ASEAN CATALYST

CIMB
CITIZENSHIP REPORT **2016**

PG **42**

ENRICHING COMMUNITIES

RM13 million in community spend across the region.

PG **32**

A DIVERSE CIMB

Award-winning efforts to build the workforce of the future with 39.9% of senior management represented by women.

PG **20**

ACCESS TO FINANCE

Enabling access to financial services through multi-channel solutions, including, CIMB EVA, CIMB Pay, CIMB FastSaver and Beat Banking.

ASEAN CATALYST

THE COVER SHOWS OUR ENTREPRENEURS INCULCATING VALUES IN THEIR YOUNG FAMILY. AS A RESPONSIBLE CORPORATE CITIZEN, WE SHARE IN THIS COMMITMENT TO PROMOTE GOOD VALUES, ENVIRONMENTAL AWARENESS AND HEALTHY LIFESTYLES.

CUSTOMERS EXPERIENCE
DIGITAL BANKING
CULTURE TRANSFORMATION
FINTECH
COMMUNITY

G4-56

VISION

TO BE THE LEADING ASEAN COMPANY

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.

ABOUT US

CIMB Group is a leading bank in the ASEAN region. With a presence in 16 countries and around 39,000 employees, our operations have a significant impact on the communities that we serve.

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.

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G4-1, G4-2, G4-15

CHAIRMAN'S MESSAGE

Dear Stakeholders,

Trust and responsibility are two sides of the same coin. As banking ultimately rests on trust and confidence, behaving responsibly helps CIMB build that trust and confidence with our customers, staff and society at large. For us, corporate citizenship is about maintaining financial stability and contributing to prosperity through a framework of accountability and responsible business practices that begins with an independent and highly effective Board. It relates to how our profits are made, and how our operations are making a meaningful impact, both inside and outside the organisation.

CIMB is focused on being the bank for the people of ASEAN and has been aligning itself with ASEAN since 2007 when our governments launched the ASEAN Charter. We are there for our customers – from households to industries to governments – to help them fulfil their personal dreams, secure their future financial needs, increase trade activities, gain access to capital for growth and build various infrastructure facilities. Because banks are vital social – not just financial – institutions, we are taking steps that we hope will facilitate CIMB's progression towards being a socially and environmentally sustainable bank in ASEAN.

Being a socially and environmentally sustainable bank is all-encompassing, from supporting entrepreneurs with financing solutions to managing our internal energy consumption to creating employee value proposition and corporate culture. The Board welcomes the regulatory and policy calls by Bank Negara Malaysia, Securities Commission and Bursa Malaysia for sustainability implementation in Malaysia, our biggest market. The Board also notes management's efforts in implementing sustainability programmes and consistently enhancing risk culture across all levels.

As an organisation with a large footprint in emerging markets, CIMB is also guided by the United Nations Sustainable Development Goals (SDGs) and will work through our Target 18 (T18) strategy to ensure that we play a role in the realisation of the goals. I am pleased to report that for our commitment in sustainability, we received multiple awards in 2016, including the HR Excellence Awards for Excellence in CSR Strategy; National Annual Corporate Report Awards for Best Inclusiveness and Diversity Reporting; and Euromoney Awards for Innovation in Islamic Finance for Khazanah Nasional's issuance of RM100 million Sustainable and Responsible Investment Sukuk, for which we were a sole lead arranger, a sole lead manager and a joint Shariah advisor.

My gratitude goes to management and staff, who collectively and collaboratively made these awards possible, and who have embraced T18 and A Better CIMB (ABC) culture project that have been rolled out across the region. Both initiatives are central to improving CIMB's position as ASEAN's leading universal bank.

Through CIMB Foundation, our community and philanthropic arm and one of ASEAN's foremost corporate responsibility advocates, we have implemented various community projects, with focus in three main areas, namely community development, sports and education. We reach out to communities to improve their quality of life by promoting good health and unity through sports development, and by providing community-based learning opportunities, especially for underprivileged groups.

I would like to thank the Board of Trustees of CIMB Foundation for their input and support for our efforts in generating lasting value and a positive impact on our stakeholders. I would also like to welcome Tan Sri Dato' Md Nor Yusof as Chairman and Dato' Hamidah Naziadin as CEO of CIMB Foundation. I would like to record my appreciation to former CEO, Nor Azzam Abdul Jalil, for his contributions.

We want you to be a part of our sustainability journey, and welcome your feedback and input on the activities reported in the following pages of this report.

NAZIR RAZAK
Chairman
CIMB Group

G4-1, G4-2

A MESSAGE FROM THE GCEO

As a leading ASEAN financial services provider, our aim is to drive growth in all areas that are within our capability and capacity, and to empower our employees, customers and communities to drive their own success, as we strongly believe that our success is directly linked to the prosperity and social inclusion of the communities and economies where we operate. To that end, CIMB fully embraces its role as a responsible financial institution by facilitating society's access to quality services on loans, mortgages, savings, investments and insurance.

Nevertheless, citizenship is a big concept. It does not just encompass our ability to sustain our business relevance and manage our shareholders and employees, but also our continued ability to fulfil our external stakeholders' needs, whether they are customers or communities. We understand that all our stakeholders – not only shareholders and investors – need to benefit from the value we create. Our achievements are a reflection of how seriously we regard citizenship, which drives and guides us on addressing complex challenges and making our business fit for the future.

Key highlights this year include our commitment to customer experience, to ensure customer-centricity is embraced by each and everyone in the organisation – whether they are in our Consumer, Commercial, Wholesale or Islamic business – to help promote the Group's agenda towards achieving our T18 targets. In embracing corporate citizenship inside out, we are also managing various risks, for example, through the concept of responsible lending in businesses like CIMB Islamic.

On employees, we witnessed substantial progress in our ongoing culture transformation, especially in driving 'A Better CIMB' to instil a deep cooperative mindset among all employees. Additionally, we invested more than RM100 million on CIMB regional training programmes and introduced flexi working hours in 2016. We also endeavoured to provide a complete range of facilities from a wide variety of F&B choices, to convenience stores, crèches for children, fitness centres as well as medical and dental clinics, all under one roof at our main office buildings, to enhance employees' working life in CIMB.

Our attempt to promote gender equality is evident in our senior management representation, with women representing 39.9% across the region.

In terms of community programmes, we extended approximately RM13 million in 2016 to various community-, education- and sports-related causes both through CIMB Foundation and Group-wide initiatives. Key highlights are our paralympic sports programme, the CIMB Pan-Disability Football Academy which reached out to almost 200 beneficiaries, and our CIMB Junior Squash Development Programme, which has benefitted over 4,000 youth in the last nine years.

Youth development is something that is close to my heart, and I'm pleased to share that in 2016 we launched the CIMB ASEAN Scholarship, which fully sponsors 20 ASEAN students annually for their undergraduate studies; as well as CIMB's financial literacy programme, Be$MART, of which at least 80 sessions would be organised annually for undergraduates at various higher-learning institutions. Another notable annual event is our Young ASEAN Leaders, which brings together 50 ASEAN students to comprehensively learn an important skill, which was 'disaster preparedness' in 2016.

Moving forward, our business goals and citizenship objectives will also be aligned to the United Nations Sustainable Development Goals (SDGs). The 17 goals of the SDGs are aimed at solving the world's biggest challenges. And while we feel that we are progressing well when benchmarked against global best practices and the SDGs, we know there is always more that can be done to make sustainability not just a goal, but more importantly, a way of life in charting the growth of CIMB Group. This is to ensure that we create real value for our stakeholders and all the communities that we operate in, while also contributing towards making our planet a much better place for everyone.

Last but not least, a note of thank you to all our Board Members in the respective countries we operate in, Trustees of CIMB Foundation, senior management of CIMB and all in #teamCIMB who have tirelessly contributed to our sustainability agenda. I also bid a very warm welcome to Tan Sri Dato' Md Nor Yusof as Chairman, and Dato' Hamidah Naziadin as CEO of CIMB Foundation, our philanthropic arm that shoulders most of the social aspect of our sustainability vision and mission.

With the continued support from our stakeholders, dedicated leadership within the Group and a highly engaged group of employees, I am confident CIMB will achieve greater heights and more meaningful milestones on our citizenship journey.

TENGKU ZAFRUL TENGKU ABDUL AZIZ
Group Chief Executive Officer
CIMB Group

CIMB CITIZENSHIP

Responsible solutions underline the very purpose of our products and services – and ultimately contributes to sustainable living. What does citizenship mean to us at CIMB?

Our presence empowers people by providing access to financial services to enhance their quality of life. This role is evolving rapidly with changes in the digital economy as well as the wider societal transformation in the region where we operate. By meeting the fundamental needs of people's lives and ambitions, we underpin every aspect of our future growth.

Citizenship is not just a good to have but a business imperative. We say this not as a slogan but simply because our ambition to meet customer needs must be met by both responsible solutions and operations. For this purpose, the notion of citizenship sits at the core of what we do. Citizenship for us is about creating value, building trust and contributing prosperity for all.

In the Sustainability Report 2015, a series of commitments were made across achievements in the workplace, marketplace, environment and community. These ongoing targets are a reflection of our commitment in the area. However, we are always looking for ways to scale and improve. We are finding many new opportunities from a business perspective, especially in reaching out to different segments of the market so that they can enjoy quality financial services. At the same time, citizenship efforts also provide a continuous baseline to measure our commitment to maintain responsible operations.

For this purpose, we need to be a proactive driver of sustainable markets. The opportunities that we are looking for comes from an integrated approach which considers the economic, environmental and social footprint of our policies and practices. For example, a clear approach to sustainable finance which is being driven by CIMB Islamic has transformed how we design products and services.

We understand that all our stakeholders – not only shareholders and investors – need to benefit from the value we create. How we serve customers has changed – for example, restrictions like banking hours and geographical boundaries have long been eliminated. Our digital solutions have penetrated many aspects of our customers lives. We will continue to grow our leadership position and deliver best-in-class customer service in the digital banking space, just as we have always done at our branches. We are also building more opportunities through collaboration with start-ups and social enterprises to ensure that we have a hand on the pulse of stakeholder needs.

THE FUTURE IS ONE WHERE COMMERCIAL VIABILITY AND SOCIAL RELEVANCE IS INTERCONNECTED.

OUR APPROACH TO REPORTING

A deep sense of integrity is not just about reflecting or being aware of how our decisions and activities impact society. It needs to be backed by action plans. By doing so, our customers and stakeholders will know that we have their best interests at heart when we give advice and offer services.

In 2016, we set out to refine our approach to reporting on economic, environmental and social aspects of our business. Our intention is to address some aspects of our operations – such as customer relationship, transparency and ASEAN integration, and to show how they are interconnected with our business goals whilst delivering social and environmental benefits. We have improved our disclosures based on a commitment to transparency and accountability. This report will articulate how we are well-placed to calibrate our approach and how we are on a journey to address them.

Based on a mapping of stakeholder issues, this report is structured upon 2 pillars – CIMB as a responsible solutions provider and as having responsible operations.

RESPONSIBLE SOLUTIONS			
For us, citizenship is about ensuring an even closer alignment between the core commercial goals of our business, and the maximum possible social and economic benefits that are achievable as a consequence of those goals			
• Customer Experience (CX) • Digitising our Business • Ethical Banking	**Customers**	**Environment**	• Direct Environmental Impact • Reducing Our Environmental Footprint via Customers • Partnership with the Community
• Workforce of the Future • Nurturing Culture • A Diverse CIMB • Well-being and Benefits	**Employees**	**Community**	• CIMB in the Community

RESPONSIBLE OPERATIONS		
It is our responsibility to conduct our business in a manner that deserves the trust of society and creates long-term value for all our stakeholders.	**Governance**	• Good Conduct • Compliance • Total Quality Management through the Customer Lens • Internal Audit • Group Reputation Risk Management Policy • Digital Security • Sustainable Sourcing • Good Media Engagement

CIMB CITIZENSHIP

G4-3, G4-17, G4-18, G4-23, G4-28, G4-29, G4-30, G4-31, G4-32

Scope of Reporting

Our Citizenship Report for 2016 refers to the period between 1 January 2016 to 31 December 2016 (unless otherwise specified). This Report covers all activities of CIMB Group Holdings Berhad (including subsidiaries and site offices). All quantitative and qualitative data for indicators are disclosed whenever possible to allow for comparison. This Report describes our approach to sustainability and the actions that we have taken in 2016 to advance responsible and accountable practices.

Our Sustainability Reports, known now as Citizenship Reports, are published annually. This Report has been prepared in accordance with Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statement in Annual Reports and the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines at the level of 'In accordance – Core'.

Why Citizenship? Citizenship articulates our commitments as a responsible corporate citizen towards all our stakeholders.

All our reports follow the GRI's recognised framework. Through our reporting process, we seek to move beyond compliance and enter into an inclusive and meaningful dialogue with our stakeholders, with the aim of informing our strategy for citizenship moving forward.

G4-33

External Assurance

This report has not been audited by any external agency or organisation.

Forward-looking Statements

This report may contain forward-looking statements that represent the expectations, beliefs, plans and objectives of CIMB's management regarding its sustainability performance in 2016 and beyond, and assumptions or judgements based on such performance. Future performance expectations are forward-looking and accordingly involve estimates, assumptions, judgements and uncertainties. A number of factors may cause actual results or outcomes to differ materially from the expectations of our management.

Feedback

We need your feedback to make sure we are covering the issues that matter to you. We value feedback and welcome questions and comments on our reporting. To give feedback, please use the feedback form on our website.

G4-18, G4-25

MANAGING SUSTAINABILITY

CIMB impacts lives. Through our role and reach, as well as the expertise of our teams, we believe that we can contribute to the changes in the region where we operate in a positive way. Our ambition is to deliver accessible and innovative services to improve people's livelihoods. Central to achieving this is our longstanding commitment to manage our operations responsibly and ethically.

We continuously update and assess material issues that are relevant to our innovative growth and sustainable progress. Our ongoing T18 strategy is testimony to our efforts. We will track the implementation of our material issues against specific programmes under the T18. To identify material issues, a clear approach to stakeholder engagement is necessary. If our Citizenship Report is to act as an information gateway on key issues and how we are managing them, it needs to incorporate stakeholder perspectives.

Stakeholders for us consist of different communities who are impacted by CIMB's business – they include employees, customers, shareholders, regulatory bodies, the media and others. These communities are today more connected than ever and do not suffer from lack of information. Instead, we need to provide Stakeholders with meaningful and measurable information as well as sustained engagement. Effective stakeholder engagement measures provide a more accurate picture of our impact as an organisation.

G4-18, G4-24, G4-26

STAKEHOLDER ENGAGEMENT

EMPLOYEES AND THEIR REPRESENTATIVES

Our employees and their skills, expertise and dedication are our greatest assets. We are committed to maintaining a good, honest and collaborative dialogue with employees and their representatives.

Employee surveys, performance assessments and multi-channel feedback, town halls, engagement of employee representatives and various new media communication platforms that provide real-time access.

CUSTOMERS

We strive to be accessible and act from a long-term perspective for customers to benefit from our products and services.

Forums, meetings, and partnerships.

INVESTORS

We have ongoing engagements with investors and analysts.

Investor relations briefings, investor roadshows, and investor engagement sessions.

NON-GOVERNMENTAL ORGANISATIONS (NGOS) AND NON-PROFIT ORGANISATIONS

Through CIMB Foundation, we continuously work to strengthen and enrich communities. We aim to spread our efforts and ensure that our programmes reach deserving communities.

Forums, meetings and partnerships.

REGULATORS

Regulators are the bedrock that develop and shape industry development.

Briefings, meetings and industry groups.

MEDIA, INTEREST GROUPS AND LOCAL COMMUNITIES

Media channels are crucial connections to the community, especially in terms of handling public misunderstanding on safety features of our products.

Briefings and meetings.

SUPPLIERS AND MARKET PARTICIPANTS

Suppliers facilitate our ability to serve our customers in the best way possible and optimise our cost. We strive to ensure that our suppliers thrive and benefit through our partnerships.

Supplier portal, supplier assessment, and meetings.

CIMB CITIZENSHIP

G4-18, G4-19, G4-20, G4-27

OUR MATERIAL ISSUES

This year, we have based our materiality approach from two distinct points of view: CIMB as a solutions provider, which is how we serve our customers and CIMB as a company, which includes our operations and supply chain. To ensure a more robust focus, we anchored key issues based on the T18 strategy. This approach provides the framework to evaluate current and changing expectations of stakeholders on CIMB as well as CIMB's commitment to citizenship.

By analysing our impacts as a financial services solution provider, we are able to navigate the multi-dimensional issues and holistically manage the economic, environmental and social contexts in which we operate. Our materiality approach is based on the GRI G4 Guidelines, which define material issues as those that "reflect an organisation's significant economic, environmental and social impacts, or substantively influence the assessments and decisions of stakeholders."

The topics are ranked by scale of impact to our business and feedback received from employees as part of the reporting process. The prioritisation is based on how we believe external stakeholders perceived the issues and how our colleagues ranked them based on importance and business impacts. The engagement process enabled CIMB to prioritise issues that are currently most material to the business and stakeholders.

The prioritisation does not represent a definitive list of issues CIMB faces. It is a representation of what our key stakeholders have highlighted as having considerable financial, operational and/or reputational impacts on our company. These issues are fundamental to the way in which we serve our customers, local communities and society as a whole. However, we have also discussed some issues that were considered 'non-material' in the prioritised list, based on activities undertaken in the year. Such issues will include water management and list of philanthropic contribution in 2016.

CIMB AND THE SUSTAINABLE DEVELOPMENT GOALS

As a financial institution with a footprint in ASEAN, we are always looking for ways to enhance our approach to sustainability. We are now additionally guided by the Sustainable Development Goals (SDGs). The SDGs are a set of seventeen goals that address a range of sustainable development goals. They seek to integrate and balance the three dimensions of sustainable development – economic, environmental and social – into a visionary framework for global cooperation and action.

Our approach has been to evaluate how the SDGs can be linked to our most material economic, environmental and social issues. In the coming year, we will review our strategy and programmes in the light of the SDG and be able to report more comprehensively on our targets and goals in this area.

G4-21

CIMB's Material Issues and Aspect Boundaries

LEVEL OF IMPORTANCE

Material Issues	External Stakeholders	Internal Stakeholders
Customer Experience (CX)	Customers Media, interest groups, and local communities	Employees and their representatives
Governance	Customers Media, interest groups, and local communities Regulators Suppliers and market participants Investors	Employees and their representatives
Digitising our Business	Customers	Employees and their representatives
Nurturing Culture	Customers	Employees and their representatives
Well-being and Benefits	Regulators	Employees and their representatives
Ethical Banking	Customers NGOs and non-profit organisations Media, interest groups, and local communities	Employees and their representatives
Workforce of the Future	Media, interest groups, and local communities Regulators NGOs and non-profit organisations	Employees and their representatives
A Diverse CIMB	Customers Media, interest groups, and local communities	Employees and their representatives
CIMB in the Community	Media, interest groups, and local communities NGOs and non-profit organisations Investors	Employees and their representatives
Direct Environmental Impact	Regulators	Employees and their representatives

HIGHEST

MEDIUM

Economic Environmental Social

CIMB CITIZENSHIP

MATERIAL ISSUE	HOW IT IS LINKED TO T18	WHERE IS IT REPORTED
Customer Experience (CX)	1 CLIENT PROFITABILITY & WALLET SHARE; 2 TRANSACTION BANKING; 4 PRIVATE BANKING; 5 COMMERCIAL BANKING; 6 DIGITAL BANKING; 7 BRANCH PRODUCTIVITY; 8 THAILAND RETAIL 2.0; 9 CULTURE TRANSFORMATION; 13 FINTECH; 15 ISLAMIC 2.0; 18 CUSTOMER EXPERIENCE	Responsible Solutions – **Customers, page 16**
Governance	1 CLIENT PROFITABILITY & WALLET SHARE; 5 COMMERCIAL BANKING; 7 BRANCH PRODUCTIVITY; 8 THAILAND RETAIL 2.0; 12 MIS & DATA MANAGEMENT; 15 ISLAMIC 2.0; 18 CUSTOMER EXPERIENCE	Responsible Operations – **Governance, page 64**
Digitising Our Business	2 TRANSACTION BANKING; 5 COMMERCIAL BANKING; 6 DIGITAL BANKING; 7 BRANCH PRODUCTIVITY; 8 THAILAND RETAIL 2.0; 12 MIS & DATA MANAGEMENT; 13 FINTECH; 15 ISLAMIC 2.0; 16 FOOTPRINT EXPANSION; 17 COST & PRODUCTIVITY; 18 CUSTOMER EXPERIENCE	Responsible Solutions – **Customers, page 19**
Nurturing Culture	9 CULTURE TRANSFORMATION; 10 STRATEGIC WORKFORCE PLANNING; 11 PERFORMANCE MANAGEMENT; 13 FINTECH; 14 CAPITAL & RWA OPTIMISATION; 18 CUSTOMER EXPERIENCE	Responsible Solutions – **Employees, page 32**
Well-being and Benefits	2 TRANSACTION BANKING; 5 COMMERCIAL BANKING; 9 CULTURE TRANSFORMATION; 10 STRATEGIC WORKFORCE PLANNING; 11 PERFORMANCE MANAGEMENT; 15 ISLAMIC 2.0; 17 COST & PRODUCTIVITY; 18 CUSTOMER EXPERIENCE	Responsible Solutions – **Employees, page 33**
Ethical Banking	1 CLIENT PROFITABILITY & WALLET SHARE; 2 TRANSACTION BANKING; 3 EQUITIES: BUSINESS STREAMLINING; 4 PRIVATE BANKING; 5 COMMERCIAL BANKING; 6 DIGITAL BANKING; 7 BRANCH PRODUCTIVITY; 8 THAILAND RETAIL 2.0; 9 CULTURE TRANSFORMATION; 15 ISLAMIC 2.0; 18 CUSTOMER EXPERIENCE	Responsible Solutions – **Customers, page 22**
Workforce of the Future	2 TRANSACTION BANKING; 4 PRIVATE BANKING; 5 COMMERCIAL BANKING; 9 CULTURE TRANSFORMATION; 10 STRATEGIC WORKFORCE PLANNING; 11 PERFORMANCE MANAGEMENT; 13 FINTECH; 15 ISLAMIC 2.0; 18 CUSTOMER EXPERIENCE	Responsible Solutions – **Employees, page 28**
A Diverse CIMB	9 CULTURE TRANSFORMATION; 10 STRATEGIC WORKFORCE PLANNING; 11 PERFORMANCE MANAGEMENT	Responsible Solutions – **Employees, page 32**
CIMB in the Community	2 TRANSACTION BANKING; 5 COMMERCIAL BANKING; 13 FINTECH; 16 FOOTPRINT EXPANSION	Responsible Solutions – **Community, page 42**
Direct Environmental Impact	6 DIGITAL BANKING; 7 BRANCH PRODUCTIVITY; 13 FINTECH; 17 COST & PRODUCTIVITY; 18 CUSTOMER EXPERIENCE	Responsible Solutions – **Environment, page 38**

2016 AT A GLANCE

RM309.1 million

Invested in digital infrastructure

Over

RM100 million

Towards training and development of the workforce of the future

Awarded

20

CIMB ASEAN Scholarships and

5

Chevening-CIMB ASEAN Scholarships

RM13 million

Allocated for regional community programmes

68%

Credit cards statements issued electronically

Awards and Recognition

CIMB Group Holdings Berhad

National Annual Corporate Report Awards (NACRA) 2016

- Overall Excellence Awards – Most Outstanding Annual Report of the Year (Silver)
- Corporate Social Responsibility Reporting Awards – Inclusiveness & Diversity Reporting Awards (Gold)

PT Bank CIMB Niaga Tbk

Sustainable Business Awards Indonesia 2016

- Best Newcomers

Global CSR Summit and Awards 2016

- Excellence in Provision of Literacy & Education Award (Bronze)

Nusantara CSR Awards 2016

- The Best Health Improvement Programme

Indonesia Green Awards 2016

- Development of Biodiversity

Green Office Competition Awards 2016

- 1st Winner Category Gold

PLANNING GIVES YOU A HEAD START IN LIFE

G4-DMA: Indirect Economic Impacts, G4-DMA: Product and Service Labeling

CUSTOMERS

CUSTOMER EXPERIENCE IS THE KEY DIFFERENTIATOR BETWEEN BRANDS ESPECIALLY SINCE WE ARE OPERATING IN THE AGE OF CUSTOMERS. WE NEED TO DRIVE FOR SUSTAINABLE IMPROVEMENT AND FOCUS ON GETTING THE FUNDAMENTALS OF CUSTOMER SERVICE RIGHT, ESPECIALLY SINCE WE WANT TO CONTINUE TO STAY RELEVANT AND BE A BANK OF CHOICE.

