



CIMB GROUP HOLDINGS BERHAD (50841-W) | Corporate Responsibility Report **2010**

Bringing our vision closer to stakeholders



Contents

02	Overview
06	Project Highlights
20	Testimonials
22	Community
42	Workplace
54	Marketplace
60	Environment
66	CIMB Foundation's Charter
67	CIMB Foundation's Board of Trustees
68	CIMB Foundation's Top 20 Grants
69	CIMB Foundation's Financial Statements



Bringing our vision closer to stakeholders

Overview



Corporate Responsibility is an important aspect of CIMB Group. It is embedded in our corporate goal of becoming the most valued universal bank in Southeast Asia.

Dear Shareholders,

As creating value is the cornerstone of CIMB Group's corporate philosophy, through our corporate responsibility agenda, we extend the value creation beyond merely making profits for shareholders. Recognising that the stakeholders of the business extend to employees, customers, our partners and suppliers and even the communities in which we operate, we have extended our core philosophy of value creation to all stakeholders.

In line with the transformation of CIMB Group which began in 2005, corporate responsibility became a key area of focus of the transformation agenda, with the launch of CIMB Foundation, transforming our approach from one which was ad-hoc and donations-driven to one which was focused on creating long-term sustainable benefits for the stakeholders of the Group, including the communities which we serve.

As Executive Director of CIMB Group and Chief Executive Officer of CIMB Foundation, I am pleased to inform our stakeholders that 2010 was a year of acceleration and expansion in corporate responsibility for CIMB Group, and we have made great strides on many fronts throughout the year.

Pledge fulfilled

With regards to CIMB Group's pledge made at the launch of CIMB Foundation to donate RM100 million to the Foundation over three years from 2008-2010, I am pleased to confirm that we have fulfilled that pledge. We have donated slightly over RM100 million in three annual tranches from 2008-2010. The activities of CIMB Foundation are discussed in later sections of this report, and a more comprehensive review of the Foundation's activities are published in its own annual report, which will be made available for download from www.cimbfoundation.com.

Regionalisation

In line with the Group's regional footprint, our corporate responsibility activities also took on a more regionalised approach.

In the community sphere, 2010 marked the expansion of Community Link, to the region. This flagship corporate responsibility programme of the Group, which is funded by the Foundation and implemented by the consumer banking network of the Group, expanded to Indonesia, Singapore and Thailand, through partnerships with CIMB Niaga, CIMB Bank in Singapore, and CIMB Thai. During the pilot phase a total of 11 projects were approved through the three entities.

We also continued our collaborative cross-border effort in the administration of the CIMB-The Star Padang Relief Fund. While in 2009, the collection of donations for the Fund cut across business and support units throughout the Group, in 2010 similarly, the rebuilding of the seven schools under the Fund was a collaborative effort amongst our staff in Jakarta, Kuala Lumpur and Padang.

We are also proud of our new scholarship scheme, the CIMB Regional Scholarship, which is implemented by CIMB Group and funded by CIMB Foundation. The CIMB Regional Scholarship is aimed at contributing to the development of the ASEAN region, by providing post-graduate opportunities for young people who are passionate about contributing to the region. Focusing on areas which are key to the region's progress but yet remain underfunded, such as genetics, maritime studies, environmental studies, sports science, music, dance, fashion and design, the scholarship is also philanthropic in nature as it does not bond the scholars to CIMB Group, but instead requires the scholars to serve in the region for at least three years upon graduation. We are pleased to have awarded the scholarship to five outstanding young people in the region, whom we selected from among 904 applicants.

Bringing our vision closer to stakeholders:

Overview

In 2010 also, with the Group's title sponsorship of the CIMB Asia Pacific Classic, Malaysia, we launched the CIMB Junior Golf Development Programme as a regional sports development initiative. We forged partnerships with the golf associations of Malaysia, Indonesia, Singapore and Thailand, as well as the PGA TOUR Academy. A total of 60 junior golfers from the four countries in two age groups - 12 and under, and 15 and under - took part in the four golf camps for 2010, which culminated in a training camp at the TOUR Academy's headquarters at TPC Sawgrass in Florida.

In terms of our workplace, we continued to focus on uniting the 37,000-strong workforce of CIMB Group. Among the initiatives was the CIMB SEA Games which entered its 2nd year, with our colleagues from the four countries meeting in Kuala Lumpur to compete for honours in six sports. While all the events were fiercely contested with the level of competitiveness that you might imagine from a performance-oriented organisation like CIMB, many friendships were also forged during the Games. My fellow directors and I attended the events, and the braver ones amongst us also took part in some of the sports, and we were inspired by how sports can unite an organisation.

Strategic focus

We also approached corporate responsibility in a more strategic manner. In an internal reorganisation of CIMB Group at the beginning of 2011, our Corporate Social Responsibility unit was moved from Group Corporate Communications to Group Corporate Resources. This was a particularly strategic move because Group Corporate Resources includes areas of the Group such as human resources, administration, property management, sports and recreation which are synergistic with corporate responsibility. With the major areas of corporate responsibility of workplace, marketplace, environment and community now largely covered under the umbrella of Group Corporate Resources, this will be a strong platform for our next leap forward.

In addition, CIMB Foundation, under the guidance of its Board of Trustees, also put in place a 3-year strategic approach to the



Foundation's activities, setting out the focus areas and goals of the Foundation to be achieved by 2012. This narrows down the three broad pillars of the Foundation of Community Development, Sports and Education into specific focus areas, causes and yearly targets.

Improved disclosure

And corporate responsibility has been a journey of many steps and improvements for the Group, in line with our Group's paradigm of continuous improvement. This year, all stakeholders will see various improvements to our corporate responsibility disclosures. To this end, the Group has produced its corporate responsibility report in a separate document for easier reading. This corporate responsibility report includes the key highlights of CIMB Foundation's activities in the "community" section and the Foundation's audited accounts. While we are publishing the annual report of CIMB Foundation separately, we will make that available for downloading through www.cimbfoundation.com in an effort to cut down on the use of paper.

Board participation

I am also gratified by the support that our corporate responsibility activities have



received from across the Group at all levels and throughout the region. At the Board level, corporate responsibility highlights are discussed at the quarterly review of the Group's performance. Our Group Chairman, Tan Sri Md Nor Yusof, and I sit as trustees on the CIMB Foundation's Board of Trustees.

My fellow board members' participation in corporate responsibility activities are not only confined to the boardroom. Tan Sri Md Nor and I attend CIMB Foundation's activities regularly, as do the other trustees of CIMB Foundation, taking every opportunity to meet with the Foundation's beneficiaries. Our Group Chief Executive, Dato' Sri Nazir Razak, despite his packed schedule and many responsibilities, has adopted CIMB-YFA Bintang Muda, a community football club as a Community Link project under the Group CEO's Office. In 2010, Dato' Sri Nazir acted as team manager for CIMB-YFA Bintang Muda's under-12 squad which took part in the National Junior Community Football League. Our other board members have also taken an active interest in our junior golf development programme, taking time to play golf with the juniors as a means of gauging the progress of the programme.

Bringing our vision closer to stakeholders:

Overview



In addition, my colleagues in the region, particularly, Arwin Rasyid, Subhak Siwaraksa and Mak Lye Mun, have played key roles in the expansion of Community Link in Indonesia, Thailand and Singapore, ensuring that there is support for the programme from the most senior levels of the organisation. And in Malaysia, Dato' Sulaiman Mohd Tahir, Executive Director of CIMB Bank, has demonstrated his passion for Community Link, driving the programme's expansion throughout the branch network of CIMB Bank.

Awards

We were gratified when our achievements in corporate responsibility received recognition from the market. It was an honour to win the Prime Minister's CSR Awards 2010 in two categories - Community & Social Welfare and Culture & Heritage. We were also pleased when the Minority Shareholders Watchdog Group awarded us the accolade of Best CSR at the end of 2010. We had also been named as a finalist in the 2010 StarBiz-ICR Malaysia awards for Corporate Responsibility. These awards are a befitting recognition for the efforts of my colleagues



Faisal, and my daughter, Maryam, are constant figures by my side at many CIMB Foundation events. I am glad that the positive impact of my work in this area has been a source of inspiration even at home.

On behalf of CIMB Group, I would like to thank the Trustees of CIMB Foundation for their guidance and participation in championing our activities in the communities that we serve. In addition, I would like to thank my colleagues in the region who have worked tirelessly for the benefit of stakeholders in the region as well as our many partners who have worked along side my colleagues in the implementation of the many projects in this area. And for the interest, input and participation of my fellow board members, I am thankful for their strong support and their company in CIMB Group's corporate responsibility journey.

across CIMB Group who have contributed towards the achievements in this area, taking part in these activities on a voluntary basis and sacrificing their personal time for the benefit of our stakeholders. I believe it will spur them on towards greater achievements and success.

On a personal note, I am personally very passionate about our work in this area. I often tell my colleagues that I consider myself very fortunate, to be able to be involved in the Group's corporate responsibility activities, and to play a role in shaping our contributions in this area.

I am also constantly inspired by the successes of our beneficiaries, and how we have brought positive change and sustainable improvements to their lives. It is also encouraging as to how taking part in our corporate responsibility activities have brought about positive change among my colleagues throughout the Group.

These positive changes are not only confined to the workplace. I am proud of the support of my family members for my work in this area. My son,

Mohd Shukri Hussin

*Executive Director, CIMB Group and
CEO, CIMB Foundation*

Bringing our vision closer to stakeholders:

Project Highlights

Shelter for Indonesian workers in Kuala Lumpur

Rumah Kita, a shelter for Indonesian domestic workers in Kuala Lumpur, was established through a partnership between CIMB Group, CIMB Niaga and the Indonesian Embassy in Kuala Lumpur.

It is designed to overcome the problem of overcrowding at an existing shelter in the embassy premises, and provides board and lodging for 50 people. The shelter is fully funded by CIMB Niaga and CIMB Group, while the Indonesian embassy is responsible for the day-to-day operations and security of the shelter.

The renovations work for the shelter was a joint effort between CIMB Group, CIMB Niaga and the contractors and suppliers under CIMB Group's Corporate Resources Division. The speedy completion of the renovation work was made possible by the generosity of the contractors and suppliers, many of whom provided their services free of charge. The Group is very grateful for their contributions.

