved Brokerage over the last 12 months in Singapore**

- **The Most Improved Brokerage over the last 12 months in Thailand**
- **Regional Best Sales Trader in Asia ex-Japan:** Roger Tay

BPA TRAILBLAZER

- **Process Excellence in Collection and Debt Management in Malaysia**
- **Channel Excellence in Multi-Channel Integration in Malaysia**
- **Service Provider Excellence in Core Banking in Thailand**

BRAND FINANCE

- **No.1 Banking Brand in Malaysia**

EUROMONEY

AWARDS FOR EXCELLENCE 2013

- **Best Investment Bank in Malaysia**

ISLAMIC FINANCE AWARDS 2014

(Announced in 2014 in recognition of 2013's achievement)

- **Best Islamic Bank In Asia**
- **Best Islamic Bank In Malaysia**
- **Most Innovative Deal:** Khazanah's SGD600 million Exchangeable Sukuk into IHH
- **Best Project Finance Deal:** Danahfra's RM300 million Exchange Traded Sukuk

EUROMONEY PRIVATE BANKING AND WEALTH MANAGEMENT SURVEY 2014

(Announced in 2014 in recognition of 2013's achievement)

- **Best Family Office Services in Malaysia**
- **Best Corporate Advisory for Private Banking Clients in Malaysia**
- **No.1 for High Net Worth II Clients (USD10 million to USD30 million) in Thailand**

FINANCEASIA

COUNTRY AWARDS 2013

- **Best Investment Bank in Malaysia**
- **Best Bond House in Malaysia**
- **Best Equity House in Malaysia**
- **Best Private Bank in Malaysia**

DEAL AWARDS 2013

- **Best Malaysia Deal:** Sun Life and Khazanah's SGD600 million acquisition of CIMB Aviva
- **Best Indonesia Deal:** Matahari Department Store's USD1.5 billion re-IPO
- **Best Taiwan Deal:** Advanced Semiconductor Engineering's USD400 million Convertible Bonds
- **Best Equity Deal:** Matahari Department Store's USD1.5 billion re-IPO
- **Best Debt Finance Deal:** Wesfarmers' Bunnings lease securitisation AUD304 million
- **Most Innovative Deal:** Wesfarmers' Bunnings lease securitisation AUD 304 million

GLOBAL FINANCE

CONSUMER INTERNET BANK AWARDS 2013

- **Best Consumer Internet Bank in Malaysia**

REGIONAL SUB-CATEGORY WINNER

- **Best in Social Media in Asia**

GLOBAL ISLAMIC FINANCE AWARDS

- **Best Sukuk Deal 2013:**
Axiata Group Berhad (via Axiata SPV2 Berhad) RMB1.0 billion Sukuk issuance pursuant to a USD1.5 billion multi-currency sukuk issuance programme

HR ASIA

- **Best Companies to Work for in Asia 2013**

IDC FINANCIAL INSIGHTS

FINANCIAL INSIGHTS INNOVATION AWARDS 2014 (Announced in 2014 in recognition of 2013's achievement)

- **Best Payment Process: OctoSend**

IFR ASIA

REGIONAL AWARDS 2013

- **Domestic Bank of the Year, Asia**
- **Islamic Deal of the Year:**
Khazanah Nasional's SGD600 million Exchangeable Sukuk

COUNTRY AWARDS 2013

- **Malaysia Bond House of the Year**

INDONESIAN GOOD CORPORATE GOVERNANCE AWARD

- **Most Trusted Company in Indonesia**

INFOBANK MAGAZINE

INFOBANK AWARD 2013

- **Platinum Trophy 2013:**
'Very Good' Financial Results – PT Bank CIMB Niaga

IR MAGAZINE

- **Best Investor Relations by a Malaysian Company**

ISLAMIC FINANCE NEWS

- **Best Islamic Bank in Malaysia**
- **Best Islamic Bank in Singapore**
- **Best Islamic Bank in Thailand**
- **Best Islamic Asset Management Company in Asia**
- **Best Overall Islamic Asset Management Company**

DEALS OF THE YEAR 2013

- **Malaysia Deal of the Year:**
Danainfra Nasional's RM300 million Exchange Traded Sukuk (First Tranche)
- **Deal of The Year:**
International Islamic Liquidity Management Corporation (IILM) USD490 million Sukuk
- **Sukuk Deal of the Year:**
International Islamic Liquidity Management Corporation (IILM) USD490 million Sukuk

- **Wakalah Deal of the Year:**
PT Astra Sedaya Finance USD50 million Wakalah Syndicated Financing
- **Most Innovative Deal of the Year:**
Telekom Malaysia RM200 million Sukuk Wakalah Programme
- **Musharakah Deal of the Year:**
SP Setia RM700 million Sukuk Musharakah Programme
- **Perpetual Deal of the Year:**
SP Setia RM609 million Sukuk Musharakah (First Issuance)

KANGANNEWS

KANGANNEWS AWARDS 2013

- **Securitisation Deal of the Year:**
Wesfarmers AUD270.89 million BPI No 1

KEMENTERIAN BUNM

- **2012 Annual Report Award (Champion for Private Financial Company) – Listed in Indonesia**

KUALA LUMPUR ISLAMIC FINANCE FORUM 2013

- **Most Outstanding Islamic Bank**

MALAYSIA INVESTOR RELATIONS AWARDS

2013 LARGE CAP WINNER

- **Best CEO for Investor Relations**
- **Best Company for Investor Relations**
- **Best Investor Relations Website**
- **Business Knowledge and Insights of Investor Relations Team**
- **Quality of One-on-One Meetings**

MALAYSIA'S 100

LEADING EMPLOYER AWARDS 2013

- **Best Innovation on Campus**
- **Best Internship Experience:**
Abdul Qayyum Nur Zakri

MINORITY SHAREHOLDER WATCHDOG GROUP

MALAYSIA – ASEAN CORPORATE GOVERNANCE INDEX 2013

- **CEO of the Year 2013:**
Dato' Sri Nazir Razak, CIMB Group
- **Best Environmental, Social and Corporate Governance:** CIMB Group
- **Top Corporate Governance Transparency:** CIMB Group
- **Top Overall Corporate Governance:** CIMB Group

MORNINGSTAR, INC.

MORNINGSTAR MALAYSIA FUND AWARDS 2014 (Announced in 2014 in recognition of 2013's achievement)

- **Best Asia Pacific Equity Fund:**
CIMB-Principal Equity Growth & Income Fund
- **Best Malaysia Equity Fund:**
CIMB-Principal Small Cap Fund

PRIVATE BANKER INTERNATIONAL

GLOBAL WEALTH AWARDS 2013

- **Outstanding Young Private Banker:**
Sim Sin Hoe

PROJECT FINANCE

INTERNATIONAL AWARDS 2013

- **Power Deal of the Year in Asia Pacific:**
Banten IPP

THE ASIAN BANKER

TRANSACTION BANKING AWARDS 2013

- **Best Cash Management Bank in Malaysia**

THE ASSET

TRIPLE A TRANSACTION BANKING AWARDS 2013

- **Best Service Providers – eSolutions Partner Bank in Malaysia**
- **Best Cash Management Solution in Malaysia**
- **Best Service Providers – Cash Management in Indonesia**

TRIPLE A ISLAMIC FINANCE AWARDS 2013

- **Islamic Bank of the Year**
- **Best Islamic Bank, Malaysia**
- **Best Islamic Investment Bank, Asia Pacific**
- **Islamic Asset Management House, Asia Pacific**
- **Sukuk House of the Year, Asia Pacific**
- **Best Islamic Deal Malaysia:**
Axiata Group's USD1 billion Offshore Renminbi Sukuk
- **Best Islamic Deal Bahrain:**
Bahrain Mumtalakat RM300 million Sukuk

- **Best Islamic Equity:**
IHH Healthcare's RM6.73 billion IPO
- **Best Islamic Equity Highly Commended:**
Felda Global Ventures USD3.1 billion IPO
- **Best Islamic Structured Product:**
168 Malaysian Infrastructure Income Protected Plus-i II
- **Best Islamic Project Finance:**
Malakoff Tanjung Bin Energy RM6.5 billion Loan and Sukuk Murabaha
- **Best Quasi Sovereign Sukuk:**
Khazanah Nasional's SGD600 million Seven Year Exchangeable Sukuk
- **Best Islamic Equity-Linked Deal:**
Khazanah Nasional's SGD600 million Seven Year Exchangeable Sukuk
- **Best Corporate Sukuk:**
Axiata Group's USD1 billion Offshore Renminbi Sukuk
- **Best Local Currency Sukuk:**
Danalnfra Nasional's RM2.4 billion Sukuk

TRIPLE A PRIVATE BANKING, WEALTH MANAGEMENT AND INVESTMENT AWARDS 2013

- **Best Private Bank in Malaysia**
- **Derivatives House of the Year in Malaysia**
- **Structured Products House of the Year in Malaysia**
- **Best Structured Product in Malaysia:**
Rates – CIMB: Flippable Power Range Accrual

TRIPLE A REGIONAL HOUSE & DEAL AWARDS 2013

- **Best Secondary Offering:**
Matahari Department Store's USD1.5 billion re-IPO

COUNTRY AWARDS 2013

- **Best Domestic Investment Bank in Malaysia**
- **Best Domestic Bond House in Malaysia**
- **Best Equity House in Malaysia**
- **Best Deal in Indonesia:**
Matahari Department Store's USD1.5 billion re-IPO
- **Best Deal in Taiwan:**
Advanced Semiconductor Engineering's USD400 million Convertible Bonds

BENCHMARK RESEARCH AWARDS 2013

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

THE BANKER

ISLAMIC BANK OF THE YEAR AWARDS 2013

- **Global and Asia Pacific Islamic Bank of the Year**
- **Islamic Bank of the Year in Asia**

THE EDGE

BEST DEALS OF THE YEAR 2013

- **Best Privatisation Deal:**
Privatisation of both QSR Brands Bhd and KFC Holdings (M) Bhd through the acquisition of substantially all their assets and liabilities by Triple Platform Sdn Bhd
- **Best Share Placement:**
SapuraKencana Petroleum Berhad's RM1.64 billion placement
- **Best IPO:**
UMW Oil & Gas' RM2.72 billion IPO

THE EDGE – LIPPER MALAYSIA FUND AWARDS 2014 (Announced in 2014 in recognition of 2013's achievement)

- **The Best Equity Asia Pacific ex-Japan (3 years):**
CIMB Principal Equity Income
- **The Best Equity Global (3 years):**
CIMB-Principal Global Titans
- **The Best Equity Malaysia Small and Mid Caps (3 years):**
CIMB-Principal Small Cap
- **The Best Equity Asia Pacific ex-Japan (5 years):**
CIMB-Principal Equity Income
- **The Best Equity Malaysia (10 years):**
CIMB-Principal Equity
- **The Best Equity Asia Pacific ex-Japan Islamic (3 years):**
CIMB Islamic Equity
- **The Best Equity Asia Pacific ex-Japan Islamic (5 years):**
CIMB Islamic Equity
- **The Best Equity Malaysia Islamic (10 years):**
CIMB Islamic DALI Equity Growth

2013 BILLION RINGGIT CLUB CORPORATE AWARDS

- **Best CSR Initiatives**

THOMSON REUTERS

ISLAMIC ECONOMY AWARD

- **Leading Islamic Bank:**
CIMB Islamic

TRADE FINANCE

AWARDS FOR EXCELLENCE 2013

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

CORPORATE EVENT highlights



GROUP
EXPANSION



LAUNCH OF THE
RASIA X PROSPECTU
10 June 2013

DEAL-
RELATED
EVENTS



ASEAN Domestic Bond Markets



CONFERENCES & SEMINARS



SPONSORSHIP & OTHER EVENT HIGHLIGHTS

GROUP EXPANSION





Singapore: Launch of Private Banking

– CIMB Bank officially launches its Private Banking Centre at 50 Raffles Place, Singapore Land Tower. Pictured are Dato' Sri Nazir Razak, Group Chief Executive CIMB Group with Mak Lye Mun, CEO CIMB Bank Singapore.

Mataram: CIMB Niaga Opens New Islamic Branch – Present at the opening of Mataram Syariah Branch were Bayu Windra, Head of the Investment Coordinating Board and Integrated Licensing NTB, Handoyo Soebali, Director Commercial Banking & Syariah Banking CIMB Niaga and U Saefudin Noer, CIMB Niaga Head of Syariah Banking.





Kalimantan: CIMB Niaga Expands Mikro Laju Units – Handoyo Soebali, Director Commercial Banking & Syariah Banking CIMB Niaga and guests at the opening of Mikro Laju unit Pontianak Branch. Mikro Laju CIMB Niaga is the business unit that handles collateral-based micro-credit of up to Rp1 billion.



Bangkok: CIMB Thai Launches New Branch – Adisorn Sermchaiwong, EVP CIMB Thai Bank and staff at the launch of Tukcom Landmark Udonthani branch.