G4-PR5

CUSTOMER EXPERIENCE (CX)

Customer Experience has been identified as the key success factor to the winning, growing and retaining of customers in an ultra-competitive and digitally enabled banking arena. It is paramount in driving not just customer trust, but also the amount of business that customers place with us.

Customer needs and banking behaviours are fast evolving and there is a significant shift in the preferences they are making in the way they operate their bank accounts; be it the need of being in control of their finances or the appetite to try new digital channels. This has placed on us the responsibility to stay abreast with their evolving needs and continuously enhance our propositions, products and solutions.

We at CIMB want to make CX a key differentiator for us and have set up the Group Customer Experience Management (GCXM) team in August 2016 with the aim to improve customer experience through a holistic approach across all our regional sites and to accelerate a transformation that gives us a competitive edge. A Group Customer Experience Council (GCXC) is also in place to provide leadership on the formulation and implementation of strategic Group wide CX initiatives.

We are putting in a concerted effort to operationalise customer centricity throughout the organisation, targeting the very DNA of how we operate. The GCXM team is structured with the ability to translate data into insights and further act on it through the Business Process Reengineering function. Besides incorporating elements of customer feedback, we have enabled employees to redesign, build processes as well as create solutions based on the experiences we want to deliver to our customers, both internal and external.

"Be customer-focused in all that we do".

TENGKU ZAFRUL AZIZ
Group Chief Executive Officer

Customer Journey Mapping

We have been actively using the Customer Journey Mapping (CJM) tool, which is a structured process to examine a customers' step-by-step journey in subscribing or using the products and services we provide.

This has enabled us to identify customer pain points as well as opportunities to innovate and create customer delight.

In 2016, we undertook 10 CJMs across the Group, which has led to 14 Business Process Reengineering projects. Some of the early outcomes of these projects are:

- Improved turnaround time for opening payroll accounts, i.e. 11 days to 3 days (Malaysia).
- Improved turnaround time for disbursing approved commercial loans, i.e. 78 days to 30 days for property loans and 45 days to 15 days for non-property loans (Malaysia).
- Faster straight-through opening of BizChannel accounts, i.e. 10 days to 7 days. (Malaysia)
- Improved end-to-end experience for new mortgage loan applications, resulting in significant increase in volume of business (Indonesia).
- Reduced turnaround time for opening business accounts; i.e. 51 minutes to 30 minutes and simplifying the documentation (Thailand).

OUR COMMITMENT

Our endeavour is for CIMB to be **E**asy to bank with, be **E**fficient in our dealings and for us to go the **E**xtra mile for our customers. We believe that we if we consistently deliver these **3Es**, our customers will reward us with their loyalty, grow their business with us and be our advocates.

Our efforts are to be consistently customer focused as we want our customers to have delightful experiences with us and become our brand advocates. We will continue to leverage on Voice of Customer and CX tools that help us identify gaps, simulate journeys and build experiences that create for us a clear competitive advantage.

We also want to set a CIMB standard for CX and ensure that all in #teamCIMB understand their role in delivering these standards. As such, we want to ensure that customer centricity is embraced by everyone and not just the front liners.

KEY ACTIVITIES IN 2016

- Built a clear standard for ensuring seamless CX in the design and execution of new products, policies and procedures.
- Established a roadmap to deliver CIMB branded customer experience, which will be available to all employees across the Group, through learning modules and supporting tools in 2017.
- Identified 14 quick win projects based on known customer pain points and made significant progress in addressing the gaps.
- We built a performance dashboard with an outside-in lens, which helps us measure customer experience components using vital key indicators (e.g. time-to-market of our core products, channels availability etc.)
- Established a platform to capture "Voice of the Network" which is a channel for front liners to flag issues that limit them from delivering great customer experience.
- Set up a programme that encourages #teamCIMB to have entrepreneurial thinking and drive for continuous improvement in the area of CX.

OUTLOOK FOR 2017

- To operationalise the Customer Experience Maturity Roadmap, which illustrates the building blocks of a sustainable strategy to deliver CX as key differentiator for CIMB.
- To deploy the Regional Operating Model for CX to enable consistent delivery of excellent CX across different markets and to progressively cater to our clients who are becoming increasingly global.
- To continue to identify opportunities to reengineer our business and build-in the elements of increased customer delight, higher productivity and increased efficiency.
- To deploy Group-wide CX learning programmes, to support a sustainable culture of continuous improvement and consistent CX delivery.

CUSTOMERS

Customer Satisfaction at CIMB Thai

CIMB Thai call centres update information and review feedback on a weekly basis. Therefore, related information will always be up to date for us to be ready in providing better services to customers.

This years, we achieve the Customer Satisfaction Index of our Care Centres with a score of 4.68 over 5.

RESOLVING CUSTOMER COMPLAINTS IS A TOP PRIORITY

CIMB's Customer Resolutions Unit (CRU) was established as a second level escalation point of contact to help frontline employees resolve customer issues. CRU's contact details are available on CIMB's official website and printed on most forms. Complaints received by CRU are recorded, processed and treated with utmost importance. The data is collated and reviewed to help improve products, services, policies and procedures of the company. Our call centres operate from two different locations in the Klang Valley, which collectively handle over 5.5 million calls per year and have been awarded different accolades from the Contact Centre Association Malaysia (CCAM) in the past few years.

Online Banking

SMS Alerts

Branches & ATMs

Call Centres

E-mails and Social Media (Facebook and Twitter)

CIMB Customer Touchpoints

Total calls received by customer service (million)

Malaysia 2015	Malaysia 2016	Indonesia 2015	Indonesia 2016
5.0	5.5	6.1	6.8

Singapore 2015	Singapore 2016	Thailand 2015	Thailand 2016
0.6	0.5	N/A	0.3

Transactions to be attended within established average waiting time at branches (%)

Malaysia 2015	Malaysia 2016	Indonesia 2015	Indonesia 2016
83	86	85	84

Singapore 2015	Singapore 2016	Thailand 2015	Thailand 2016
91	89	N/A	87

Complaints resolved within targeted time (%)

Malaysia 2015	Malaysia 2016	Indonesia 2015	Indonesia 2016
89.0	81.1	85.7	90.2

Singapore 2015	Singapore 2016	Thailand 2015	Thailand 2016
100.0	100.0	N/A	99.0

Note:

* Malaysia data shows an increased trend in complaints received in 2016 vs 2015 due to the industry credit & debit card recarding project, revision in Base Lending Rate/ Base Rate as well as account-related complaints due to ad hoc system issues.

G4-15

Affordable Housing

As a financial services provider, we are committed to providing access to home financing, especially for first-time home buyers. We are one of the banks selected to provide end-financing for the 1Malaysia People's Housing (PR1MA) scheme. The scheme caters to those with monthly household income of RM2,500-RM15,000 to own affordable homes.

G4-EC8

Private Retirement Scheme (PRS)

The PRS is a voluntary long-term investment scheme designed to help individuals accumulate savings for retirement. It complements the mandatory contributions made to EPF. CIMB-Principal Asset Management (CIMB-Principal) is one of Malaysia's largest provider of PRS, offering 10 funds through our Conventional and Shariah PRS schemes. We have approximately 23% PRS market share each for Assets Under Management (AUM) and members. This year, we contributed 30% of new PRS member enrolment across the PRS industry. CIMB-Principal offers PRS investments to both retail and corporate investors. We have 140 companies in our Corporate PRS, 120 of them contributing via monthly payroll. In 2016, our PRS segment's AUM increased by 27% to RM343 million.

PRS

2015	2016
RM279.9	**RM343.0**
Total Assets Under Management (million)	
37,100	**50,424**
Total Members	

In Malaysia and Thailand, product sheets are multi-lingual. In all countries where we operate, we use dominant local languages to ensure clarity and transparency of information.

DIGITISING OUR BUSINESS

Our digitisation efforts have gone a long way in simplifying our products and services, whilst ensuring transparency. Analytics and data have enhanced our accessibility and made us reach out to customers in a more interactive and meaningful way. As a result, we have introduced many new applications to meet the lifestyle needs of customers who prefer to bank on the go.

Although our operations are becoming highly digitised, our physical branches and ATMs still form an important nucleus to the communities where we operate. Our branches continue to be a central driver of our business and are a tangible link to our local communities. The role of branches has also evolved to facilitate the digital aspect of our business. We have rationalised our branches, and closed those with a smaller footprint. At the same time, we have opened in new and emerging areas for the benefit and convenience of customers. The physical presence is particularly important in ASEAN where we need to assist customers to transition to our many products and services. Employees at branches help customers who are not yet digitally savvy to register on CIMB Clicks and guide them towards going digital.

Digital platforms have become the preferred way for our customers to perform transactions and our continued efforts to employ analytics have enabled customers to benefit. For example, with the CIMB Bank Kwik Account, customers can open an account online, anytime and anywhere without going into a branch. Once funds are loaded into the account, customers can send and receive money by inserting an e-mail address or mobile number instead of an account number. This account also enables online banking, in-store purchases, bill payments, mobile reloads, and many other features.

The digitisation of key channels and customer touchpoints, mainly for products like credit cards, personal loans, CASA, insurance and Cashlite, has enabled more instant decision-making capabilities for our customers. In 2016, we launched the '1View on the Go' service that extends instant account opening, allowing our sales team 'to carry the bank' on mobile tablet devices to customers.

CIMB Clicks

2015	2016
49.8%	**70.5%**
Percentage of digitally active customers (CIMB Clicks through browsers)	
52.8%	**58.4%**
Percentage of mobile active customers (CIMB Clicks through mobile app)	

Note:
* Data covers Malaysia only

CIMB Cares

CIMB Cares connects our customers and the community at large with various non-profits and their causes. The objective is to link beneficiaries to those who want to support them by providing a convenient and secure online payment portal. Payments can be made as a one-time donation. Through CIMB Cares, anyone can donate to various charities online.

CUSTOMERS

Intuitiveness and authenticity as key enablers of our digital strategy

- ACCESS

For customers, 1Platform eschews the need to trawl multiple channels for an overview of their investments and borrowings. 1Platform replaces five core banking applications with an integrated, streamlined solution. Functioning as a unified system that allows faster time to market, it enables flexible products across markets. Having been rolled out in Singapore, Thailand, Malaysia, and Indonesia, 1Platform has enhanced CIMB's cross-selling abilities and has substantially reduced costs for CIMB.

In Thailand, Beat Banking is changing financial experiences and transforming mobile phones into 'digital banks' for daily use. A collaboration between Advanced Info Service (AIS) Public Company Limited and CIMB Thai Bank, Beat Banking offers solutions that update the way customers access, make payments and transfer money 24 hours a day. Beat Savings accounts can now be opened at 64 AIS shops nationwide. In 2016, we have achieved a total of 43,281 Beat Savings accounts.

Beat Banking	
2015	2016
31,775	**43,281**
Total no. of Beat Savings accounts	
2015	2016
22	**64**
No. of AIS outlets equipped with basic CIMB banking service	

CIMB FastSaver

The CIMB FastSaver Account in Singapore is a fully online Savings Account that pays 1% from the 1st dollar up to S$50,000. FastSaver was created for ease and simplicity. It allows customers to apply completely online without needing to be physically present at a branch to open an account. The account number is issued to the customer instantly upon successful submission of the online form. There is also no requirement to fulfil a myriad of conditions such as spending on credit cards, bill payments, GIRO payments or maintaining a salary crediting account that are often needed when attractive interest rates are offered. FastSaver accounted for 35% of all current and savings accounts that were opened in 2016.

- ENHANCED EXPERIENCE

CIMB EVA (Enhanced Virtual Assistant) is part of our strategy to reach out to our customers in a fast and efficient manner. A first-in-market, chat-based mobile banking app, CIMB EVA is a two-way messaging app between customers and CIMB. It is used for checking account balances, paying bills, making mobile reloads, and receiving latest offers. Future enhancements are being planned to improve the experience.

- GOING CASHLESS

As part of our cashless strategy, customers can literally leave their wallets at home and still be able to make purchases. One example is our corporate cards solution which is a digital platform that provides corporate clients a comprehensive view of their business expenditures. The solution is a powerful reporting and control tool that helps businesses make informed decisions and discover new ways to enhance efficiency and savings.

CIMB Pay is the first mobile app to combine secure cashless payments with deals and offers by parking their CIMB Mastercard, Visa credit cards, as well as debit cards in their mobile phones. Payments can be made by tapping mobile phones on any contactless terminal with Near Field Communication (NFC) technology. The app has an in-built notification system that alerts customers of nearby contactless terminals as well as flash deals. All card details are tokenised and no information is stored on the devices to enhance security.

Rekening Ponsel

Rekening Ponsel in Indonesia enables cash transfer to anyone in Indonesia by just using their mobile number as the account number. Besides transfer, Rekening Ponsel enables purchase at merchants or withdrawal and cash in at all CIMB Niaga channels and approximately 40,000 Indomaret and Alfamart chains (minimarket). It is so simple because there is no need to open a bank account and no administrative costs is involved.

Through Touch 'n Go, CIMB has been able to penetrate the Malaysian micropayment services market. Touch 'n Go is seen as 'The #1 Micropayment Wallet in Malaysia' with both online and offline features. Mobile payment applications will continue to be part of the move towards a cashless society. Offline support is offered through strategically located customer hubs. Touch 'n Go continued its strong growth with just under 10,000 reload points across Malaysia. This year was also spent working with toll operators to automate all lanes at toll gates to Touch 'n Go as well as the launch of the Time Traveller Watch which features a built-in contactless payment mechanism.

Financial Technology (FinTech)

We have an ongoing partnership with Startupbootcamp FinTech (SBC). Start-ups have much to gain as we provide a gateway to resources and access, especially in growing markets such as Thailand and Indonesia.

STARTUPBOOTCAMP FINTECH (SBC)

An ongoing three year partnership started in 2015 with Startupbootcamp FinTech (SBC) to provide mentorship to FinTech start-ups under the SBC Accelerator Programme. Through the partnership, we play a role in nurturing innovative start-ups in ASEAN and bring banking services to a new frontier. With our huge footprint in ASEAN, CIMB acts as a gateway for these start-ups to gain access to the ASEAN region. Together with CIMB and other partners, SBC will host events across the region and mentor a number of selected FinTech start-ups to explore possible collaboration between their solutions and our banking offerings, as well as investment opportunities.

From the thousands of applications that SBC received for the accelerator programme, CIMB along with other partners evaluated the shortlisted FinTech start-ups to identify top 10 FinTech start-ups for the three month accelerator program. CIMB also mentored start-ups to provide a realistic understanding of business operations as well as compliance & regulatory requirements to facilitate enhancement of their offerings. FastTrack pitstops were also conducted in Bangkok and Jakarta, in collaboration with CIMB. Potential acceleration candidates were able to access an international network of mentors led by CIMB senior managers and to receive valuable feedback in one-on-one mentor sessions. The graduating FinTech start-ups presented their enhanced offerings at SBC Demo Day at Garden by the Bay, Singapore, where over 400 entrepreneurs, investors and corporate partners attended the event.

At the Startupbootcamp FinTech Singapore, from a wide array of FinTech verticals including insurtech, wealth management and personal finance management, the 2016 cohort of start-ups have secured a number of pilots and collaborations with key partners. CIMB is also engaging regulators on the emergence of FinTech and be part of the wider ecosystem. CIMB was the moderator at the International Conference on Financial Crime and Terrorism Financing and engaging key stakeholders like regulators and regional partners such as Thai FinTech Club.

Touch 'n Go

2014	2015	2016	2014	2015	2016
13.1	**14.4**	**17.7**	**10**	**12**	**16**
No. of active cards in circulation (million)			Average daily transaction value (million)		
2014	2015	2016	2014	2015	2016
7,933	**8,675**	**9,311**	**7,835**	**9,653**	**10,851**
No. of payment points			No. of reload points		

CUSTOMERS

G4-DMA: Economic Performance,
G4-DMA: Indirect Economic Impacts

ETHICAL BANKING

Financial institutions can be seen as enablers in society: by fuelling enterprises, supporting employment and economic growth. They can also have an impact on the direction businesses take by making responsible lending and investment decisions.

G4-EC2, G4-EC8

Green Financing

The Green Technology Financing Scheme (GTFS) was established by the Malaysian Government to promote investments in green technology, a sector that is envisaged to be one of the emerging drivers of economic growth for Malaysia. This is a Malaysian Government initiative aimed at achieving a sustainable environment. The Participating Financial Institutions (PFIs)' role is to provide financing to companies that supply (producers) and utilise (users of) green technology. Investment in green technology refers to products, equipment, or systems which satisfy any of the following criteria:

- Minimises the degradation of the environment.
- Has zero or low greenhouse gas (GHG) emissions.
- Is safe for use, and promotes a healthy and improved environment for all forms of life.
- Conserves the use of energy and natural resources.
- Promotes the use of renewable resources.

To be qualified for the scheme, companies must go through a technical audit by the Malaysian Green Technology Corporation (GreenTech Malaysia) to confirm eligibility of the products, equipment or systems. CIMB continues to serve the green financing needs of the market. There was a 30% increase in loans disbursed in 2016.

Highlight

Construction of renewable energy facilities

In 2016, we financed a company that has two 1-megawatt (MW) biogas-to-power generation facilities based in Pahang through the GTFS. Each facility will sell electricity to Tenaga Nasional Berhad (TNB) under the Sustainable Energy Development Authority's (SEDA) Feed-in Tariff (FIT) programme. At present, palm oil mills commonly use the open lagoon system to treat Palm Oil Mill Effluent (POME) waste water which emits methane, a greenhouse gas. The method also generates a large amount of sludge. Solid palm oil waste on the other hand, is disposed of in landfills or incinerated. These methods of palm oil solid waste disposal consume space and are harmful to the environment. The natural decomposition of empty fruit bunches (EFB) emits methane while the burning of fresh fruit bunches (FFB) releases fuel gas, both of which pollute the air.

Over the coming years, it is expected that palm oil producers will come under increasing pressure to reduce waste from their production processes. In view of the above environmental issues, the Government introduced a renewable energy FIT programme as an incentive to encourage the conversion of waste-into-power, of which the company is one of the feed-in approval holders. The projects represent a significant step towards the company's goal of developing and owning a portfolio of emissions-to-energy projects across Southeast Asia. CIMB is committed to continue its support of green financing.

G4-14

Reputation Risk

The CIMB Group Reputation Risk Management Policy was adopted in 2015, and replaced our previous Reputational Risk Management Framework. The policy provides clear accountabilities for reputation risk management and a consistent approach into the current risk management process. Oversight of ongoing management of reputational risks lies with the Reputation Risk Committee, which is a sub-committee of the Group Operational Risk Committee.

By adapting more robust policies and procedures, we approach risk in a more holistic way, and move deeper into integrating financial and non-financial risk assessments. Our focus encompasses wide-ranging issues including managing mis-selling and negative press releases, ATM network slow down, customer experience, and social media. We have tried to simplify any complexity in processes as well as continue to measure how these issues impact us.

Our Islamic Finance Strategy

Sustainable finance, particularly when driven by the tenets of Islam, provides an opportunity to reinforce banking and financial services as centres of trust and to ensure that corporate decision-making is driven by a sustainable compass. We are guided by the Group Islamic Financing Policy, and Group Shariah Compliance Policy and General Procedures Manual, which define and explain 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 all regulatory requirements.