Ibu Ani Bambang Yudhoyono, the first lady of Indonesia, visited the shelter and declared it as the 1st Rumah Pintar outside Indonesia. The shelter was opened by Bapak Drs. Muhaimin Iskandar, Msi, Minister of Manpower and Transmigration of Indonesia.



Bringing our vision closer to stakeholders: **Project Highlights**



“Buka puasa” at Rumah Kita

In the spirit of Ramadan, CIMB hosted a breaking of fast dinner at Rumah Kita. During the event on 30 August, Dato' Mohd Shukri Hussin presented hampers to the women at the shelter. Also present at the dinner were Indonesia's Deputy Chief of Mission to Malaysia Tatang Budie Utama Razak, and CIMB Niaga Head of Corporate Affairs, Harsya Denny Suryo. Indonesian undergraduate students who were studying in Malaysia under the CIMB-Niaga Scholarship also took this opportunity to attend the function and learn more about the Group's CSR activities.



Bringing our vision closer to stakeholders:

Project Highlights

CIMB-The Star Padang Relief Fund

To recap the events of 2009, we witnessed the power of our regional network when we harnessed our regional resources and network for the benefit of the CIMB-The Star Padang Relief Fund. The Fund was launched on 2 October 2009 as a response to the devastating earthquake which hit Padang at the end of September and raised over RM4 million, thanks to the combined efforts of The Star and CIMB Group branches, business units, staff, customers and suppliers.

CIMB Group had promised to set a new benchmark in transparency, accountability and reporting for disaster relief funds, and formed a Supervisory Committee to oversee the use of the Funds. The Committee comprising Dato' Sri Nazir Razak, Arwin Rasyid, Glenn Yusuf, P. Gunasegaram (Managing Editor of The Star) and Habibah Abdul (Partner, Ernst & Young Malaysia) apportioned the Fund's monies for donation to Mercy Malaysia of RM350,000 for its emergency relief work in the weeks after the earthquake, while the balance of the monies was to be applied towards the reconstruction of seven primary schools in and around Padang which were destroyed in the earthquake.



Bringing our vision closer to stakeholders:

Project Highlights

Rebuilding Schools in Padang

The Fund held a groundbreaking ceremony on 14 July 2010 to mark the beginning of the rebuilding of seven primary schools destroyed by the earthquake. The ceremony was conducted at one of the schools, SDN 18 Air Tawar Padang, and was officiated by H Mahyeldi Ansyarullah, the Deputy Mayor of Padang, and Dr Romeo Rissal Pandji Alam, who heads the Central Bank of Indonesia's office in Padang. The Fund also signed memoranda of understanding with ACT Foundation, Lembaga Kemanusiaan Nasional PKPU and Habitat for Humanity Indonesia. The NGOs are responsible for the reconstruction and renovation of the schools. The schools are located both within the city of Padang as well as in the remote areas of Pariaman and Padang Pariaman which were among the worst hit by the earthquake.

On 6 January 2011, a launching ceremony was held at one of the reconstructed schools, SDN 18 in the city of Padang, to mark the reopening of the schools. The Governor of West Sumatra officiated at the event, which was attended by our Group CEO, other members of the Supervisory Committee and Trustees of CIMB Foundation.



Bringing our vision closer to stakeholders:

Project Highlights

CIMB Junior Golf Development Programme

CIMB Group's 1st regional sports development programme builds on the Group's title sponsorship of the CIMB Asia Pacific Classic tournament.

The programme develops top junior golfers from Malaysia, Indonesia, Singapore and Thailand in collaboration with their national golf associations and the PGA TOUR Academy. The programme has also gained very strong support from the parents of the junior golfers.



Bringing our vision closer to stakeholders: **Project Highlights**



Developing the region's top junior golfers

60 young golfers were coached by top instructors from the PGA TOUR Academy in four camps held in the year. The first two camps took place at the Mines Golf Club & Resort, the venue of the CIMB Asia Pacific Classic, while the 3rd camp was held during the tournament itself.

At the tournament, CIMB Group awarded eight top juniors from Malaysia, Indonesia, Singapore and Thailand with scholarships for an intensive training stint at the TOUR Academy's headquarters at TPC Sawgrass, Florida.

The TPC Sawgrass stint was held from 13-20 December 2010.

Bringing our vision closer to stakeholders:

Project Highlights



CIMB Junior Squash Development Programme

In partnership with the National Sports Council and the Squash Racquets Association of Malaysia, CIMB Foundation supports the development of squash in Malaysia through a junior development programme covering six age groups from under-9 to under-19 through the CIMB National Junior Circuit and the CIMB Rising Stars National Junior Circuit.

In 2010, CIMB Foundation introduced a benchmarking scheme to assess the quality of the players in the junior development programme. The Foundation would fund the winners of the junior circuits to take part in the Hong Kong Junior Open, the region's premier tournament, and promised to those who win the Hong Kong Junior Open to further compete in the British Junior Open.

Participation in these events benchmarks our top juniors against their regional and global peers.



Bringing our vision closer to stakeholders:

Project Highlights



The programme is producing the world's top players

13 of the circuit's top players were funded by the Foundation to participate in the Hong Kong Junior Open. Seven of them advanced to the semi-finals, out of whom five played in the finals. Ng Eain Yow and S. Sivasangari, won the Hong Kong Junior Open in the Boys and Girls under 13 age groups respectively, and were then sent to compete in the British Junior Open.

Ng Eain Yow emerged champion in the Boys under 13 category while S. Sivasangari came in 4th in her category. Two other players, Andrea Lee and Mohd Farez Izwan, also claimed honours with Andrea emerging runner up in the Girls under 13 and Farez was 3rd in the Boys under 13.



Bringing our vision closer to stakeholders:

Project Highlights



Football training for urban community club

In the spirit of leadership by example, in 2009, Dato' Sri Nazir Razak and his colleagues in the Group CEO's Office agreed to support a Community Link programme in an area which they were passionate about – football – supporting a community football club, YFA-Bintang Muda.

In 2010, he agreed to be the team manager for the club's under-12 team which was among the 32 teams competing in the 2010 National Junior Community Football League. The YFA boys topped their division in the league with the league's best goal difference, but faltered in the semifinals of the knock-out stages of the league.

YFA-Bintang Muda now provides training to over 700 children in eight areas in the Klang Valley. The club is also an ambassador for CIMB Foundation through its successes in regional junior tournaments.



Bringing our vision closer to stakeholders:
Project Highlights



Bringing our vision closer to stakeholders:

Project Highlights

Rural Schools Programme

CIMB Foundation has adopted ten primary schools in rural areas in Malaysia, all of which serve underprivileged communities and have facilities which are often in poor condition.

The Foundation applies three strategies towards the improvement of the schools - the use of ICT as a tool for learning and teaching, improving the standard of English and creating an environment which encourages academic excellence.

One of the key initiatives is the ICT programme, and we are proud that all students in our rural schools have access to the latest computers, and use them for learning and exam revision. Our aim is to ensure that all the students have the necessary ICT skills which will take them through secondary school and beyond.



Equipping rural students with ICT skills

CIMB Foundation has equipped all ten schools with 296 computers and ten printers. Each school has sufficient computers to enable a whole class to use the computer lab at any one time.

Each Year six student is also provided with a subscription to online learning programmes so that they may make use of ICT to prepare for the UPSR exams.

The Foundation also launched the CIMB Foundation Academic Dashboard, an interactive portal which enables the students and teachers from the ten schools to communicate with one another, and to post information about the schools' activities on their home pages.



Bringing our vision closer to stakeholders:

Project Highlights



Celebrating the students' achievements

Recognising that rural school children often lack an environment which encourages and celebrates academic excellence and achievement, CIMB Foundation creates such an environment through a rewards structure.

The PINTAR Gala Night is held at each year end to reward students who achieved outstanding academic results as well as sports performance. Schools were also given incentives to focus on academic achievement, performance of teachers and school attendance rates.

There were many triumphs to celebrate in 2010. Sekolah Kebangsaan (SK) Ayer Puteh, Perak and SK Pulau Betong, Penang recorded an impressive UPSR pass rate of 82%. Another top performer, SK Pulau Kundor, Kelantan, achieved a pass rate of 75%; the school had almost doubled its pass rate since it joined this programme in 2008.

In addition, SK Ayer Puteh and SK Seri Pinang in Kedah, beat the national schools average for straight A students at UPSR.



Bringing our vision closer to stakeholders:

Project Highlights

Community Link goes regional

2010 marked the official expansion of Community Link in Indonesia, Singapore and Thailand, through partnerships with CIMB Niaga, CIMB Bank in Singapore and CIMB Thai. This programme was established in 2007 as part of CIMB Group's corporate responsibility initiatives and implemented by the consumer banking network of the Group. It empowers community organisations to propose causes that will enhance the lives of those with communities served by the Group. Since 2007, Community Link has contributed over RM40.3 million to over 500 projects in Malaysia. A total of 11 pilot projects have also been approved in Indonesia, Singapore and Thailand.



Bringing our vision closer to stakeholders: **Project Highlights**



Community Link Challenge Malaysia 2010

The Community Link Challenge 2010 for Malaysia was launched on 5th July and was extended to all CIMB Bank and CIMB Islamic's branches, business centres and all units of the Consumer Sales and Distribution (CSD) division.

A Community Link Task Force was set up comprising staff representing CIMB Foundation and CSD to develop guidelines for the projects and drive participation. Posters, flyers, bags, notebooks, mouse pads were distributed to staff and the public to get them involved.

Over 300 submissions were received and 121 projects were approved for implementation with a total budget of RM5.9 million. We are deeply encouraged by the overwhelming response that we have received from our branch staff who, on top of their daily commitments, have willingly set aside time and energy to improve the lives of communities they serve.



How do our CSR initiatives bring you closer to achieving your dreams and aspirations?

CIMB Group's CSR initiatives are leading the way to a better tomorrow for people from all walks of life.