Kuala Lumpur: Launch of Two Online Banking Firsts; Kwik Account and Kwik Money Transfer – Renzo Viegas, CEO Consumer Banking launching the first account in Malaysia that can be opened online without visiting a bank branch, and is instantly activated upon successful application. Kwik Money Transfer gives all CIMB Bank savings and current account holders the capability to send money to anyone's Malaysian mobile numbers or email addresses instead of account numbers.

Jakarta: CIMB Niaga Launches Rekening Ponsel – Arwin Rasyid, President Director and CEO CIMB Niaga launches Rekening Ponsel mobile wallet, the latest addition to CIMB Niaga's digital banking service. Rekening Ponsel allows users to transfer funds to any mobile number throughout Indonesia.



Bangkok: CIMB Thai Instills Financial Knowledge in Kids – CIMB Thai Bank was the sole bank to open a mini, virtual branch in Kidzania Bangkok. The new learning zone creates a simulated world of grown-ups for kids to role play different professions including banking. CIMB Bank in Malaysia is already the sole bank in Kidzania Kuala Lumpur.

Kuala Lumpur: Launch of Plug n Pay – Dato' Sri Nazir Razak, Group Chief Executive CIMB Group at the launch of Plug n Pay, a solution that offers businesses of any size an affordable yet secure way to manage credit and debit card payments using their smartphones and tablets.



Singapore: Launch of i*Trade@CIMB Online Trading Portal – Investors now enjoy greater security and enhanced user experience with the use of OneKey two-factor authentication. Pictured are Carol Fong, CEO CIMB Securities and Chew Sutat, Head of Sales & Clients Singapore Exchange Limited.



Bangkok: CIMB Thai Joint Life Insurance Plan – Thai Life Insurance's Senior EVP, Varang Chaiyawan and CIMB Thai's Senior EVP for retail banking, Adisorn Sermchaiwong at the launch of the CIMB Thai Health Plus life insurance plan. The new life insurance product will be sold exclusively through CIMB Thai's branches across the country.

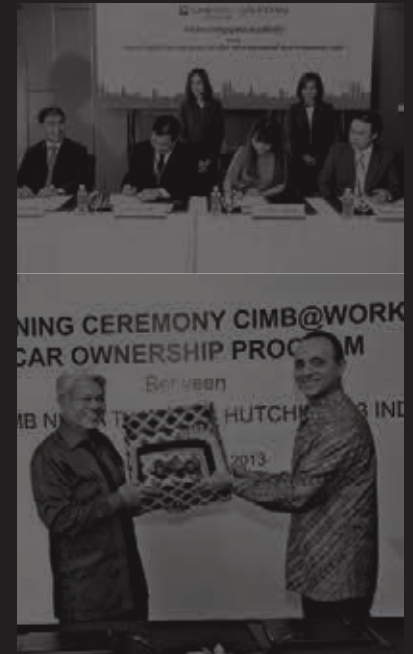


Jakarta: CIMB Niaga Launches Digital Lounge – Arwin Rasyid, President Director and CEO CIMB Niaga with staff and guests at the launch of a CIMB Niaga Digital Lounge. Digital Lounges assist consumers to move into digital banking.



Singapore: CIMB Bank Launches Visa Infinite Credit Card – The new card entitles cardholders to greater cross-border privileges in the region without incurring an annual fee. Present at the launch were Mak Lye Mun, CEO CIMB Bank Singapore, Ooi Huey Tyng, Visa Country Manager of Singapore & Brunei and Renzo Viegas, CEO Consumer Banking.

DEAL-RELATED EVENTS





Kuala Lumpur: Battersea Power Station Development Secures £790.2 million Syndicated Financing – CIMB Investment Bank was the coordinating lead arranger and sole bookrunner for one of the largest real estate financing transactions in Malaysia for the year 2013. Pictured are Andy Gasdale, HSBC MD, Hasli Hashim, Maybank MD, Kong Sook Lin, Deputy CEO CIMB Investment Bank, Dato' Teow Leong Seng, CFO & EVP SP Setia Berhad, Dato' Abdul Wahab Maskan, Group Chief Operating Officer & MD property Division Sime Darby, Mohamad Nasir Ab. Latif, Deputy CEO EPF, Ong Eng Bin, OCBC Head of Business Banking, Saif Malik, Standard Chartered Bank Malaysia MD, Tan Sri Liew Kee Sin, Chairman of Battersea Project Holding Company Limited, Dato' Abdul Rahman Dahlan, Minister of Urban Wellbeing, Housing & Local Government and Dato' Sri Nazir Razak, Group Chief Executive CIMB Group.



Kuala Lumpur: AirAsia X RM1.1 billion IPO – CIMB acted as principal adviser, joint global coordinator, joint bookrunner for the institutional offering, joint managing underwriter and joint underwriter for this retail offering. Pictured are Dato' Sri Nazir Razak, Group Chief Executive CIMB Group, Tan Sri Rafidah Aziz, Chairman of Air Asia X, Azran Osman Rani, CEO Air Asia X, Tan Sri Tony Fernandes, CEO Air Asia Berhad and members of the Air Asia X Board of Directors.



Kuala Lumpur: Sona Petroleum's RM550 million IPO – CIMB acted as the joint principal adviser, joint placement agent for institutional offering, joint managing underwriter and joint underwriter for this retail offering. Pictured are Tan Sri Ong Yu Jan, Executive Director of Regional and Malaysia Head of Corporate and Investment Banking Services of RHB Investment Bank Berhad, Datuk Seri Hadian Hashim, MD of Sona Petroleum Berhad, Kong Sooi Lin, Deputy CEO of CIMB Investment Bank and Sona Petroleum Berhad Chairman, Andreas Johannes Raymundus van Strijp.

Bangkok: THB1,300 million Credit Facility for SAHATHAI – Subhak Siwaraksa, President and CEO CIMB Thai Bank and Surachai Chitratsenee, Senior EVP and Head of Commercial Banking Group CIMB Thai, Sauwakun Karuchit and Chairat Chongyangyuenvong, MD of SAHATHAI Property and Development Company Limited entered into an agreement for a THB1,300 million credit facility to finance a warehouse project located at Laem Chabang Port, Sriracha district, Chon Buri province.



Kuala Lumpur: Launch of CIMB Fusion – CIMB Group signed a partnership agreement with six partners – PricewaterhouseCoopers, Accenture, DraftFCB, Teach for Malaysia, HP and ZICOLAW to offer local graduates a dual-track programme designed to broaden their knowledge and cultivate varied skill sets.



Kuala Lumpur: Launch of ETBS on Bursa Malaysia – Danainfra’s Exchange Traded Bonds & Sukuk (ETBS) is the first sukuk in the world to be traded on an exchange. CIMB acted as one of the lead arrangers. Pictured are Dato’ Mohamed Khadar Merican, Director of RHB Bank Berhad, Dato’ Sri Abdul Wahid Omar, CEO Maybank, Dato’ Sri Nazir Razak, Group CEO CIMB Group, Tun Mohamed Dzaiddin Haji Abdullah, Chairman Bursa Malaysia, Dato’ Sri Mohd Najib Tun Abdul Razak, Prime Minister of Malaysia, Dato’ Seri Ahmad Husni Hanadzlah, Minister of Finance II Malaysia, Dato’ Sri Mohd Irwan Serigar bin Abdullah, Secretary-General of Treasury Ministry of Finance, Tan Sri Azman Hashim, AmBank Group Chairman and Dato’ Mat Noor bin Nawi, Chairman Danainfra Nasional Berhad.

Bangkok: THB1,599.5 million Loan to SUSCO – Subhak Siwaraksa, President and CEO CIMB Thai Bank and Vorakan Dhepchalerm, First EVP Corporate Banking Group CIMB Thai Bank signed a loan agreement with Chairat Simaroj, MD and Phongsathorn Chatnarat, Deputy MD SUSCO Public Company Limited to fund their acquisition of PETRONAS’s business operations in Thailand.



Jakarta: Strategic Alliance between CIMB Niaga and PT Pos Indonesia – Arwin Rasyid, President Director and CEO CIMB Niaga and I Ketut Mardjana President Director PT Bank Indonesia shaking hands at the launch of their strategic alliance to facilitate installment loans for pensioners.

CONFERENCES & SEMINARS





London: CIMB Group hosts 10th North Asia Conference – John Minnich East Asia Analyst, Stratfor Global Intelligence spoke on Corporate Access in North Asia for CIMB's Institutional Investors.



Singapore: Thailand Corporate Day 2013 – Carol Fong, CEO CIMB Securities and speaker Chanitr Charnchainarong, EVP Issuer & Listing Division & President – Market for Alternative Investment, Thailand Stock Exchange.



Bangkok: Investment Seminar 2013 – CIMB Thai and CIMB Principal Asset Management jointly hosted a seminar on the trends and outlook for the Thai stock market. Pictured are Khun Jessada Sukhdis, CIO CIMB Principal Thailand, Dr. Narongchai Akrasanee, former Commerce Minister of Thailand, Buncha Chumchaivej, emcee from Channel 3 TV, Dr. Thanong Bidaya, former Finance Minister of Thailand and Goanpot Asvinvichit, Chairman of Board Director CIMB Principal Thailand.

CIMB Group hosted the Asia Pacific Conference in Kuala Lumpur, its first major pan-Asian investor conference. Participants of the CIMB Annual Asia Pacific Conference gathered for two days of networking, corporate presentations and panel discussions featuring prominent business leaders and policymakers from across Asia.

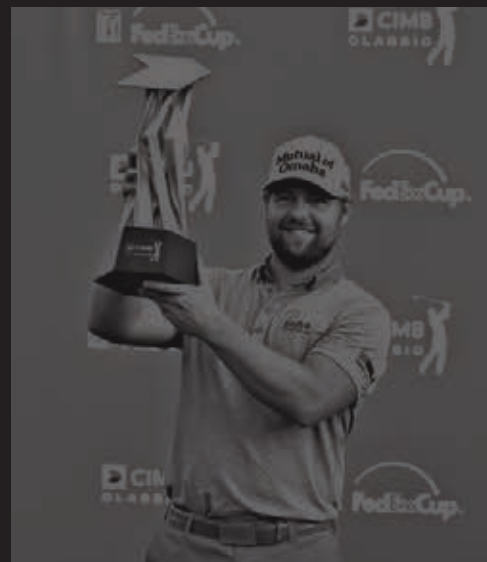
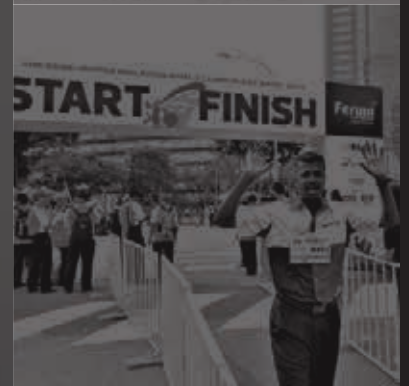




CIMB Group sponsored the ASEAN Domestic Bond Market Roundtable Series covering the Malaysian, Indonesian, Singaporean and Thai bond markets. Participants in the Roundtable Series touched on a few key points of each market and in particular discussed how to develop each bond market further.



SPONSORSHIP & OTHER EVENT HIGHLIGHTS





Singapore: CIMB Bank Brings Colour Run to Singapore – Mak Lye Mun, CEO CIMB Bank Singapore presenting a cheque worth SGD16,000 to a representative from Project Happy Feet. With every runner registered to participate in the Color Run, CIMB Bank Singapore donated SGD1 to charity.



Kuala Lumpur: Global Thought Leaders Gather in Kuala Lumpur for the World Capital Markets Symposium – Themed ‘Redefining Markets: Sustaining Growth and Resilience’, Dato’ Sri Nazir Razak, Group Chief Executive CIMB Group, Henny M Fakhruddin, Capital Markets & GCG Specialist and Audit Committee PERSERO (PTPPA) Indonesia, Anon Sirisaengtaksin, Former CEO PTT Global Chemical Public Company Limited Thailand, Chi Lo, Senior Strategist Greater China BNP Paribas Investment Partners Hong Kong and Nagwa Assran, CNBC Arabia Bureaux Chief for Kuwait and Cairo shared their views on factors underpinning efforts to build inclusive resilient and sustainable capital markets.



Kuala Lumpur: CIMB Islamic Supports the Halal Industry – Dato’ Hanisah binti Omar, MARA Deputy Director General, Mohd Shukri Abdullah, CEO of Shapers Malaysia Sdn Bhd, Dato’ Seri Jahi Mohd Shafie bin Hj Apdal, Malaysian Minister of Rural and Regional Development, Badlisyah Abdul Ghani, CEO CIMB Islamic, Dato’ Syed Hussein Al-Habshee, Chairman of Shapers Malaysia and Tan Sri Lee Kim Yew, Founder of Country Heights Grower Scheme (CHGS) at the Halal Fiesta Malaysia also known as Halfest, a five-day trade show that features quality halal-certified products and services by Malaysian small and medium-sized enterprises.