Highlight

FIRST SUSTAINABLE AND RESPONSIBLE SUKUK IN MALAYSIA

We were honoured at the Euromoney Awards for Innovation in Islamic Finance for Khazanah Nasional's issuance of RM100 million Sustainable and Responsible Investment Sukuk, for which we were the sole lead arranger, sole lead manager and a joint Shariah advisor.

CIMB successfully led and managed Khazanah Nasional Berhad's Sustainable and Responsible Investment Sukuk ("Sukuk"), issued via Ihsan, an independent special purpose vehicle. The Sukuk was issued pursuant to Ihsan's RM1.0 billion Sukuk Programme, the first programme approved under the Malaysian Securities Commission's 'Sustainable and Responsible Investment Sukuk' framework.

The Sukuk Programme was structured to allow investors to participate in socially responsible financing while also receiving profits from their investment. The proceeds will be used to transform schools under the Yayasan AMIR's ("YA") Trust Schools Programme. YA is a not-for-profit foundation initiated by Khazanah to improve accessibility to quality education in Malaysia's government schools through a public-private partnership with the Ministry of Education.

The social impact of this "Pay-for-Success" structure is measured using a set of predetermined Key Performance Indicators ("KPIs") which are assessed over a five-year observation time frame. If these KPIs are met, the Sukuk holders will forgo 6.22% of the nominal value due under the Sukuk at maturity, as part of their social obligation in recognising the positive social impact generated by the Trust Schools Programme in Malaysia. If these KPIs are not met, the Sukuk holders will be entitled to the nominal value due under the Sukuk in full, at maturity.

- PRODUCT SELLING GOVERNANCE

Before we sell a product, a series of processes are in place, particularly to ensure that the product has been screened for exposure to non-Shariah compliant sectors. It has always been our focus at CIMB Islamic to ensure that all financial activities that we engage in do not contain any speculative elements. We also ensure that our engagement excludes elements of gambling, gaming, alcohol, tobacco and firearms. Once due diligence on governance and financial strength is completed, the social impact of financing will be examined. For example, we need to ensure that the financing proceeds shall only be utilised for Shariah-compliant purposes. Upon conducting the annual review, if financing proceeds were found to have been utilised for any Shariah non-compliant purposes, we have the absolute right to cancel the facility. Moving forward, we will take environmental and social considerations in a more structured manner.

Takaful Suria is an example of how we create social value. It is Malaysia's first universal takaful hajj product that was developed exclusively by our bancatakaful partner, Sun Life Malaysia Takaful Berhad. Takaful Suria provides protection, savings and financial flexibility to assist Muslims in fulfilling their religious aspirations and obligations.

Takaful Suria	
2015	2016
679	**24,904**
Total Policies Issued	

- COMMUNITY OUTREACH

Through our zakat contributions, we try to reach all underprivileged groups instead of targeting certain groups. Philanthropic activity is not the final solution. We have to teach them how to fish. As far as possible, we incorporate the element of entrepreneurship and provide beneficiaries with skills through our zakat contributions moving forward. Employees at CIMB Islamic are given the opportunity to contribute towards community development and other community initiatives, which could directly contribute to the employee's performance assessment. We want to make sure community beneficiaries can earn more with our funds and obtain a sustainable income rather than have to rely on donations.

CUSTOMERS

- WAQF

  To promote Waqf (Islamic endowment) in Malaysia, CIMB Islamic has contributed RM300,000 to Program Pembudayaan dan Sosialisasi Wakaf, a corporate waqf initiative of Yayasan Waqaf. CIMB Islamic will work with Yayasan Waqaf in the future to create capacity for sustainable income for the less fortunate segments of society.

Supporting Small Businesses

Small businesses form the backbone of most ASEAN economies and we are committed to nurturing their growth journey. Apart from contributing to the development of the small and medium enterprises (SME) sector, CIMB has enabled more merchants to embrace digital banking not only from a retail sales perspective, but also by gaining advice for their operations through digital solutions such as BizChannel, Plug n Pay and C@W.

Our support for SMEs in Malaysia consists of amongst others, GST Assistance Loans, loans under the GTFS, Franchise Financing Scheme (FFS) and Bank Negara Malaysia (BNM) funded loans under the Fund for Small and Medium Industries 2 (FSMI 2) and Special Relief Facility (SRF) schemes.

In 2016, CIMB and Credit Guarantee Corporation (CGC) Malaysia Berhad signed a Memorandum of Understanding (MoU) to offer up to RM1 billion of Enterprise Clean Loans (ECL) as part of the Bank's joint initiative to nurture and develop Malaysian SMEs.

SME Banking's ECL approval rate to Malaysian SMEs increased by 254% compared to 2015.

In Singapore, we collaborated with Wirecard to introduce the Mobile Point of Sale (mPOS) solution to enable SMEs to easily make transactions without incurring heavy infrastructure costs.

Small and Medium Enterprises (SMEs)

2015	2016
35,860	**52,738**

No. of SMEs reached (borrowing and non-borrowing customers on-boarded)

Note:
* Data covers Malaysia only

SME Banking in Indonesia is supported by our SME processing centres, available in large cities in the country. Each SME Processing Centre is equipped with a complete support unit to enable faster end-to-end loan approval. Managers are trained to educate customers regarding the details of financing application processes. We view our role as facilitating and supporting SME customers who struggle with competitive and rapid business environment changes.

In Laos, our business is centred on micro, small and medium enterprises (MSMEs) whose demand for finance is huge. MSMEs are an important part of the economy of Laos and employ a large part of the population. Yet, access to finance is seen as a key obstacle to their business growth and expansion since lending is primarily based against collateral. In 2016, CIMB Thai Bank (Vientiane Branch) has been playing a key role in helping to boost financing for Laos' MSMEs, especially in the agricultural sector.

Digital Solutions for Small Businesses

CIMB and Lazada Malaysia have signed a partnership agreement to offer CIMB Bank's ECL to Lazada merchants to support the expansion of Malaysian SMEs. In line with CIMB Group's T18 strategy, this collaboration is another initiative that strives to meet the evolving and growing digital needs of our customers, particularly in the e-commerce space.

In line with BNM's Driving Towards Electronic Payments initiative, the Group organised four e-payment roadshows at major cities to educate and promote the benefits of electronic payment to SMEs. CIMB also created awareness on e-payment and financing available for SMEs via its "SME Day" roadshows held at our bank branches.

Digital solutions for SMEs

2015	2016
28,108	**62,787**

No. of digitally active SMEs

2015	2016
12.2	**16.3**

No. of digital transactions by SMEs (million)

2015	2016
RM61.8	**RM77.9**

Total amount of digital transactions by SMEs (billion)

Note:
* Data covers Malaysia only

- PLUG N PAY

Plug n Pay by CIMB is Malaysia's first-ever chip-based mobile point of sale (mPOS) solution that offers businesses of any size and segment an affordable yet secure way to manage electronic payment using their smartphones and tablets. mPOS has been a useful solution for businesses and companies of all sizes that need payment services on the go. mPOS has made available cashless transactions with end-to-end encryption for companies of any size and type such as logistics, food and beverages, insurance, property developers, and more.

Through mPOS, small businesses have been able to expand without compromising on security. There is also reduced dependence on cash transactions as well as infrastructure limitations that usually prohibits most businesses from going online.

CUSTOMER TOUCHPOINTS

Year	2015	2016
Branches		
• Malaysia	298	**276**
• Indonesia	553	**521**
• Singapore	2	**2**
• Thailand	123	**92**
• Others	16	**18**
Self-service terminals (ATMs, CDMs and others)		
• Malaysia	4,067	**3,761**
• Indonesia	4,283	**4,823**
• Singapore	6	**6**
• Thailand	338	**170**
• Others	49	**50**
Mobile sales force		
• Malaysia	28	**28**
• Singapore	35	**28**
• Thailand	439	**527**
Retail telemarketing centres		
• Malaysia	1	**1**
• Indonesia	4	**2**
• Thailand	1	**1**

G4-DMA: Employment, G4-DMA: Training and Education

EMPLOYEES

CIMB VALUES INNOVATION AND HIGH PERFORMANCE IN ALL THAT WE DO – AS DEMONSTRATED BY INVESTING IN OUR PEOPLE. THE KEY TO THE SUCCESS OF OUR BUSINESS IS VALUING OUR TEAM MEMBERS AND THEIR TALENT. OUR PEOPLE STRATEGY IS CLEAR, WE NEED TO PREPARE OUR WORKFORCE TO BE READY FOR THE FUTURE OF BANKING.

OUR COMMITMENT

As an employer of choice, we are constantly developing new tools and processes to further enhance the capabilities of our employees and make them future-ready. At the same time, inclusivity remains the core of our workplace practices as we meet our employees' different needs whilst ensuring that their efforts are rewarded and recognised. We engage with our employees in an open, honest and respectful manner. We are also committed to providing a workplace that cares about their safety, and that promotes their health and well-being.

KEY ACTIVITIES IN 2016

- Ongoing focus on Culture and Transformation through 'A Better CIMB' (ABC) initiative.
- Sustainable Engagement Index (SEI) findings reveal that 86% employees are being empowered and energised, in addition to being engaged.
- Diversity and inclusivity is reflected with 39.9% of senior management represented by women.
- Ongoing talent management programmes for all categories of employees.
- CIMB Health and Wellness Year was well received by employees.

OUTLOOK IN 2017

- Targeted regional culture programmes through 'A Better CIMB'.
- New and enhanced talent management initiatives.

CIMB'S EMPLOYEE VALUE PROPOSITION

Towards an ASEAN Champion
Employees will work for a brand that will be increasingly recognised as an ASEAN brand. Hence today, and more so in the future, CIMB is the brand of choice in ASEAN.

Corporate Responsibility Leadership
CIMB recognises that employees care about the world they live in and support their investments in community stakeholders by allowing time for their contributions to corporate responsibility.

Competitive Remuneration
Employees who aim for results will like working at CIMB with its competitive compensation and rewards package for people who achieve business goals.

Obsessed with Talent Growth
From the time they start working here, employees will see an unparalleled focus on their personal growth and development. CIMB demonstrates its commitment to employees through positive investment in its talent pool.

Thriving on Diversity
Employees have the opportunity to work with a broad cross-section of people from ASEAN and beyond. This will enhance cross-cultural skills and effectiveness in a wide range of environments.

Dynamic Workplace
CIMB promises work in a fast-paced, challenging and varied environment with never a dull moment.

EMPLOYEES ARE KEY TO INTEGRATE SUSTAINABILITY

Responsible business practices involve the ability of financial institutions to scale sustainability issues. It relates to how profits are made and to the impact of operations both within and outside the organisation. CIMB is forging a more strategic approach in this area. One of the key action plans will be to move away from a purely reporting exercise towards a more integrated approach in embedding economic, environmental and social (EES) engagement across the organisation.

The key towards integrating good sustainability practices will be to empower employees who are already working on various sustainability-related practices to develop a common culture and shared objectives. Related projects include performance management and branch productivity initiatives as monitored through our T18 strategy.

EMPLOYEES

G4-LA10

WORKFORCE OF THE FUTURE

To remain competitive, we need to be able to continue to attract and retain competent, committed employees globally and nurture a culture of collaboration, agility and empowerment. Meeting the changing needs for skills and development is foremost in our strategy. For example, the move towards more digital banking requires that our people immerse and adapt quickly to new technologies.

Our talent management philosophy is grounded in our ambition to become an ASEAN talent and leadership hub. As we consolidate our position as a leading regional franchise, we need leaders with distinctive traits and competencies so that we have a competitive edge to grow. Our focus is on building a talent pool that is able to weather the volatile, uncertain, complex and ambiguous macro business environment. For this purpose, we are interested in attracting and retaining solution finders who bring with them diversity in their background and training.

Employer of Choice

CIMB has implemented strategies to attract and develop new talent to ensure the growth of our human capital. To fulfil the diverse aspirations among today's graduates and to meet our business needs, we offer them options that lead to multiple career paths. The Complete Banker™ Programme and CIMB Fusion are introduced to assist fresh graduates with knowledge and experience in a financial institution. Beyond that, we see this role as part of nation-building as we are equipping young people with the right skills and mindset.

The Complete Banker™ (TCB) Programme – Diversity within Banking

A flagship universal banking management training programme that promotes Diversity within Banking. Trainees can choose one of three tracks: consumer banking, investment banking and asset management. As of 2016, 496 graduates were absorbed into employment.

Programme duration: 24 months			
2015	2016	2015	2016
91	**104**	**4**	**3**
No. of participants		No. of nationalities	

CIMB Fusion – Diversity beyond Banking

A graduate management programme, the keyword for CIMB Fusion is Diversity beyond Banking and is targeted to build a more holistic, inter-disciplinary approach with knowledge and experience in two industries.

CIMB Fusion's main strength is its emphasis on broadening the experience and skills of talent by gaining work exposure from another industry in addition to banking. To date, CIMB has collaborated with various professional services organisations including advertising, branding and marketing, audit and assurance, banking, consulting, law, strategic management, teaching, technology, and corporate responsibility to provide graduates with different perspectives on work experiences. To date, CIMB Fusion has provided dual industry career opportunities to 63 graduates since 2013, 11 of whom were recruited in 2016.

Programme duration: 24-48 months	
2015	2016
12	**11**
No. of Fusioners	

G4-15

Skim Latihan 1Malaysia (SL1M)

Jointly executed by the Malaysian government and established corporations from various sectors, SL1M is aimed at enhancing the marketability and employability of fresh graduates in any field with less than two years of working experience via soft-skills training and on-the-job attachments. The programme also provide the Group with an effective channel for recruitment.

Programme duration: 4 months			
2015	2016	2015	2016
601	**822**	**203**	**72**
No. of participants		No. of participants recruited	

Seeding New Thinking for the Young

Banking is moving towards integrating mind, data and machine, and the 'CIMB Data Science Challenge' is the Group's latest initiative to develop undergraduate talent in the area of consumer data analytics. The field is essentially about analysing consumer data and turning it into value-added opportunities for customers and business opportunities for the bank. To support this challenge, CIMB collaborated with SAS Malaysia, a leader in innovative analytics, business intelligence and data management of software and services. The challenge is endorsed by the Malaysia Digital Economy Corporation (MDEC). In this challenge, students were required to solve real problems using real banking data (with identifiable personal details hidden). They must know how to leverage information regarding customer demographics, financial transactions and social information to suggest products that meet customers' banking and financial needs.

The challenge is also an excellent platform to train students on how to use statistical analysis systems and techniques of problem-solving through data analytics. At the same time, the top six teams will automatically receive internship opportunities and the possibility of full-time employment.

Highlight

Fusioner:
Hamsaveni Vigneswararao

Having graduated with a Bachelor of Medicine and Surgery (MBBS) from China, Hamsa signed up for CIMB Fusion through Teach for Malaysia (TFM). Hamsa had enjoyed studying medicine but was open to other career possibilities. Through TFM, she was posted to an urban school in Miri, Sarawak and was assigned to teach science.

"Being a teacher in the public sector taught me not only tangible skills like multi-tasking, planning for projects, and communication, but it also taught me patience, perseverance, and tolerance. While all the Fusioners were on duty, CIMB still kept in touch with us and checked on us. Dato' Hamidah herself even came to Miri once for a meet up.

Now that I'm already in CIMB, I am learning skills that will certainly help in my career growth, such as data analysis, written business documents, business communication as well as how to work in teams when executing projects. My reservoir of experience as a teacher and medical student have provided me depth and maturity as a young banker.

I have been thoroughly challenged as a Fusioner and have gained various new skills that will put me on a good career trajectory, while giving me the opportunity to experience both the education and banking fields. I am excited to continue on this journey and am confident to do better".

EMPLOYEES

G4-LA9

Career Progression

CIMB offers various career progression programmes to ensure that our people are competitively remunerated while enjoying opportunities for learning and growth. Besides receiving regular career and performance reviews, CIMB also offers two career progression programmes, namely, CIMB Accelerated Career Enhancement (CIMB ACE) and the Global Employee Mobility Programme (GEM). The relentless focus on learning and development goes deep into the ethics of the organisation and our belief in developing each and every employee.

Performance reviews are now more focused with regular feedback. We are witnessing a new generation of workforce who are tuned to the internet and smartphones. The 'new workforce' – young, vibrant and technologically adept – prefers to have feedback in real time including suggestions on how to improve work performance is much more effective than annual performance appraisals.

The CIMB-INSEAD Leadership Programme

Objectives:

- Build senior leadership bench strength and competencies.
- Network and collaborate to leverage synergies across the Group.
- Embed leadership culture across the Group.

2015	2016
0*	30

No. of participants

Note:

* Data in Sustainability Report 2015 reflected cumulative number as no programme was undertaken in that year. As of 2016, a total of 200 candidates were recruited under the programme.

Motivating Middle Management

Objectives:

- Continuous initiatives to strengthen Middle Managers' technical and people management skills, as well as their networking capabilities.
- Programmes include Accelerated Universal Banker (AUB), Essential Universal Banker (EUB), The Complete Manager (TCM) and Middle Management Dialogue Series (MMDS).

2015	2016
1,352	670

No. of participants

Note:

* Attendance is on voluntary basis based on interest.

A Career Path for Non-Executives through CIMB Accelerated Career Enhancement (ACE)

Objectives:

- A structured upward mobility scheme for non-executive employees aimed to improve employees' skills, the programme focuses on foundational knowledge on governing regulations and cross-selling, technical and personal effectiveness skill sets, and pratical exposure in a real work environment.
- CIMB partners with selected universities for the development and delivery of English language proficiency classes, a major component of the programme.

2015	2016
248	236

No. of participants

Note:

* Restatement of 2015 data due to enhanced tracking. (G4-22)

Highlight

CIMB's Thinking Labs – Action Learning Project (ALP)

ALP is a programme that is undertaken under the CIMB-INSEAD Leadership Programme.

Our people are resilient and agile. They are ready to brave new challenges every day in a business that is fast-paced and customer-driven. Innovation at the workplace is not a buzzword, it is a real business need that our people are able to meet. Over the years, our Thinking Labs have nurtured many successful new ideas. An actionable programme, Thinking Labs is a structured process for employees to generate new ideas as well as garner team support to implement those ideas. Thinking Labs have enabled CIMB to simplify the boundaries of countries, divisions and business specialisations and provide a platform for cross-fertilisation of innovative thinking.

Alan Inn who headed the Zero Brokerage Project is one of the graduates of the programme.

"My INSEAD Action Learning Project team was tasked to look into how we could make CIMB's Retail Equities business perform better. We eventually landed on an idea of charging zero brokerage by bundling retail broking with bank deposits. The idea was to tap into Consumer Banking's retail customer base to grow Retail Equities' customer base and concurrently grow the Consumer Banking's deposit base. The idea was well received by our ALP project sponsors and by CIMB's top management.

After the INSEAD ALP, I was transferred to Retail Equities and the zero brokerage idea came to fruition and was launched as a joint CIMB Bank-CIMB Investment Bank product. Following that, the collaborative relationship between Retail Equities and Consumer Banking had also grown stronger, and continues to today where it has spread to other parts of ASEAN. To date, Retail Equities has acquired 20,000 new customers from Consumer Bank in the region, and has garnered RM200 million in new deposits since 2011.

Personally, I benefitted a lot from the INSEAD programme as it taught me the importance and the skill to think out-of-the-box, to challenge the status quo and to work collaboratively with colleagues from other business divisions to grow our businesses. The connections and friendships I made with fellow colleagues from all over ASEAN also created a strong sense of camaraderie among the cohort members that is still felt today".

Global Employee Mobility (GEM) Programme

Objectives:

- Enabling high performing employees to expand their work experience by deploying them internationally within countries in which CIMB operates. GEM is an essential part of career progression as it builds and broadens minds.
- The main objective of GEM is to groom key talent for leadership positions. The GEM scheme provides a consistent approach to deploy key talent internationally while enriching the quality of career development opportunities.

2015	2016	2015	2016
106	**79**	**5**	**6**
Employees deployed		No. of nationalities	

We want our employees to grow with us. We provide them with training facilities that are equipped with classrooms, computer laboratories for systems training and recreational amenities. The CIMB Leadership Academy (CLA), located at a specially-built corporate training centre in Afiniti Medini in Johor, was launched in December 2015. Housed within the mixed development of Afiniti Medini, CLA is the academy headquarters for CIMB global training for ASEAN and Asia.

Group-wide employee training

2015	2016	2015	2016
46	**56**	**1,564,862**	**1,919,187**
Average of training hours per employee		Total training hours	

The main training centre, Akademi CIMB Putra has fully equipped training rooms and computer training rooms. It has air-conditioned residential facilities and a dining hall. Football, volleyball, netball, squash and tennis facilities are available at the centre along with a gymnasium and swimming pool.

In 2016, more than RM100 million was invested in training programmes across the region.

Average employee training hours, by gender

Average employee training hours, by employee category

EMPLOYEES

NURTURING CULTURE

Culture is the force that binds and unites us as a team. We will continue to focus on culture and transformation. CIMB Group Human Resource initiative 'A Better CIMB' (ABC) reached out to all employees and promoted three critical behaviours:

- 'Go the extra mile' to delight customers.
- Respect each other, engage openly and work together.
- Recognise each other's efforts and always back each other up.

Our priorities include:

- Embedding the three critical behaviours in orientation sessions so that new hires understand the way we work.
- Nurturing more informal change agents to spread the three critical behaviours across the Group.

Group Management Committee (GMC) members continue with 'Meet and Greet' sessions to engage with employees. This also gives employees the opportunity to voice out their concerns or share feedback with GMC members. All year-round activities such as ABC roadshows, Informal Leader Groups, Tuesday Chats, and Out and About, were conducted to communicate the campaign to all our stakeholders.

The initiatives are supported by existing engagement platforms. It is very important for CIMB to ensure that there is effective and efficient engagement between management and employees. CIMBNET, our single intranet platform, enables our employees across the region to reach us with ease and speed. The intranet also supports our T18 communications strategy and provides a platform for our 360° initiatives such as banners and community pages, screensavers, electronic direct mail and wallpapers. We expect this to continue to drive internal communication within the Group in the years ahead.