"We have implemented 529 projects with a total value of RM40.3 million since the launch of CIMB Foundation in November 2007. With Community Link expanding throughout our regional network, we are well positioned to contribute to the integration of ASEAN through high-impact CSR programmes. Our involvement in CSR activities has been an enriching experience for my wife, Azlina, and me, especially when we meet beneficiaries and learn about their stories, and the difficulties they have overcome through our CSR programmes."

Dato' Sri Nazir Razak
Group Chief Executive



"We are grateful to CIMB for partnering with us in community badminton programmes and letting us have the opportunity to give back to the community and our fans who have supported us throughout our careers."

Chan Chong Ming, Chew Choon Eng and Lee Wan Wah
Former national badminton players

"The CIMB-COBRA schools rugby development programme has enabled us to promote rugby effectively, especially among teachers and students. I think that we are well on the way to achieving our objective of restoring rugby as a premier sport in the nation thanks to CIMB Foundation."

Lt Col Tommy Pereira (Retd)
Vice President, Combined Old Boys Rugby Association



"The CIMB Junior Golf Development Programme has exposed me to the highest level of professional training to improve my golf game. I also have the opportunity to share and grow with my team mates throughout the region."

Paul San Weng Yau
Junior Golfer

"CIMB has provided my school with the ICT facilities that students in rural areas often lack. This has given our teachers and students a new sense of motivation to succeed academically."

Tn Hj Sabki B Saini
Headmaster, SK Ayer Puteh



"CIMB Foundation's support has led us to form the first hearing impaired lion dance troupe in Southeast Asia. The Foundation has supported the Jing Ying Troupe to be able to compete on the same playing field as our able bodied dance competitors in national competitions."

Steven Yong
President of Jing Ying Lion Dance Troupe



"CIMB Regional Scholarship has paved my way to greater horizons and has helped me to pursue my passion in understanding and exploring the ocean. My aim is to lead Southeast Asia to become one of the world's biggest contributors to ocean sciences and to develop a world class oceanography institute in the region."

Khaira Ismail
*University of Southampton, UK
CIMB Regional Scholarship Recipient*



"CIMB Group's CSR initiative has made a wonderful difference to Lighthouse Bakery. They have helped inspire a place of hope for marginalised members of the community in Penang. This programme has rehabilitated six individuals who are now proud caregivers and volunteers in Lighthouse Bakery."

Gerard F. Robless
Director, Penang Office for Human Development



"We are happy with our new school. The old classroom was very uncomfortable. Now we have a breeze coming through the windows and we enjoy studying in it. With a classroom like this, we will work harder and do our best in school."

Students

SDN 18 Air Tawar, Padang, Indonesia



"Our CSR programmes have been very successful and have brought the Group closer to the people. In fact, the public now sees Community Link and CIMB Bank as one. We want the public to cherish our presence not just for our edge in financial services but also for our ability to make a difference in their lives through Community Link projects."

When the public appreciates our presence in both forms then only we are able to create a true and lasting banking relationship with our customers."

Dato' Sulaiman Mohd Tahir

Executive Director CIMB Bank

"CIMB has been the Squash Racquets Association of Malaysia's (SRAM) Rakan Sukan since July 2005. This partnership has been instrumental in bringing SRAM to its most successful period. We host two world class International events each year with the CIMB KL Open and CIMB Malaysian Open bringing top level professional Squash to the whole country and overseas via live telecast. SRAM's Junior Development Programme has also greatly benefited our young developing players."

Dato' A. Sani Karim

SRAM, President 2004 - 2010

"I want to thank CIMB Foundation for giving me a lot of support and making my dream of getting 5A's in UPSR and going to boarding school come true. I hope that CIMB will continue to help children from rural areas like me."

Nik Raihanis bt Nik Mohammed Din

Student, SK Pulau Kundor



"CIMB Foundation has made it possible for us to make great improvements in our plant nursery. Thank you for giving us the opportunity to improve the quality of lives of people with disabilities at Persatuan Daybreak."

Dato' Sandra Lee

Executive Chairperson of Persatuan Daybreak

"Through CIMB Group's CSR initiatives, we have the means and financial support to promote a green environment to improve the quality of our lives. 360 people have signed up for our Bumi Hijau (Green Earth) Community Project to recycle organic kitchen waste into organic fertiliser."

Ng Tho Heng

Vice President RT Desa Damai



"Opportunities like the CIMB-Niaga Scholarship are rare in the small city where I come from. I am now in my second year as a business student at the University of Malaya. I have grown as a person and expanded my knowledge in business. CIMB has

also taught me the importance of giving back, which inspired me to initiate a business challenge for students. It was rewarding to see hundreds of students throughout Malaysia share their ideas to change the world for the better, as part of the challenge."

Adilla Arantika

*University of Malaya
CIMB-Niaga Scholarship Recipient*



"I have been living alone since my husband passed away. I have not been able to see since 2005 and this has been very difficult even

though my children live nearby. My daughter would feed me and I relied on my children's voices to move around the house. I am now completely independent thanks to the operation."

Aduklam Mayandi

88 years old, Cataract Patient



"As a pioneer in the Group's CSR unit, I have been fortunate to see how CIMB Foundation has evolved during its first three years. It has changed my perspective of the role of a corporation in the community and I am able to actively contribute towards a better future for people from all walks of life. CSR has made me into a better person."

Sharifah Nur Izma Syed Izaddin

CIMB Foundation, Project Manager



"CIMB Group's CSR initiatives have given me the opportunity to develop the youth in Malaysia, Indonesia, and Thailand through the Junior Golf Development Programme. Working with junior golfers is my lifelong passion. CIMB

has given me the opportunity to do this on a global scale. I've been able to see these young people develop friendships throughout the region and to introduce them to American culture. I have also had the opportunity to develop friendships in the various countries and to see places I would not have had the chance to see without the Group's CSR initiatives."

Shane P. Gillespie

Head Instructor, TOUR Academy



Bringing our vision closer to stakeholders

Community

CIMB Group views the communities that we serve as an important stakeholder of the Group's business. In 2007, when the Group's 3-year vision was first conceived, it envisaged that the Group would implement programmes to bring about long-term benefits to the communities in which we operate, and contribute towards the integration of these communities throughout the ASEAN region.

This had significant implications. First, it required a complete transformation of the manner in which the Group had previously operated in this area. At that time, the CSR activities of the Group were largely ad-hoc and donations-based. Clearly, we had to take a more strategic approach towards CSR, and to put in place the requisite infrastructure and funding in order to fulfil the Group's vision.

Several significant developments ensued in 2007. First, the Group launched "Community Link", a programme which empowered CIMB Bank and CIMB Islamic branches in Malaysia to partner with community-based organisations to bring about long-term sustainable benefits to their local communities. Secondly, the Group also set up a CSR Unit to focus on this area. Thirdly, the Group launched CIMB Foundation as the main vehicle to implement the Group's CSR and corporate philanthropic activities, and pledged to donate RM100 million to the Foundation as seed funding.

Today, some three years later, we are proud that we have made great strides in this area.

The Group's CSR activities are aligned under three main pillars - Community Development, Sports and Education. We have implemented long-term sustainable projects benefiting the communities that we serve throughout the region.

The Group has completed its initial funding of CIMB Foundation, and the activities of the Foundation are reported in this report as well as its own annual report.

Community Link is today the Group's flagship CSR programme, and is implemented in Malaysia, as well as in Indonesia, Singapore and Thailand. A total of 517 projects have been implemented through Community Link with funding of RM23.5 million.

There is significant hands-on participation in CSR activities among the management and staff of CIMB Group, from the members of the Board, the Trustees of CIMB Foundation, the Group Chief Executive and other Group Management Committee members as well as our staff throughout the region. This is done on a purely voluntary basis, and this is testament to the support of our people for the Group's CSR activities.

Bringing our vision closer to stakeholders:
Community

Grants Disbursed in 2010



	RM	Percentage
Community Development	7,834,813	36%
Sports	5,629,018	26%
Education	6,209,939	28%
Donations	2,300,446	10%
Total	21,974,216	100%

While these accolades serve as recognition for the Group's CSR efforts and encouragement for the efforts of our staff, we are most deeply inspired by the results of our CSR programmes. In this report, we had invited our beneficiaries to speak about the benefits of our programmes, and we do this to inspire all our stakeholders, and to capture their imagination as to how we can work together to bring about programmes with sustainable benefits which can further improve the lives of the communities in which we operate. We have also provided in some detail our CSR activities within the three pillars, and the results of these programmes. In addition, we have also highlighted the notable achievements under Community Link.

We hope that all stakeholders will respond to this report by coming forward to work together with the Group towards this common goal. All inquiries about our work in this area can be forwarded to us by emailing: inquiry@cimbfoundation.com. In addition, anyone with an interest in proposing a Community Link project within a community served by the Group may contact any of our consumer banking branches for further details.

COMMUNITY DEVELOPMENT

2010 saw the initiation as well as implementation of several significant programmes in the area of Community Development. In addition, several programmes were put in place to scale up our efforts in 2011.

CIMB-The Star Padang Relief Fund

Among the most significant projects undertaken by the Group was the management of the CIMB-The Star Padang Relief Fund (the Fund). With the Fund standing at over RM4 million in public donations both cash and in-kind, the Group Chief Executive, Dato' Sri Nazir Razak, promised that the Fund would set a new standard in accountability, transparency and reporting. In this respect, CIMB Foundation acted as custodian of the monies in the Fund, and the implementation of projects under the Fund were managed through the combined efforts of various departments of the Group.



The Group has also received significant accolades in this area. Most notably, in 2010, the Group defended its position as the leading corporate in the community sphere, winning once again the Prime Minister's CSR Award in the category of "Community & Social Welfare", an accolade that the Group also received in 2009. In 2010, we also received the Prime Minister's CSR Award for the "Arts & Culture" category. In addition, the Minority Shareholders Watchdog Group (MSWG) presented the Group with the "Best CSR Award" for 2010. And we were also shortlisted as a finalist in the StarBiz-ICR Awards 2010.