Jakarta: Bernd Wiesberger wins the CIMB Niaga Indonesian Masters – CIMB Niaga Indonesian Masters 2013 took place at The Royale Jakarta Golf Club with total prize money of USD750,000. Jero Wacik, Minister of Energy & Mineral Resources of Indonesia, Wiranto, retired Indonesian Army General, Djoko Suyanto, Coordinating Minister for Legal, Political and Security Affairs, Roy Suryo, Minister of Youth and Sport Affairs of Indonesia, Arwin Rasyid, President Director and CEO CIMB Niaga and Tan Sri Md Nor Yusof, Chairman CIMB Group were among those who were present at the tournament.



Kuala Lumpur: Running in the Rat Race

– Once a year, a number of CIMB Group employees will put on their running shoes while still dressed in their work clothes to take part in The Edge-Bursa Malaysia KL Rat Race. CIMB Group joins Corporate Malaysia in sponsoring teams to run in the annual race through the financial district of Kuala Lumpur.



Phnom Penh: English Education for Children – CIMB Cambodia sponsored a Spelling Bee Competition for kids from Kent Ridge School. This event was held to promote the importance of English for effective communication.



CIMB Group has been a very strong supporter in the development of squash in the country since 2005. CIMB Group remains the title sponsor of CIMB Malaysian Open for the eighth year running, continuing to show support for the game of squash and its bid to become an event at the 2020 Olympics.





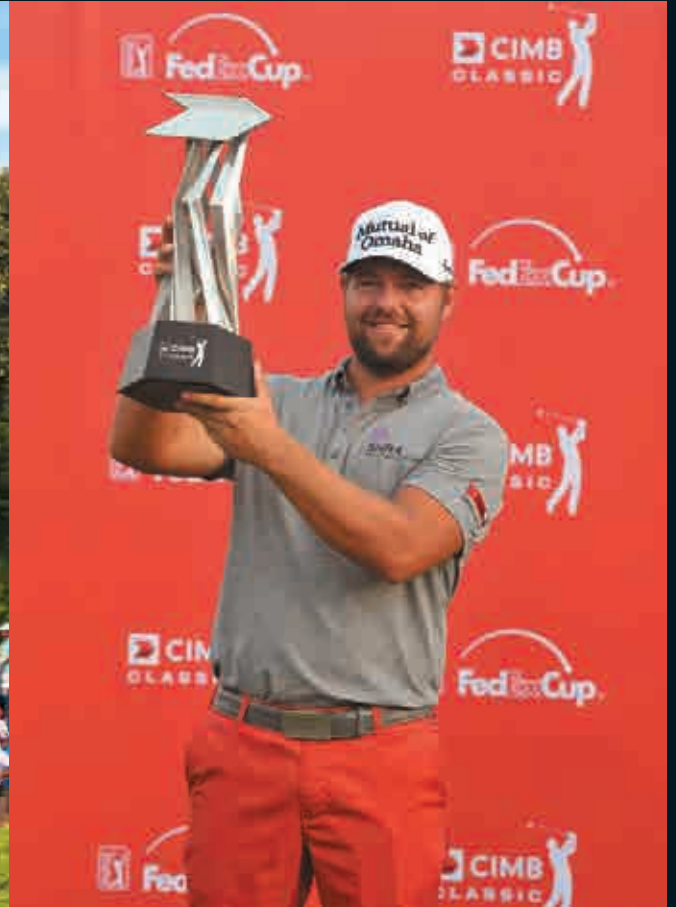


CIMB Bank was the title sponsor for a friendly match between FC Barcelona and the Malaysia XI at the Shah Alam Stadium. Barcelona cruised to a 3-1 victory in the match, which marked the end of Barcelona's pre-season tour in Asia.



In 2013, a top class field of players played for a USD7 million prize purse in our world class golf tournament, the CIMB Classic. The event is four years old, and became the PGA Tour's first official FedExCup event in Asia in 2013. This year the event took place at the Kuala Lumpur Golf and Country Club. Ryan Moore emerged as the champion.







CIMB Group's bi-annual Hari Raya Open House was held in the Mandarin Oriental Hotel Kuala Lumpur to host our stakeholders and corporate clients.





media HIGHLIGHTS

CIMB ranks top 10 in Aussie capital market

KUALALUMPUR: CIMB's Australian investment banking arm acted as the sole underwriter and book-runner for the placement of 91.5 million shares worth A\$503mil (RM1.5bil) in Fortescue Metals Group, the fourth largest iron ore producer in the world.

This was one of the largest block placement deals in Australia so far this year.

The shares, priced at A\$5.50 a share, were fully placed out within two hours after the market closed last Thursday.

The deal catapulted CIMB into the top 10 for equity capital markets in Australia for 2013, complementing its existing position in the top 10 for its mergers and acquisition advisory business.

"It has been almost a year since we launched our Australian operations. The successful execution of the Fortescue deal is a great testament to the stature and capability of the franchise that we have built up in a very short span of time.

"An Asian brand is now top 10 in the extremely competitive Australian ECM and M&A business," said Datuk Seri Nazir Razak, CIMB Group group chief executive said in a statement yesterday. — Bernama

CIMB sees over 20% online consumer growth in 2014

Jakarta, Kompas — PT Bank CIMB Niaga Tbk masih melihat prospek cerah untuk tahun 2014 dengan target pertumbuhan laba Rp 4,23 triliun atau meningkat 10 persen dibanding tahun sebelumnya. CIMB Niaga juga telah mempersiapkan diri untuk menghadapi persaingan yang semakin ketat di pasar perbankan Indonesia.

Hal ini sebagaimana diungkapkan CIMB Niaga, Presiden Eksekutif CIMB Niaga, Arifin Rahmad, dalam konferensi pers yang digelar di Jakarta, Selasa (12/12/2013).

Arifin mengatakan, CIMB Niaga telah menyiapkan strategi untuk menghadapi persaingan yang semakin ketat di pasar perbankan Indonesia. Salah satunya adalah dengan meningkatkan layanan digital banking, terutama melalui aplikasi mobile banking.

"Kami melihat potensi yang sangat besar untuk pertumbuhan layanan digital banking di Indonesia," katanya.

Arifin juga mengatakan, CIMB Niaga telah menyiapkan strategi untuk menghadapi persaingan yang semakin ketat di pasar perbankan Indonesia. Salah satunya adalah dengan meningkatkan layanan digital banking, terutama melalui aplikasi mobile banking.

CIMB terajui urus niaga sulung di Taiwan

KUALA LUMPUR: Ketua Pegawai Eksekutif CIMB Group, Datuk Seri Nazir Razak, berkata CIMB akan terajui urus niaga sulung di Taiwan pada tahun 2014.

Nazir berkata, CIMB telah menandatangani perjanjian dengan pihak berkuasa Taiwan untuk memulakan operasi perniagaan di negara itu.

"Kami sangat berpuas hati dengan kerjasama yang baik dengan pihak berkuasa Taiwan," katanya.

Nazir juga berkata, CIMB akan memperkenalkan produk perkhidmatan perbankan yang inovatif kepada pelanggan di Taiwan.

CIMB Australia gains traction

KUALALUMPUR: CIMB Australia telah mencatatkan peningkatan dalam prestasi perniagaan pada suku ketiga 2013.

Peringkat perniagaan CIMB Australia meningkat 10 peratus berbanding dengan suku sebelumnya.

"Kami melihat potensi yang sangat besar untuk pertumbuhan perniagaan CIMB Australia," kata Datuk Seri Nazir Razak, Ketua Pegawai Eksekutif CIMB Group.

Nazir berkata, CIMB Australia telah memperkenalkan produk perkhidmatan perbankan yang inovatif kepada pelanggan di Australia.

THE BEST OF TWO WORLDS WITH CIMB FUSION

The infographic illustrates the 'CIMB Fusion' concept, which combines the strengths of CIMB and its partner banks. It highlights the benefits of this partnership, such as enhanced services and global reach. The structure shows CIMB Group at the top, with various regional branches and subsidiaries below it.

CIMB beats 100 banks

Branch CEO grows bank presence

KUALA LUMPUR: CIMB Group CEO, Datuk Seri Nazir Razak, has been ranked as the 100th best CEO in the world by the Global Finance magazine.

Nazir's ranking is a testament to his leadership and the success of CIMB Group in the past few years.

"I am honored to be ranked among the top 100 CEOs in the world," Nazir said.

CIMB Niaga Raih Laba Rp 4,23 Triliun

Jakarta, Kompas — PT Bank CIMB Niaga Tbk masih melihat prospek cerah untuk tahun 2014 dengan target pertumbuhan laba Rp 4,23 triliun atau meningkat 10 persen dibanding tahun sebelumnya.

CIMB Niaga juga telah mempersiapkan diri untuk menghadapi persaingan yang semakin ketat di pasar perbankan Indonesia.

CIMB starts operations in South Korea

KUALA LUMPUR: CIMB Group has announced the launch of its investment banking and financial services in South Korea.

The new branch will be managed by a local team, led by a former senior executive of a major South Korean bank.

"We are delighted to have opened our first branch in South Korea," said Nazir Razak.

FinanceAsia poll: Nazir Razak voted 'Best CEO'

KUALA LUMPUR: CIMB Group CEO, Datuk Seri Nazir Razak, has been voted as the 'Best CEO' in the FinanceAsia poll.

Nazir's win is a recognition of his leadership and the success of CIMB Group in the past few years.

"I am honored to be voted as the 'Best CEO' in the FinanceAsia poll," Nazir said.

CIMB Korea enters over 200 of largest banks

KUALA LUMPUR: CIMB Korea has entered over 200 of the largest banks in the country.

The new branch will be managed by a local team, led by a former senior executive of a major South Korean bank.

"We are delighted to have opened our first branch in South Korea," said Nazir Razak.



FinanceAsia poll: Nazir Razak voted 'Best CEO'

CIMB OVERSEAS REACH grows from 100 to 150

CIMB Group has expanded its overseas reach to 150 countries and territories.

The expansion is a result of the group's aggressive growth strategy in the international market.

ซีไอเอ็มบี ไข่ ซีไอเอ็มบี เป็นผู้นำธุรกิจอาเซียน

The infographic shows CIMB's regional presence across Southeast Asia, including branches in Malaysia, Singapore, Thailand, Myanmar, Vietnam, and the Philippines. It highlights the group's commitment to serving the region's financial needs.

The odds in S'pore

presence in city state despite limitations



...the odds in S'pore... presence in city state despite limitations... CIMB GROUP

CIMB out to challenge global rivals

GROWING AMBITIONS: Only bank in Asia except Japan pushing to be leading player

C... CIMB Group is pushing to be a leading player in Asia... only bank in Asia except Japan pushing to be leading player... growing ambitions...

Big dream

...hopes for Melbourne pairing at CIMB-Corak



...athletes in red and white uniforms...

BUSINESS TIMES

HOUSING LIFE LINE FOR PENANGITES



Investment banking's best year ever

RECORD ACHIEVEMENT: CIMB Group's 2012 investment banking soars in terms of deal flows and market shares

C... CIMB Group's 2012 investment banking... record achievement... deal flows and market shares...

B expands footprint to India

Group aims to extend its coverage to 150 Indian stocks by Q3

...B expands footprint to India... group aims to extend its coverage to 150 Indian stocks by Q3... CIMB Securities (India) Pvt Ltd...

CIMB, RBS Morgans to capitalise on strategic alliance

...strategic alliance...

...CIMB, RBS Morgans to capitalise on strategic alliance... strategic alliance...

B Securities top SGX broker

Brokerage's international equities business strength after the acquisition of CK Goh

...B Securities top SGX broker... brokerage's international equities business strength after the acquisition of CK Goh...

聯昌投資銀行 獲最佳亞洲國內銀行

...獲最佳亞洲國內銀行...

...聯昌投資銀行 獲最佳亞洲國內銀行... (吉隆坡19日訊)《國際金融評論》(IFR)亞洲雜誌宣布...

...The

...The... CIMB Group...



...CIMB Group executives...

LUNCURKAN REKENING PONSAL CIMB Niaga Targetkan 500.000 Nasabah Baru

JAKARTA - PT Bank CIMB Niaga Tbk (ONGG) mengumumkan...

...LUNCURKAN REKENING PONSAL CIMB Niaga Targetkan 500.000 Nasabah Baru... mengumumkan...

한국증권사, 아세안 진출 서둘러야

...한국증권사, 아세안 진출 서둘러야...

...한국증권사, 아세안 진출 서둘러야... CIMB그룹 사장...



...CIMB Group executive...





***ADDITIONAL
INFORMATION***

Shareholders' Statistics

as at 14 February 2014

Authorised Share Capital	:	RM10,000,000,000
Issued and Paid-up Share Capital	:	RM8,229,345,939 comprising 8,229,345,939 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	582	1.22	16,345	— * ¹
100 – 1,000	21,462	44.88	9,030,820	0.11
1,001 – 10,000	19,552	40.89	71,512,891	0.87
10,001 – 100,000	4,976	10.41	133,306,659	1.62
100,001 – 411,467,295	1,245	2.60	4,397,637,211	53.44
411,467,296 and above	2	— * ¹	3,617,842,013	43.96
Total	47,819	100.00	8,229,345,939	100.00

Notes:

*¹ Less than 0.01%.