Employee Engagement Survey

In line with CIMB's commitment to keeping their employees engaged, CIMB conducted an Employee Engagement Survey (EES) this year, with the support of an external agency. The EES is a bi-annual initiative and measures employees' perception of what makes them committed to delivering the organisation's objectives. Engaged employees are more likely to support CIMB's vision, mission and delivery of services.

In 2016, employees additionally measured Sustainable Engagement via the Sustainable Engagement Index (SEI). The SEI takes into consideration how empowered and energised the employees are, in addition to being engaged. The SEI this year was 86% up 2% from the previous survey. The results exceeds the Global Financial Services norm by 4 points and the Global High Performance norm by 1 point.

2014	2016	2014	2016	2014	2016
36,937	**33,015**	**91%**	**92%**	**84%**	**86%**
No. of employees participated		Percentage of employees participated		Sustainable Engagement Index (SEI)	

G4-DMA: Diversity and Equal Opportunity

A DIVERSE CIMB

The different cultures, nationalities and backgrounds of our people powers our growth and creativity. Fostering a diverse workplace keeps us relevant and reflective of our customers and markets. To achieve a gender-balanced workforce, our programmes must be holistic and multi-faceted. We recognise the need to address any systemic biases within society by developing specific programmes to drive change within our own business.

Our diversity effort is particularly evident in our senior management representation, with women representing 39.9%, across the region. We need to ensure that there is a pipeline of female talent who are able to progress through the ranks of middle management. The social and cultural barriers to female workforce participation in some of our Asian markets are among the challenges we face in meeting our goal.

The inclusion of both formal and informal flexible arrangements has contributed to the increased take up of flexible working arrangements throughout the Group in 2016. Employees have taken up the option to suit their personal circumstances, including managing their families, children or sick parents.

As of 2016, we have in employment 10 people with disabilities or special needs.

G4-LA2, G4-LA3

Supporting Different Needs of Employees

Our child care centres at Menara Bumiputera-Commerce and Menara CIMB are well utilised. Apart from the newly introduced flexible working arrangements, there are mothers' rooms in both our buildings.

Our Staff Rejuvenation Programme (SRP) allows employees to take unpaid leave for up to six months. The programme is open to all, but we find that over 80% of those who go on SRP are women, who often use the programme to care for elderly parents, or extend their maternity leave. Therefore, mothers have an option to resume work nine months post-delivery. Similar to a sabbatical leave, the SRP allows employees to oversee personal matters without affecting their career progression. In 2016, 107 employees took part in the SRP, of which 81.3% are women.

We have various facilities at CIMB to foster well-being and camaraderie including gymnasiums, and we hold regular sports and recreational activities such as the CIMB SEA Games.

No. of employees who took parental leave

2015	2016
644	**599**
Maternity leave	
355	**359**
Paternity leave	

G4-LA2

WELL-BEING AND BENEFITS

We provide competitive remuneration and benefits. We also extend financial assistance to employees at preferential rates. Sundry loans are available for employees from lower to medium income groups. Special life events, such as marriage, birth of a child or performing Hajj, are also covered. Special leave of up to 10 working days per annum may be granted in circumstances such as any deaths or serious illness of immediate family members, or natural disasters.

We support employees who take up higher education. In 2016, a total of RM1,802,198 worth of scholarships and sponsorships were provided to 88 beneficiaries, of which 58.6% were women. Supporting formal educational pursuits has been part of our capability-building effort.

Flood aid for employees under Staff Welfare Fund

2015	2016	2015	2016
3	**14**	**RM3,000**	**RM12,000**
No. of employees benefitted		Amount of funds distributed	

Note:

* Data covers Malaysia only.

Highlight

Staff Rejuvenation Programme (SRP)
Lau Su Chean, 41 years old – served for 12 years in CIMB Investment Bank Berhad

"I went on SRP leave for three months from January to March 2016 to spend time with my two daughters. Over the last few years, I have been very busy with work, and only managed to spend my weekends and holidays with them. As such, I felt that I was missing out a lot on their lives, especially during the important phase of age seven to 12 years old, before they become teenagers.

As a working mother, I am always torn between giving my best at work and fulfilling my motherly duties. During my SRP leave, I enjoyed being able to spend time with my daughters – teaching them, playing with them, and having long chats with them. At the end of my SRP, I was able to reaffirm my belief that it is still possible to have a fulfilling career and be a good mother to my children. If not for SRP, I may still carry the burden of guilt inside me each time I work late or during weekends.

After completing my SRP, I returned to work motivated because I felt that the organisation and my bosses were very supportive of me and allowed me to fulfil my family obligations. I also hope to set a good example to my daughters by showing them that it is possible to achieve their career dreams and manage a family at the same time.

I believe that it is important for women to have our own careers as it gives us financial independence, allowing us to learn continuously and giving us the opportunity to interact and connect with people outside the home. Despite being on SRP leave, I made sure I kept abreast with the daily business news especially news about my corporate clients or their industries.

As the banking industry is a very dynamic industry, there are a lot of changes and new developments almost every day. Despite being away from work for three months, I had to quickly learn about the changes in our Bank's policies and processes, and catch up on the developments in my clients' portfolio when I returned to work. I believe in spending quality time with my children, so I will try to read stories to my children or ask them about their day when I come home at night. On weekends, we will have some family activities such as doing craft projects, baking cookies or go on outings".

EMPLOYEES

G4-DMA: Occupational Health and Safety

Occupational Safety and Health

We place great emphasis on occupational safety and health (OSH) and try to ensure the safety, health and welfare of all our employees throughout the Group. Our Safety and Health Committee is committed to continuously improve the Group's safety culture. The Group's Occupational Safety and Health Administration Unit is responsible for the Group's compliance with the Occupational Safety and Health Act 1994 and other regulations of the Department of Occupational Safety and Health (DOSH) and Ministry of Human Resource, Malaysia.

The safety and health management system and its processes are key to operational excellence. We are guided by the MS 1722:2011 Occupational Safety and Health Management System.

Functions of CIMB Health and Safety Committee

- Assisting in the development of safety and health rules.
- Reviewing the effectiveness of safety and health programmes.
- Carrying out studies on accidents, near-misses dangerous incidents and occupational diseases.
- Reporting any unsafe or unhealthy conditions or practices, together with recommendations for corrective action.
- Reviewing safety and health policies, and providing recommendations for policy revisions.

The occupational safety and health statistics include accidents and incidents. The data is tracked and reviewed so that safety risks and hazards can be proactively and effectively managed. Measures are taken after every accident is reported. Training, counselling and preventive action, including risk-control programmes will minimise future recurrences.

CIMB Health & Wellness Year

In 2016, we wanted to create a common theme that will resonate with the employees throughout the region. Through targeted activities via the CIMB Health and Wellness Year, we achieved our objectives of having employees be more conscious of their health and wellness which leads to a healthier, happier and more productive environment.

We created a dedicated e-mail address where we shared health information as well as offers on products and services. We collaborated with an up-and-coming health and wellness supplier, and a large, reputable hospital chain. Apart from e-mail blasts on specific world or international health days such as World Health Day or Breast Cancer Awareness Month, we organised 9 health talks and exhibitions in Malaysia. Activities such as awareness talks and sharing tips, discounted medical examinations and vaccinations, as well as free basic check-ups were conducted for the following programmes in 2016:

- World Health Day
- World No Tobacco Day
- World Heart Day
- World Hepatitis Day
- Cancer Awareness Month
- Breast Cancer Awareness Month

There were similar programmes across the region. We will continue with similar activities in 2017 and explore more ways to promote health and wellness among the employees.

G4-10, G4-11, G4-LA1, G4-LA6, G4-LA12

EMPLOYEE TOUCHPOINTS

Indicators	2014	2015	2016
Total no. of employees	41,669	40,545	38,945
No. of employees with disabilities or special needs	N/A	9	10
Workforce breakdown, by gender			
Male	41%	46%	46%
Female	59%	54%	54%
Workforce breakdown, by age group			
<30 years old	27.0%	27.4%	25.6%
30-50 years old	71.0%	71.2%	72.9%
>50 years old	2.0%	1.4%	1.5%
Workforce breakdown, by region			
Malaysia	45.4%	42.6%	43.2%
Indonesia	36.9%	39.9%	39.6%
Singapore	4.0%	11.9%	4.0%
Thailand	11.9%	4.0%	11.6%
Others	1.9%	1.6%	1.6%
Workforce breakdown, by employee category			
Non-management	26.0%	28.9%	27.6%
Junior management	59.2%	57.0%	57.4%
Middle management	11.2%	10.2%	11.2%
Senior management	3.5%	3.8%	3.7%
Key management	0.1%	0.2%	0.2%
Percentage of women in decision-making roles			
Non-management	54.1%	56.3%	51.1%
Junior management	57.9%	55.3%	58.6%
Middle management	46.0%	45.0%	46.8%
Senior management	35.9%	39.7%	39.9%
Key management	20.8%	22.0%	22.2%

EMPLOYEES

Indicators	2014	2015	2016
Average hours of training, by gender			
Male	38	43	44
Female	41	46	51
Average hours of training, by employee category			
Non-management	31	53	37
Junior management	46	56	53
Middle management	45	48	53
Senior management	42	40	48
Key management	17	22	23
Training expenditure, by region (RM)			
Malaysia	32,865,826	42,808,644	48,273,047
Indonesia	42,797,444	38,185,224	45,500,000
Singapore	1,650,572	1,031,363	997,301
Thailand	7,039,028	5,455,469	4,587,684
Others	507,467	214,177	720,744

Indicators	2016
New hires by age group:	
<30 years old	3,848
30-50 years old	1,995
>50 years old	68
New hires by gender:	
Male	2,887
Female	3,024
New hires by region:	
Malaysia	2,484
Indonesia	2,417
Singapore	231
Thailand	595
Others	184
No. of employee turnover, by age group	
<30 years old	2,969
30-50 years old	3,529
>50 years old	599
No. of employee turnover, by gender	
Male	3,689
Female	3,408
No. of employee turnover, by region	
Malaysia	2,549
Indonesia	3,174
Singapore	298
Thailand	878
Others	198
Percentage of unionised employees	
Malaysia	44.2%

Turnover rate, by region	2014	2015	2016
Malaysia	15.2%	24.9%	14.9%
Indonesia	16.1%	28.0%	20.1%
Singapore	21.5%	22.3%	18.7%
Thailand	19.2%	22.3%	18.8%
Others	16.4%	38.3%	30.8%
Average	16.3%	25.9%	17.9%

Occupational safety and health indicators	2014	2015	2016
Accident with fatality	0	0	0
Accident with lost workdays	3	2	2
Total workdays lost	14	8	42
Accident without lost workdays	4	3	0
Total no. of accidents	7	5	2
Fatality rate	0	0	0
No. of safety and health training programmes	28	26	26
No. of employees trained on safety and health	902	396	402

Note:

* Data covers Malaysia only.

G4-DMA: Energy, G4-DMA: Water, G4-DMA: Emissions, G4-DMA: Effluents and Waste

ENVIRONMENT

CIMB OPERATES IN 16 COUNTRIES, EMPLOYING AROUND 39,000 EMPLOYEES AND OUR OPERATIONAL FOOTPRINT HAS AN IMPACT ON THE ENVIRONMENT. OUR FOCUS IS ON MANAGING THE USE OF ENERGY AND OTHER RESOURCES WHICH IN THE LONG TERM, WILL SUPPORT OUR EFFORTS TO TRACK AND MANAGE OUR BROADER ENVIRONMENTAL IMPACT, PARTICULARLY IN TERMS OF RESOURCE EFFICIENCY. THIS IS A HOLISTIC APPROACH AS WE ALSO PARTNER WITH LOCAL COMMUNITIES IN OUR ENVIRONMENTAL PROGRAMMES.

Managing environmental impact across all our operations is a concerted task – especially when juxtaposed against CIMB's vast physical presence. With local communities, we undertake environmental activities and resource conservation. Such efforts consist of our external obligations which again, are only successful because they are the result of partnerships with stakeholders.

DIRECT ENVIRONMENTAL IMPACT

OUR COMMITMENT

We have processes in place to make continuous improvements in energy efficiency, energy reduction and resource conservation. We reported on our emissions in 2016. Our initiatives are headed by the Energy Management Committee under the T18 strategy and documented under 'Project Kaiju' for cost optimisation.

We will set more ambitious targets and mobilise our workforce to undertake environmental initiatives. The success of our initiatives is measured through the amount of savings in terms of cost and resources.

KEY ACTIVITIES IN 2016

- Monitoring and improvement through T18 under Cost & Productivity.
- Building rationalisation in Hong Kong, Indonesia and Malaysia through programme No. 7, Branch Productivity, of the T18.
- More optimum usage at facilities and branches including a 3% reduction in water consumption in Malaysia.

OUTLOOK IN 2017

- To monitor and track energy and resource consumption against cost savings more consistently.

G4-EN3

Energy Management

Our main environmental footprint consists of office materials and energy usage. We have processes in place to make continuous improvements in energy efficiency. These processes are driven by our Energy Management Committee.

Details of the CIMB Energy Management Statement

Purpose:

- To reduce energy consumption and eliminate waste without adversely affecting business operations.
- To optimise the use of energy and adopt good energy management practices. This will assist CIMB in meeting the energy efficiency practices established by the Malaysian Energy Commission.

Objectives:

In order to achieve our objective of being energy efficient, we plan to undertake the following:

- Adopt best energy management practices set by the Malaysian Energy Commission.
- Regularly monitor energy usage.
- Report monthly energy usage.
- Identify and implement ways to increase employee awareness.
- Ensure that new appliances, equipment and systems are energy efficient and cost effective.

Some of our energy management efforts include:

- Reducing energy consumption in all operating areas of the company.
- Implementing energy efficient initiatives.
- Installing a chilled water fan coil unit for energy optimisation in new areas and facilities subject to building conditions.
- Replacing centralised air cool package units with split unit air conditioners based on building operational requirements and conditions.

ELECTRICITY CONSUMPTION
(kWh)

Note:

* Scope: Menara CIMB, Menara Bumiputra-Commerce (MBC), Menara Southern Bank (MSB), Menara UAB (MUAB), and Akademi CIMB Putra (ACP), based on actual consumption.

** Restatement of data in 2014 and 2015 is due to current adoptation of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). (G4-22).

*** Increase of electricity consumption in 2015 and 2016 was due to inclusion of data from Menara CIMB.

DIESEL CONSUMPTION (LITRE)

2014	2015	2016
21,289	7,728	14,170

Note:

* Scope: Menara CIMB, MBC, MSB, MUAB, and ACP, based on actual consumption.

** Increase in 2016 due to operation of generator during upgrading of electrical work at ACP Bangi.

We note some decrease in electricity consumption. Various initiatives are in place to use energy more effectively including:

Luminaries

Using energy-saving bulbs.	Replacing halogen bulbs with LED ones in the lobby area.	Replacing T8 fluorescent tubes with T5 energy-saving ones.	Replacing fluorescent EXIT signs with LED ones.

Air conditioning

Revised chiller temperature set point for energy optimisation.	Installing energy efficient chillers.	Installing automated Start/Stop air handling units (AHU).	Rationalised chiller capacity requirements for daily operations.

Liquefied Petroleum Gas (LPG)

Installing leakage detectors.

ENVIRONMENT

G4-EN16

Indirect Emissions

As part of our environmental commitment, we are now able to report on our Greenhouse Gas (GHG) emissions. Year-on-year data tracking is provided to measure the progress of our efforts. For this year, we disclose data for Scope 2, which are the indirect emissions from our electricity consumption at selected buildings in Malaysia. For 2016, we recorded 30,730 tonnes of carbon dioxide (tCO_2) in Scope 2 emissions, a 1.18% reduction from the previous year. We will continue to improve our data tracking and management to enhance our carbon footprint disclosure in our future reports. Some efforts are tracked through programme 17 under T18.

SCOPE 2 GREENHOUSE GAS EMISSION
($tC0_2$)

Note:
* Scope: Menara CIMB, MBC, MSB, MUAB, ACP, based on actual consumption.
** The emissions are calculated according to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

G4-EN23

Waste Management

As a company that operates in the financial industry, the bulk of waste produced is made up of office materials. CIMB does its best to keep office waste to a minimum and to recycle whenever possible. We hope to continue adopting new technologies in the coming years to reduce paper and cartridge use in our offices. There is a notable increase in the amount of paper recycled in 2015, largely due to the disposal of old records that reached six and 12 years of age. We will improve our disclosure with regard to waste management in the future.

TOTAL PAPER RECYCLED (KG)

2014	2015	2016
12,646	21,561	11,000

Note:
* Scope: Menara CIMB, MBC, MSB, and MUAB, based on actual consumption.
** Restatement of data in 2015 due to improvement of our tracking process. (G4-22)

G4-EN8

Water

As an organisation that employs around 39,000 employees, water is an important environmental issue to consider. Although not considered material, we will continue to report on water consumption data this year. We will be able to disclose more water-saving initiatives in the future.

WATER CONSUMPTION (M^3)

2014	2015	2016
214,636	278,782	270,722

Note:
* Scope: Menara CIMB, MBC, MSB, MUAB, and ACP, based on actual consumption.
** Increase of water consumption in 2015 and 2016 was due to inclusion of data from Menara CIMB.

REDUCING OUR ENVIRONMENTAL FOOTPRINT VIA CUSTOMERS

EcoSave Savings Account-i is a paperless account (no passbook, no physical statements). Deposits are Shariah-compliant and 0.2% of the total EcoSave portfolio balance is contributed to environmental activities every quarter by CIMB.

Three years ago, 100% of customer statements were on paper. Today, more than 55% of statements are made available online or via e-mail. This is not only an improvement to the customer experience, but also helps us to reduce our environmental footprint. However, digital banking is much more than availability of information online. It is about trust and credibility. In 2016, we continued to improve some of our new products and services by enhancing customers' digital experience. As a result, we note a reduction in paper use especially in e-statements for credit cards and retail.

Percentage of e-statement penetration over total statement base

Credit Card		Retail	
2015	2016	2015	2016
56%	**65%**	**55%**	**57%**

Note:
* Data covers Malaysia only

PARTNERSHIP WITH THE COMMUNITY

Strategic partnerships with the community are important for us to conserve the environment in a more holistic manner. Through our Community Link initiative, we have undertaken various community programmes that have had positive results from an environmental perspective.

In Kedah, we conducted a mangrove rehabilitation awareness programme for school children as well as a nursery to plant mangrove trees. The objective of the programme is to educate children on the importance of mangrove trees and the ecosystem it supports. One of the key activities was an education camp for secondary school children on the importance of mangrove trees and the ecosystem. The project also included starting a mangrove tree nursery that would be used for replanting activities.

Taman Kejiranan Air Panas Setapak, Kuala Lumpur.

Supported by Dewan Bandaraya Kuala Lumpur (DBKL) to create green lung in Kuala Lumpur.

2016

150

No. of trees planted

Kenyir Wildlife Corridor, Kuala Berang, Terengganu.

This corridor is an alternative pathway for wildlife to safely cross the highway.

2016

200

No. of trees planted

Tropical Rainforest Living Collection (TRLC), Lahad Datu, Sabah.

Supported by Sabah Forestry Department. CIMB Bank Lahad Datu Branch employees together with Sibuga District Scout Association and Raleigh Borneo volunteered to plant the trees.

2016

1,650

No. of trees planted

G4-DMA: Indirect Economic Impacts, G4-DMA: Local Communities

COMMUNITY

WE WANT TO STRENGTHEN AND ENRICH COMMUNITIES. OUR PROGRAMMES ARE DESIGNED TO CREATE OPPORTUNITIES, BUILD RESILIENCE AND ULTIMATELY BECOME ENABLERS FOR OUR COMMUNITIES TO THRIVE. TOGETHER WITH OUR EMPLOYEES, WE WORK WITH COMMUNITIES TO IDENTIFY AND SOLVE PROBLEMS, BUILD SOCIALLY VALUABLE RELATIONSHIPS AND SUPPORT LEADERSHIP DEVELOPMENT.

"Our people are a formidable force for good that enriches all our community programmes as they multiply the impact of our programmes through strategic planning, volunteer hours and sheer belief in uplifting our communities".

DATO' HAMIDAH NAZIADIN
CEO, CIMB Foundation

G4-EC7, G4-EC8, G4-SO1

CIMB IN THE COMMUNITY

OUR COMMITMENT

Our community initiatives span the breadth of ASEAN and continue to grow in strength. We invest in strategic causes both for short-term and long-term impact. The diversity of programmes is a reflection of our efforts to meet the various needs of our communities. In recent years, we have increasingly moved towards impact-based engagement with a more robust focus on measuring the performance of each programme. As a result, we are seeing programmes that are more targeted with greater reach. As an organisation, we are enriched by our community programmes and our people continue to drive our initiatives.

Programmes in Malaysia are largely structured according to the pillars of CIMB Foundation which is the main platform for community contribution. We also have thriving linkages through our broader initiatives that expand beyond the Foundation, based on strategic needs and requirements. CIMB Islamic continues to nurture deep-rooted programmes which are Shariah-compliant. In key markets like Indonesia, Thailand and Singapore, programmes are deployed based on localised factors and designed to meet educational and community development aspirations.

KEY ACTIVITIES IN 2016

- In 2016, we spent RM13 million on our community initiatives through CIMB Foundation and non-CIMB Foundation entities throughout the region.
- Focus on year-on-year tracking of programme impact in all areas of contribution.
- Ongoing partnerships with non-profit and government agencies to execute key programmes.

OUTLOOK IN 2017

- To develop specific monitoring and evaluation tools especially in tracking of community impact through measurement of social return of investment (SROI).
- To develop more strategic long-term partnerships across the region to execute impactful regional programmes.

CIMB FOUNDATION

CIMB Foundation was launched in 2007 as the Corporate Responsibility and philanthropic platform for CIMB Group. The Foundation is focused on developing sustainable communities across three pillars: Community Development, Sports and Education. This year's initiatives under the Foundation's key programme, Community Link, focused on socio-economic development, unity, culture and heritage, homes and shelters, environment, health, sports and education.