Bringing our vision closer to stakeholders:

Community



"I experienced one of the most touching moments in my life when I was in Padang for the launch of the seven schools built by the CIMB-The Star Padang Relief Fund. On stage a 10-year old girl read a tear-jerking poem about the trauma her community experienced during and in the aftermath of the 2009 earthquake. She then stepped off the stage, ended her poem with "we love you" in English, walked up to me and placed a scarf around my neck. That was probably the most meaningful award that I have ever received."

Dato' Sri Nazir Razak, Group Chief Executive

Under the direction of the Supervisory Committee of the Fund, in 2009, we had disbursed RM350,000 to Mercy Malaysia to cover activities in the immediate aftermath of the earthquake. The balance of the monies were set aside to rebuild seven primary schools in Padang.

The rebuilding of the schools required the combined efforts of the Corporate Communications and CSR teams of CIMB Group and CIMB Niaga, the property management arm of CIMB Niaga and the CIMB Niaga branches in Padang. The team identified local partners to rebuild the schools, and kept strict control over deliverables, budgets and timelines. Regular visits to the construction sites were also made to check on the progress of the projects and to ensure that disbursements were made in accordance to the actual progress of the reconstruction works.

We also enlisted the assistance of Messrs Wong & Partners, a member firm of Baker & McKenzie International, a law firm on the Group's panel of solicitors, to handle the legal documentation for the reconstruction work. The Group, on behalf of the Fund, would like to thank Wong & Partners for providing the legal services on an ex gratia basis.

It was therefore a proud moment for us when on 6 January 2011, the Governor of West Sumatra, Irwan Prayitno, together with the Mayor of Padang, Fauzi Bahar, and other dignitaries attended a ceremony in Padang to mark the launch of the schools under the Fund. The ceremony which was held in one of the seven reconstructed schools was also attended by Dato' Sri Nazir Razak, members of the Supervisory Committee of the Fund, trustees of CIMB Foundation, senior management and staff of the Group and representatives from The Star. Also present at the event were the donors to the Fund, in particular, the representatives of the corporate

donors, who were also taken on a tour of the reconstructed schools.

There were many touching moments for the donors during the school visits as the students and teachers welcomed them and thanked them for their generosity. At the launch ceremony, one of the students of the school read out a poem which had been specially written for the event, expressing their thanks to the donors and to CIMB Group for providing them hope in their darkest hours of despair following the earthquake. The student, Tifani Amelia Rosi, also gave Dato' Sri Nazir a scarf as a symbol of gratitude and friendship. Many of the guests at the ceremony were deeply moved by how, through everyone's combined efforts, we were able to restore hope and happiness to a community which had so recently been devastated by the earthquake and the ensuing loss of their loved ones and destruction of their homes and schools.

Rumah Kita

This was another significant project which involved a partnership between CIMB Group, CIMB Niaga and the Government of Indonesia, in particular its Embassy in Kuala Lumpur. The implementation of the project involved the combined efforts of various divisions within CIMB Group, in partnership with suppliers and customers of the Group.



Bringing our vision closer to stakeholders:

Community



Rumah Kita ("our home" in Bahasa Indonesia) is a shelter set up in Kuala Lumpur to house Indonesian female domestic workers who have been abused by their employers. Acting on news reports that the existing shelter at the premises of the Indonesian Embassy in Kuala Lumpur was over-crowded, the Group collaborated with the Embassy to provide alternative premises for a shelter.

Suitable premises were identified in the vicinity of the Embassy. With the assistance of Group's Administration Department, and the joint efforts of the contractors and suppliers of the Group, we undertook to renovate the premises to house 60 persons at any point of time. In addition to providing an environment which was conducive for physical and emotional healing, Rumah Kita also had facilities for learning and development such as ICT facilities (personal computers and internet access) and other therapeutic activities such as gardening, skills development, cooking and cultural pursuits.

We were honoured when the First Lady of Indonesia, Ibu Ani Yudhoyono, visited the shelter on 19 May 2010, and spent time with the residents. She also commended the facilities provided and declared Rumah Kita as the first "Rumah Pintar" outside of Indonesia. Rumah Pintar is an initiative by Ibu Ani to encourage home-based learning activities.

The shelter was officially declared open on the same day by the Indonesian Minister for Labour and Transmigration, Drs. Muhaimin Iskandar, at a ceremony at which the Deputy Ambassador, Tatang Budie Utama Razak, Dato' Shukri Hussin, Arwin Rasyid and his wife, Dotty Suraida Rasyid, were also present.

The Group continues to fund the costs of operating the shelter such as rental, utilities, food and drink for the residents and telecommunications costs while the Indonesian Embassy provides the manpower for security and day-to-day operations of the shelter.

The Group would like to express its heartfelt thanks to its partners in this project - IJM Construction Sdn Bhd, Addison Grace (M) Sdn Bhd, BC Builders Concept Furnishing Sdn Bhd, Maju Bintang Letrik Sdn Bhd, Artmatrix Technology Sdn Bhd, Langmas Technology Security Sdn Bhd, Hi-Teknologi Sdn Bhd, Alurtenaga Sdn Bhd and Syarikat Win Seng Trading. Many of the partners provided services on an ex gratia basis, and deployed tremendous resources to complete the project within a very tight schedule.

The area of Community Development also covers socio-economic development, environment, health, and national unity. For the purposes of this report, the Group's efforts towards preserving the environment will be discussed separately in the Environment section of this report.

SOCIO-ECONOMIC DEVELOPMENT

In socio-economic development, we focus on capacity building and empowerment of communities, in particular, disadvantaged groups, with the aim of increasing their income. In total, CIMB Foundation funded 30 programmes with a total grant amount of RM1.7 million in this area.

In 2010, CIMB Foundation awarded a contract to two NGOs previously funded by the Foundation to produce corporate gifts for the Foundation. The contract was awarded to Asia Community Service and Pertubuhan Ibu Tunggal Desa Keda, Teluk Berembang, Pulau Tuba, for the two organisations to produce 700 tie-dye bags which were to be used as corporate gifts at the Group's Annual General Meeting. Through this, the Foundation hopes that this will serve as a paradigm shift and that more of its beneficiaries will look to CIMB Group not only as a donor, but also as a potential customer of their products and services.

Empowerment of women

In 2010, CIMB Foundation provided funding for nine projects with a total grant amount of RM365,000 which focus on empowering certain groups of disadvantaged women, for example, single mothers and rural womenfolk.

These projects include providing training and skills, as well as equipment with a view to improving their ability to generate income. Through these projects, these women are provided with training and equipment in practical areas such as sewing, cooking, baking, handicraft, and ICT, which may be used to either start a small business or seek employment.

These skills training programmes which are aimed at empowering women were conducted in both Malaysia and Indonesia. Over 400 women in the two countries benefited from these programmes. We expect to see them graduating from the skills training programmes in 2011, and beginning to put the skills to good use in employment or in cottage industries.

In Malaysia for example, CIMB Foundation funded cooking and baking classes and

Bringing our vision closer to stakeholders:

Community



equipment for single mothers. They were also taught basic accounting and how to market their products online. The aim of the project is for these single mothers to start their own home based businesses in future.

CIMB Foundation also funded computer classes for single mothers. They were taught skills to improve their employment potential. 30 of them are being trained with the view of working as receptionists and clerical positions while another ten are being trained in desktop publishing and web design.

Empowerment of persons with disabilities

The Foundation provided funding for nine projects for persons with disabilities, totalling RM510,000 in Malaysia and Thailand. The projects include ICT and other skills training programmes, preparing the beneficiaries for the workplace, renovation of work areas to accommodate persons with disabilities. There were several notable projects which were implemented in 2010, a short summary of which are as follows:

The Foundation funded two café projects. The first was a project by Lions Club of KL Central named "Silent Teddies Bakery Cafe" in the Klang Valley which is manned by the deaf. The other café, located in Ipoh, is a project by the NGO, Ray of Hope, is run by persons with mental disabilities. Both projects aim to use the cafes to train the beneficiaries and equip them with the necessary skills needed for them to find employment in cafés.

The Foundation also funded a programme by Persatuan Pemulihan Orang-orang Cacat Daerah Kubang Pasu in Kedah in which persons with physical disabilities are trained to sew bags. The funding has enabled the NGO to buy a long arm sewing machine which is a heavy duty machine, and to modify it to for use by the disabled. The Foundation's funding was also used to renovate the washrooms in the premises for use by the disabled.

We also entered our second year of funding for Asia Community Service's programmes to help generate income for persons with mental disabilities. Funding was provided to purchase equipment and construct work areas for them to produce batik products. Plans to produce marketing collaterals such as product catalogues and a website were also included in the budget.

We also funded a project by the Malaysian Red Crescent Society's (MRCS) Miri branch to create employment opportunities for persons with disabilities. The Foundation's funding is channeled towards providing them with proper training on how to perform simple laundry and housekeeping jobs. MRCS also worked closely with hotels in the vicinity so that the trainees are able to do on-the-job training at these hotels. It is hoped that with a combination of classroom and practical training, these trainees can be absorbed into the hotels' workforce.

Empowerment of other disadvantaged groups

The Group also looks into the needs of other disadvantaged groups in the communities in which we operate. Some of them are disadvantaged because of poverty and lack of education such as the rural and urban poor, while others are affected by social stigma such as former drug abusers and juvenile delinquents.

CIMB Foundation funded ten programmes in both Malaysia and Indonesia and spending close to RM730,000. They comprise mainly skills training initiatives including providing the necessary know-how and the requisite equipment to start income-generating activities.

Skills training in this category cover the areas of agriculture, electrical and other practical skills. We also provided a vehicle to boost one particular project under this group. The funding is hoped to make positive changes to close to 1,000 lives.

CIMB Foundation provided funding to the Rotary Club of Taiping to open up a laundry to create employment for former drug addicts. There are at least 15-20 rehabilitating users at any one point of time at the laundry. The funding goes towards the laundry equipment while the Rotary Club provides skills training for free. It is envisaged that the laundry is able to be self sustaining, and can continuously provide skills training for former drug users.