*² Excludes 4,408 shares retained as treasury shares as at 14 February 2014.

DIRECTORS' SHAREHOLDINGS (AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

Name of Directors	Direct Interest	No. of Shares Held		%* ¹
		%* ¹	Deemed Interest	
Tan Sri Dato' Md Nor Yusof	400,000	— * ²	—	—
Dato' Sri Nazir Razak* ³	48,175,981	0.58	4,000,000* ³	0.05
Dato' Zainal Abidin Putih* ⁴	81,486	— * ²	30,371* ⁴	— * ²
Dato' Robert Cheim Dau Meng* ⁵	149,642	— * ²	76,379* ⁵	— * ²

Notes:

*¹ Excludes 4,408 shares retained as treasury shares as at 14 February 2014.

*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 his child.

SUBSTANTIAL SHAREHOLDERS (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name of Substantial Shareholders	No. of Shares Held			
	Direct	%*1	Indirect	%*1
Khazanah Nasional Berhad	2,329,803,754	28.31	–	–
Employees Provident Fund Board	1,390,583,615*2	16.90	–	–
Mitsubishi UFJ Financial Group, Inc	–	–	753,166,054*3	9.15

Notes:

*1 Excludes 4,408 shares retained as treasury shares as at 14 February 2014.

*2 Includes shares held through nominees.

*3 Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965.

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	2,329,803,754	28.31
2 Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	1,288,038,259	15.65
3 The Bank of Tokyo-Mitsubishi UFJ, Ltd.	382,481,100	4.65
4 Kumpulan Wang Persaraan (Diperbadankan)	276,386,318	3.36
5 AmanahRaya Trustees Berhad Skim Amanah Saham Bumiputera	262,357,096	3.19
6 HSBC Nominees (Asing) Sdn Bhd TNTC for Saudi Arabian Monetary Agency	147,816,912	1.80
7 Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (West CLT 0D67)	131,645,848	1.60
8 HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	121,137,410	1.47
9 AmanahRaya Trustees Berhad Amanah Saham Malaysia	113,988,171	1.39
10 Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited For Government of Singapore (C)	104,162,866	1.27
11 AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	89,699,718	1.09
12 HSBC Nominees (Asing) Sdn Bhd BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	89,621,648	1.09
13 HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs Svs Lux for Aberdeen Global	85,446,768	1.04

Name of Shareholders		No. of Shares Held	% of Issued Capital* ¹
14	AmanahRaya Trustees Berhad As 1Malaysia	70,277,676	0.85
15	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	69,962,640	0.85
16	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.A.E.)	56,760,535	0.69
17	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Bank of New York Mellon (Mellon Acct)	53,683,821	0.65
18	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (Resident USA-2)	50,827,160	0.62
19	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (Netherlands)	48,883,372	0.59
20	Cartaban Nominees (Tempatan) Sdn Bhd Exempt AN for Eastspring Investments Berhad	47,781,642	0.58
21	Citigroup Nominees (Asing) Sdn Bhd CBHK for Fubon Life Insurance Co., Ltd	46,000,000	0.56
22	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund DRNA for Aberdeen Emerging Markets Fund	45,988,262	0.56
23	HSBC Nominees (Asing) Sdn Bhd Exempt AN for J.P. Morgan Bank Luxembourg S.A.	39,673,581	0.48
24	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	39,657,231	0.48
25	HSBC Nominees (Tempatan) Sdn Bhd Mohamed Nazir bin Abdul Razak	33,200,000	0.40
26	Pertubuhan Keselaman Sosial	31,154,067	0.38
27	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	29,256,426	0.36
28	Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited for Monetary Authority of Singapore (H)	29,177,192	0.35
29	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (Saudi Arabia)	27,226,946	0.33
30	Lembaga Tabung Angkatan Tentera	26,945,943	0.33
		6,169,042,362	74.97

Note:

*¹ Excludes 4,408 shares retained as treasury shares as at 14 February 2014.

Additional Disclosures

261

(as at 31 December 2013 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 2013, CIMB Group has collectively issued the following instruments:

(a) THB Structured Debentures

During the financial year, CIMB Thai Bank Public Company Limited (CIMB Thai) issued various unsecured structured debentures amounted to THB5.1 billion (31 December 2012: THB1.2 billion) with embedded callable range accrual swaps. The debentures will mature in five years from respective issuance dates. The debentures bear interest rates ranges from 0% to 5.2% per annum (31 December 2012: 0.5% per annum) variable to index of THBFIX 6 months, payable semi annually. CIMB Thai has the option to early redeem the above structured debentures on any coupon dates.

During the financial year, CIMB Thai has early redeemed structured debentures amounted to THB1,298 million.

(b) THB Short-Term Debentures

During the financial year, CIMB Thai issued various unsecured short-term debentures amounted to THB20.7 billion (31 December 2012: THB6.6 billion), with maturity ranging from 14 days to 9 months (31 December 2012: 12 days to 6 months).

The debentures carry fixed interest rates of 2.44% to 2.99% (31 December 2012: 2.76% to 2.95%) payable at respective maturity dates.

(c) IDR600,000 Million Bonds

On 22 November 2012, PT CIMB Niaga Auto Finance, a wholly-owned subsidiary of PT Bank CIMB Niaga Tbk (CIMB Niaga), has issued unsecured IDR600,000 million bonds with fixed interest rates. The bonds are divided in 2 series:

(i) Series 1

The nominal value of the bonds amounted to IDR152,000 million with a tenor of 1 year which had matured on 22 November 2013 and was redeemed on its maturity date. It bears fixed interest rate of 7.00% per annum.

(ii) Series 2

The nominal value of the bonds amounted to IDR448,000 million with a tenor of 3 years which will mature on 22 November 2015. It bears fixed interest rate of 8.10% per annum.

(d) HKD171 Million Notes

On 22 January 2013, CIMB Bank Berhad (CIMB Bank) issued a HKD171 million 5-year senior unsecured Fixed Rate Notes under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011. The notes will mature on 22 January 2018. It bears a coupon rate of 1.60% per annum payable quarterly in arrears.

(e) HKD430 Million Notes

On 22 January 2013, CIMB Bank issued a HKD430 million 3-year senior unsecured Fixed Rate Notes under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011. The notes will mature on 22 January 2016. It bears a coupon rate of 1.20% per annum payable quarterly in arrears.

(f) USD45 Million Notes

On 29 January 2013, CIMB Bank issued 2-year USD45 million senior unsecured floating rate notes under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011. The notes will mature on the interest payment date falling in or nearest to January 2015. The coupon rate is calculated based on the 3 month USD LIBOR plus a margin of 0.70% per annum and coupon is payable quarterly in arrears.

(g) IDR600,000 Million Notes

PT CIMB Niaga Auto Finance has issued a 3-year IDR200,000 million and IDR400,000 million Monetary Term Notes on 15 February 2013 and 16 April 2013 respectively. The notes are unsecured and will mature on 15 February 2016 and 16 April 2016 respectively. It bears fixed interest rate of 8.50% per annum and 8.20% per annum.

(h) HKD350 Million Notes

CIMB Bank issued HKD350 million 3-year senior unsecured notes under its USD1 billion nominal value Euro Medium Term Note Programme established on 27 January 2011. The notes were issued on 14 March 2013 and will mature on 14 March 2016 (subject to adjustment in accordance with the modified following business day convention). The notes bear a coupon rate of 1.09% per annum payable quarterly in arrears.

(i) SGD20 Million Notes

On 22 March 2013, CIMB Bank, acting through its Singapore Branch, issued SGD20 million 5-year senior unsecured notes under its USD1 billion nominal value Euro Medium Term Note Programme established on 27 January 2011. The notes will mature on 22 March 2018 (subject to adjustment in accordance with the modified following business day convention). The notes bear a coupon rate of 1.67% per annum payable semi-annually in arrears.

(j) USD20 Million Notes

On 8 April 2013, CIMB Bank, acting through its Labuan Offshore Branch, issued USD20 million 3-year senior unsecured notes under its USD1 billion nominal value Euro Medium Term Note Programme established on 27 January 2011. The notes will mature on 8 April 2016. The notes bear a floating coupon rate of 3 month USD LIBOR plus 79 basis points per annum payable quarterly in arrears.

(k) IDR1,450,000 Million Bonds

CIMB Niaga, has issued 2-year Series A, 3-year Series B and 5-year Series C Senior Bonds of IDR285 billion, IDR315 billion and IDR850 billion respectively, totalling IDR1.450 trillion on 20 November 2013. The bonds will mature on 20 November 2015, 20 November 2016 and 20 November 2018 for Series A, Series B and Series C respectively. The bonds bear fixed coupon rate of 8.75% per annum, 9.15% per annum and 9.75% per annum for Series A, Series B and Series C respectively payable quarterly in arrears from the date of issuance.

(l) HKD775 Million Notes

On 29 August 2013, CIMB Bank issued HKD775 million 3-year senior unsecured notes under its USD1 billion nominal value Euro Medium Term Note Programme established on 27 January 2011. The Notes will mature on 29 August 2016 (subject to adjustment in accordance with the modified following business convention). The notes bear a floating coupon rate of 3 month HIBOR plus 56 basis points per annum payable quarterly in arrears.

(m) HKD950 Million Notes

On 20 December 2013, CIMB Bank issued HKD950 million 3-year senior unsecured notes under its USD1 billion nominal value Euro Medium Term Note Programme established on 27 January 2011. The notes will mature on 20 December 2016. It bears a fixed coupon rate of 1.45% per annum payable annually in arrears.

(n) RM500 Million Bonds

In 2011, CIMB Bank obtained funding through securitisation of its hire purchase receivables to Merdeka Kapital Berhad ("MKB"), a special purpose vehicle set up to undertake multi securitisation transactions. Arising from the adoption of MFRS 10 "Consolidated Financial Statements" in 2013, the Group has consolidated the silo of MKB in relation to CIMB Bank's hire purchase receivables, as this silo has been legally ring-fenced for this transaction. As a result, the RM500 million funding received by CIMB Bank from MKB is recognised as bonds by the Group. The adoption of MFRS 10 has been applied retrospectively; refer to Note 54 for the impact of the adoption of MFRS 10 to the comparatives.

1st tranche of RM180 million is raised for an effective interest rate of 2.80% per annum, payable on monthly basis with coupon payment due on every 28th of the month, and will mature on 28 October 2016.

2nd tranche of RM320 million is raised for an effective interest rate of 3.00% per annum, payable on monthly basis with coupon payment due on every 28th of the month, and will mature on 28 October 2016.

2. SHARES BUY-BACK

Details of the shares purchased during the financial year ended 31 December 2013 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	99	7.21	7.21	7.21	727.01
March	–	–	–	–	–
April	100	7.80	7.80	7.80	821.24
May	–	–	–	–	–
June	–	–	–	–	–
July	–	–	–	–	–
August	–	–	–	–	–
October	–	–	–	–	–
November	1,000	7.39	7.39	7.39	7,451.95
December	–	–	–	–	–
Total	1,199			7.51	9,000.20

* Inclusive of transaction cost

All the shares purchased during the financial year ended 31 December 2013 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 31 to the Financial Statements which are in the Financial Statements section of the Annual Report and in the Statement Accompanying Notice of Annual General Meeting.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

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

4. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

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

5. IMPOSITION OF SANCTION AND/OR PENALTIES

There were no public sanctions and/or 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 for the year amounted to RM2,802,000 for CIMB Group and RM844,000 for the Company.

7. VARIATION IN RESULTS

There were no variation in results for the financial year ended 31 December 2013 from the unaudited results released on 25 February 2014.

8. PROFIT GUARANTEE

CIMB Group did not receive any profit guarantee during the financial year ended 31 December 2013.

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 48 and 49 to the Financial Statements which are in the Financial Statements section of the Annual Report.

Internal Policies, Procedures and Guidelines

No.	Title	Description
1.	Group Administration & Property Management Policies & Procedures Manual	This document relates to the administrative operations of the Group and cover 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 & Plan	These documents provide the framework to assist in responding to a disruption, crisis and/or disaster including a pandemic or threats posed against employees, 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 encompass 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.

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 BAFIA, IBA and IA. 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.
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 (CMSA) and handling of confidential information relating to a client of the Group.

No.	Title	Description
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.
21.	Corporate Banking, Treasury & Markets – Treasury & Markets Policies & Procedures Manual	This document defines the policies and procedures on activities carried out by Treasury & Markets departments 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 IT Policies and Procedures Manual	This document covers the policies and procedures governing all aspects of Group Technology and provide management direction and support for information technology in accordance with regulation, relevant laws and business requirements. It facilitates the sharing of information and improved access across the Group and regionally. They guide information technology within the organisation through clear direction, to monitor the overall efficiency, performance and effectiveness of IT services, control consistency and minimise exposure to internal and external threats and risks. These documents are designed to increase adherence to regulatory and internal requirements and ensuring consistency of standards of operations and practices across the Group.
25.	Group IT Risk Management Framework	This framework provides a consistent and unified approach for developing and improving information risk management within business operations. IT risk management is a systematic method of establishing the context of identifying, analysing, evaluating, treating, monitoring and communicating IT and information risks associated with any activity, function or process in a way that will enable CIMB Group to minimise 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 Group Competition Law Manual guides all business units within the Malaysian banking entities of CIMB Group to familiarise and understand the competition laws of Malaysia. It provides a brief overview of the Competition Act, and is a general guide on business conduct and contracts and also compliance reporting.