With an initial seed fund of RM100 million, CIMB Foundation continues to drive change and today has become one of Asia's most ubiquitous corporate citizens.

Contribution by country (RM'000)

Malaysia
Thailand
Indonesia
Others
Singapore

Contribution by entity (RM'000)

CIMB Foundation
Non-CIMB Foundation*
Regional**

Contribution by programme (RM'000)

Community Development
Sports
Education
Natural Disaster & General Donations

Note:

* Contributions by entities in Malaysia that exclude CIMB Foundation.

** Includes all countries outside Malaysia.

G4-EC7, G4-EC8, G4-SO1

COMMUNITY

Education

CIMB Foundation supports community-based education programmes and under-resourced schools by providing opportunities for talented youth at the national and regional levels through scholarships, youth events and support for the PINTAR programme.

BE$MART

The Be$MART programme aims to improve the financial literacy of college and university aged youth across Malaysia.

Objective

The programme takes the form of two-day workshop sessions targeting 50 students each. The sessions use a mixture of interactive lectures, simulation games, and personal question and answer sessions with CIMB representatives to provide a holistic and practical overview of the necessary components of sound financial management.

Best performing students in the investment game were provided with a Private Retirement Scheme account, provided for by CIMB-Principal Asset Management (CPAM) and sponsored by CIMB Foundation, to jumpstart their savings for the future.

79 university students
No. of participants

RM150,000
Monetary contribution (2016)

Nezly binti Shamsuddin,
Branch Manager of CIMB Bank Universiti Kebangsaan Malaysia (UKM) branch and facilitator for the Be$MART programme.

Facilitator for the Be$MART programme – Nezly's View

"This programme gave me a golden opportunity to be involved in social activities by sharing my knowledge and experience in financial literacy with the younger generation. Sometimes our work is not just about KPIs and there are certain things we need to do to have work-life balance.

As a UKM alumni, I was delighted with the opportunity to finally give back to the community that has helped me grow throughout my student years. Through Be$MART, I found that the students were very eager to learn more about managing their finances, especially how to prioritise between wants and needs, how to manage their budget, how to start saving, and how to invest to grow their wealth.

It is a very meaningful programme for both the students and the branch. Managing finances is crucial and it's a lifelong journey".

CIMB YOUNG ASEAN LEADERS

The CIMB Young ASEAN Leaders (CIMB YAL) is an annual programme with an overarching aim to grow and nurture the best of our young ASEAN leaders, and enable them to exchange ideas, broaden their perspectives, as well as gain cross-cultural experiences.

Objective

Since its inception in 2012, over RM500,000 has been invested in initiatives to bring a total of 200 university students together to learn and share with each other. It has quickly taken shape as a valuable forum not only for bright young minds of ASEAN to collaborate on purposeful projects, but also for CIMB to better understand the aspirations of youth leaders. Our efforts are underscored by our commitment to develop ASEAN and its youth, which is the very foundation upon which we have built the CIMB YAL programme.

No. of applicants

2015	2016
529	**673**

RM209,000
Monetary contribution (2016)

IMPACT:

- Programme alumni have begun to play their part to uplift the quality of life of ASEAN citizens.
- Throughout the course of CIMB YAL's 2016 programme, the youth deliberated on disaster risk reduction. Being a disaster prone region, ASEAN has witnessed countless casualties, loss of livelihood and increased risk of diseases.

G4-EC7, G4-EC8, G4-SO1

COMMUNITY

PINTAR

PINTAR is a programme introduced by Khazanah Nasional Berhad that provides rural school children with access to quality education.

The programme creates a competitive environment that encourages academic excellence through rewards and incentives. CIMB Foundation introduced new programmes to encourage the learning of English and also upgraded computer labs and libraries.

Objective

Location

Kedah and Perlis

RM237,970
Monetary contribution
(2016)

3,910 - 2014	**377 - 2014**	**10 - 2014**
3,934 - 2015	**379 - 2015**	**10 - 2015**
3,994 - 2016	**383 - 2016**	**10 - 2016**
No. of pupils reached	No. of teachers reached	No. of schools reached

IMPACT:

- At least 30% of students who participated in the English literacy programme improved their proficiency in the language by one grade.
- More English literacy programmes are being planned.

PROJECT TRANSFORMING RURAL YOUTH

Project Transforming Rural Youth (TRY)'s main aim is to economically empower the youth of Borneo, starting with Mabul Island, Sabah. By carving a progressive learning skills programme for them, we are enabling students to adopt both technical and soft skills that will increase their employability.

Objective

IMPACT:

- Improved household income due to better job opportunities.
- Increased number of skilled workers in the community.
- As awareness on education has increased, retention in skills programme is increasing.

Location

Mabul Island

RM76,950
Monetary contribution
(2016)

Increase in household income		Increase in awareness on the needs for education*		Average student retention		No. of students who completed Project TRY	
50% Target	**62%** 2016 (actual)	**25%** Target	**68%** 2016 (actual)	**50-60%** Target	**76%** 2016 (actual)	**30** Target	**72** 2016 (actual)

Note:
* The impact was assessed based on assessments distributed to participants before and after the programme by our programme partners

G4-EC7, G4-EC8, G4-SO1

COMMUNITY

LET'S SAVE AND SHARE CAMPAIGN

Let's Save and Share campaign (Ayo Menabung dan Berbagi) teaches children and teenagers in school to foster a savings culture at an early age. It is also extended to the public. The programme enables students and the public to show empathy by helping disadvantaged children to have better access to education.

Objective

Activities

The children take part in various educational and fun activities such as video games and the Run Banking Run puzzle game, which is designed to provide children insight into the concepts of saving, personal finance and banking.

The Mini Banking Role Play allows participants to act as bank officers and customers.

The children are encouraged to take part in tree planting as an analogy for saving, as **"saving money is equal to planting trees."**

Monetary contribution	Total savings collected	No. of children reached (cumulative)	No. of schools reached (cumulative)
RM380,479	**RM533,737**	**35,925**	**294**

2016

Location

Indonesia
(12 cities)

IMPACT:

- CIMB Niaga collaborates with branches to educate customers on the advantages of saving.
- CIMB Niaga Simpanan Pelajar (SIMPEL) was introduced to help students open a savings account that features simple components, requirements and a minimal first deposit. In 2016, 41 schools – 21 elementary and 20 junior high – participated in the programme. There are plans to expand the programme moving forward.

COMMUNITY COMPUTER LEARNING CENTRE AND LIBRARY - ICT PROGRAMME

In Thailand, the programme promotes ICT-based education, broadens educational opportunities, upgrades technical standards for youth in remote areas and strengthens learning quality. College students who functioned as teachers provided ICT classes and maintenance knowledge to kids in the rural schools.

Objective

Activities

Provided donation of computers.

Initiated partnership with volunteer university students to teach ICT to students.

A robotics programme was introduced to students.

Location

Thailand
(9 provinces)

2016 monetary contribution:

RM224,654

No. of children reached

2014	2015	2016
999	**4,994**	**3,375**

No. of schools reached

2014	2015	2016
16	**28**	**35**

IMPACT:

- All schools that have been visited were schools that are located in remote areas and have difficulty to gain access to ICT-based education.
- Since its launch in 2011 until December 2016, the ICT programme had involved 12,749 students in various elementary and junior high schools across Thailand to gain access to the Internet, broaden educational opportunities and strengthen learning quality.

G4-EC7, G4-EC8, G4-SO1

COMMUNITY

Sports

CIMB Foundation supports sports development activities with particular attention to nurturing young talent by providing opportunities and financial support. Our key areas of focus include Paralympic sports, squash and football.

One of the main aims of our sports pillar is to develop sports at the grassroots level. Our sports programmes are thus designed to function as a platform to promote national unity and racial integration amongst the younger generation. We also focus on developing the psychological as well as the physical aspects of our participants. At the same time, the programmes take a holistic perspective by educating junior athletes to give back to the community and therefore, build a circle of continuous community empowerment.

PARALYMPIC SPORTS

The benefits of 'football for youth with special needs' is evident in the CIMB Pan-Disability Football Academy, one of the first structured football development programmes for the disabled in Malaysia. Apart from the CIMB Pan-Disability Football Academy, we also support wheelchair rugby and wheelchair basketball grassroots programmes.

In 2016, the Academy had 192 disabled footballers, split into five disability groups: the blind B1 (visually impaired), B2/B3 (partially visually impaired), cerebral palsy, hearing-impaired and the intellectually disabled. Each training programme and the training aids used are tailored to the respective needs of the players.

Programme: **CIMB Pan-Disability Football Academy**

Objective

Create possibilities for blind people through football by removing barriers to their participation as currently, blind people are half as likely to participate in a sport for non-blind people.

Establish a high performance Malaysian National Blind Football Team to participate in the Paralympics.

RM200,000
Monetary contribution

150
No. of participants

2016

Location

Brickfields, Kuala Lumpur

People with visual impairment

IMPACT:

- Noted well-being of participants through increased social connections, mental health, employment outcomes, personal development, physical health, civic pride, and sense of belonging.
- Emerged defending champion of the 5 A-Side Football For The Blind in the 2015 ASEAN Para Games Singapore.
- Emerged champions at the Tri National Blind Football Tournament 2016 in Kochi, India.

SQUASH

The CIMB Junior Squash Development (JSD) Programme was initiated in 2006. This development programme has since benefitted 2,500 boys and girls in six age groups from under nine to 18 through two tournament circuits: CIMB Rising Stars National Junior Circuit and CIMB National Junior Circuit.

Ng Eain Yow, *an emerging talent*

A homegrown talent, Eain Yow was discovered and nurtured through the CIMB's Junior Squash Development Programme. He is seen as a rising star and was admitted into the Professional Squash Association (PSA) in 2013, and is currently ranked 96. Malaysia is expecting to see more of this young talent as he continues to battle in international and national tournaments, with 10 titles under his belt.

Sivasangari Subramaniam, *a father's perspective*

"I strongly believe that without the Programme, my daughter would have struggled to become what she is today – one of the best youngest squash players in the world. I would like to thank CIMB for continuing to support this noble effort of creating a great pathway and platform for young and energetic players who can continue to perform beyond expectations in the national and international arena".

-Subramaniam Kaniappan

The CIMB Junior Squash Development Programme has assisted Sivasangari to achieve her dreams as an up-and-coming squash player. She took up squash at the age of eight when she joined the programme in Kedah, Malaysia. She was able to develop her game quickly within her age group and this led to an elite pathway through the programme. The programme also assisted Sivasangari to take part in the professional international circuit (PSA). At the age of 17, she was able to secure six Professional Squash titles. The support of CIMB JSD combined with her great interest and commitment has given rise to a bright young star.

Programme: **23rd Asian Junior Individual Squash Championships 2016**

IMPACT:

- CIMB Foundation hosted the Asian Individual Championships at the National Squash Centre, Bukit Jalil, Kuala Lumpur.
- The championship was an opportunity for more Malaysian juniors to compete at the Asian level.

Location

National Squash Centre Bukit Jalil, Kuala Lumpur

350
No. of participants across Asian Countries

RM200,000
Monetary contribution

G4-EC7, G4-EC8, G4-SO1

COMMUNITY

FOOTBALL

CIMB Junior Football Development Programme enables the clubs – CIMB YFA Bintang Muda Football Academy, CIMB ERA80an Junior Football Academy, and CIMB TABS Safa Bandaraya Kota Kinabalu, to make the sport accessible to children from lower-income families by lowering fees and providing free apparel. In 2016, CIMB YFA Bintang Muda Football Academy focused on the development of elite juniors by setting up a project team and introducing a revised coaching programme in line with the skills progression of the players.

Programme: **1Malaysia Connecting Communities (1MCC) League 2016 (Under 14)**

Objective

Our mission is to embrace values through 1MCC as well as develop an all-inclusive mindset, loyalty, team spirit, and positive approach.

RM125,000
Monetary contribution

150
No. of participants

2016

Location

University Putra Malaysia, Serdang

Age group

Under 14

PARALYMPIC SPORTS

CIMB Pan-Disability Football Academy			Wheelchair Rugby Development Programme			Wheelchair Basketball Development Programme		
2014	2015	2016	2014	2015	2016	2014	2015	2016
50	174	92	N/A	30	50	N/A	30	50
No. of participants								
RM200,000			RM100,000			RM100,000		
2016 monetary contribution								

SQUASH

CIMB Junior Squash Development Programme

2014	2015	2016
800	1,200	2,500
No. of participants		
RM1,000,000		
2016 monetary contribution		

FOOTBALL

	2014	2015	2016	2016 monetary contribution
CIMB YFA Bintang Muda Football Academy	1,325	2,600	2,860	RM125,000
CIMB ERA80an Junior Football Academy	N/A	250	325	RM110,000
TABS Safa Bandaraya	N/A	300	390	RM110,000

Note:

* Due to the increased cost of the project, The CIMB Junior Golf Development Programme was discontinued in 2016

** N/A: Programmes commenced in 2015

G4-EC7, G4-EC8, G4-SO1

COMMUNITY

Community Development

Community Link is CIMB Foundation's key community development programme and it is designed to connect our vast branch network with the community at large. Through Community Link, CIMB Foundation works together with communities to focus primarily on socio-economic development, unity, culture and heritage, homes and shelters, environment, health, sports, and education. Employees volunteer in these programmes and as a result, have built strong relationships with local communities across the region.

Note:
* Programmes are tracked annually and are ongoing unless stated otherwise

SOCIO-ECONOMIC DEVELOPMENT

Programme: **Sewing Workshop for Underserved Women**

Objective

Provide single mothers and unemployed women an opportunity to be financially independent.

Help upgrade the centre with new sewing materials and equipment.

Provide resources to employ a full-time trainer.

Partner

Pertubuhan Penduduk Permatang Sungkai

Location

Pasir Puteh, Kelantan

Adopted by

CIMB Bank Pasir Puteh branch

RM50,300	20 women
Monetary contribution	No. of beneficiaries

2016

Note:
* Our partnership ended in 2016.

Programme: **Sewing Skills Centre for Single Mothers and Underserved Women**

Provide learning opportunities for single mothers and underserved women.

Support for additional resources for the centre to employ a full-time trainer.

Objective

RM23,400
Monetary contribution

20 women
No. of beneficiaries

2016

Adopted by

CIMB Bank Teluk Intan branch

Partner

Rotary Club of Teluk Intan

Location

Teluk Intan, Perak

UNITY, CULTURE AND HERITAGE

Programme: **GoodKids Programme**

Objective

Use performing arts to teach good values to children.

Provide opportunities for children to learn about the Arts.

Partner

GoodKids Sdn. Bhd.

Location

Kuala Lumpur

RM29,500
Monetary contribution

50 students
No. of beneficiaries

2016

Adopted by

Cards Acquisition and Personal Financing Department, CIMB Bank

G4-EC7, G4-EC8, G4-SO1

COMMUNITY

HOMES AND SHELTERS

Programme: **Titian Kasih**

Objective

Improve the welfare of children at the Titian Kasih home.

Purchase laundry and storage equipment for the home.

Partner

Asrama Kebajikan Ar-Rayyan

Location

Tampoi, Johor

RM13,953
Monetary contribution

80 children
No. of beneficiaries

2016

CIMB Bank
Tampoi branch

Adopted by

Programme: **Volunteer Home Visit Programme**

Activities

A visit to a senior citizens' home in Ogin-dong, Seoul by CIMB South Korea employees and volunteers.

A clean up of the home was organised and light bulbs replaced.

Impact:
The home visit will be an annual programme.

Location

Seoul, South Korea

CIMB South Korea

Adopted by

Note:
* Our partnership ended in 2016.

HEALTH

Programme: **PIANIS Therapy Centre for Special Needs Children**

Objective

Empower parents of special needs children to enable them to provide appropriate care for their children.

Educate special needs children to master life skills and become independent.

Help upgrade facilities at the centre by purchasing motor therapy equipment for therapy sessions.

Partner
Persatuan Ibu Bapa Anak Istimewa Pahang (PIANIS)

Location
Kuantan, Pahang

RM30,000
Monetary contribution

300 children
No. of beneficiaries

2016

CIMB Bank Jalan Beserah Kuantan branch

Adopted by

Programme: **Be Healthy with CIMB – An education programme in local schools**

Objective

Build a reading habit and create awareness on the importance of hygiene in their lives, be it at home or at school.

Recognise the importance of community, the environment and of giving back to the community and children.

Impact:
Creating an awareness amongst students on the importance of giving back to society and the environment.

Location
Cambodia

5
No. of schools or communities

5
No. of cities

Target for 2017

CIMB Cambodia

Adopted by

Note:
* Our partnership ended in 2016.

G4-EC7, G4-EC8, G4-SO1

COMMUNITY

ENVIRONMENT

Programme: **Production of Biodiesel from Used Cooking Oil**

Objective

Fund the purchase of a biodiesel reactor to convert used cooking oil to biodiesel.

Reduce the carbon footprint of Universiti Putra Malaysia (UPM) by producing its own fuel.

Encourage green entrepreneurship amongst students.

Partner

Universiti Putra Malaysia

Location

Serdang, Selangor

RM45,000
Monetary contribution

200 students
No. of beneficiaries

2016

CIMB Bank
UPM branch

Adopted by

SPORTS

Programme: **Swimming and Table Tennis Clinics for the Hearing Impaired**

Objective

Provide professional sports training for the hearing impaired and give them access to sports.

Partner

Malaysian Deaf Sports Association (MSDeaf)

Location

Kuala Lumpur

RM51,023
Monetary contribution

100 hearing impaired sports trainees
No. of beneficiaries

2016

CIMB Bank Wisma
Koponas branch

Adopted by

EDUCATION

Programme: **ICT Education for Rural School Children**

Objective

Provide rural students access to ICT education.

Provide resources to upgrade the IT infrastructure at the school so that students can learn IT.

RM33,375
Monetary contribution

160 students
No. of beneficiaries

2016

Adopted by

CIMB Bank Pekan branch

Partner

SK Tanah Putih

Location

Pekan, Pahang

Programme: **Education for the Visually Impaired**

Objective

Provide adequate learning materials for visually-impaired students.

Support for specialised equipment to produce reading materials for the visually impaired.

RM40,781
Monetary contribution

37 visually impaired students
No. of beneficiaries

2016

Sekolah Pendidikan Khas
Jalan Batu (B),
Kuala Lumpur

Partner

Location

Kuala Lumpur

Adopted by

Consumer Contact Centre,
CIMB Bank

G4-EC7, G4-EC8, G4-SO1

COMMUNITY

Highlight

Nurturing Leaders Of Tomorrow

CIMB supports the growth and development of ASEAN talent and youth through several programmes. Investing in education is key to building next generation leaders in the region. Our programmes are multi-faceted and focused on the holistic development of the young, as we want to nurture young people to be ethical leaders of tomorrow.

CIMB ASEAN Stock Challenge

This is an annual cross-border virtual stock trading competition. It provides university students in five ASEAN countries – Malaysia, Indonesia, Singapore, Thailand and Cambodia, with practical trading experience on stock challenges in the region: Bursa Malaysia, Indonesia Stock Exchange, Singapore Exchange, Stock Exchange of Thailand and the Hong Kong Stock Exchange.

2015	2016	2015	2016	2015	2016
6,700	**9,645**	**2,444**	**3,489**	**188**	**222**
No. of students		No. of teams		No. of universities	

CIMB ASEAN Scholarship

Our commitment to providing scholarships is part of our objective to provide long-term empowerment to young people. Open to citizens of ASEAN to pursue full-time undergraduate studies at any reputable university in the world, 20 scholarships were awarded in 2016. Apart from financial support, scholarship recipients receive other forms of support and benefits including networking, internship opportunities and participation in community programmes.

Chevening-CIMB ASEAN Scholarship

The inaugural Chevening-CIMB ASEAN scholarship was kick-started with five graduates selected from the ASEAN region to pursue a one-year Master's degree programme at Chevening partner universities in the United Kingdom. The scholarships bear the costs of the programme in a range of academic fields.

CIMB Data Science Challenge

The CIMB Data Science Challenge was inaugurated in 2016 to develop talents in business analytics, complimenting our Group's focus on digital banking. This annual competition tests participants' application and knowledge in data preparation and mining, and offers career opportunities in business intelligence with CIMB, in addition to cash prizes totalling RM30,000, to the winners.

CIMB Bumiputera Entrepreneur Skills Transformation (BEST)

We support Bumiputera entrepreneurs through the CIMB BEST programme that was launched in 2014. CIMB BEST's high-impact development programmes empower Bumiputera entrepreneurs with knowledge of finance, business development and management. The capacity building helps create access to markets and provides advice on funding. The programme has grown rapidly from 181 participating entrepreneurs in 2014 to 281 in 2016. CIMB BEST offers a multi-track curriculum that caters for participants at different stages of business maturity:

Aspiring Entrepreneur Programme	Emerging Entrepreneur Programme	Leading Entrepreneur Programme
New and up-coming entrepreneurs.	Entrepreneurs who want to enhance business skills and performance.	Established entrepreneurs seeking to grow and expand their business.

Some of the key challenges of the programme are the low take-up rate and the inability of participants to commit to the full attendance schedule of three days over three weeks. To address these challenges, CIMB has revised the programme's execution and methodology as well as restructured it into a compact two-day programme for each track. CIMB will continue to support the development of Bumiputera entrepreneurs through capability building.

2014	2015	2016
181	**180**	**281**
No. of CIMB BEST participants		

Note:
* Restatement of 2015 data (G4-22)

Donations and Philanthropic Contribution

In 2016, we donated about RM2 million to various different activities. Donations tend to be one-off and for the immediate relief of beneficiaries. While we are moving towards more long-term measures, we see one-off donations and philanthropic contributions as part of our community initiatives especially when beneficiaries need urgent support during natural disasters or for cases involving cultural needs.