Bringing our vision closer to stakeholders:

Community



The Foundation also funded a programme by Research and Development Movement of Singai (REDEEMS) aimed at improving the income generating capabilities of 500 villagers in Kampung Apar, Singai, Bau, located 20 km from Kuching. The entire village is dependent on bamboo for their income, which the villagers weave into baskets and other products to be sold. They also sell the bamboo as raw material to be manufactured into household products. CIMB Foundation's funding went towards the purchase of machinery which save the villagers time and effort and enable them to increase productivity and achieve economies of scale. The machinery includes a bamboo cutting machine, which cuts the bamboo more efficiently and with better precision than manual methods.

The Foundation also provided Global Environment Centre with funding for a third year to continue its mangrove conservation project in Kuala Gula in Perak. In 2010, the funding went towards marketing the products which originate from the mangrove, for example dried fish, fish crackers, and other local snacks. The funding also covers training for marketing and packaging of the products and basic book-keeping. The profits from the sale of their products will be channelled back into replanting the mangrove which sustains their business.

The Foundation also provided the Malaysian Association of Youth Clubs (Padang Besar branch) with funding. This enables them to operate two stalls selling traditional cookies and handicraft, while a third stall is for the MAYC to design, print and sell T-shirts. This provides employment opportunities for their members, and also gives them the training and experience which may help them become entrepreneurs. The income from these stalls is channelled back into the organisation which is then used to pay the youths.

Enhancing socio-economic projects through university partnerships

In 2010 also, the Foundation began to focus on universities as partners in socio-economic development programmes. These partnerships will tap on the wealth of knowledge in universities and channel the energy of undergraduates towards improving the socio-economic standing of communities located near and around the universities. Three grants were approved in 2010 involving two universities for socio-economic projects.

The Foundation funded two projects proposed by Universiti Kebangsaan Malaysia (UKM). The first of the projects aimed to help increase the income of an orang asli fishing community in

Pontian, Johor. With the Foundation's funding, a solar dryer was built to enable the fishermen to dry their catch, regardless of prevailing weather conditions, whether rain or shine. Solar energy is stored in a special battery, and is used to work the dryer in inclement weather and this allows them to carry their fish drying activity all year round. This is a remarkable improvement as drying the fish is the crucial first step in preserving the fish, and preventing spoilage. It also greatly improves the cleanliness of the product hence improving its marketability which will make an impact to their income.

The other UKM project provides skills training to juvenile delinquents in Kajang Prison in repairing computers, televisions and other electrical items. This will boost employment opportunities for these youths upon release from prison. It is also hoped that with these skills they will increase their probability of leading a productive life and stay out of trouble.

The Foundation also funded a project by Universiti Teknologi Petronas which aims to improve the income of a group of single mothers through establishing a sewing business. The Foundation's funding enabled the single mothers to purchase sewing machines and other equipment and receive training on sewing skills. In addition, the university students also conducted studies on the needs and demands of the market, and also helped market their products. They are also helping the ladies generate publicity to create awareness and advertise their services, as well as to expand their clientele.

Towards the end of 2010, CIMB Foundation approved a grant to SIFE Malaysia to run a competition among SIFE chapters in Malaysian universities. SIFE which is an acronym for "Students in Free Enterprise", is a worldwide organisation covering over 1,400 universities in 44 countries. The competition will focus on socio-economic development for disadvantaged communities, and will form the basis for the Foundation to forge new partnerships with universities to bring sustainable benefits to these communities.

Bringing our vision closer to stakeholders:

Community



NOTABLE PROJECTS

Breakthrough Network Centre (Breakthrough)

CIMB Foundation provided funding to Breakthrough to buy a van for the benefit of ten farming families in a remote village near Lundu in Sarawak. The van has twin purposes. It is used first to ferry the farmers for their agricultural training on growing pepper organically. It is also used to ferry the farmers' products to town for sale. This enables them to command a higher price through the elimination of middlemen and charging a premium for organic pepper. Despite disbursing the funds in the 4th quarter of 2010, one of the farmers has already started to show progress - from November to February, his income has already doubled to RM571 per month compared to just RM250 per month at the start of the programme. The aim is to increase the income of all the ten families up to RM1,000 within a year.

Kelab Pendidikan dan Kebajikan Puncak, Lembah Bujang (Kelab Puncak)

The Foundation also funded a project in Kedah to enable the members of five families to work in a plant nursery selling mangrove seedlings. This capitalises on the increased awareness on the importance of mangrove conservation which has resulted in an increased demand for mangrove seedlings. The funding from the Foundation provides the nursery with a start-up batch of mangrove seedlings, polybags and rental of the premises. Working in the nursery provides steady income for the families, and despite the project being in operations for less than six months, the project is improving the livelihood of the families.

One family is now able to send their child to school, which they had to stop previously due to lack of funds. Two other families who previously had to borrow money for basic necessities like food no longer need to do so, and have cleared their debts. Currently the nursery has received orders from government bodies and other companies for its mangrove seedlings.

Pusat Pemulihan Dalam Komuniti Jitra

The Foundation also funded a small business by a group of women who are also the primary caregivers of an orphanage for children with disabilities. The funding was intended to enable them to make sufficient profits to be channelled towards the orphanage so that it can be self-sustaining. The Foundation's funding was for the purchase of equipment needed to start a baking business, focusing on traditional cookies and snacks. The funding also enabled them to carry out some basic renovations to their kitchen to facilitate the baking business. In the six short months since the project was initiated, their production capability has doubled while their net profit has tripled from RM200 to RM600, and the business is expected to continue to grow over time.

Persatuan Daybreak

This is an expansion of a 2009 project in which the Foundation's funding had gone towards providing training for mentally challenged youths to enable them to work in a horticulture and landscaping nursery. In 2010, the Foundation provided follow-on funding for improvements to the nursery - a composting shed, a sprinkler system, a well and additional water tanks to store water.

In 2010, Persatuan Daybreak trained six full time trainees and 37 part-time trainees from special schools near the centre. In addition to on-the-job training, working at the nursery has enabled some of the youths to have better control over their motor skills and to improve their strength. The programme has also enabled them to earn income.

The nursery itself is on the way to become self sustaining by the end of 2011. In 2010, it managed to rake in orders amounting to RM73,000. The nursery also secured nine external landscaping jobs in 2010.

Persatuan Wushu, Tarian Naga dan Singa Jing Ying Kuala Lumpur

2010 was the 3rd year of the Foundation's funding for this talented group of performers. Overcoming their hearing disability to learn a complex art form which requires coordination and synchronised moves, the Foundation has much to be proud of the troupe's achievements.

They took part in five competitions throughout 2010, competing and holding their own against able-bodied competitors, without any preferential treatment. It built the confidence level among them and today, they no longer see themselves as disabled. The measure of their success should not be confined only to what they have achieved but also the challenges which they had to overcome in order to come this far. We believe that the Foundation's funding has created icons for the rest of the deaf community, and they are living proof that their capabilities are not limited by their disability.

Bringing our vision closer to stakeholders:

Community



HEALTH

Preventing kidney disease

The Group's partnership with the National Kidney Foundation (NKF) entered its 3rd year in 2010. Leveraging on the mobile clinic donated by CIMB Foundation to NKF in 2008, NKF received a further grant of RM137,000 from CIMB Foundation to conduct 116 events throughout Malaysia in partnership with CIMB Bank and CIMB Islamic branches. Each event involves free health screenings for the public to detect diabetes and hypertension which are the leading causes of kidney failure, as well as health advice and tips from NKF personnel. Throughout the year, 9,250 people received free health screenings while another 20,000 people had benefited from the health advice and tips from NKF personnel.

Community health screenings

CIMB Thai kick-started its Community Link initiatives with free health screenings for the communities located around its headquarters in the Langsuan area of Bangkok. Aided by medical personnel from Vibharam Hospital, CIMB Thai staff also took part in the health screenings. A total of 150 people have benefited from free medical screenings and treatment at the first of these screenings, and these community health initiatives will continue throughout 2011.

CIMB Thai, in partnership with the Thai Red Cross, also initiated blood donation drives amongst staff, to enhance its contribution to the community in the area of health. A total of 800 CIMB Thai staff donated blood in four blood donation events in support of this programme in 2010.

In Malaysia, CIMB Foundation funded 13 programmes for community health screenings, and health awareness for disadvantaged communities and school children throughout the country. Partnering a variety of community organisations, over 4,000 people received free medical treatment throughout the year. In addition, we also funded programmes targeted at specific groups, for example rehabilitation of stroke patients, obese children and medical camps for orang asli.



Bringing our vision closer to stakeholders:

Community



Preventable Blindness

In 2010, we initiated a new focus area for our health portfolio - preventable blindness. Realising that disadvantaged communities may, as a result of lack of knowledge or lack of means, suffer from blindness which may be either reversed or avoided in the first place. Examples of these are blindness due to cataracts, diabetes, glaucoma, in which education, early detection and treatment are key factors in prevention and cure.

36 grants with a total value of RM1.8 million were approved to fund various initiatives including free eye screenings, free cataract operations and follow-up treatment for members of the public who were unable to afford treatment. Through these projects, by mid-2011, we would have returned sight to 1,300 people who otherwise would have remained blind.

We are deeply encouraged by the response to these initiatives and will look to expand this area in 2011.

NATIONAL UNITY

CIMB Foundation also funds projects which use arts and culture as a means of promoting national unity.

In 2009, CIMB Foundation funded a project by Sekolah Menengah Kebangsaan Sultan Ibrahim to form a Chinese flower drum troupe. This project aimed to promote knowledge of the Chinese art form to the multi-racial and multi-cultural community in and around the school. In 2010, the Foundation agreed to expand the project to include Indian drums as well as the kompang and the jidur, building upon the achievements in the previous year. 55 students are involved in this on-going project to promote a better understanding of the cultures of the students in the school and to further the cause of national unity.

The Foundation also provided follow-on funding for a project initiated in 2009, in which Pertubuhan Belia Kg Duyong (BEDUMA) organised an inter-school traditional dance competition involving 22 primary and secondary schools in Melaka. Buoyed by the widespread participation amongst school children, BEDUMA in 2010, proposed to expand the project to pre-schools, where a group of 200 pre-school children from various ethnicities were taught Malay, Chinese and Indian traditional dances.

Through an early exposure to the cultures of other races, we hope that the young beneficiaries of these projects will grow up to have a lifelong interest in the traditions of other races in the 1Malaysia spirit.