No.	Title	Description
28.	Group Credit Risk Model Policy	This describes the policy aspects of credit risk modelling, including BASEL II models and processes for banking entities within CIMB Group. The policy sets out the underlying philosophy and relevant guidelines governing the credit risk rating models that are used for credit risk decision-making, stress testing, economic and regulatory capital management.
29.	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.
30.	Risk Management & Analytics Policies & Procedures Manual	This is a reference document on the functions of Risk Analytics & Infrastructure Centre of Excellence (formerly known as Risk Management & Analytics Department). It sets out the roles and responsibilities of the teams within the department, in supporting and implementing the Group's Enterprise-Wide Risk Management Framework. It provides the relevant policies, guidelines and methodologies in capital adequacy assessment, credit and market risks measurement, limit monitoring, control processes, risk analytics and reporting as well as stress testing.
31.	Model Risk Management Framework	This describes the policies and guidelines to facilitate efficient and proper conduct of model risk management, covering governance, control, development, validation, implementation and use of all relevant models within CIMB Group.
32.	Group Reputation Risk Management Framework	This framework aims to provide guidance and ensure that adequate policies and procedures are in place to identify, control, monitor and report reputation risk. The framework also sets the key principles of reputation risk management, the key drivers of reputation risk, and the roles and responsibilities of all parties in managing reputation risk.
33.	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.
34.	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 are familiar with, understand and comply with the personal data protection laws of Malaysia.
35.	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.

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 (RM'000)	Year of Acquisition	Date of Revaluation
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	Not Applicable	12	149,527	1999	Dec-11
Sinergy Building, Jl. Sutera Barat Kav 17 Alam Sutera, Serpong, Tangerang, Banten	20 storey office building, CIMB Niaga owned 7 Floors (GF, UG, 1st, 2nd, 3rd, 5th, 6th), used as CIMB Niaga Branch and Head Office business support.	Leasehold expiring on 2036 and 2041	Various	2	32,176	2012	–
Puri Indah Financial Tower LT.26 (01-12) JL.Puri Lingkar Dalam BLOK P-8 Jakarta	25 storey office building, CIMB Niaga owned 4 storey, building in progress construction and available in 2015.	–	–	Not Applicable	30,708	2012	Not Applicable
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	Not Applicable	17	30,188	1997	Lower Podium – Dec 2011 Higher Office – March 2013
Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Wilayah Persekutuan	10 Storey office building; Head office for both CIMB Investment and CIMB Group.	Leasehold 99 years expiring on 24 Jun 2073	60	21	19,909	2002	Nov-11
Menara CIMB Niaga Jl Diponegoro 101 Karawaci Tangerang, Banten	19 storey office building. CIMB Niaga Head Office and business premises.	Leasehold expiring consist of two land certificates: – 25 December 2030 – 25 December 2031	Various	18	15,880	1996	Oct-08
Jl Ir H Juanda No 165 Lebak Bandung	CIMB Niaga Branch premises.	Leasehold expiring on 14 July 2041	28	3	13,785	2011	–

Location	Description/Existing Use	Tenure/ Date of Expiry	Remaining Lease (years)	Age of Property (years)	Net Book Value (RM'000)	Year of Acquisition	Date of Revaluation
Bintaro Sektor VII Blok D1 No 05 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	Not Applicable	13,453	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	23	8	13,310	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	970	113	12,678	2009	Apr-12

Past Awards

ALPHA SOUTHEAST ASIA

FINANCIAL INSTITUTION AWARDS 2012

- **Best Investment Bank in Malaysia**
- **Best Institutional Broker in Malaysia**
- **Best Private Wealth Management Bank in Malaysia**
- **Best Cash Management Bank in Malaysia**
- **Best Islamic Finance Bank in Malaysia**
- **Special Marquee Awards:**
Best Islamic Finance Bank in Southeast Asia
- **Special Marquee Awards:**
Best Asset Manager in Southeast Asia
- **Special Marquee Awards:**
Best Bond House in Southeast Asia
- **Special Marquee Awards:**
Best Equity House in Southeast Asia

INVESTOR CORPORATE AWARDS 2012

- **Most Organised Investor Relations**

DEAL AND SOLUTION AWARDS 2012

- **Deal Of The Year in Southeast Asia:**
Axiata Group Berhad RMB1 billion Sukuk Issuance
- **Best IPO Deal Of The Year in Southeast Asia & Best Deal Of The Year in Southeast Asia for Minority Shareholders:**
USD3.1 billion Felda Global Ventures Holdings IPO
- **Best Dual-Listed IPO of the Year in Southeast Asia & Best Equity Deal Of The Year in Southeast Asia:**
RM6.73 billion IHH Equity Offering
- **Best REIT Deal Of The Year in Southeast Asia & Most Innovative Deal Of The Year in Southeast Asia:**
USD275.3 million IGB REIT
- **Best Local Currency Bond Deal Of The Year in Southeast Asia:**
Genting Singapore's SGD1.8 billion perpetual subordinated capital securities

- **Best Project Financing Deal Of The Year in Southeast Asia:**

RM2.4 billion DanaInfra Nasional's Islamic Commercial Papers & IMTN

- **Best Islamic Finance Deal Of The Year in Southeast Asia:**

USD11.1 billion PLUS Guaranteed Sukuk

ASIAN BANKING & FINANCE AWARDS

RETAIL BANKING AWARDS 2012

- **Core Banking System Initiative of the Year for Malaysia**
- **Core Banking System Initiative of the Year for Thailand**
- **Advertising Campaign of the Year for Malaysia**
- **Online Securities Platform of the Year for Malaysia**

WHOLESALE BANKING AWARDS 2012

- **Indonesia Domestic Cash Management Bank of the Year:**
CIMB Niaga
- **Indonesia Domestic Trade Finance Bank of the Year:**
CIMB Niaga
- **Malaysia Domestic Cash Management Bank of the Year:**
CIMB Investment Bank
- **Malaysia Domestic Trade Finance Bank of the Year:**
CIMB Investment Bank

ASIA ASSET MANAGEMENT

BEST OF THE BEST COUNTRY AWARDS 2012

- **Best Institutional House:**
CIMB-Principal Asset Management
- **Most Innovative Product:**
CIMB-Principal PRS Plus
- **Best Islamic Product:**
CIMB-Principal PRS Plus

ETF AND INDEXING AWARDS 2012 (IN COLLABORATION WITH ETFI ASIA)

- **ETF Manager of the Year for Malaysia:**
CIMB-Principal Asset Management
- **Best New ETF for Singapore:**
CIMB S&P Ethical Asia Pacific Dividend ETF

ASIA RISK AWARDS

- **Regional House of the Year 2012:**
CIMB Group
- **House of the Year, Malaysia 2012:**
CIMB Group
- **House of the Year, Indonesia 2012:**
CIMB Niaga

ASIAMONEY

BEST MANAGED COMPANY AWARDS 2012

- **Best Executive in Malaysia –**
Dato' Sri Nazir Razak, CIMB Group

BEST BANK AWARDS 2012

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

BEST ISLAMIC BANK AWARDS 2012

- **Best Islamic Bank In Asia**
- **Best Islamic Bank In Malaysia**

REGIONAL AWARDS 2012

- **Best IPO in the region**
Deal: IHH Healthcare's RM6.73 billion IPO

COUNTRY AWARDS 2012

- **Country Deal of The Year for Malaysia**
Deal: IHH Healthcare's RM6.73 billion IPO

PRIVATE BANKING POLL 2012

- **Best Domestic Private Bank in Malaysia 2012**
- **Overall Best Private Bank in Malaysia 2012 (As voted by HNWIs with USD1-5m AUM and HNWIs with USD5.01m-25m AUM)**

FOREIGN EXCHANGE POLL 2012

- Best for FX products and services in Asia Pacific as voted by financial institutions
- Best domestic provider of FX services in Malaysia as voted by financial institutions
- Best domestic provider of FX services in Malaysia as voted by corporates
- Best domestic provider of FX services in Malaysia as voted by corporates
- Best domestic provider of FX products and services in Malaysia as voted by corporates
- Best domestic provider of FX options in Malaysia as voted by corporates
- Best domestic provider of FX research and market coverage in Malaysia as voted by corporates
- Best for overall FX services in Indonesia as voted by corporates
- Best for FX products & services in Indonesia as voted by corporates
- Best for FX options in Indonesia as voted by corporates
- Best for FX research & market coverage in Indonesia as voted by corporates
- Best for overall FX services in Thailand as voted by corporates
- Best for FX products & services in Thailand as voted by corporates
- Best for FX options in Thailand as voted by corporates

CASH MANAGEMENT POLL 2012

- Best Local Cash Management Bank in Malaysia as voted by small, medium and large-sized corporates
- Best Overall Local Cash Management services in Malaysia as voted by small, medium and large-sized corporates

- Best Overall Cross Border Local Cash Management services in Malaysia as voted by small, medium and large-sized corporates
- Best Cash Management Bank in Thailand as voted by small and medium-sized corporates
- Best Overall Domestic Cash Management services in Thailand as voted by small-sized corporates
- Best Overall Cross-Border Cash Management services in Thailand as voted by small-sized corporates

FIXED INCOME POLL AWARDS 2012

- Best Sales Service in Credit Derivatives for MYR
- Best Sales Service in Credit Derivatives for IDR
- Best Sales Service in Credit Derivatives for THB
- Best Interest Rates Research and Market Coverage for INR
- Best Interest Rates Research and Market Coverage for MYR
- Best Interest Rates Research and Market Coverage for THB
- Best Sales Service in Commodities Derivatives for IDR
- Best Pricing for Commodities Derivatives for AUD
- Best Pricing for Commodities Derivatives for SGD
- Best for Credit Services in Malaysia
- Best for Credit Research and Market Coverage in Malaysia
- Best for Credit Sales in Malaysia
- Best for Credit Derivatives in Malaysia
- Best for Interest Rate Research in Malaysia

- Best for Interest Rate Products and Sales in Malaysia
- Best for Interest Rate Derivatives in Malaysia
- Best for Credit Services in Indonesia
- Best for Credit Research and Market Coverage in Indonesia
- Best for Credit Sales in Indonesia
- Best for Credit Derivatives in Indonesia
- Best for Interest Rate Research in Indonesia
- Best for Credit Sales in Thailand
- Best for Interest Rate Products and Sales in Thailand
- Overall Best for Credit in Malaysia
- Overall Best for Interest Rates in Malaysia
- Overall Best for Credit in Indonesia
- Overall Best for Interest Rates in Indonesia
- Overall Best for Credit in Thailand
- Overall Best for Interest Rates in Thailand

BROKERS POLL AWARDS 2012

- Best Local Brokerage in Malaysia
- Best for Overall Country Research in Malaysia
- Best Analyst in Malaysia: Yung-Juen Yeoh
- Best Research Coverage for Strategy in Malaysia
- Best Research Coverage for Macroeconomics in Malaysia
- Best Research Coverage for Banks in Malaysia
- Best Research Coverage for Capital Goods in Malaysia

- **Best Research Coverage for Consumer Services in Malaysia**
- **Best Research Coverage for Food, Beverages & Tobacco in Malaysia**
- **Best Research Coverage for Materials in Malaysia**
- **Best Research Coverage for Telecommunication Services in Malaysia**
- **Best Overall Sales Services in Malaysia**
- **Best Sales Execution in Malaysia**
- **Best Sales Trading in Malaysia**
- **Best for Events and/or Conferences in Malaysia**
- **Best for Roadshows and Company Visits in Malaysia**
- **Best Analyst in Indonesia: Erwan Teguh**
- **Best Research Coverage for Small Caps in Indonesia**
- **Best Research Coverage for Capital Goods in Indonesia**
- **Most Improved Brokerage over the last 12 months in Indonesia**
- **Best Research Coverage for Transportation in Singapore**
- **Best Research Coverage for Media in Thailand**
- **Best Research Coverage for Telecommunication Services in Thailand**
- **Best Research Coverage for Energy in Thailand**

ASIAN INVESTOR AWARDS

INVESTMENT PERFORMANCE AWARDS 2012

- **Best Malaysia Fund House, Islamic Investments:** CIMB Islamic

BPA TRAILBLAZER AWARDS 2012

- **Product Excellence in P2P Payment:** CIMB Bank, Malaysia

CIR MAGAZINE BUSINESS CONTINUITY AWARD 2012

BUSINESS CONTINUITY AWARDS 2012

- **Crisis Management Strategy of the Year:** CIMB Thai

CORPORATE GOVERNANCE ASIA

THE BEST OF ASIA FOR MALAYSIA 2012

- **Asian Corporate Director Awards:** Dato' Sri Nazir Razak, CIMB Group
- **Best CFO for Investor Relations:** Kenny Kim, CIMB Group
- **Best Investor Relations Website/Promotion:** CIMB Group
- **Best Investor Relations Professional:** Steven Tan, CIMB Group
- **Best Investor Relations for a Malaysian Company:** CIMB Group