SOME DONATIONS IN 2016

MAKNA Mobile Breast Cancer Screening	Liter of Light Malaysia	Qurban Livestock for Eid Al-Adha	Program Sahabat Korporat TH 1437H
RM350,000 (for 1 prime mover)	RM328,701	RM283,000	RM160,000

Enactus Malaysia National Competition 2016	Disaster Relief for Sultanah Aminah Hospital, Johor Bahru	Feeding The Needy programme (17 distributions)
RM150,000	RM50,000	RM50,000

Amount Donated

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PASSING DOWN VALUES FOR A STRONG FOUNDATION

GOVERNANCE

The Board is responsible for our sustainability performance across the Group. A report is also made on a quarterly basis to the Board of Trustees on all matters relating to CIMB Foundation.

The CEO of CIMB Foundation leads a multifunctional team to provide the organisational support for the daily management of sustainability-related matters. We have an established framework for implementing our sustainability programmes across the Group through a network of issue owners within different functions and dedicated teams in each key market. Our regional markets align their strategy to the Group, but have the flexibility to focus on issues that are of local importance.

CIMB Foundation is helmed by an eminent Board of Trustees.

GOOD CONDUCT

Any actual or potential conflict of interest affects trust and integrity, the cornerstone upon which we have built our values. We have in place detailed policies and standards to ensure good conduct is adhered to.

CIMB follows a structured on-boarding process to familiarise new employees with tools, processes, systems, security practices, policies and procedures. Employees are provided with the Bank's Code of Ethics and Conduct. In addition, they have to complete an annual security and awareness training programme to educate them on their responsibilities concerning information security. Audits are performed from time to time to ensure that employees understand and follow established policies.

Anti-Bribery and Anti-Corruption

We are committed to conducting our activities free from any form of bribery or corruption. We adopt a zero-tolerance approach to any acts of bribery or corruption perpetrated by employees, suppliers and others with whom we do business with or who act on our behalf. All local anti-bribery and anti-corruption legislations must be adhered to.

Employees are expected to be vigilant about wrongdoing, malpractice or irregularities in the workplace. All employees must report any such instances to the management immediately. As a Group, we will always deal with such matters confidentially and protect the identity of the complainant.

CIMB's No Gift Policy

We adopt a 'No Gift Policy' whereby our employees are not allowed to exchange gifts with current or potential customers, vendors, agents or business partners. This is to prevent any conflicts of interest, or appearance of such in our business dealings. Gifts provided by customers will either be returned or donated to beneficiaries of CIMB Foundation.

COMPLIANCE

Our Compliance Framework

Our compliance framework consists of action plans that will be actively monitored and tracked by Group Compliance. With the slogan 'Be vigilant, Be alert, Be thorough', the framework includes three key action items – creating awareness through campaigns and employee training, nurturing the compliance culture within the workforce, and implementing the Financial Services Act (FSA) Presentation of Secrecy Strategy and AML Strategy. The framework also aims to build a competent and supportive compliance team to drive and support the Group's initiatives. We also established a Risk and Control Office to refresh compliance controls and launch surveillance systems to enhance our compliance initiative.

The AML Framework validated in December 2016 includes the launch of five AML system training sessions for our branch employees. Our FSA Secrecy Strategy was launched to enhance our data security measures and to protect our customer's privacy. Some of the initiatives conducted in 2016 include the following:

- Cessation of faxing and e-mail encryption of customer's data.
- Statements barcoding.
- Classroom training and compulsory e-learning.
- E-communication awareness, branch network awareness, and face-to-face communication.
- E-statement.

The Presentation of Secrecy Strategy also established standard control guidelines on methods to collect customer's information, record management, and documents destruction.

Building a Compliance Culture

We focused on building a compliance culture through various programmes including training, and applying preventive, detective and corrective mechanisms. To achieve zero-tolerance towards non-compliance and to create compliance awareness, we focused on three aspects – protecting customer's privacy, knowing your customer, and preventing criminal financing.

Both our new hires and existing employees complete compulsory e-learning training modules on the enhanced Code of Ethics and Conduct.

Various communication platforms were launched in multiple languages to be shared regionally. Various preventive mechanisms are in place to drive the right behaviour and attitude within our workforce in order to embed the compliance culture including demerit framework. We established a more strict recruitment process by utilising more efficient profiling tools.

A COMPLIANCE STRATEGY WAS INTRODUCED IN 2016 TO ACHIEVE A DEEPER UNDERSTANDING AMONGST EMPLOYEES OF THE GROUP'S CODE OF ETHICS AND CONDUCT, WITH A COMPREHENSIVE TUTORIAL PACK THAT COMPLEMENTS THEIR FORMAL BINDING AGREEMENT.

Our Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) Framework

CIMB Group is committed to enforcing an effective internal control system for AML/CFT in compliance with all related laws, regulations, guidelines and industry-leading practices. Proceeds from financial crime and unlawful activities pose a continuous threat to the financial system. As a responsible member of the financial community, CIMB Group's framework and internal controls cover:

- Governance and supervision with both the Board and Senior Management.
- Culture, awareness and continued development.

The framework embodies policy, procedures and systems (including regulatory data sources) to:

- Assess, measure and communicate the risk of AML/CFT to the reporting institutions.
- Conduct customer due diligence, screening and subsequent retention or exit of relationships.
- Monitor behaviour transactions and apply counter-measures.
- Facilitate disclosures, reporting and cooperation with law enforcement authorities.

Our employees are subject to continuous training, with customer-related and control personnel completing annual training via e-learning, targeted training, and external professional and regulatory seminars.

Specific AML training was undertaken by relevant employees covering areas that included identifying and reporting transactions that must be reported to government authorities, different forms of money laundering involving CIMB's products and services, and internal policies to prevent money laundering.

GOVERNANCE

Privacy and Data Security

Our approach to privacy and data protection is to ensure that we respect and protect all personal information that we hold. Privacy and data protection laws set out requirements for handling personal information. There are two main aspects that guide privacy and data management:

- Use of personal information must be lawful and fair.
- Monitoring of systems and processes to make sure that personal information held is secure and accurate.

Attempts to penetrate our security infrastructure will give rise to operational risks and also compliance issues. For this purpose, robust security procedures have been introduced. These processes ensure optimum security of information and transactions. All mechanisms have been thoroughly tested in a series of independent security audits. They effectively protect against known security issues. The key controls to prevent any form of tampering or theft of information or transactions include Secure Sockets Layer (SSL) channel, 128-bit encryption, username, password protection and authentication, firewalls and account-locking.

Recognising that cyber security is a concern shared by most organisations globally, controls are put in place to protect both our customers' and our business data from cyber threats. As we continue to enhance these defences, we educate our customers and our employees' to increase awareness of ways to protect themselves against the latest cyber scams. We actively participate in industry and government forums to find collective ways to tackle the threat, including the Financial Services Information Sharing and Analysis Centre (FS-ISAC) forum.

TOTAL QUALITY MANAGEMENT THROUGH THE CUSTOMER LENS

In 2016, as part of the T18 initiative, the Group Customer Experience Management (GCXM) team was set up with the aim to improve customer experience through a holistic CX approach across all our regional sites and accelerate transformation.

The endeavour is for CIMB to be **E**asy to bank with, be **E**fficient in our dealings and for us to go the **E**xtra mile for our customers. We believe that if we consistently deliver these **3Es**, our customers will reward us with their loyalty, grow their business with us and be our advocates. Internally, this will steer us towards achieving Total Quality Management, resulting in increased productivity and reduced cost.

Through 2016, GCXM team started 14 projects across the region, of which eight have so far been completed successfully. These improvement projects cut across various segments of our consumer, commercial, and transaction banking businesses and the outcomes are very promising.

The concept of Customer Journey Mapping (CJM) has also been introduced within CIMB, to equip our employees with the ability to identify customer pain points in processes, products, and services. This goes hand in hand with the Lean Six Sigma workshops which them to drive process improvement within their own capacities. The GCXM team has developed an e-learning module to introduce CX and has also carried out a number of CJM and Lean Six Sigma workshops (Yellow Belt and Green Belt) in 2016.

To be customer-centric, we have introduced the discipline of CX Checklists and CX Audits, to streamline and enhance the roll out of new products, policies and campaigns. To measure the effectiveness of these efforts, a new framework for Voice of Customer will be introduced in 2017 to capture and react to customers' feedback in a timely, actionable, and visible way.

Robust strategic plans are in place to ensure we drive continuous improvement with the focus on Customer Experience, increase in productivity and efficiency. This is placed as high priority and has the oversight of the senior leadership of the Group through the monthly Group Customer Experience Council.

GCXM'S 3 PROMISES

Consistently Delivering all the **3Es** drives Total Quality Management

INTERNAL AUDIT

Being the third line of defence, our Group Internal Audit Division (GIAD), which reports independently to the Group Audit Committee (AC) and Banking Group AC, provides independent appraisals of the adequacy, efficiency and effectiveness of the Group's internal control systems through regular evaluation of the Group's control environment, risk assessment practices, information sources, communication effectiveness and monitoring practices throughout the Group's regional network of operations. GIAD also undertakes investigations into alleged frauds by employees, customers or third parties, and recommends improvements to prevent recurrence, and appropriate actions against persons responsible. Further, GIAD carries out various adhoc compliance and validation reviews requested by regulators. Outcome of these audits, investigations and reviews are reported to the Group AC and Banking Group AC with implementation of the corrective actions by Management being monitored and followed up accordingly.

G4-14

GROUP REPUTATION RISK MANAGEMENT POLICY

Reputation Risk is defined as current or prospective risk to earnings and capital arising from the adverse perception by stakeholders about the Group's business practices, conduct or financial condition. This may arise through negative publicity, whether true or not, about its business practices, behaviours, operations, people, financial condition or the manner in which it handles crises. Reputation risk exists throughout the organisation and is essentially a function of the adequacy of the Group's internal risk management processes, as well as the manner and efficiency with which management responds to external influences.

The framework for managing reputational risk identifies the sources of reputational risks, and monitors and manages these within a defined risk appetite. The Group Reputation Risk Committee (GRRC) provides oversight over the framework's execution.

G4-15

DIGITAL SECURITY

As we digitise our business, our responsibility for educating customers, employees and consumers in general about IT security becomes clearer. For our stakeholders and others, greater awareness reduces the risk of becoming victims of technology.

The Group IT Risk Management Framework provides a consistent and unified approach for developing and improving information risk management within the Group's business operations. It comprises a systematic method to identify, analyse, evaluate, treat, monitor and communicate information risks associated with any activity, function or process, thereby enabling the Group to minimise its losses.

In addition to adhering to Bank Negara Malaysia's Guidelines on Management of IT Environment, CIMB Group has developed a security architecture that integrates the technology processes by referencing the following renowned and recognised international technology, process and management standards. The standards include:

- 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;
- Centre of Internet Security (CIS) Critical Security Controls (CSC) – A set of technical measures to detect, prevent, respond, and mitigate damage from cyber-attacks developed by CIS based on input from top experts from various sectors and roles.

CIMB Group's internet communications programme is designed to be both proactive and reactive, taking into account the existing Group Information Technology Policy. This is to provide further details to govern the proliferation of information on the Internet with the advent of social media. CIMB Group also has Group Compliance Policies & Procedures, and a Code of Ethics and Conduct.

Total spend on digital infrastructure (million)

2015	2016
RM303.1	RM309.1

Note:

* Data consists of MIST and key markets

ADDRESSING PHISHING AND FRAUD AWARENESS FOR CUSTOMERS

In 2016, we rolled out various initiatives through CIMB Clicks to create awareness and educate our customers on internet safety, particularly with regard to phishing and fraud. Apart from prominent displays about online safety and a refreshed education page, we also have placed pop-up awareness and secured message blasts to customers via e-mail and Short Message Service (SMS). A customer fraud awareness survey was conducted in September.

GOVERNANCE

G4-12

SUSTAINABLE SOURCING

We seek mutually beneficial relationships with suppliers based on merit. As a financial institution, our procurement spending is mostly on IT and professional services, as well as facilities and maintenance. We work through our supply chain to promote responsible and inclusive procurement practices, applying standards of integrity and good practice in managing related environmental, social and ethical impacts.

Competitive bidding opportunities to diverse suppliers also avoids conflicts of interest or any situation which could give rise to an appearance of conflict of interest. We also have in place due diligence to ensure suppliers satisfy relevant laws and regulatory requirements and are able to prove adherence to applicable laws and policies.

Our newly established strategic procurement function is one of the core drivers of our cost and productivity management programme. This programme will continue to be expanded and we are now moving towards a group and regional strategic procurement function which aims to deliver sustainable cost savings, improved financial discipline including measurable metrics and dedicated cost management projects by business units, enablers and countries for improving productivity.

Cost optimisation through building sustainable procurement and governance is one of the key T18 agendas for CIMB Group. Group Strategic Procurement is committed to working with and alongside our suppliers to align them to CIMB's sustainable principles and this includes minimising the environmental impacts of their operations as well as products and services supplied to CIMB.

CIMB PROCUREMENT RECOGNISES AND ENFORCES THE PRINCIPLE THAT OUR PROCUREMENT ACTIVITIES MUST PROMOTE VALUE AND POSITIVE OUTCOMES NOT ONLY FOR CIMB, BUT ALSO FOR THE ECONOMY, ENVIRONMENT AND SOCIETY, AND OUR STAKEHOLDERS EXPECT US TO MANAGE THEM EFFECTIVELY

Group Strategic Procurement has recently embarked on a journey of enhancing our entire suite of procurement systems and tools, which will improve the efficiency and effectiveness of the procurement process. This initiative will also reduce paper printing and the need for suppliers to travel to our office as most activities are online. It will also aid suppliers to successfully comply with the goal of making their operations more sustainable. We are currently in the implementation phase of deploying this Group Electronic Procurement System (GEPS) across four countries i.e. Malaysia, Indonesia, Singapore and Thailand. This will increase visibility, audit and controls across the Group.

At all times, the principles of good procurement practices are sustained and guided by CIMB Group policies such as:

- Group Procurement Policy sets clear directives, fundamental principles and a structured governance framework to ensure fair and responsible conduct in its sourcing process.
- CIMB's Vendor Code of Conduct sets out our expectations of our suppliers which will drive their behaviour, and promote fair and ethical business dealings.

We also care about the way our suppliers do business. Our vendor code of conduct outlines our expectation in areas of labour and human rights, health and safety, environment and ethical dealings. As our procurement mission stands for more than short-term gains, we work with our suppliers to go beyond legal compliance, to exceed minimum requirements and to strive for continuous improvement. In addition to the above, our Whistle-Blowing Policy is a confidential avenue for anyone to report suspected unethical, illegal or improper behaviour, and disclosures are treated confidentially.

In supporting the sustainability agenda, CIMB Group Strategic Procurement actively collaborates with business units and business enablers to create solutions and systems that will help us move forward to a digital environment and paper-less organisation. Documentation for committee and management meetings are mainly in soft copies. In CIMB, employees are encouraged to actively use the tele-presence facilities for committee meetings and even Board Meetings to minimise business travel.

Supplier Diversity through CIMB's Bumiputera Vendor Development Programme

CIMB is committed towards the Bumiputera Vendor Development Programme (BVDP) which helps us focus our efforts on supporting the economy and improving the performance of our Bumiputera Vendors. We support selected Bumiputera suppliers to enable them to achieve a sustainable competitive advantage. Together, this also moves us towards our goal of providing the business with competitive and sustainable suppliers. CIMB has sponsored leadership training for selected Bumiputera Vendors in the BVDP through a collaboration with a higher learning institution. The customised development programme offers participating Bumiputera vendors an opportunity to learn from and engage with government agencies, government-linked companies and universities.

GOOD MEDIA ENGAGEMENT

Communication with the media and public speaking appearances

We engage with the media in a fair, straightforward and responsive manner, presenting only facts and data that have been verified. The CIMB Group Communications Policy serves as a framework governing the dissemination of information by CIMB Group to its shareholders, media and other stakeholders of the Group. This policy incorporates the recommendations contained in the Malaysian Code on Corporate Governance 2012 and the disclosure obligations contained in the Listing Requirements of Bursa Malaysia. We also have a specific policy outlining the appropriate treatment of confidential and price-sensitive information.

We approach online communication in the same way as we do other communication channels, by using sound judgement and always adhering to our values.

Our clear guidelines and rules for the use of social media

BOARD OF TRUSTEES

From left to right
Puan Rosnah Dato' Kamarul Zaman, Dato' Mohd Shukri Hussin, Dato' Sri Nazir Razak, Tan Sri Dato' Md Nor Md Yusof, Tan Sri G K Rama Iyer, Datuk Dr. Richard Leete, Dato' Robert Cheim

GENDER

NATIONALITY

AGE GROUP

LENGTH OF TENURE AS TRUSTEE

TAN SRI DATO' MD NOR MD YUSOF

Chairman, CIMB Foundation

Nationality	Malaysian
Age/Gender	69/Male
Date of Appointment	4 January 2016
Length of Tenure as Trustee	1 year

MEMBERSHIP OF BOARD COMMITTEES:

- Nil

DIRECTORSHIP:

- Chairman of CIMB Foundation
- Chairman of Malaysia Airlines Berhad
- Chairman of Pelaburan Hartanah Berhad
- Board of Trustees of Yayasan Khazanah
- Director and Executive Committee (EXCO) Member of Khazanah Nasional Berhad
- Agrifood Resources Holdings Sdn Bhd
- Malaysian New Zealand Chamber Of Commerce (Advisory Board)
- Chairman of Yayasan Hasanah
- Chairman of Malaysia Aviation Group Berhad (fka Pulau Mabul Berhad)

Non-Listed Entities

- Nil

QUALIFICATION:

- Bachelor of Commerce, University of Otago
- Associate Chartered Accountant, New Zealand Society of Accountants

AREAS OF EXPERTISE:

- Chartered Accountant

RELEVANT EXPERIENCE:

Tan Sri Dato' Md Nor had spent a significant amount of his working career with CIMB Group Holdings Berhad as a Director and more notably as President and Chief Executive Officer of Bank of Commerce (M) Berhad (now known as CIMB Bank Berhad).

Tan Sri Dato' Md Nor completed his term as Executive Chairman of the Securities Commission on 31 March 2006. Prior to that appointment, he was the Managing Director of Malaysian Airline System Berhad after serving a period as Advisor in the Ministry of Finance.

DATO' SRI NAZIR RAZAK

Trustee, CIMB Foundation

Nationality	Malaysian
Age/Gender	50/Male
Date of Appointment	25 March 2016
Length of Tenure as Trustee	9 months

MEMBERSHIP OF BOARD COMMITTEES:

- Chairman of the Board Oversight Committee and Group Compensation Review Committee of CIMB Group Holdings Berhad
- Member of the Board Risk Committee of CIMB Group Holdings Berhad

DIRECTORSHIP:

Listed Entities

- Chairman, CIMB Group Holdings Berhad
- President Commissioner of PT Bank CIMB Niaga Tbk

Non-Listed Entities

- Deputy Chairman/Non-Independent Non-Executive Director of CIMB Bank Berhad

QUALIFICATION:

- Bachelor of Science (Hons) in Economics and Politics, University of Bristol
- Master of Philosophy (MPhil), University of Cambridge

AREAS OF EXPERTISE:

- Management, Finance and Banking

RELEVANT EXPERIENCE:

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

Dato' Sri Nazir Razak holds directorships in various CIMB companies. He is also a Director of Khazanah Nasional Berhad and a Member of the Investment Panel of the Employee Provident Fund (EPF) and the International Advisory Board of the Blavatnik School of Government at the University of Oxford. He is Chairman of the EPF's Investment Panel Risk Committee, and the World Economic Forum's ASEAN Regional Strategy Group and ASEAN Regional Business Council.

In 2015, he was conferred the prestigious Asia House's 'Asian Business Leaders Award' for his overall contribution to economic success, professional excellence, moral leadership and service to society.

BOARD OF TRUSTEES

DATO' MOHD SHUKRI HUSSIN

Trustee, CIMB Foundation

Nationality	Malaysian
Age/Gender	62/Male
Date of Appointment	15 November 2007
Length of Tenure as Trustee	9 years

MEMBERSHIP OF BOARD COMMITTEES:

- Nil

DIRECTORSHIP:

Listed Entities

- Nil

Non-Listed Entities

- SME Bank Berhad

QUALIFICATION:

- Bachelor of Economics (Hons), University of Malaya
- Chartered Accountant, Institute of Chartered Accountants of England and Wales (ICAEW)

AREAS OF EXPERTISE:

- Economics, management, banking & finance, strategy and investment

RELEVANT EXPERIENCE:

Dato' Mohd Shukri has a long and respected history at CIMB, he was its Chief Operating Officer from February 2003 to January 2006, after which he was appointed Executive Director until his retirement in December 2011.

He also served as Commissioner of PT Bank CIMB Niaga Tbk from May 2006 to December 2011 and as President Commissioner from May 2006 to December 2011.

TAN SRI G K RAMA IYER

Trustee, CIMB Foundation

Nationality	Malaysian
Age/Gender	84/Male
Date of Appointment	7 September 2012
Length of Tenure as Trustee	4 years

MEMBERSHIP OF BOARD COMMITTEES:

- Nil

DIRECTORSHIP:

Listed Entities

- Nil

Non-Listed Entities

- YTR Harta Sdn Bhd
- Yayasan Tun Razak
- Maritime Institute of Malaysia
- Malaysian Nature Society
- Education Welfare Research Foundation

QUALIFICATION:

- Masters in Public Administration, Harvard University
- Bachelor of Arts in Economics (Hons), University Malaya (Singapore)
- Advanced Management Programme Course, Harvard Business School

AREAS OF EXPERTISE:

- Economics, audit and management

RELEVANT EXPERIENCE:

In his 30 year career in the civil service, Tan Sri Rama was the Secretary General of the Ministry of General Planning and Social Economic Research, the Ministry of Works and Utilities and the Ministry of Primary Industries.

He was also the first Chairman of Malaysia Airlines System Berhad and a founder Director of Malaysian International Shipping Corporation Berhad. He is also on the Board of YTR Harta Sdn Bhd and is a Trustee of a number of other foundations.

Tan Sri Rama was a Director of CIMB Bank Berhad and its antecedents from 1987 to 2012.