Bringing our vision closer to stakeholders:

Community

The CIMB junior squash development programme is producing the **world's best players** in their age group



SPORTS

CIMB Group has had a history of supporting sports as part of its CSR activities. Quite apart from the commercial sponsorship of sports events which we regard more as a branding exercise, the Group has a strong focus on sports development. Through sports development, we create opportunities for sportsmen and women of all ages and capabilities. As we believe that sports is an activity for all people, our sports development programme covers a wide spectrum of beneficiaries including youths, adults, senior citizens, the able-bodied and the disabled in a wide variety of sporting activities.

Bringing our vision closer to stakeholders:

Community

Squash

Squash has always been a sport associated with CIMB Group. While our sponsorship of the World No. 1, Datuk Nicol David, has been widely publicised, there are other lesser known aspects of our involvement in squash.

CIMB Foundation is “Rakan Sukan Squash” through a tri-partite partnership with the Squash Racquets Association of Malaysia (SRAM) and the National Sports Council of Malaysia. Through this sponsorship, funding is provided for various purposes, including increasing the opportunity for Malaysians to participate in and watch world-class squash through the sponsorship of the KL Open and the Malaysian Open tournaments, a junior development programme covering boys and girls from age categories from under 9 to under 19, as well as administrative support for SRAM.

To enable more squash enthusiasts to watch the KL Open and Malaysian Open live, a special feature of the tournaments is that the later stages of the tournaments are played in glass courts in shopping centres. This enables squash to reach a wider audience, the majority of whom watch the world class on-court action for free. This also enables the spectators to have a unique 360° view of the players, and for the tournament and players to reach out to their fans.

An aspect of CIMB Foundation’s funding for squash that the Group is particularly proud of is the junior development programme. This was initiated in 2006, when the Group first became Rakan Sukan Squash, fueled by the idea that the sponsorship of tournaments should be paired with a junior development programme so that as we celebrate the triumphs of today’s champions, we must nurture the champions of tomorrow. This initially took the form of a junior tournament circuit for boys and girls aged under 9 and under 11, which was played in several legs in various cities in Malaysia. At that time, the under 9 age group was the first of its kind in the world.

The junior circuit has grown from strength to strength, and in 2010, the Foundation introduced several new initiatives. The first was the expansion of the circuit to include the age groups of under 15, 17 and 19, and with that, covering



the whole spectrum of junior development from under 9 through to under 19. The 2nd was to hold one of the legs of the circuit in Kuching, Sarawak, for better nationwide participation in hosting the circuit. The 3rd was the most significant, that was to introduce a benchmarking scheme for the players in the circuit, which was also to serve as an incentive scheme for the best players in the circuit.

The benchmarking scheme was needed to assess the quality of the players emerging from the CIMB junior development programme. 2010 marked the 5th year of the programme, and we felt that it was timely to benchmark our top juniors against their regional peers as well as their peers globally. In other words, we needed to know how far our kids have come since the CIMB junior development programme began, in particular those who started out in the programme in the under 9 age group in 2006.

To answer this question, the Foundation announced an incentive scheme - winners of the each age group in the circuit will be sponsored by the Foundation to compete in the Hong Kong Junior Open, regarded as the most competitive junior tournament in the region, and if any of them were to win the Hong Kong Junior Open, the Foundation would sponsor them to compete in the British Junior Open, which is the premier international tournament for junior squash.

We were very pleased with the results! Out of the 13 juniors funded by the Foundation to compete in the Hong Kong Junior Open, seven of them reached at least the semi-finals. Out of the seven juniors, five of them advanced to their respective finals, while one of them emerged champion - Ng Eain Yow (Boys under 13) while four others emerged as runners-up. In addition, S. Sivasangari who was also one of the top players in the CIMB Junior Circuit also emerged as the champion in the Girls under 13 category. This was very significant as both the champions had started playing in the CIMB Junior Circuit since 2006 in the under 9 age group.

We are also very proud of their achievements in the British Junior Open, Sivasangari was placed 4th in the Girls under 13, while Eain Yow emerged champion in the Boys under 13 category. Two other Malaysian juniors in the same age group, Andrea Lee (Girls under 13, and Mohd Farez Izwan (Boys under 13) were placed 2nd and 3rd respectively. This has been a big boost to our programme and we are very proud of their achievements. This also reinforces our conviction that the CIMB junior squash development programme is producing the world’s best players in their age group.

Bringing our vision closer to stakeholders:

Community

Golf

The CIMB Junior Golf Development Programme was initiated in 2010 as part of the Group’s title sponsorship of the CIMB Asia Pacific Classic, Malaysia tournament. In line with our approach in squash, the Group also leveraged the resources made available as a result of its title sponsorship to formulate a programme for the benefit of junior golfers in the region, in particular Malaysia, Indonesia, Singapore and Thailand.

The Group forged a partnership with the TOUR Academy to advise the Group on formulating the programme, as well as to implement it. Targeting the top juniors in two age groups - 12 and under and 15 and under - the CIMB Junior Golf Development Programme was structured as a series of four camps, in which the juniors hone their basics, improve their skills, get exposure to the world’s top players at the CIMB Asia Pacific Classic, culminating in an intensive training stint at the TOUR Academy’s headquarters at TPC Sawgrass, Florida.

The Group also established good working relationships with the relevant stakeholders, worked hand in hand with the golf associations of the four countries to select the juniors and to ensure that the programme’s goals were in line with those of the national associations. The parents of the junior golfers were also another key group of stakeholders



Ervin Chang
Loy Hee Ying



Jordan Surya Irawan
Nadya Rosiana



Danthai Boonma
Virunpat Olankitkunchai



Tan Yan Ming
Rachel Lim



“In December 2010, we had the great opportunity to continue our instruction programme with the eight finalists from the CIMB Junior Development Programme at our TOUR Academy at TPC Sawgrass. It was neat to continue to expose these fine young players to the very best information and technology as it pertains to not only instruction by club fitting and fitness as well. I felt that each player worked extremely hard and got the most out of their experience while in America and certainly have their games headed in the right direction. All of our staff at the TOUR Academy were extremely impressed with their level of play as well as their overall attitude and approach to the game.”

Travis Fulton, Director of Education, TOUR Academy

Bringing our vision closer to stakeholders:

Community

“CIMB’s golf programme is the best thing that has happened in Malaysian junior golf development.

As a parent, I am really pleased that my child has been given such a good opportunity to help him achieve his goal of getting a college education and playing professional golf on the PGA TOUR.”

Sylvester San Mun Kin, parent to one of the Malaysian junior golfers, Paul San



A total of 60 juniors from the four countries took part in the four golf camps. The first two camps in June and September 2010 were held at the Mines Golf Club & Resort, the venue of the CIMB Asia Pacific Classic, with the TOUR Academy providing instruction. The TOUR Academy’s Director of Education, Travis Fulton, together with head instructors, Shane Gillespie and John Stahlschmidt, conducted the clinics.

The 3rd camp took place during the CIMB Asia Pacific Classic tournament itself, providing the juniors the exposure to top flight golf, as well as the opportunity to mingle with the players. Three professional players - Martin Laird, Arjun Atwal and Lam Chih Beng - also conducted coaching clinics for the juniors, sharing with them some tips and techniques to add to their store of knowledge.

At the 3rd camp also, Dato’ Sri Nazir Razak, on behalf of the Group announced the juniors who had been selected to attend the 4th camp at TPC Sawgrass. Also present at the announcement were Ty Votaw, Executive Vice President of the PGA TOUR for International Relations and Communications, and Shane Gillespie representing the TOUR Academy.

The 4th camp at the TOUR Academy at TPC Sawgrass took place in December 2010. Although it was for only one week, the instruction was intensive with the juniors training full time under Travis Fulton and Shane Gillespie. The programme focused on physical fitness, and the

use of technology for swing analysis and club fitting. It was a thrill for the juniors to have access to the same resources as those made available to TOUR players.

Senior executives of the TOUR also took the time to speak to the kids about careers in the golf industry, providing them with insights on how this programme can help them eventually to either become a professional golfer or a golf professional. Ty Votaw, EVP for International Relations and Communications of the TOUR, Jay Monahan, SVP of Marketing of the TOUR, and Bill Hughes, General Manager of TPC Sawgrass, were among those who met with our kids.

It wasn’t all work and no play however. The juniors also visited the World Golf Hall of Fame and PGA TOUR Entertainment’s studios at the World Golf Village, and had dinner at Caddyshack, a restaurant owned by actor, Bill Murray, and named after the 1980’s comedy film in which he had starred.

Cycling

In 2009, CIMB Foundation supported a campaign by a group of cycling enthusiasts in Penang, known as the “G Cycling Club”, and the Rotary Club of Tanjung Bungah who wanted the Government and local authorities to build a bicycle lane on the island. The idea was to organise a cycling event round Penang island to prove to the Chief Minister of Penang that this was a worthwhile cause to support, and that there were indeed sufficient numbers of cyclists

to warrant a bicycle lane. A modest target was set - 500 cyclists - which if met, would convince the Chief Minister to ride along to show his support for the lane.

We were pleased that in its first year, the campaign attracted 1,081 cyclists, including the Chief Minister, who turned out in full force to support the cause. At the end of the campaign, the authorities agreed to introduce the concept of “road sharing” between cyclists and other road users. To remind road users of the presence of cyclists, bicycle emblems were painted on the roads, and sign posts were put up.

By 2010, the campaign had gained considerable momentum. The Foundation renewed its commitment towards the project and continued to fund the campaign. In its second edition, the campaign for a bicycle lane attracted 2,500 entries. This made it the largest cycling event ever in Malaysia, earning the event an entry in the Malaysian Book of Records.

Also joining the ride this year was the Chief Minister, together with CIMB Bank Director, Dato’ Seri Stephen Yeap, as well as CIMB Bank staff from the northern region.

To date, a total of 319 bicycle signs are placed strategically in the historical enclave of inner city Georgetown and along the popular coastal road from Gurney Drive to Telok Bahang and on to Pulau Betong. This has also increased the Foundation’s visibility throughout Penang.