EUROMONEY

AWARDS FOR EXCELLENCE 2012

- **Outstanding Achievement Award:** Dato' Sri Nazir Razak, CIMB Group
- **Best Bank in Malaysia**
- **Best Investment Bank in Malaysia**

DEALS OF THE YEAR 2013

(Announced in 2013 in recognition of 2012's achievements)

- Genting Singapore's SGD1.8 billion perpetual subordinated capital securities
- IHH Healthcare's USD2.1 billion IPO

ISLAMIC FINANCE AWARDS 2013

(Announced in 2013 in recognition of 2012's achievements)

- **Best Islamic Bank in Asia**
- **Best Islamic Bank in Malaysia**
- **Most Innovative Deal:** Axiata Group Berhad RMB1.0 billion Sukuk Issuance

PRIVATE BANKING SURVEY 2012

- **Best Private Banking Services in Malaysia**
- **Best Private Banking Services Overall**
- **Best in Relationship Management**
- **Best for Privacy and Security**
- **Best for Range of Investment Products**
- **Best for Family Office Services**
- **No.1 for Net-worth-specific services (Super affluent: USD500,000 to USD1 million)**
- **No. 1 for Net-worth-specific services (High Net Worth I: USD1 million to USD 10 million)**
- **No. 1 for Net-worth-specific services (High Net Worth II: USD10 million to USD30 million)**
- **No. 1 for Net-worth-specific services (Ultra High Net Worth II: Greater than USD30 million)**

FINANCE ASIA

COUNTRY AWARDS FOR ACHIEVEMENT 2012

- **Best Investment Bank in Malaysia**
- **Best Bond House in Malaysia**
- **Best Equity House in Malaysia**
- **Best Broker in Malaysia**

- **Best Foreign Exchange Bank in Malaysia**
- **Best Private Bank in Malaysia:**
CIMB Private Banking

ACHIEVEMENT AWARDS 2012

- **Best Islamic Finance House**
- **Best Islamic Finance Deal:**
Axiata Group's RMB1 billion sukuk
- **Best IPO/Best Malaysia Deal:**
IHH Healthcare's RM6.73 billion IPO
- **Best Singapore Deal:**
Genting Singapore's SGD1.8 billion perpetual subordinated capital securities

GLOBAL ARCHITECTURE EXCELLENCE AWARDS

- **Enterprise Architecture Award 2012:**
CIMB Group
Initiative: Transforming architecturally using TOGAF Framework

GLOBAL FINANCE

WORLD'S BEST INTERNET BANK-GLOBAL CATEGORY 2012

- **Best in Social Media:** CIMB Group

WORLD'S BEST INTERNET BANKS IN ASIA 2012

- **Best Consumer Internet Bank for Malaysia:** CIMB Bank
- **Best in Social Media in the Region:**
CIMB Group

WORLD'S BEST ISLAMIC FINANCIAL INSTITUTIONS 2012

- **Best Asset Management Company:**
CIMB-Principal Islamic Asset Management
- **Islamic Finance Deal of the Year:**
Wakala Global Sukuk Bhd, USD2 billion Sukuk trust certificates

GLOBAL ISLAMIC FINANCE AWARDS

- **Best Islamic Structured Funds Platform 2012**
- **Best Islamic Bank for the year 2012**

IDC FINANCIAL INSIGHTS

FINANCIAL INSIGHTS INNOVATION AWARDS 2012

- **Excellence in Core Banking Implementation:** CIMB Group
- **Innovation in Social Banking:**
CIMB Bank, Malaysia

IFR ASIA

REGIONAL AWARDS 2012

- **Domestic Bond, Singapore Capital Markets Deal:**
Genting Singapore's SGD1.8 billion perpetual subordinated capital securities

COUNTRY AWARDS 2012

- **Best Bond House in Malaysia 2012**
- **Best Equity House in Malaysia 2012**
- **Malaysia Capital Markets Deal:**
IHH Healthcare's RM6.73 billion IPO

INDONESIA BANKING AWARD 2012

- **2012 Best Performance Banking for National Private Bank with above Rp50T asset from Perbanas Institute and Tempo Media Group:**
CIMB Niaga

INDONESIA GREEN AWARD 2012

- **2012 CSR Award from La Tofi School of CSR, Indonesian Ministry of Forestry and Indonesian Ministry of Industry:**
CIMB Niaga

INFOBANK MAGAZINE

- **2012 Golden Trophy, 'Sangat Bagus Selama 5 Tahun' accredited for capital above Rp10-50T:**
CIMB Niaga

IR MAGAZINE AWARDS

- **2012 Best Investor Relations by a Malaysian company:** CIMB Group

ISLAMIC FINANCE NEWS

DEAL OF THE YEAR 2012

- **Cross-Border Deal of the Year**
Deal: Axiata USD1.5 billion multi-currency Sukuk Issuance Programme
- **Malaysia Deal of the Year**
Deal: PLUS RM23.35 billion IMTN Programme and RM11 billion Guaranteed Sukuk Programme
- **IPO Deal of the Year**
Deal: Felda Global Ventures USD3.4 billion IPO

ISLAMIC INVESTOR POLL 2012

- **Best Overall Islamic Asset Management Company in Asia**
- **Best Overall Islamic Asset Management Company**
- **Best Institutional Solutions Provider of the Year**

MALAYSIA INVESTOR RELATIONS AWARDS

2012 LARGE CAP WINNER

- **Best CEO for IR:**
Dato' Sri Nazir Razak, CIMB Group
- **Best Company for IR:**
CIMB Group
- **Best IR Website:**
CIMB Group
- **Best IR Professional:**
Steven Tan, CIMB Group

MARKETEERS MAGAZINE

- **The Best of Indonesia Service to Care Champion 2012:**
CIMB Niaga

NATIONAL MERGERS & ACQUISITION AWARDS

2012 AWARDS

- **M&A Advisor of the Year:**
CIMB Investment Bank
- **Deal Maker of the Year:**
Khazanah's disposal of 30% stake in Integrated Healthcare Holdings (IHH) to Mitsui & Co
- **Innovative Deal of the Year:**
Khazanah's disposal of 30% stake in Integrated Healthcare Holdings (IHH) to Mitsui & Co
- **Strategic/Industry Deal of the Year:**
Merger of SapuraCrest Petroleum and Kencana Petroleum

IT EXCELLENCE AWARDS

2012 AWARDS

- **Best Change Management:**
CIMB Bank Berhad
Project: 1View Change Journey Management—Release 1.x

PFI PROJECT FINANCE INTERNATIONAL AWARD

2012 AWARDS:

- **Asia Pacific Project Bond of the Year:**
Tanjung Bin Energy's RM6.5 billion senior loan for the 1,000 MW TBE Power Plant

PWM & THE BANKER

EXCELLENCE IN WEALTH MANAGEMENT 2012 AWARDS:

- **Best Private Bank in Malaysia**

SGX BROKER APPRECIATION AWARDS

- **Top ASEAN SGX-ST Member 2012**
Award: CIMB Securities

STRUCTURED PRODUCTS ASIA AWARDS

- **2012 Best Structured Products in Malaysia**

SWA MAGAZINE

- **2012 Human Resources Excellence Winner:**
CIMB Niaga for 'Development' category

THE ASIAN BANKER

2012 TECHNOLOGY IMPLEMENTATION AWARDS

- **Best Risk Analytics Project Award 2012**

2012 RISK MANAGEMENT AWARDS

- **The Risk Analytics Technology Project Award**

2012 SPECIAL AWARDS

- **Best Social Media Engagement**

2012 DOMESTIC TRANSACTION BANKING AWARDS

- **The Best Trade Finance Bank in Indonesia:**
CIMB Niaga
- **The Best Cash Management Bank in Malaysia:**
CIMB Investment Bank

THE ASSET

2012 TRIPLE A COUNTRY AWARDS

- **Best Domestic Investment Bank in Malaysia**
- **Best Equity House in Malaysia**
- **Best Deal in Malaysia**
Deal: IHH Healthcare's RM6.73 billion IPO
- **Best Deal in Singapore**
Deal: Genting Singapore's SGD1.8 billion perpetual subordinated capital securities

2012 TRIPLE A REGIONAL AWARDS

- **Best Equity/Best IPO**
Deal: IHH Healthcare's RM6.73 billion IPO
- **Best Project Finance Deal**
Deal: Tanjung Bin Energy's RM6.5 billion loan and sukuk murabaha

2012 TRIPLE A ISLAMIC FINANCE AWARDS

- **Islamic Banker of the Year:**
Badlisyah Abdul Ghani
- **Islamic Bank of the Year:**
CIMB Islamic Bank
- **Best Islamic Bank in Malaysia:**
CIMB Islamic Bank
- **Best Islamic Investment Bank in Asia:**
CIMB Investment Bank
- **Islamic Asset Management House of the Year:**
CIMB-Principal Islamic Asset Management
- **Sukuk House of the Year, Asia:**
CIMB Investment Bank
- **Islamic Deal of the Year/Best Sovereign Sukuk**
Deal: Government of Malaysia's USD2 billion dual tranche global sukuk
- **Best Islamic Deal in Malaysia**
Deal: Government of Malaysia's USD2 billion dual tranche global sukuk

- **Best Islamic Equity**
Deal: Bumi Armada's USD888 million IPO
- **Best Corporate Sukuk**
Deal: Projek Lebuhraya Usahasama's RM30.6 billion sukuk
- **Most Innovative Deal / Best Islamic Local Currency**
Deal: Khazanah Nasional's RMB500 million sukuk al-wakala
- **Best Islamic Restructuring Deal**
Deal: Pengurusan Aset Air simultaneous acquisition of RM5.8 billion water bonds and issuance of RM5.8 billion government-guaranteed Islamic medium-term notes

2012 TRIPLE A INVESTMENT AWARDS

- **Best Derivatives House in Malaysia**
- **Best Structured Products House in Malaysia**
- **Best Private Bank in Malaysia**

2012 ASIAN CURRENCY BOND BENCHMARK SURVEY

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

THE BANKER

BANK OF THE YEAR 2012 AWARD

- **Bank of The Year in Malaysia**

INVESTMENT BANKING 2012 AWARDS

- **Most Innovative Investment Bank from Asia Pacific**
- **Most Innovative for Islamic Finance**

DEAL OF THE YEAR 2012 AWARDS

- **Equity Deal of the Year for Asia Pacific**
Deal: Bumi Armada's USD888 million IPO

THE EDGE

2012 BILLION RINGGIT CLUB CORPORATE AWARDS

- **Highest Profit Growth Company:**
CIMB Group Holdings Berhad

2012 BEST DEALS OF THE YEAR

- **Best M&A deal:**
AmG Insurance Berhad's acquisition of Kurnia Insurans (Malaysia) Berhad
- **Biggest M&A Deal:**
RM11.85 billion merger of Kencana Petroleum Berhad and SapuraCrest Petroleum Berhad
- **Biggest Corporate Restructuring Exercise:**
KrisAssets Holdings Berhad's REIT Formation
- **Biggest Privatisation Deal:**
Privatisation of PLUS Expressways Berhad by PLUS Malaysia Sdn Bhd and the Employees Provident Fund
- **Best Fundraising for a Non-IPO:**
Genting Singapore's SGD1.8 billion perpetual subordinated capital securities
- **Best Share Placement:**
Maxis Berhad's RM2.4 billion share placement
- **Best IPO:**
IHH Healthcare's RM6.73 billion IPO
- **Biggest IPO:**
Felda Global Ventures Holdings Berhad RM9.9 billion IPO

2012 THE EDGE-LIPPER MALAYSIA FUND AWARDS

- **The Best Mixed Asset Fund Group Award**
- **The Best Mixed Asset Balanced Malaysia (three-year) Fund award for its CIMB Islamic Balanced Growth Fund**

THE INTERNATIONAL TAKAFUL AWARDS

- **2012 Best Asset Management House in Asia**

THOMSON REUTERS AWARDS FOR EXCELLENCE

- **2012 Starmine Analyst Awards for Australia and New Zealand**
Top Research House: CIMB

TRADE FINANCE

AWARDS FOR EXCELLENCE 2012

- **Best Trade Bank in Malaysia:**
CIMB Investment Bank
- **Best Trade Bank in Thailand:**
CIMB Thai
- **Best Islamic Trade Bank in Asia-Pacific:**
CIMB Islamic

VRL FINANCIAL NEWS

2012 PRIVATE BANKER INTERNATIONAL AWARDS

- **Outstanding Wealth Management Service for the Affluent**
- **Outstanding Young Private Banker:**
Tan Tee Ming

WORLD ISLAMIC FUNDS AND FINANCIAL MARKETS CONFERENCE AWARDS

- **Islamic Investment Institution of the Year 2012**

Group Corporate Directory

CIMB GROUP HOLDINGS BERHAD
CIMB INVESTMENT BANK BERHAD
CIMB FUTURES SDN. BHD.
CIMB SI SDN. BHD.