DATUK DR. RICHARD LEETE

Trustee, CIMB Foundation

Nationality	British
Age/Gender	68/Male
Date of Appointment	15 November 2007
Length of Tenure as Trustee	9 years

MEMBERSHIP OF BOARD COMMITTEES:

- Nil

DIRECTORSHIP:

Listed Entities

- Nil

Non-Listed Entities

- Nil

QUALIFICATION:

- Ph.D in Economics (Population Studies) from London School of Economics and Political Sciences, University of London
- Distinguished Fellow of Malaysia's Institute of Strategic and International Studies (ISIS)

AREAS OF EXPERTISE:

- Social development and strategic planning

RELEVANT EXPERIENCE:

Datuk Dr. Richard currently serves part-time as Adviser to the Minister of Development Planning and Statistics at the Ministry of Development Planning and Statistics, Doha, Qatar; and Manager of HRH Sultan Nazrin Shah's Economic History of Malaya Project.

He formerly served as the Resident Representative of the United Nations Development Programme (UNDP) for Malaysia, Brunei Darussalam and Singapore between October 2003 and March 2007, and concurrently served as the Resident Coordinator for the United Nations' Operational Activities for Development in Malaysia.

Prior to his assignment in Malaysia, Datuk Dr. Richard was the Chief of the Population and Development Branch at United Nations Population Fund (UNFPA) Headquarters in New York responsible for global policy on population and development inter-relations.

He was awarded the Darjah Kebesaran Panglima Jasa Negara (PJN) (Honorary) that carries the title Datuk.

PUAN ROSNAH DATO' KAMARUL ZAMAN

Trustee, CIMB Foundation

Nationality	Malaysian
Age/Gender/Ethnicity	60/Female
Date of Appointment	15 November 2007
Length of Tenure as Trustee	9 years

MEMBERSHIP OF BOARD COMMITTEES:

- Chairperson of Board Risk Committee of CIMB Bank Berhad
- Chairperson of Board Investment Committee of CIMB Banking Group
- Member of Audit Committee of CIMB Banking Group
- Member of Board Risk Committee of CIMB Islamic Bank Berhad

DIRECTORSHIP:

Listed Entities

- Nil

Non-Listed Entities

- CIMB Bank Berhad
- CIMB Islamic Bank Berhad

QUALIFICATION:

- Bachelor of Arts in Economics (Hons), University of Manchester

AREAS OF EXPERTISE:

- Management, banking & finance, strategy and investment

RELEVANT EXPERIENCE:

Puan Rosnah began her career in banking as a Management Trainee with Bank of Commerce Bhd (now known as CIMB Bank Berhad) in 1979. Early in her career, she was seconded to JP Morgan in New York and attended their Commercial Bank Management Programme. Puan Rosnah has presented at various local and international seminars on banking and is well respected in banking circles.

In 2004, she completed the Global Leadership Development Programme, initiated by the government to develop leaders in the financial industry. Her last appointment at CIMB was as Senior Executive Vice President heading the Banking Unit, responsible for the strategic businesses of Retail Banking, Business Banking, Corporate Banking, Treasury and International Banking. In January 2012, she was appointed to the Board of Directors of CIMB Bank Berhad. Puan Rosnah also sits on the board of CIMB Islamic Bank Berhad.

BOARD OF TRUSTEES

DATO' ROBERT CHEIM

Trustee, CIMB Foundation

Nationality	Malaysian
Age/Gender	65/Male
Date of Appointment	31 July 2015
Length of Tenure as Trustee	1.5 years

MEMBERSHIP OF BOARD COMMITTEES:

- Member of Board Risk Committee of CIMB Investment Bank Berhad
- Member of Group Compensation Review Committee of CIMB Group Holdings Berhad

DIRECTORSHIP:

Listed Entities

- CIMB Thai Bank Public Company Limited

Non-Listed Entities

- CIMB Investment Bank Berhad
- CIMB Principal-Asset Management Berhad
- RC Capital Sdn. Bhd.
- Yu Cai Foundation

QUALIFICATION:

- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants

AREAS OF EXPERTISE:

- Accounting, management, banking & finance, strategy and investment

RELEVANT EXPERIENCE:

Dato' Robert joined Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) 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 Berhad. Prior to joining CIMB Investment Bank Berhad, Dato' Robert served in various management positions with the former United Asian Bank Berhad (now known as CIMB Bank Berhad) between 1977 and 1984. He has also worked in various accounting firms in London. He is a Trustee of Yu Chai Foundation and was the Chairman/ Independent Director of Tanjong Plc. Dato' Robert is a Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Accountants.

Board of trustees attendance at meetings in 2016 are as follows:

Tan Sri Dato' Md Nor Md Yusof	5/5
Dato' Sri Nazir Razak	4/4
Dato' Mohd Shukri Hussin	4/5
Tan Sri G K Rama Iyer	5/5
Datuk Dr. Richard Leete	5/5
Puan Rosnah Dato' Kamarul Zaman	5/5
Dato' Robert Cheim Dau Meng	4/5

CIMB FOUNDATION'S CHARTER

SUPPORT

Support the development and empowerment of communities.

BUILD

Build meaningful relationships and strategic partnerships with communities and key stakeholders in achieving the Foundation's vision.

IDENTIFY

Identify and implement quality projects within our key areas of focus, give priority to those that are sustainable, build local capacity and have measureable and realistic outcomes.

REALISE

Realise CIMB Group's commitment to be a responsible corporate citizen, with active participation of its employees.

CIMB Foundation is established as a non-profit organisation limited by guarantee.
Financial contributions to the Foundation are disbursed by CIMB Group for the sole purpose of implementing their corporate social responsibility initiatives and philanthropic activities.

The Group's vision is 'To be the leading ASEAN company', which means that it strives to be the bank of choice to the community; the preferred employer to its employees; and the bank that accords the highest premium to its shareholders.

The Group continuously anticipates and delivers on its customers' needs and aims at always creating value by looking beyond present circumstances and requirements to actively anticipate the future; and as such, the Foundation's commitment to value-creation extends to a wider community.

The Foundation supports causes in which it sees potential for empowerment through capacity building initiatives, in the following areas of focus:

Community Development

The Foundation's initiatives within this category create opportunities for and build the capacity of communities by providing them with the necessary resources to improve their quality of life and promote sustainable development. It encourages communities to work together to identify and solve problems, cultivate socially valuable relationships and support leadership development.

Sports

The Foundation will support activities related to sports development with a particular focus on efforts aimed at nurturing young talent by providing opportunities, financial support and programmes for the development of young athletes.

Education

The Foundation will support projects that provide community-based learning opportunities as well as facilitating access to knowledge and learning.

Accountability

The Foundation is committed to the highest standards of governance, transparency and accountability. It will have sound financial management systems and controls to ensure that all expenditure is fully accounted for and audited on an annual basis. The Foundation is given overall guidance by the Board of Trustees. Community and/or partner agencies will be engaged by the Foundation in the identification and implementation of projects.

Board of Trustees

The Board ensures that funds are properly administered and disbursed according to the Foundation's vision, objectives and areas of focus. Board meetings are held at least once quarterly and more frequently, if needed.

Working Committee

Projects submitted to the Foundation are first evaluated against a pre-determined set of criteria. The evaluation is done by a 'Working Committee', who will then recommend projects that satisfy the criteria to the Foundation's Chief Executive Officer or the Board for approval.

TRUSTEES' REPORT

for the financial year ended 31 December 2016

The Trustees of CIMB Foundation ("the Foundation") hereby submit their report together with the audited Financial Statements of the Foundation for the financial year ended 31 December 2016. The Foundation is incorporated as a company limited by guarantee and does not have share capital.

The Trustees regard CIMB Group Holdings Berhad, a company listed on the Main Board of the Bursa Malaysia Securities Berhad and incorporated in Malaysia, as the ultimate holding company.

OBJECTS

The objects of the Foundation are to receive and administer funds for public welfare, religious, educational, cultural, artistic and charitable purposes. There was no significant change in the objects of the Foundation during the financial year.

FINANCIAL RESULTS

	RM
Net shortfall of income over expenditure for the financial year	**(4,656,669)**

TRUSTEES

The Trustees who have held office since the date of the last report and as at the date of this report are as follows:

Tan Sri Dato' Md Nor Md Yusof
Dato' Mohd Shukri bin Hussin
Datuk Dr Richard Leete
Rosnah binti Dato' Kamarul Zaman
Tan Sri G.K. Rama Iyer A/L V.R.G Iyer
Dato' Robert Cheim Dau Meng
Dato' Sri Mohamed Nazir bin Abdul Razak (Appointed on 25 March 2016)

In accordance with articles 46 and 47 of the Articles of Association, the following Trustees retire from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election:

Tan Sri Dato' Md Nor Md Yusof
Dato' Mohd Shukri bin Hussin
Datuk Dr Richard Leete
Rosnah binti Dato' Kamarul Zaman
Tan Sri G.K. Rama Iyer A/L V.R.G Iyer
Dato' Robert Cheim Dau Meng
Dato' Sri Mohamed Nazir bin Abdul Razak

TRUSTEES' INTERESTS IN SHARES AND SHARE OPTIONS

According to the Register of Trustees' Shareholdings, the beneficial interests of Trustees who held office at the end of the financial year in the shares of the ultimate holding company during the financial year are as follows:

	No. of ordinary shares of RM1 each			
	As at 1 January/Date of Appointment	Acquired/ Granted	Disposed	As at 31 December
Ultimate holding company				
CIMB GROUP HOLDINGS BERHAD				
Direct Interest				
Dato' Mohd Shukri bin Hussin	10,156	470	–	10,626
Tan Sri Dato' Md Nor Md Yusof	400,000	–	–	400,000
# Tan Sri G.K. Rama Iyer A/L V.R.G Iyer	53,582	4,622^	–	58,204
> Dato' Robert Cheim Dau Meng	259,880	34,228^	(8,534)	285,574
* Dato' Sri Mohamed Nazir bin Abdul Razak	50,828,437	837,746*	(5,160,423)	46,505,760

^ Shares granted under Equity Ownership Plan ("EOP") and acquired by way of the exercise of Dividend Reinvestment Scheme ("DRS")

* Shares acquired from open market and by way of the exercise of DRS

Note: Includes shareholding of spouse/child, details of which are as follows:

	No. of ordinary shares of RM1 each			
	As at 1 January/Date of Appointment	Acquired/ Granted	Disposed	As at 31 December
# Vijayalakshmi A/P Krishnaswamy	38,524	1,048^	–	39,572
# Ganapathy Srihari A/L Rama Iyer	13,029	603^	–	13,632
> Cheim Tat Seng	96,717	26,661^	(8,534)	114,844
* Dato' Azlina Abdul Aziz	2,160,423	–	(2,160,423)	–

		Debentures held		
	Date of appointment	Acquired	Disposed	As at 31 December
CIMB GROUP HOLDINGS BERHAD				
– Subordinated Fixed Rate Notes				
Dato' Robert Cheim Dau Meng	RM1,000,000	–	–	RM1,000,000
PT BANK CIMB NIAGA TBK				
– Subordinated Notes				
Dato' Robert Cheim Dau Meng	IDR1,000,000,000	–	–	IDR1,000,000,000
Dato' Sri Mohamed Nazir bin Abdul Razak	IDR4,500,000,000	–	–	IDR4,500,000,000
CIMB THAI BANK PUBLIC COMPANY LIMITED GROUP				
– Subordinated Notes				
Dato' Robert Cheim Dau Meng	RM1,000,000	–	–	RM1,000,000
PT BANK CIMB NIAGA TBK				
– Shares				
Dato' Robert Cheim Dau Meng	–	26,248	–	26,248
CIMB THAI BANK PUBLIC COMPANY LIMITED GROUP				
– Bonds				
Ganapathy Srihari A/L Rama Iyer	–	RM500,000	–	RM500,000

Other than as disclosed above, according to the Register of Trustees' Shareholdings, the other Trustees in office at the end of the financial year did not hold any interests in shares and share options of the ultimate holding company and related companies during the financial year.

TRUSTEES' REPORT

TRUSTEES' BENEFITS

During the financial year, no arrangements subsisted to which the Foundation is a party, with the object or objects of enabling Trustees of the Foundation to acquire benefits by means of the acquisition of shares in or debentures of any other body corporate.

Since the inception of the Foundation, no Trustee of the Foundation has received or become entitled to receive a benefit by reason of a contract made by the Foundation or with a firm of which the Trustee is a member, or with a company in which the Trustee has a substantial financial interest.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the Financial Statements of the Foundation were made out, the Trustees took reasonable steps:

a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

b) to ensure that any current assets, which were unlikely to realise in the ordinary course of business, their value as shown in the accounting records of the Foundation have been written down to an amount which they might be expected so to realise.

At the date of this report, the Trustees are not aware of any circumstances:

a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the Financial Statements of the Foundation inadequate to any substantial extent; or

b) which would render the values attributed to current assets in the Financial Statements of the Foundation misleading; or

c) which have arisen that render adherence to the existing method of valuation of assets or liabilities of the Foundation misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Trustees, will or may substantially affect the ability of the Foundation to meet its obligations as and when they fall due.

At the date of this report, there was:

a) no charge on the assets of the Foundation has arisen since the end of the financial year which secures the liability of any other person; or

b) no contingent liability of the Foundation which has arisen since the end of the financial year.

At the date of this report, the Trustees are not aware of any circumstances not otherwise dealt with in this report or the Financial Statements which would render any amount stated in the Financial Statements misleading.

In the opinion of the Trustees,

a) the results of the Foundation's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

b) in the interval between the end of the financial year and the date of this report there was no item, transaction or event of a material and unusual nature likely to substantially affect the results of the operations of the Foundation for the financial year in which this report is made.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Trustees in accordance with their resolution.

Tan Sri Dato' Md Nor Md Yusof
Trustee

Dato' Mohd Shukri bin Hussin
Trustee

Kuala Lumpur
9 March 2017

STATEMENT OF ASSETS AND LIABILITIES

as at 31 December 2016

	Note	2016 RM	2015 RM
Non-current asset			
Intangible asset	2	**199,605**	199,605
Current assets			
Other assets	3	**25,202**	2
Financial investments held-to-maturity	4	**7,656,092**	2,557,726
Cash and short term funds	5	**13,405,628**	20,525,337
Deposits placed with a licensed bank	6	**10,048,904**	10,055,890
		31,135,826	33,138,955
Current liabilities			
Payables and accruals	7	**4,837,230**	2,183,690
		4,837,230	2,183,690
Net current assets		**26,298,596**	30,955,265
Net assets		**26,498,201**	31,154,870
Represented by:			
Accumulated funds		**26,498,201**	31,154,870
		26,498,201	31,154,870

STATEMENT OF INCOME AND EXPENDITURE

for the financial year ended 31 December 2016

	Note	2016 RM	2015 RM
Income			
Donations		**2,471,877**	2,391,479
Interest income and hibah	8	**806,661**	819,974
Interest income from financial investments held-to-maturity		**290,938**	57,726
(Amortisation of premium)/Accretion of discount of financial investments held-to-maturity		**(18,684)**	268,274
		3,550,792	3,537,453
Less: Expenditure			
Contribution for charitable expenses	9	**(7,604,046)**	(5,879,450)
Advertising		**(186,714)**	(13,568)
Meeting allowance (Trustees)		**(82,970)**	(21,000)
Withholding tax		**(18,790)**	(10,509)
Audit fees		**(3,506)**	(3,339)
Non-audit fees paid to PricewaterhouseCoopers		**–**	(53,200)
Tax agent fees		**(2,620)**	(2,500)
Transportation cost		**(9,134)**	(42,738)
Bank charges		**(1,546)**	(4,504)
IT outsource services		**(57,975)**	(8,315)
Professional and consultancy fees		**(125,084)**	(9,639)
Back office shared services	8	**(108,512)**	(98,085)
Other general expenses		**(6,564)**	(3,585)
		(8,207,461)	(6,150,432)
Shortfall of income over expenditure		**(4,656,669)**	(2,612,979)
Taxation	10	**–**	–
Net shortfall of income over expenditure		**(4,656,669)**	(2,612,979)

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

for the financial year ended 31 December 2016

	Total RM
At 1 January 2016	**31,154,870**
Net shortfall of income over expenditure	**(4,656,669)**
At 31 December 2016	**26,498,201**
At 1 January 2015	33,767,849
Net shortfall of income over expenditure	(2,612,979)
At 31 December 2015	31,154,870

STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2016

	Note	2016 RM	2015 RM
Cash flows from operating activities			
Shortfall of income over expenditure		**(4,656,669)**	(2,612,979)
Adjustment for:			
Donations received		**(2,471,877)**	(2,391,479)
Interest income		**(1,097,599)**	(877,700)
Amortisation of premium/(Accretion of discount) from financial investments held-to-maturity		**18,684**	(268,274)
		(8,207,461)	(6,150,432)
Increase in operating assets			
Other assets		**(25,200)**	–
Increase/(decrease) in operating liabilities			
Payables and accruals		**2,642,063**	(3,283,774)
Net cash flows used in operating activities		**(5,590,598)**	(9,434,206)
Cash flows from investing activities			
Purchase of financial investments held-to-maturity		**(5,061,000)**	(2,500,000)
Proceeds from redemptions of financial investments held-to-maturity		**–**	10,000,000
Placement of deposits and placements with a related licensed bank		**–**	(10,000,000)
Interest received from financial investment held to maturity		**234,888**	–
Interest received from deposit and placement with a related licensed bank		**400,000**	–
Interest received from cash and short term funds		**425,124**	764,084
Net cash flows used in investing activities		**(4,000,988)**	(1,735,916)
Cash flows from financing activity			
Donations received		**2,471,877**	2,391,479
Net cash flows generated from financing activity		**2,471,877**	2,391,479
Net decrease in cash and cash equivalents during the financial year		**(7,119,709)**	(8,778,643)
Cash and cash equivalents at beginning of the financial year		**20,525,337**	29,303,980
Cash and cash equivalents at end of the financial year		**13,405,628**	20,525,337
Cash and cash equivalents comprise:			
Cash and bank balances	5	**405,628**	525,337
Deposits and placements with banks maturing within one month	5	**13,000,000**	20,000,000
		13,405,628	20,525,337

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2016

The following significant accounting policies have been used consistently in dealing with items that are considered material in relation to the Financial Statements.

A BASIS OF PREPARATION

The Financial Statements of the Foundation have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The Financial Statements of the Foundation have been prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The preparation of Financial Statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of income and expenses during the reported period. It also requires Trustees to exercise their judgement in the process of applying Foundation's accounting policies. Although these estimates and judgement are based on the Trustees' best knowledge of current events and actions, actual results may differ from those estimates.

There are no critical accounting estimates and assumptions used that are significant to the Financial Statements.

(a) Standards and amendments to published standards that are effective and applicable to the Foundation

The new accounting standards and amendments to published standards that are effective and applicable to the Foundation for the financial year beginning 1 January 2016 are as follows:

- Amendments to MFRS 101 "Presentation of Financial Statements – Disclosure Initiative"

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Foundation but not yet effective

The Foundation will apply these standards, amendments to published standards from:

(i) Financial year beginning on/after 1 January 2017

- Amendments to MFRS 107 "Statement of Cash Flows – Disclosure Initiative" introduce an additional disclosure on changes in liabilities arising from financing activities.

(ii) Financial year beginning on/after 1 January 2018

- MFRS 9 "Financial Instruments" will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

  MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

  For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of income, unless this creates an accounting mismatch.

  MFRS 9 introduces expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The adoption of the new accounting standards, amendments and improvements to published standards would not have a material impact on the Financial Statements of the Foundation.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B FINANCIAL ASSETS

(a) Classification

The Foundation allocates its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, financial investments held-to-maturity and financial investments available-for-sale. Management determines the classification of its financial instruments at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets held for trading and other financial assets designated by the Foundation as fair value through profit or loss upon initial recognition.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments.

The Foundation did not designate any financial assets at fair value through profit or loss upon initial recognition during the financial year ended 31 December 2016.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(iii) Financial investments held-to-maturity

Financial investments held-to-maturity are non-derivative instruments with fixed or determinable payments and fixed maturities that the Foundation's management has the positive intent and ability to hold to maturity. If the Foundation sells other than an insignificant amount of financial investments held-to-maturity, the entire category will be tainted and reclassified as financial investments available-for-sale.

(iv) Financial investments available-for-sale

Financial investments available-for-sale are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as financial assets at fair value through profit or loss, loans and receivables and financial investments held-to-maturity.

(b) Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Transaction costs for securities carried at fair value through profit or loss are taken directly to the statement of income and expenditure.

(c) Subsequent measurement

Financial assets at fair value through profit or loss and financial investments available-for-sale are subsequently carried at fair value, except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured in which case the investments are stated at cost. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are included in the statement of income and expenditure in the period which they arise. Gains and losses arising from changes in fair value of financial investments available-for-sale are recognised directly in equity, until the securities are de-recognised or impaired at which time the cumulative gains or loss previously recognised in equity are recognised in the statement of income and expenditure. Foreign exchange gains or losses of financial investments available-for-sale are recognised in the statement of income and expenditure in the period it arises.

Financial investments held-to-maturity are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from the de-recognition or impairment of the securities are recognised in the statement of income and expenditure.

B FINANCIAL ASSETS (CONTINUED)

(c) Subsequent measurement (Continued)

Interest from financial assets held at fair value through profit or loss, financial investments available-for-sale and financial investments held-to-maturity are calculated using the effective interest method and is recognised in the statement of income and expenditure. Dividends from available-for-sale equity instruments are recognised in the statement of income and expenditure when the entity's right to receive payment is established.

Loans and receivables are initially recognised at fair value – which is the cash consideration to originate or purchase the receivables including the transaction costs, and measured subsequently at amortised cost using the effective interest rate method. Interest on receivables is included in the statement of income and expenditure. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in the statement of income and expenditure.

(d) Reclassification of financial assets

The Foundation may choose to reclassify a non-derivative financial assets held for trading out of the held for trading category if the financial asset is no longer held for the purposes of selling in the near term. In addition, the Foundation may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Foundation has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at the fair value at the date of the reclassification. The fair values of the securities becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before the reclassification date are subsequently made. The effective interest rates for the securities reclassified to held-to-maturity category are determined at the reclassification date. Further changes in estimates of future cash flows are recognised as an adjustment to the effective interest rates.