Bringing our vision closer to stakeholders:

Community



Football

CIMB Foundation started funding YFA-Bintang Muda in early 2009 to provide affordable football training for underprivileged children and also to help build capacity for football at grassroots levels.

The funding from the Foundation which covers equipment, football apparel, football tournaments and carnivals as well as participation in international tournaments, enables the club to lower its fees to include a wider segment of young players in the sport. Currently, YFA-Bintang Muda provides football training to over 700 children in nine areas in and around the Klang Valley.

This programme is also one in which Dato' Sri Nazir Razak is involved personally, initially by adopting this programme as a Community Link project of the Group CEO's Office. In 2010, Dato' Sri Nazir increased his participation in the programme by taking on the role of team manager for YFA-Bintang Muda's under 12 team which competed in the National Junior Community Football League. He was also there to cheer his team on when they reached the knock-out stages of the League.

Dato' Sri Nazir and his staff from the Group CEO's Office also joined the boys on the pitch, with the CIMB team playing a friendly match against the YFA under 12 boys. His colleagues also attend YFA events and tournaments to show support for the club.

The Group is proud of the YFA's achievements. In the 2010 National Junior Community Football league, among 32 teams, they have had the best goal average in the league for two years running, emerging top of their division in both years. They have also found the back of the net the most times among all the teams in the league, with 52 goals scored in 2009 and 101 goals scored in 2010.

The club also acts as ambassadors for the Foundation. The Foundation sponsored the participation of the club in two regional tournaments, in which the under 12 team emerged champions for the Ramada International Cup tournament in Bangkok and runners-up for the Singapore Crossway International tournament, while their under 14 and under 16 team mates emerged champions in



Singapore. The club was also overall champions of the RSC International 7-side tournament in 2010, retaining the title they won in 2009.

YFA-Bintang Muda has also produced players who have gone on to greater achievements. For example, in 2010, for the under 12 team, nine of its players represented their state teams. 14 players were offered spots in sports schools, eight players at under 14 and under 16 levels represented Kuala Lumpur.

Bringing our vision closer to stakeholders:

Community

Badminton

CIMB Foundation's participation in badminton in 2009 marked its first foray into community sports. The Foundation partnered with Pioneer Sports Management (M) Sdn Bhd, comprising ex-national players, Chan Chong Ming, Chew Choon Eng, Wong Choong Hann and Lee Wan Wah, to organise a community badminton tournament in Seri Petaling, Kuala Lumpur. The tournament which was aimed at social players also included a charity initiative to raise funds for a Chinese primary school which was relocating to the area. The tournament was very well received, attracting 407 players, and raised a total of RM25,000 for the school's building fund.

In 2010, the Foundation once again joined hands with Pioneer Sports Management to organise the community tournament again. This time, the tournament attracted 458 players in 13 categories, with the parent-child category being a special feature of this community tournament.

This collaboration has raised the Foundation's profile through wide-spread media coverage in newspapers, local TV channels and ESPN.

Paralympics

CIMB Foundation were sponsors of the Malaysian contingent to the Guangzhou 2010 Asian Para Games in December 2010. The Foundation sponsored apparel for the 100-strong contingent as well as luggage for use by the paralympic athletes. The luggage is intended for use during the Games as well as for future travel. Dato' Mohd Shukri Hussin handed over the Foundation's donation to the Minister of Youth and Sports, Dato' Ahmad Shabery Cheek.

This donation is made to fulfil the Foundation's pledge for its MyCause Photography Contest in 2009 to fund projects highlighted in the winning photos. The winner of the staff category, Dillon Tanggapan Daniel, had highlighted the plight of paralympic athletes who lack funding in their pursuit of excellence.

Skateboarding

CIMB Foundation also funded a programme by the Malaysia Extreme Sports Association (MESA) to develop four circuits in the state of

Melaka for one year, with a particular focus on skateboarding. The funding would introduce and promote extreme sports to youths and focus on the safety aspects of the sports. It also aims to provide youths in Melaka with an outlet for their energy, as well as to promote the new skatepark built in the city.

This donation is also made to fulfil the Foundation's pledge for its MyCause Photography Contest. In his winning photograph, the winner of the open category, Mohammad Amzir bin Roslan, had highlighted the lack of a skatepark in Melaka. However, with the new skatepark being built by the state, the Foundation will fund programmes to promote the use of the park instead.

Sports for Communities

Sports for Communities was formally introduced as a category funded by the Foundation under Community Link in 2010. Sports for Communities encourages communities to engage in sporting activity with the aim of promoting a more active and a healthier lifestyle. 16 programmes were approved in 2010 with a budget of RM746,000.

In total, these programmes impact approximately 3,500 people.

The sports featured in this year's programmes cover a range of activities such as futsal, badminton, hockey, basketball, dodgeball, tennis, sepak takraw, golf and soccer. The Foundation also funded two programmes to promote recreational running, as well as a programme for senior citizens centred around activities tailored for their age such as tai chi and ballroom dancing.

Sports for Communities is also a great way in which the Foundation can partner with partners who are passionate about a sport, and would like to promote it to new participants. In hockey, for example, the Foundation's grant was to enable ex-national players such as Colin Sta Maria, M. A. Sambu, James Sia and their former teammates to give back to youths who have interest in the sport. The grant enabled the hockey players to provide training to students, monitor and evaluate their performance, as well as to organise a junior tournament in which the youths are able to participate.



Bringing our vision closer to stakeholders:

Community

CIMB Regional Scholarship recipients 2010

Janet Moo is a dance/movement therapist who works with children with learning disabilities. Buoyed by the children's progress with therapy, she had been offered a place at the Institute of Psychiatry at King's College London, UK, one of the leading mental health research centres in Europe. She looks to expand her understanding of the use of creative therapies to help children with learning disabilities.



Samuel Leong is a lawyer by training. He believes that as ASEAN evolves, the region requires expertise in international law to establish, implement and monitor the multilateral treaties and domestic legislation which will form the legal system underlying the ASEAN community. He is pursuing a Master of Laws from Columbia Law School, USA and will contribute through a legal career in the diplomatic service.



Rachel Tanamas is an architect and urban planner involved in the reconstruction of Padang following the 2009 earthquake. She has been accepted by University College London, UK for a post-graduate degree in Building and Urban Design. She would like to focus on the design of urban buildings in earthquake zones in the region to prevent and minimise the loss of life in the event of natural disasters.



EDUCATION

The Group's Education pillar was very active in 2010. The CIMB Regional Scholarship was launched as an initiative of the Group and funded by CIMB Foundation. In addition, the Group continued to expand its efforts in improving access to quality education among its sponsored rural schools, with a focus on the use of ICT and on improving English proficiency.

Scholarships

The CIMB Regional Scholarship was launched to much fanfare in 2010. This prestigious scholarship targets citizens of ASEAN countries, who have an outstanding track record of achievements, demonstrate passion for their work and have the potential to make significant contributions towards the development of the region. The scholarship was available for post-graduate studies at the world's top universities in fields which were important for the development of the region but remained relatively untapped and underfunded such as Renewable Energy, Environmental Studies, Sports Science, Genetics, Marine Biology, Fine Arts (including music, theatre and dance), Creative Arts (including fashion and design), Nutrition and Southeast Asian Studies.

The scholarship does not bond successful candidates to work with the Group, but instead requires them to contribute to the region's development by working in the ASEAN region for a minimum of three years upon completion of their studies.

Over 900 candidates from across the region applied for the scholarship. The quality of the candidates was outstanding, and it was a difficult task for the selection panel, but eventually, five inspiring candidates were identified as the initial recipients of the scholarship.

The Group will continue to offer five scholarships a year under the CIMB Regional Scholarship scheme.

CIMB Foundation offers the CIMB-Niaga Scholarship, which was one of the Foundation's earliest education initiatives. A sum of RM1,000,000 had been allocated for the scholarship scheme which was launched in 2008. The scholarship which is aimed at improving cross-border and cross-cultural understanding between Malaysia and Indonesia is offered to Indonesian students to pursue university education at Malaysian universities.

In 2010, five new scholars were offered the scholarship, bringing the total number of scholars to 12. Out of the five new scholars, three of them are enrolled for degrees in Information Technology at Universiti Kebangsaan Malaysia, while the other two are studying Engineering at the University of Malaya.

Scholarships are also the cornerstone of CIMB Niaga's CSR programmes. CIMB Niaga offers two types of undergraduate scholarships. CIMB Niaga's "Beasiswa Unggulan" (Premier Scholarship) programme was awarded to 43 Indonesian students in 2010, bringing the

number to 200 since its inception in 2006. This programme is a joint venture with the Ministry of National Education of Indonesia, in which tuition fees are borne by the Ministry and CIMB Niaga pays for living expenses and other related costs such as the purchase of a computer and English language classes. The scholarship is tenable at the top universities throughout Indonesia. CIMB Niaga also runs the CIMB Niaga Scholarship Programme, which is a key recruitment tool for the bank. The scholars are then absorbed into the workforce of CIMB Niaga upon graduation.

Providing quality education for rural school children

Rural school children in Malaysia, and in other parts of the ASEAN region, do not get the same start in life as their urban peers. Three main reasons for this are the lack of access to opportunities for learning, poor command of the English language and an absence of an environment which celebrate academic achievement. As the children grow older, these factors become prominent drawbacks.

CIMB Foundation sponsors ten rural schools under PINTAR, a programme introduced by Khazanah Nasional Berhad. The aim of CIMB Foundation's programme is to provide the students with the best possible footing for the future.

The Foundation revamped the programme in 2009 by introducing a renewed focus on three objectives - empowering the students with ICT

Bringing our vision closer to stakeholders:

Community

Khaira bt Ismail is a scientist with a keen interest in the ocean. She believes that improved understanding of the ocean is important in areas such as fisheries conservation, the exploitation of underwater oil and gas reserves, coastal protection and national defence strategies. The CIMB Regional Scholarship has enabled her to study at one of the world's foremost oceanographic centres - the

School of Ocean and Earth Science, University of Southampton, UK. She will return to work in the region as an ocean scientist upon graduation.