Level 13, Menara CIMB
 Jalan Stesen Sentral 2
 Kuala Lumpur Sentral
 50470 Kuala Lumpur
 Malaysia
 Tel : 603 2261 8888
 Fax : 603 2261 8889
 Website : www.cimb.com

CIMB BANK BERHAD
CIMB ISLAMIC BANK BERHAD

Menara Bumiputra-Commerce
 11 Jalan Raja Laut
 50350 Kuala Lumpur
 Malaysia
 Tel : 603 2619 1188
 Fax : 603 2619 2288
 Website : www.cimb.com

TOUCH 'N GO SDN. BHD.

Tower 6 Avenue 5
 Bangsar South
 No. 8 Jalan Kerinchi
 59200 Kuala Lumpur
 Malaysia
 Tel : 603 2714 8000
 Fax : 603 2714 8001
 Website : www.touchngo.com.my

PT BANK CIMB NIAGA TBK

Graha CIMB Niaga, 14th Floor
 Jl. Jend Sudirman Kav. 58
 Jakarta 12190
 Indonesia
 Tel : 6221 250 5252
 Fax : 6221 250 5202
 Website : www.cimbniaga.com

CIMB THAI BANK PUBLIC COMPANY LIMITED

44 Langsuan Road Lumpini
 Pathumwan Bangkok 10330
 Thailand
 Tel : 662 638 8000/662 626 7000
 Fax : 662 633 9026
 Website : www.cimbthai.com

CIMB BANK BERHAD SINGAPORE BRANCH

50 Raffles Place #09-01
 Singapore Land Tower
 Singapore 048623
 Tel : 65 6337 5115
 Fax : 65 6337 5335
 Website : www.cimb.com

CIMB BANK BERHAD LONDON BRANCH

Ground Floor, 27 Knightsbridge
 London SW1X 7YB
 United Kingdom
 Tel : 44 0 20 7201 3150
 Fax : 44 0 20 7201 3151

CIMB BANK (L) LIMITED
CIMB BANK BERHAD, LABUAN OFFSHORE BRANCH

Level 14(A), Main Office Tower
 Financial Park Labuan
 Jalan Merdeka
 87000 W P Labuan
 Malaysia
 Tel : 6087 410 302/305
 Fax : 6087 410 313

CIMB BANK PLC

20AB Corner Preah Norodom Boulevard &
 Street 118
 Sangkat Phsar Chas
 Phnom Penh 12203
 Kingdom of Cambodia
 Tel : 855 23 988 388
 Fax : 855 23 988 099

CIMB MIDDLE EAST BSC (C)

304, Almoayyed Tower
 Seef District, Manama
 Kingdom of Bahrain
 Tel : 00 973 17 567 111
 Fax : 00 973 17 583 180
 Website : www.cimb.com

CIMB INVESTMENT BANK BERHAD BRUNEI BRANCH

14th Floor, PGGMB Building
 Jalan Kianggeh
 Bandar Seri Begawan BS8111
 Brunei Darussalam
 Tel : 673 224 1888
 Fax : 673 224 0999

CIMB SECURITIES INTERNATIONAL PTE. LTD.

CIMB SECURITIES (SINGAPORE) PTE. LTD.

50 Raffles Place #19-00
 Singapore Land Tower
 Singapore 048623
 Tel : 65 6225 1228
 Fax : 65 6225 1522

CIMB SECURITIES LTD.

Unit 7706-08, Level 77
 International Commerce Centre
 1 Austin Road West, Kowloon,
 Hong Kong
 Tel : 852 2868 0380
 Fax : 852 2537 1928

CIMB SECURITIES (UK) LTD.

27 Knightsbridge
London SW1X 7YB
United Kingdom
Tel : 44 20 7201 2199
Fax : 44 20 7201 2191

PT CIMB SECURITIES INDONESIA

The Indonesia Stock Exchange Building
Tower II, 20th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
Indonesia
Tel : 6221 515 1330
Fax : 6221 515 1335

CIMB SECURITIES (THAILAND) CO., LTD.

130-132 Sindhorn Tower 2, 1st & 2nd Floor/
Sindhorn Tower 3, 12th Floor
Wireless Road
Lumpini Pathumwan
Bangkok 10330
Tel : 66 2841 9000
Fax : 66 2841 9090
Website : www.cimbsecurities.com

CIMB SECURITIES (USA), INC.

540 Madison Avenue
11th Floor, New York
NY 10022
USA
Tel : 1 212 616 8600
Fax : 1 212 616 8639
Website : www.us.cimb.com

CIMB SECURITIES LTD.**KOREA BRANCH**

15th Floor, S-Tower Building
#116 Shinmunro-1 ga
Jongro-gu
Seoul 110-700, South Korea
Tel : 822 6730 6000
Fax : 822 6730 6182

CIMB SECURITIES LTD.**TAIWAN BRANCH**

76F-1, 101 Tower Building
No. 7, Xin Yi Rd
Sec. 5, Taipei, Taiwan
Tel : 886 2 8729 8388
Fax : 886 2 8729 8391

CIMB VINASHIN SECURITIES LLC

1st Floor Building 34T
Trung Hoa Nhan Chinh
Cau Giay District
Hanoi, Vietnam
Tel : 04 2221 0483
Fax : 04 2221 0484

BANK OF YINGKOU CO. LTD.

15F-16F, Minmetals Building
No. 99, Xinhai Street
Coastal Industrial Base
Yingkou, Liaoning, China
Post Code 115000
Tel : 86 417 280 2079
Fax : 86 417 282 7926

CIMB INSURANCE BROKERS SDN. BHD.

Level 15, Menara Bumiputra-Commerce
11 Jalan Raja Laut
50350 Kuala Lumpur
Malaysia
Tel : 603 2619 1188
Fax : 603 2692 3396
Website : www.cimb.com

CIMB TRUST LIMITED

Level 14(A), Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 W P Labuan
Malaysia
Tel : 6087 414 252
Fax : 6087 411 855

CIMB ISLAMIC TRUSTEE BERHAD

Level 21, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia
Tel : 603 2261 8888
Fax : 603 2261 8889
Website : www.cimb.com

CIMB COMMERCE TRUSTEE BERHAD

Level 21, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia
Tel : 603 2261 8888
Fax : 603 2261 8889
Website : www.cimb.com

CIMB-MAPLETREE MANAGEMENT SDN. BHD.**CMREF 1 SDN. BHD.**

Level 17, Menara Milenium
8 Jalan Damanlela
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 603 2084 2000
Fax : 603 2096 1591

CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD**CIMB-PRINCIPAL ISLAMIC ASSET MANAGEMENT SDN. BHD.**

Level 5, Menara Milenium
8 Jalan Damanlela
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 603 2084 2000
Fax : 603 2084 2233
Website : www.cimb-principal.com.my

CAPITAL ADVISORS PARTNERS ASIA SDN. BHD.

Lot 17.4, Level 17
Menara Milenium
8 Jalan Damanlela
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 603 2093 8942
Fax : 603 2093 9677
Website : www.cap-asia.net

CIMB WEALTH ADVISORS BERHAD

50, 52 & 54 Jalan SS21/39
Damansara Utama
47400 Petaling Jaya
Malaysia
Tel : 603 7712 2888
Fax : 603 7726 5088
Website : www.cwealthadvisors.com.my

iCIMB (MALAYSIA) SDN. BHD.**iCIMB (MSC) SDN. BHD.**

19th Floor, Tower 5, Avenue 7, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Tel : 603 2180 7000
Fax : 603 2180 7100

COMMERCE ASSET VENTURES SDN. BHD.**CIMB PRIVATE EQUITY SDN. BHD.**

Level 33, Menara Bumiputra-Commerce
11 Jalan Raja Laut
50350 Kuala Lumpur
Malaysia
Tel : 603 2619 1188
Fax : 603 2619 2288
Website : www.cimb.com

CIMB FOUNDATION

Level 17, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia
Tel : 603 2261 8888
Fax : 603 2261 8889
Website : www.cimbfoundation.com

CIMB BANK BERHAD**YANGON REPRESENTATIVE OFFICE**

1008 Level 10 Sakura Tower
Kyauktada Township Yangon
Myanmar
Tel : 951 255 430
Fax : 951 255 430

CIMB BANK BERHAD**MUMBAI REPRESENTATIVE OFFICE**

No.85, 8th Floor
3 North Avenue, Maker Maxity
Bandra Kurla Complex
Bandra (East)
Mumbai – 400051
India
Tel : 91 22 6676 8888
Fax : 91 22 6676 8899

CIMB (PRIVATE) LIMITED

Level 33, West Tower
World Trade Centre
Echelon Square
Colombo 01, Sri Lanka
Tel : 00 94 11 234 8888
Fax : 00 94 11 244 1801
Website : www.cimb.com

CIMB CORPORATE FINANCE (INDIA) PRIVATE LIMITED

1203, The Capital
Bandra Kurla Complex
Mumbai 400 051
India
Tel : 91 22 6602 5100
Fax : 91 22 6602 5105

CIMB SECURITIES INTERNATIONAL (AUSTRALIA) PTY LTD

Level 29, Aurora Place
88 Phillip Street
Sydney, NSW 2000
Australia
Tel : 61 2 9694 5000
Fax : 61 2 9694 5001

CIMB BANK BERHAD**SHANGHAI BRANCH**

Unit 1805-1807, AZIA Center
1233, Lujiazui Ring Road
Pudong New District
Shanghai, China
Post Code: 200120
Tel : +86 21 2026 1888
Fax : +86 21 2026 1988
Website : www.cimb.com

Notice of Annual General Meeting

279

NOTICE IS HEREBY GIVEN that the 57th Annual General Meeting of CIMB Group Holdings Berhad (“CIMB” or “the Company”) will be held at the Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, on Tuesday, 15 April 2014 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 2013 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 Tan Sri Dato' Md Nor Yusof
 - 2.2 Dato' Sri Nazir Razak
3. To approve the payment of Directors' fees amounting to RM804,307 for the financial year ended 31 December 2013.
4. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.

Resolution 1 (Ordinary)

Resolution 2 (Ordinary)

Resolution 3 (Ordinary)

Resolution 4 (Ordinary)

Resolution 5 (Ordinary)

AS SPECIAL BUSINESS

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

5. Proposed renewal of the authority for Directors to issue shares.

“**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all the relevant governmental and/or regulatory authorities.”
6. 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).

“**THAT** pursuant to the Dividend Reinvestment Scheme (DRS) approved at the Extraordinary General Meeting held on 25 February 2013, 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 10% discount to the adjusted 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;

Resolution 6 (Ordinary)

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, deemed fit and in the best interest of the Company.”

Resolution 7 (Ordinary)

7. Proposed renewal of the authority to purchase own shares.

“**THAT**, subject to the Companies Act, 1965 (as may be amended, modified or re-enacted from time to time), the Company’s Memorandum and Articles of Association and the requirements of the Bursa Malaysia Securities Berhad (Bursa Securities) and approvals of all the relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each in the Company (Proposed Shares Buy-Back) as may be determined by the Board of Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Board of Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of ordinary shares purchased and/or held pursuant to this resolution does not exceed 10% of the total issued and paid-up share capital of the Company at any point in time and an amount not exceeding the total retained profits of approximately RM1,306 million and/or share premium account of approximately RM5,832 million of the Company based on the Audited Financial Statements for the financial year ended 31 December 2013 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 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 2015 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 8 (Ordinary)

8. To transact any other business of which due notice shall have been duly given in accordance with the Companies Act, 1965.

BY ORDER OF THE BOARD

Datin Rossaya Mohd Nashir

LS 0007591

Group Company Secretary

Kuala Lumpur
24 March 2014

NOTES:**Proxy**

1. A member shall be entitled to appoint only one (1) proxy unless he/she has more than 1,000 shares in which case he/she may appoint up to five (5) proxies provided each proxy appointed shall represent at least 1,000 shares. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
2. Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A proxy may but need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if such appointor is a corporation, under its seal or the hand of its attorney.
4. The instrument appointing a proxy duly completed must be deposited at the Registrar's office at Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting.
5. For the purpose of determining a member who shall be entitled to attend the 57th 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 10 April 2014. Only a depositor whose name appears on the Record of Depositors as at 10 April 2014 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

EXPLANATORY NOTES**1. Resolution 6 – Proposed renewal of the authority for Directors to issue shares**

The Resolution 6 is proposed for the purpose of granting a general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965. The Resolution 6, if passed, will give the Directors of the Company authority to issue ordinary shares in the Company at any time in their absolute discretion without the need to convene a general meeting. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The general mandate if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

The Company has issued 500,000,000 ordinary shares pursuant to Section 132D of the Companies Act, 1965 under the general mandate sought at the 56th Annual General Meeting held on 17 April 2013, which will lapse upon the conclusion of the forthcoming 57th Annual General Meeting to be held on 15 April 2014.