C FINANCIAL LIABILITIES

Financial liabilities are measured at amortised cost, except for trading liabilities and liabilities designated at fair value, which are held at fair value through profit or loss. Financial liabilities are initially recognised at fair value less transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of income and expenditure. Financial liabilities are de-recognised when extinguished.

(a) Financial liabilities at amortised cost

Financial liabilities that are not classified as fair value through profit or loss fall into this category and are measured at amortised cost. The financial liabilities measured at amortised cost are payables and accruals.

D DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets are de-recognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Foundation tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent de-recognition). Financial liabilities are de-recognised when they have been redeemed or otherwise extinguished.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E IMPAIRMENT OF FINANCIAL ASSETS

(a) Assets carried at amortised cost

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

The criteria the Foundation uses to determine that there is objective evidence of impairment loss include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganisation, default of delinquency in interest or principal payments and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Foundation first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Foundation determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

The amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of income and expenditure. If a loan or financial investment held-to-maturity have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets that have not been individually assessed are grouped together for portfolio impairment assessment. These financial assets are grouped according to their credit risk characteristics for the purposes of calculating an estimated collective loss. These characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being assessed. Future cash flows on a group of financial assets that are collectively assessed for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group.

The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Foundation to reduce any differences between loss estimates and actual loss experience.

When a receivable is uncollectible, it is written off against the related allowance for receivable impairment. Such receivable are written-off after taking into consideration the realisable value of collateral, if any, when in the judgement of the management, there is no prospect of recovery.

If, in a subsequent period, the amount of impairment losses decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of income and expenditure.

(b) Assets classified as available-for-sale

The Foundation assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired.

For debt securities, the Foundation uses criteria and measurement of impairment loss applicable for "assets carried at amortised cost" above. If in a subsequent period, the fair value of a debt instrument classified as financial investments available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in statement of income and expenditure, the impairment loss is reversed through statement of income and expenditure.

E IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

(b) Assets classified as available-for-sale (Continued)

In the case of equity instruments classified as financial investments available-for-sale in addition to the criteria for "assets carried at amortised cost" above, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If there is objective evidence that an impairment loss on financial investments available-for-sale has incurred, the cumulative loss that has been recognised directly in equity is removed from equity and recognised in the statement of income and expenditure. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in statement of income and expenditure. Impairment losses recognised in statement of income and expenditure on equity instruments are not reversed through the statement of income and expenditure.

F CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank balances and deposit placements maturing less than one month.

G INTANGIBLE ASSETS

Intangible assets are measured at fair value. Intangible asset include software. Intangible assets are initially recognised when they are separable or arise from contractual or other legal rights, the cost can be measured reliably and, in the case of intangible assets not acquired in a business combination, where it is probable that future economic benefits attributable to the assets will flow from their use. The value of intangible assets which are acquired in a business combination is generally determined using fair value at acquisition. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Intangible assets that have a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, and are amortised over their estimated useful lives.

Intangible assets are amortised over their finite useful lives as follows:

Software	3 years

H IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the statement of income and expenditure unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the statement of income and expenditure unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I PROVISIONS

Provisions are recognised by the Foundation when all of the following conditions have been met:

(i) the Foundation has a present legal or constructive obligation as a result of past events.

(ii) it is probable that an outflow of resources to settle the obligation will be required; and

(iii) a reliable estimate of the amount of obligation can be made.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

J RECOGNITION OF DONATION

Donations are recognised in the statement of income and expenditure of the Foundation when the Foundation is entitled to receive the donations.

K RECOGNITION OF INCOME AND HIBAH

Income and hibah are recognised on deposits placements and current accounts using the effective interest method on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016

1 GENERAL INFORMATION

The objects of the Foundation are to receive and administer funds for public welfare, religious, educational, cultural, artistic and charitable purposes. There was no significant change in the objects of the Foundation during the financial year.

The Foundation is incorporated and domiciled in Malaysia as a company limited by guarantee, without share capital.

The Trustees regard CIMB Group Holdings Berhad, a quoted company incorporated in Malaysia, as the ultimate holding company.

The address of the registered office of the Foundation is Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.

2 INTANGIBLE ASSET

	Software work in progress RM	Total RM
2016		
Cost		
At 1 January/31 December	**199,605**	**199,605**
2015		
Cost		
At 1 January/31 December	199,605	199,605

CIMB Foundation is developing an online grant management system to automate the existing grant processes, which include project adoption, grant disbursement and project reporting for CSR activities.

3 OTHER ASSETS

	2016 RM	2015 RM
Membership fees receivable	**2**	2
Prepayment	**25,200**	–
	25,202	2

NOTES TO THE FINANCIAL STATEMENTS

4 FINANCIAL INVESTMENTS HELD-TO-MATURITY

	2016 RM	2015 RM
Money market instrument:		
Malaysia Government Securities	**5,116,461**	–
Khazanah bond	**2,558,315**	2,557,726
Amortisation of premium	**(18,684)**	–
	7,656,092	2,557,726

The Khazanah bond has a principal of RM2.5 million (2015: RM2.5 million) with a coupon rate of 4.30% (2015: 4.30%) and will mature on 17 June 2022.

The Malaysia Government Securities has a face value of RM5 million with a coupon rate of 3.76% and will mature on 15 March 2019.

5 CASH AND SHORT TERM FUNDS

	2016 RM	2015 RM
Cash and short term funds maintained with related licensed banks:		
a) Cash and bank balances	**405,628**	525,337
b) Deposits and placements maturity within one month	**13,000,000**	20,000,000
	13,405,628	20,525,337

The weighted average interest rate is 2.95% (2015: 3.15%).

6 DEPOSIT PLACED WITH A LICENSED BANK

	2016 RM	2015 RM
Deposit placed with a related company, which is a licensed bank in Malaysia	**10,048,904**	10,055,890

The weighted average interest rate is 4.00% (2015: 4.00%).

7 PAYABLES AND ACCRUALS

	2016 RM	2015 RM
Donations payable	**4,722,778**	2,053,694
Accrued expenses	**39,412**	104,784
Interest income received in advance	**11,477**	14,981
Amounts due to a related company	**63,563**	10,231
	4,837,230	2,183,690

The balance with a related party at financial year ended 2016 was carried out in the course of ordinary Foundation transactions and are unsecured, interest free and repayable on demand.

8 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

(a) Related parties and relationship

The related parties of, and their relationship with the Foundation are as follows:

Related party	Relationship
CIMB Group Holdings Berhad ("CIMB Group")	Ultimate holding company
Subsidiaries and associates of CIMB Group as disclosed in the Notes to CIMB Group's Financial Statements	Subsidiaries and associates of ultimate holding company

(b) Related party transactions

In addition to related party disclosures mentioned elsewhere in the Financial Statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated. Interest rates on short-term deposits were at normal commercial rates.

	2016 RM	2015 RM
Back office shared services paid to CIMB Bank Berhad	**(108,512)**	(98,085)
Interest income and hibah received from CIMB Islamic Bank Berhad	**806,661**	819,974
Interest income from Khazanah bond held-to-maturity	**108,973**	57,726

NOTES TO THE FINANCIAL STATEMENTS

8 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) Related party balances

	2016 RM	2015 RM
Bank balances with CIMB Islamic Bank Berhad	**405,628**	525,337
Short term placements with CIMB Islamic Bank Berhad	**13,000,000**	20,000,000
Commodity Murabahah Deposits placed with CIMB Islamic Bank Berhad	**10,048,904**	10,055,890
Amount due to CIMB Bank Berhad	**(63,563)**	(10,231)
Interest income on short term placement received in advance from CIMB Islamic Bank Berhad	**(11,477)**	(14,981)
Financial investments held-to-maturity with Khazanah Nasional Berhad	**2,558,315**	2,557,726

The amount due to related party at year end was carried out in the course of ordinary Foundation transactions and are unsecured, interest free and repayable on demand.

(d) Transactions with shareholders and Government

Khazanah Nasional Berhad ("KNB"), the major shareholder of the ultimate holding company owns 29.3% of the issued capital of the ultimate holding company (2015: 29.7%). KNB is an entity controlled by the Malaysian Government. The Foundation considers that, for the purpose of MFRS 124 – "Related Party Disclosures", KNB and the Malaysian Government and Malaysian Government controlled bodies (collectively referred to as "government-related entities") are related parties of the Foundation. The transactions are done in the Foundations normal course of business, and they are done in accordance with the Foundations' internal policies.

9 CONTRIBUTION FOR CHARITABLE EXPENSES

	2016 RM	2015 RM
Community development	**3,157,515**	783,757
Sports	**2,096,437**	1,936,904
Education	**2,027,037**	2,698,701
Natural disaster and general donations	**323,057**	460,088
	7,604,046	5,879,450

10 TAXATION

The Foundation is an approved charitable institution under Section 44(6) of the Income Tax Act, 1967. With effect from year of assessment 2001, any organisation or institution which is approved under Subsection 44(6) of the Income Tax Act, 1967 will automatically be granted tax exemption on its income (except dividend income) under paragraph 13, Schedule 6, Income Tax Act, 1967.

11 FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Foundation does not face significant exposure to financial risks, except for credit risk, market risk and liquidity risk.

11.1 Credit risk

Credit risk is the risk of loss due to failure of counterparty to meet its financial obligations due to the Foundation.

Except for financial investments held-to-maturity (Note 4), cash and short term funds and deposits placed with a licensed bank, the Foundation is not exposed to any other significant credit risk.

All analysis of credit risk includes only financial assets subject to credit risk. They exclude non-financial assets.

11.1.1 Maximum exposure to credit risk (without taking into account any collateral held or other credit enhancements)

For financial assets recognised in the statement of assets and liabilities, the maximum exposure to credit risk equals their carrying amount as at 31 December 2016 and 31 December 2015.

11.1.2 Concentration of risks of financial assets with credit risk exposure

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The credit risk concentrations of the financial assets of the Foundation (without taking into account any collateral held or other credit enhancements) are as follows:

(a) Industry sectors

The analyses of credit risk concentrations (without taking into account any collateral held or other credit enhancements) based on the industry sectors of the counterparty for items recognised in the statement of assets and liabilities are as follows:

	Financial investments held-to-maturity RM	Cash and short term funds RM	Deposit placed with a licensed bank RM	Total credit exposure RM
2016				
Finance, insurance and business services	**–**	**13,405,628**	**10,048,904**	**23,454,532**
Government & government agencies	**7,656,092**	**–**	**–**	**7,656,092**
	7,656,092	**13,405,628**	**10,048,904**	**31,110,624#**
2015				
Finance, insurance and business services	–	20,525,337	10,055,890	30,581,227
Government & government agencies	2,557,726	–	–	2,557,726
	2,557,726	20,525,337	10,055,890	33,138,953#

Excluded membership fees receivable and prepayment.

NOTES TO THE FINANCIAL STATEMENTS

11 FINANCIAL RISK MANAGEMENT (CONTINUED)

11.1 Credit risk (Continued)

11.1.2 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Geographical sectors

Location of the counterparty – Malaysia

11.1.3 Credit quality of financial assets

Financial assets are required under MFRS 7 to be categorised into "neither past due nor impaired", "past due but not impaired" or "impaired".

Financial investments held-to-maturity, cash and short term funds, and deposits placed with a licensed bank of the Foundation as at 31 December 2016 and 31 December 2015 are categorised as "neither past due nor impaired". There is a high likelihood of these assets being recovered in full and therefore, of no cause for concern to the Foundation.

An analysis of the credit quality of the Foundation's financial assets that are "neither past due nor impaired" is set out below.

	Sovereign RM	Investment grade (AAA) RM	Total RM
2016			
Financial investments held-to-maturity	**7,656,092**	**–**	**7,656,092**
Cash and short term funds	**–**	**13,405,628**	**13,405,628**
Deposit placed with a licensed bank	**–**	**10,048,904**	**10,048,904**
	7,656,092	**23,454,532**	**31,110,624#**
2015			
Financial investments held-to-maturity	2,557,726	–	2,557,726
Cash and short term funds	–	20,525,337	20,525,337
Deposit placed with a licensed bank	–	10,055,890	10,055,890
	2,557,726	30,581,227	33,138,953#

Excluded membership fees receivable and prepayment.

11 FINANCIAL RISK MANAGEMENT (CONTINUED)

11.2 Market risk

Market risk is defined as the potential change in market value of trading and investment securities held by the Foundation arising from adverse changes to market parameters such as interest rates, credit spreads, foreign exchange rates, equity prices, commodity prices and volatility.

11.2.1 Interest rate risk

Interest rate risk relates to the potential adverse impact on the net interest income arising from the changes in market rates. One of the primary sources of interest rate risk is the repricing mismatches between interest earning assets and interest bearing liabilities.

The table below summarises the Foundation's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates.

	<----------Non-trading book ---------->					
2016	**Up to 1 month RM**	**> 6 – 12 months RM**	**> 1 – 5 years RM**	**Over 5 years RM**	**Non-interest sensitive RM**	**Total RM**
Financial assets						
Financial investments held-to maturity	**–**	**–**	**5,000,000**	**2,500,000**	**156,092**	**7,656,092**
Cash and short term funds	**13,405,628**	**–**	**–**	**–**	**–**	**13,405,628**
Deposit placed with a licensed bank	**–**	**10,000,000**	**–**	**–**	**48,904**	**10,048,904**
Total assets	**13,405,628**	**10,000,000**	**5,000,000**	**2,500,000**	**204,996#**	**31,110,624**
Financial liabilities						
Payables and accruals	**–**	**–**	**–**	**–**	**4,825,753***	**4,825,753**
Total liabilities	**–**	**–**	**–**	**–**	**4,825,753***	**4,825,753**
Net interest sensitivity gap	**13,405,628**	**10,000,000**	**5,000,000**	**2,500,000**		

Excluded membership fees receivable and prepayment.

* Excluded interest income received in advance of RM11,477.

NOTES TO THE FINANCIAL STATEMENTS

11 FINANCIAL RISK MANAGEMENT (CONTINUED)

11.2 Market risk (Continued)

11.2.1 Interest rate risk (Continued)

2015	Up to 1 month RM	> 6 – 12 months RM	> 1 – 5 years RM	Over 5 years RM	Non-interest sensitive RM	Total RM
Financial assets						
Financial investments held-to maturity	–	–	–	2,500,000	57,726	2,557,726
Cash and short term funds	20,525,337	–	–	–	–	20,525,337
Deposit placed with a licensed bank	–	10,000,000	–	–	55,890	10,055,890
Total assets	20,525,337	10,000,000	–	2,500,000	113,616#	33,138,953
Financial liabilities						
Payables and accruals	–	–	–	–	2,168,709	2,168,709
Total liabilities	–	–	–	–	2,168,709*	2,168,709
Net interest sensitivity gap	20,525,337	10,000,000	–	2,500,000		

Excluded membership fees receivable and prepayment.
* Excluded interest income received in advance of RM14,981.

11.2.2 Foreign exchange risk

The Foundation has no exposure to foreign exchange risk as all its financial assets and financial liabilities at the end of the reporting period are denominated in Ringgit Malaysia.

11 FINANCIAL RISK MANAGEMENT (CONTINUED)

11.3 Liquidity risk

Liquidity risk is defined as the current and prospective risk to earnings, shareholders fund or the reputation arising from the Foundation's inability to efficiently meet its present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they come due, which may adversely affect its daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the timing of cash flows.

11.3.1 Contractual maturity of financial liabilities on an undiscounted basis

The table below presents the cash flows payable by the Foundation under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow.

2016	Up to 1 month RM	Total RM
Financial liabilities		
Payables and accruals	**4,825,753**	**4,825,753**
Total liabilities	**4,825,753***	**4,825,753**

* Excluded interest income received in advance of RM11,477.

2015	Up to 1 month RM	Total RM
Financial liabilities		
Payables and accruals	2,168,709	2,168,709
Total liabilities	2,168,709*	2,168,709

* Excluded interest income received in advance of RM14,981.

11.4 Fair value of the financial instruments

Financial instruments comprise of financial assets, financial liabilities and items not recognised in the statement of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of the Foundation's financial instruments, which include cash and short term funds, deposits placed with a related licensed bank, financial investments held-to-maturity, other assets, payables and accruals are not materially sensitive to shifts in market interest rates because of the limited term to maturity of these instruments.

As such, the carrying amount of all financial assets and financial liabilities at the end of the reporting period approximates their fair value.

12 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The Financial Statements have been authorised for issue by the Board of Trustees in accordance with a resolution dated 9 March 2017.

STATEMENT BY TRUSTEES

Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Sri Dato' Md Nor Md Yusof and Dato' Mohd Shukri bin Hussin being two of the Members of the Board of Trustees of CIMB Foundation, hereby state that, in the opinion of the Trustees, the Financial Statements set out on pages 79 to 97 are drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 31 December 2016 and of its results and cash flows for the year ended on that date, in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Signed on behalf of the Board of Trustees in accordance with their resolution.

Tan Sri Dato' Md Nor Md Yusof
Trustee

Dato' Mohd Shukri bin Hussin
Trustee

Kuala Lumpur
9 March 2017

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Shahnaz Farouque bin Jammal Ahmad, the officer primarily responsible for the financial management of CIMB Foundation, do solemnly and sincerely declare that the Financial Statements set out on pages 79 to 97 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Shahnaz Farouque bin Jammal Ahmad

Subscribed and solemnly declared by the abovenamed Shahnaz Farouque bin Jammal Ahmad at Kuala Lumpur before me on 9 March 2017

Commissioner for Oath

PESURUHJAYA SUMPAH
No W533
Nama: YM TENGKU FARIDOUDIN BIN TENGKU SULAIMAN
MALAYSIA

205, Bangunan Loke Yew
4, Jln Mahkamah Persekutuan
50050 Kuala Lumpur (W.P.)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CIMB FOUNDATION
(Incorporated in Malaysia as a company limited by guarantee and not having a share capital)
(Company No. 795634-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the Financial Statements of CIMB Foundation ("the Foundation") give a true and fair view of the financial position of the Foundation as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

What we have audited

We have audited the Financial Statements of the Foundation, which comprise the statement of assets and liabilities as at 31 December 2016 of the Foundation, and the statement of income and expenditure, statement of changes in accumulated funds and statement of cash flows of the Foundation for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies, as set out on pages 79 to 97.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the Financial Statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Foundation in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the Financial Statements and auditors' report thereon

The Trustees of the Foundation are responsible for the other information. The other information comprises Trustees' Report, but does not include the Financial Statements of the Foundation and our auditors' report thereon.

Our opinion on the Financial Statements of the Foundation does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements of the Foundation, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements of the Foundation or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Financial Statements

The Trustees of the Foundation are responsible for the preparation of the Financial Statements of the Foundation that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Trustees are also responsible for such internal control as the directors determine is necessary to enable the preparation of Financial Statements of the Foundation that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements of the Foundation, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements of the Foundation as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the Financial Statements of the Foundation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

(d) Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements of the Foundation or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the Financial Statements of the Foundation, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that, in our opinion, the accounting and other records and the registers required by the Act to be kept by the Foundation have been properly kept in accordance with the provisions of the Act.

OTHER MATTERS

This report is made solely to the members of the Foundation, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

ONG CHING CHUAN
(No. 2907/11/17 (J))
Chartered Accountant

Kuala Lumpur
9 March 2017

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SPECIFIC STANDARD DISCLOSURES – CORE OPTION

SPECIFIC STANDARD DISCLOSURES			
Material Aspects	**DMA and Indicators**	**Omissions**	**Reference**
Category: Economic			
Economic Performance	G4-DMA: Economic Performance: P22	–	Ethical Banking
	G4-EC2: P22	–	Green Financing
Indirect Economic Impacts	G4-DMA: Indirect Economic Impacts: P16	–	Customers
	G4-DMA: Indirect Economic Impacts: P22	–	Ethical Banking
	G4-DMA: Indirect Economic Impacts: P42	–	Community
	G4-EC7: P42-P61	–	CIMB in the Community
	G4-EC8: P19, P22, P42-P61	–	Private Retirement Scheme (PRS), Green Financing, CIMB in the Community
Category: Environmental			
Energy	G4-DMA: Energy: P38	–	Environment
	G4-EN3: P39	–	Energy Management
Water	G4-DMA: Water: P38	–	Environment
	G4-EN8: P40	–	Water
Emissions	G4-DMA: Emissions: P38	–	Environment
	G4-EN16: P40	–	Indirect Emissions
Effluents and Waste	G4-DMA: Effluents and Waste: P38	–	Environment
	G4-EN23: P40	–	Waste Management

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Material Aspects	**DMA and Indicators**	**Omissions**	**Reference**
Category: Social			
Sub-category: Labor Practices and Decent Work			
Employment	G4-DMA: Employment: P26	–	Employees
	G4-LA1: P35-P37	–	Employee Touchpoints
	G4-LA2: P33	–	Supporting Different Needs of Employees, Well-being and Benefits
	G4-LA3: P33	–	Supporting Different Needs of Employees
Occupational Health and Safety	G4-DMA: Occupational Health and Safety: P34	–	Occupational Safety and Health
	G4-LA6: P35-P37	Currently unavailable for types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) by region and gender, to be available in 2019.	Employee Touchpoints
Training and Education	G4-DMA: Training and Education: P26	–	Employees
	G4-LA9: P30-P31	–	Career Progression
	G4-LA10: P28-P31	–	Workforce of the Future
Diversity and Equal Opportunity	G4-DMA: Diversity and Equal Opportunity: P32	–	A Diverse CIMB
	G4-LA12: P35	–	Employee Touchpoints
Sub-category: Society			
Local Communities	G4-DMA: Local Communities: P42	–	Community
	G4-SO1: P42-P61		CIMB in the Community
Product and Service Labeling	G4-DMA: Product and Service Labeling: P16	–	Customers
	G4-PR5: P16-P18	–	Customer Experience

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