2. Resolution 7 – Proposed renewal of the authority for Directors to allot and issue new ordinary shares of RM1.00 each in the Company in relation to the Dividend Reinvestment Scheme

This proposed Resolution 7 will give authority to the Directors to issue ordinary shares in the Company in respect of dividends to be declared, if any, under the Dividend Reinvestment Scheme, until the conclusion of the next Annual General Meeting. A renewal of this authority will be sought at subsequent Annual General Meeting.

3. Resolution 8 – Proposed renewal of the authority to purchase own shares

Resolution 8, if passed, will empower the Directors to purchase CIMB Shares through Bursa Securities up to 10% of the issued and paid-up share capital of the Company. Details of the Proposed Shares Buy-Back are contained in the Statement Accompanying Notice of Annual General Meeting despatched to the shareholders together with the CIMB 2013 Annual Report.

Statement Accompanying Notice of Annual General Meeting

(pursuant to Paragraph 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

**PROPOSED SHARES BUY-BACK
PURSUANT TO PARAGRAPH 12.06(2) OF
THE MAIN MARKET LISTING
REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD**

1. INTRODUCTION

1.1 Renewal of Authority for CIMB to Purchase its Own Shares (Proposed Shares Buy-Back)

At the last Annual General Meeting of the Company held on 17 April 2013, the Company had obtained the shareholders' approval to purchase its own shares as may be determined by the Board of Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Board of Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of ordinary shares purchased and/or held does not exceed 10% of the total issued and paid-up share capital of the Company at any point in time and an amount not exceeding the total retained profits of approximately RM1,522 million and/or share premium account of approximately RM4,193 million based on the Audited Financial Statements of the Company for the financial year ended 31 December 2012.

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 57th Annual General Meeting to be held on 15 April 2014, unless renewed by an ordinary resolution.

On 28 February 2014, the Company announced its intention to seek shareholders' approval at the forthcoming 57th Annual General Meeting, for the proposed renewal of the authority for the Company to purchase its own shares.

1.2 Purpose of Statement

The purpose of this Statement is to provide relevant information on the Proposed Shares Buy-Back and to seek your approval for the ordinary resolution to renew the authority for the Company to purchase its own shares, to be tabled at the forthcoming 57th Annual General Meeting. The Notice of Annual General Meeting together with the Proxy Form is set out in this Annual Report.

2. DETAILS OF THE PROPOSED SHARES BUY-BACK

The Board proposes to seek shareholders' approval for a renewal of the authority to purchase and/or hold its own shares in aggregate of up to 10% of the issued and paid-up share capital of the Company at any point in time through Bursa Securities. Based on the issued and paid-up share capital of the Company as at 14 February 2014 of RM8,229,345,939 comprising 8,229,345,939 ordinary shares of RM1.00 each in the Company (CIMB Shares), a total of 822,934,593 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, will 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 2015 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 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 2013 was RM1,306 million whilst the audited share premium account of the Company as at 31 December 2013 was approximately RM5,832 million.

CIMB may only purchase its own shares at a price which is not more than 15% above the weighted average market price for the past 5 market days immediately preceding the date of the purchase(s). The Company may only re-sell the purchased shares held as treasury shares at a price which is (a) not less than the weighted average market price of CIMB Shares for the 5 market days immediately preceding the date of re-sale or (b) at a discounted price of not more than 5% to the weighted average market price of CIMB Shares for the 5 market days immediately prior to the re-sale, provided that the re-sale takes place not earlier than 30 days from the date of purchase and the re-sale price is not less than the cost of purchase of the CIMB Shares being re-sold. The Company shall, upon each purchase or re-sale of shares bought back, make the necessary announcements through Bursa Securities.

The Proposed Shares Buy-Back will allow the Board to exercise the power of the Company to purchase its own shares at any time within the abovementioned time period using internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined at a later date, depending on the availability of internally generated funds, actual number of CIMB Shares to be purchased, the anticipated future cash flows of the Group and other cost factors.

The CIMB Shares purchased and held as treasury shares may be distributed as share dividends, re-sold on Bursa Securities in accordance with the relevant rules of Bursa Securities, cancelled or continue to be retained as treasury shares. The decision whether to retain the purchased shares as treasury shares, to cancel the shares purchased, distribute the treasury shares as share dividends and/or re-sell the treasury shares on Bursa Securities will be made by the Board at the appropriate time.

The distribution of treasury shares as share dividends may be applied as a reduction of the retained profits or the share premium account of the Company. The treatment of the purchased shares held as treasury shares, 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 or percentage of shares or of a class of shares in the Company for any purposes including, without limiting the generality of the provision of Section 67A of the Companies Act, 1965, the provisions of any law or requirements of the Articles of Association of the Company or the Main Market Listing Requirements of Bursa Securities governing substantial shareholding, takeovers, notices, the requisitioning of meetings, quorum for a meeting and the result of a vote on a resolution at a meeting.

The Proposed Shares Buy-Back will be carried out in accordance with the Prevailing Laws at the time of the purchase including compliance with the public shareholding spread as required by the Main Market Listing Requirements of Bursa Securities.

The public shareholding spread of the Company before and after the Proposed Shares Buy-Back is as follows:

	Before the Proposed Shares Buy-Back	After the Proposed Shares Buy-Back
Public shareholding spread	61.75%*1	51.75%*2

Notes:

*1 As at 14 February 2014

*2 Based on the assumption that:

- (i) the Proposed Shares Buy-Back involves the aggregate purchase of 822,934,593 CIMB Shares (being 10% of issued and paid-up capital of the Company as at 14 February 2014) 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.

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 own Company as the Board of Directors is confident of CIMB's future prospects and performance in the long term; and
- (vi) If the treasury shares are distributed as dividend by the Company, it may then serve to reward the shareholders of the Company.

4.2 Disadvantages

The potential disadvantages of the Proposed Shares Buy-Back are as follows:

- (i) The purchases can only be made out of distributable reserves resulting in a reduction of the amount available for distribution as dividends and bonus issues to shareholders; and
- (ii) The purchases of existing shares involve cash outflow from the Company which may otherwise be retained and used for the businesses of the Company.

Nevertheless, the Board of Directors will be mindful of the interests of the Company and its shareholders in exercising the authority to purchase its own shares.

5. EFFECTS OF PROPOSED SHARES BUY-BACK

Assuming that the Company buys back up to 822,934,593 CIMB Shares representing 10% of its issued and paid-up share capital as at 14 February 2014 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 follows:

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 14 February 2014 to be reduced from RM8,229,345,939 comprising 8,229,345,939 CIMB Shares to RM7,406,411,346 comprising 7,406,411,346 CIMB Shares. 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 Statements as at 31 December 2013	As at 14 February 2014	After share purchase and cancellation
Issued and paid-up share capital (RM)	7,729,345,939	8,229,345,939	7,406,411,346*1

Note:

*1 Assuming up to 10% of the issued and paid-up share capital of CIMB or 822,934,593 CIMB Shares are purchased and cancelled.

5.2 Net Asset and Working Capital

The effects of the Proposed Shares Buy-Back on the net assets per share of CIMB Group are dependent on the purchase prices of CIMB Shares and the effective funding cost or loss in interest income to CIMB Group.

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 increase 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 Group, the quantum of which will depend on the amount of financial resources to be utilised for the purchase of CIMB Shares.

5.3 Earnings Per Share

The effects of the Proposed Shares Buy-Back on the Earnings Per Share of CIMB Group are dependent on the purchase prices of CIMB Shares and the effective funding cost or loss in interest income to CIMB Group.

5.4 Substantial Shareholders' and Directors' Shareholdings

The effects of the Proposed Shares Buy-Back on the Substantial Shareholders' and Directors' shareholdings based on the Register of Substantial Shareholders and the Register of Directors' Shareholdings respectively as at 14 February 2014 are as follows:

Substantial Shareholders	No. of CIMB Shares Held							
	Before the Proposed Shares Buy-Back* ¹				After the Proposed Shares Buy-Back* ²			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Khazanah Nasional Berhad	2,329,803,754	28.31	–	–	2,329,803,754	31.46	–	–
Employees Provident Fund Board	1,390,583,615* ³	16.90	–	–	1,390,583,615	18.78	–	–
Mitsubishi UFJ Financial Group, Inc	–	–	753,166,054* ⁴	9.15	–	–	753,166,054	10.17

Notes:

*¹ Adjusted for the number of treasury shares held as at 14 February 2014.

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

*³ 1,289,195,659 CIMB Shares are held directly and the remaining 101,387,956 CIMB Shares are held through nominees.

*⁴ 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* ¹		After the Proposed Shares Buy-Back* ²	
	No. of CIMB Shares Held	%	No. of CIMB Shares Held	%
Tan Sri Dato' Md Nor Yusof	400,000	—* ²	400,000	—* ²
Dato' Sri Nazir Razak* ⁴	52,175,981	0.63	52,175,981	0.70
Dato' Zainal Abidin Putih* ⁵	111,857	—* ²	111,857	—* ²
Dato' Robert Cheim Dau Meng* ⁶	226,021	—* ²	226,021	—* ²

Notes:

*¹ Adjusted for the number of treasury shares held as at 14 February 2014.

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

*³ Less than 0.1%.

*⁴ Includes the shareholdings of his spouse.

*⁵ Includes the shareholdings of his spouse and child.

*⁶ Includes the shareholdings of his child.

Save as disclosed above, none of the Directors, substantial shareholders, and persons connected to the Directors and/or substantial shareholders held any CIMB Shares.

6. APPROVAL REQUIRED

The Proposed Shares Buy-Back is conditional upon the approval of the shareholders of CIMB at the forthcoming 57th Annual General Meeting.

7. SHARE PRICES

The monthly highest and lowest prices per share of CIMB Shares traded on Bursa Securities for the last 12 months from March 2013 to February 2014 are as follows:

2013	High (RM)	Low (RM)
March	7.69	7.06
April	7.78	7.58
May	8.65	7.61
June	8.30	8.05
July	8.56	7.87
August	8.15	7.11
September	8.08	7.15
October	7.67	7.40
November	7.63	7.38
December	7.73	7.55
2014		
January	7.67	6.80
February	7.23	6.84

8. PURCHASES, RESALE AND CANCELLATION OF TREASURY SHARES MADE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

During the financial year ended 31 December 2013, the Company purchased a total of 1,199 CIMB Shares from the open market at an average price of RM7.51 per share or a total consideration of RM9,000.20. All the shares purchased were retained as treasury shares.

Information on shares purchased during the financial year ended 31 December 2013 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 is mindful of the provision under Practice Note 9 of the Code.

11. STATEMENT BY BURSA SECURITIES

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

12. DIRECTORS' RECOMMENDATION

After having considered all aspects of the Proposed Shares Buy-Back, your Board is of the opinion that the Proposed Shares Buy-Back is in the best interest of the Company. Accordingly, they recommend that you vote in favour of the ordinary resolution for the Proposed Shares Buy-Back to be tabled at the forthcoming 57th Annual General Meeting.

This page has been intentionally left blank.



Proxy Form

CIMB GROUP HOLDINGS BERHAD (50841-W)
(Incorporated in Malaysia)

CDS Account No. _____

Number of Shares _____

I/We _____ (name of shareholder as per NRIC/ID, in capital letters)

NRIC No./ID No./Company No. _____ (new) _____ (old)

of _____ (full address)

being a member of CIMB Group Holdings Berhad ("CIMB" or "the Company"), hereby appoint _____

_____ (name of proxy as per NRIC/ID, in capital letters) NRIC No./ID No. _____ (new) _____ (old)

or failing whom, _____

_____ (name of proxy as per NRIC/ID, in capital letters) NRIC No./ID No. _____ (new) _____ (old) or

failing whom, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 57th Annual General Meeting of the Company to be held at Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 15 April 2014 at 9.30 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below.

RESOLUTIONS	FOR	AGAINST
1. Receipt of Audited Financial Statements and Reports	Resolution 1	
2. Re-election of Directors:		
2.1 Tan Sri Dato' Md Nor Yusof	Resolution 2	
2.2 Dato' Sri Nazir Razak	Resolution 3	
3. Payment of Directors' Fees	Resolution 4	
4. Re-appointment of Auditors	Resolution 5	
5. Proposed renewal of the authority for Directors to issue shares	Resolution 6	
6. Proposed renewal of the authority for Directors to issue shares in relation to the Dividend Reinvestment Scheme	Resolution 7	
7. Proposed renewal of the authority to purchase own shares	Resolution 8	

(Please indicate with an "X" how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

Signature/Common Seal _____

Date: _____

NOTES:

1. A member shall be entitled to appoint only one (1) proxy unless he/she has more than 1,000 shares in which case he/she may appoint up to five (5) proxies provided each proxy appointed shall represent at least 1,000 shares. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
2. Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A proxy may but need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if such appointor is a corporation, under its seal or the hand of its attorney.
4. The instrument appointing a proxy duly completed must be deposited at the Registrar's office at Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the meeting.
5. For the purpose of determining a member who shall be entitled to attend the 57th 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 10 April 2014. Only a depositor whose name appears on the Record of Depositors as at 10 April 2014 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

fold here

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

fold here