Joseph Santhi Pechsiri is an environmental scientist. His studies have shown the detrimental impact of recreational boating on the marine life in the region's coastal waters. Through his studies in Industrial Ecology at the Royal Institute of Technology, Sweden, he will study ecological engineering techniques which can be applied to reduce the environmental impact of recreational boating, including the use of

biofuel. He believes that the region will benefit from his research, by reducing the impact on the environment as well as promoting practical sustainability measures.



skills, improving their standard of English and creating an enabling yet competitive environment which celebrates academic excellence and achievement.

Two schools were picked to run a pilot programme in which we equipped the schools with computers and access to on-line learning. We ensured that the computer labs had sufficient computers to enable all students in one class to use the computers at the same time. The two schools showed very encouraging progress with improvements across the board - improved UPSR results, high attendance rates, and increased interest of the students in learning.

Based on these encouraging results, in 2010, we equipped the remaining eight schools with the computers and access to on-line learning. In total, the Foundation also took it a step further by introducing the CIMB Foundation Academic Dashboard, an online education and interactive portal for the ten schools. This pulls together our three strategies towards education - the use of ICT as a tool for learning and teaching, improving the standard of English and creating an environment which encourages academic excellence.

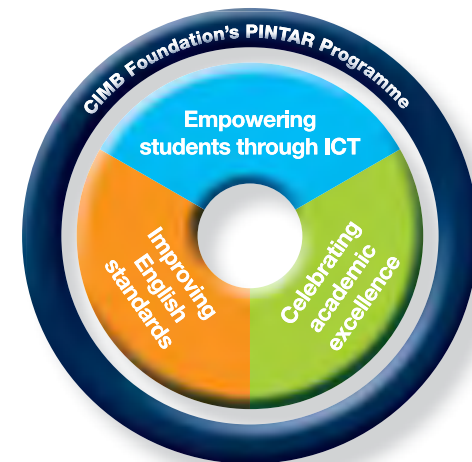
This marks a major milestone in our programme, as we can now proudly claim that all students in the ten rural schools are not only computer literate, but also use the computers regularly, while students sitting for the UPSR use the computers for online revision to help them prepare for their exams.

They are also encouraged to improve their command of the English language through the use of the computers. To encourage the use of English, all posts to the dashboard must be made only in English. CIMB Foundation also worked with British Council to enhance the skills of the schools' English teachers in terms of teaching methodology.

The CIMB Foundation Academic Dashboard was launched by the Director General of Education, Tan Sri Alimuddin Mohd Dom in April 2010. It enables the schools to update information about their activities on their homepages, as well as for the students to communicate with one another. The schools' contributions to the dashboard count towards their total points in the competition for best schools awards.

CIMB Foundation's PINTAR Gala Night 2010 was also another key event. Held in Penang in December 2010, the event celebrates the achievements of the schools, teachers and students. Awards are handed out for academic excellence and sports achievements. The Minister in the Prime Minister's Department, Tan Sri Nor Mohamed Yakcop, who had mooted the idea of a rural schools programme by GLCs and initiated PINTAR, officiated at the event, accompanied by the trustees of CIMB Foundation and CIMB Bank staff in the northern region. 287 teachers and students from the ten schools attended the event.

There were many triumphs to celebrate for 2010. Two schools, Sekolah Kebangsaan Seri Pinang



and Sekolah Kebangsaan Ayer Puteh, had surpassed the national average for the percentage of students scoring 5As. SK Pulau Kundor and SK Pulau Betong had also shown a large increase of 17.3% and 25.4% respectively in their overall passing rate for UPSR. 41 students who scored 5As in their UPSR exams received a prize of RM500 each while the 51 who scored 4As received RM200 each. 25 students who had been offered places in residential secondary schools were also awarded scholarships amounting to RM1,000 to cover their initial expenses while transitioning to the residential schools.

It was a proud moment for Sekolah Kebangsaan Ayer Puteh when they won the award for the Best School for 2010. The school had achieved a UPSR pass rate of 81.5%, a 7.5% improvement from the year before. Seven of its students scored 5As while its overall attendance rate was 92.8%.

In 2010, this programme reached 3,600 students and 322 teachers in the ten rural primary schools.

In addition, the Foundation also funded 31 education projects across the region under Community Link. These projects were focused on improving the standard of English among students. These included supplying schools with books, magazines and newspapers for reading programmes, as well as computers to enable students to learn English through ICT. Activities such as reading programmes, Scrabble competitions, and an English programme for slow learners also received funding from the Foundation.

Bringing our vision closer to stakeholders:

Community



COMMUNITY LINK

Community Link is CIMB Foundation's flagship programme. Branches in CIMB Group's consumer banking network partner with local community organisations to initiate programmes in the Foundation's focus areas of Community Development, Sports and Education which bring long-term sustainable benefits to the communities served by the branches. These programmes are funded by CIMB Foundation.

Throughout the region in 2010, a total of 165 projects received funding from the Foundation, with a total grant value of RM8.7 million.

In Malaysia, Community Link runs primarily as a competition among the branches to implement the best CSR project. This effort contributes approximately 74% of the total number of Community Link projects. A Community Link taskforce was formed comprising members from the Group's CSR team and representatives of the branch network. The taskforce took on the role of driving the Community Link Challenge throughout the network including formulating guidelines for the selection and implementation of the projects, design, production and distribution of collaterals, communications with branches, and monitoring and evaluation of the projects.

The Foundation also narrowed the focus of Community Link, steering the programme

towards projects which had shown good results in the past. To assist community partners of the programme, more detailed project criteria and guidelines were provided by the Foundation. In addition, a comprehensive and timely communications plan targeted at branch staff and customers was rolled out to support the branches' efforts. This included posters, mousepads, bags and notebooks directed at staff, and branch posters, flyers and videos which provide information to customers.

As a result of these efforts, a total of 300 submissions were received from branches, business centres and head office units. Out of these, 121 projects were approved and implemented with a total grant amount of RM5.9 million.

A major focus of Community Link in 2010 was also the regional thrust of the programme. A total of 11 projects were approved in the region to enable CIMB Niaga, CIMB Thai and CIMB Singapore staff to familiarise themselves with the programme. The Group will look to expand the regional coverage of Community Link in 2011.

2010 was a year in which we took a leap forward in the Community sphere. In 2011, we will look to expand regionally, and to increase staff engagement in this area.



Bringing our vision closer to stakeholders: **Community**



Humanitarian aid across the region in 2010

DONATIONS

A small portion of the Group's and CIMB Foundation's budgets are kept aside for humanitarian relief in times of crisis in the region. We work with local relief organisations on the ground to ensure that aid reaches those in need. In 2010, our donations went towards emergency relief and medical treatment during the crisis period, as well as post-disaster activities such as repair and reconstruction of infrastructure and replacement of items such as school books, uniforms and shoes.

The Group also included a charity event at the CIMB Asia Pacific Classic golf tournament. In line with the philosophy of the Group and of the PGA TOUR of "giving back", the Group ran "Swing from the Heart", a "hole in one/nearest to the pin" contest using a golf simulator. We chose IJN Foundation, the charity arm of the National Heart Centre of Malaysia, as the beneficiary. IJN

Foundation funds treatment for heart disease for the poor and needy.

Members of the public paid RM10 for one shot, and if they produced a CIMB Bank ATM or credit card, they got one extra shot. The contest ran for four days, with attractive prizes such as golf equipment, hotel stay and dining vouchers at the Palace of the Golden Horses, membership at the Golf Club City Centre KL, and subscriptions to Golf Malaysia magazine. The prizes were sponsored by the Group as well as various other sponsors of the tournament.

CIMB Foundation offered to match public donations dollar for dollar up to RM50,000, to encourage participation. In total, "Swing from the Heart" raised RM59,235 for IJN Foundation. Among the largest donors was the PGA TOUR itself, which contributed USD7,500 towards the charity drive.

14 Jan	Donation to Metro Tabernacle Church, Malaysia which was damaged in an arson attack
29 Jan	Flood relief in Kuching, Malaysia
25 Mar	Flood relief in Bandung, Indonesia
30 Apr	Flood relief in Karawang, Indonesia
4 Oct	Flood relief in Wasior, Indonesia
8 Oct	Disaster relief at Mount Sinabung Volcano, Indonesia
21 Oct	Flood relief in Korat, Thailand
26 Oct	Emergency relief following eruption of Mount Merapi, Indonesia
27 Oct	Flood relief in Ayutthaya, Thailand
29 Oct	Tsunami relief in Mentawai, Indonesia
3 Nov	Flood relief in Perlis, Malaysia
4 Nov	Flood relief in Kedah, Malaysia
9 Nov	Flood relief in Haadyai, Thailand
26 Nov	Diamond Island bridge stampede in Phnom Penh, Cambodia



Bringing our vision closer to stakeholders

Workplace

Our workforce today is dramatically different from what it was when CIMB Group was first launched and we believe that this is the driving force that is fast marking out our regional banking footprint. Diversity in the workplace means bringing different sets of skills and knowledge to the table; from which one can learn from another and capture the advantage of diverse perspectives.

37,000

Employees as at 31 December 2010

Workforce By Countries



Country	Percentage
Malaysia	52.3
Indonesia	33.9
Singapore	3.2
Thailand	10.2
Others	0.4
Total	100

“When I started working at CIMB, I had never dreamt that I would have such an enriching opportunity - to experience first hand working with the different nationalities and cultures in the region. We encourage all staff to adopt a regional outlook and mindset, to be more mobile and to create the diversity that we need to serve all our customers in the region.”

Hamidah Naziadin
Head, Group Corporate Resources

We have a total workforce of about 37,000 employees as at 31 December 2010. Just over 52.3% of our workforce is in Malaysia, compared to 70% in 2007, a clear indication of the increasing regionalisation of the Group's operations.

Approximately 92.5% of our workforce is in full-time permanent employment while the remaining 7.5% is employed on a contractual basis. As at the end of 2010, 41.2% of our employees are members of various unions in the industry.

In terms of gender ratio, almost 53.4% of our workforce comprises female employees. We have 333 female employees at senior management level.

This section of our Corporate Responsibility Report outlines the Group's efforts in creating and nurturing the workforce required to move the Group closer towards its goal of becoming Southeast Asia's most valued universal bank.

Bringing our vision closer to stakeholders:

Workplace



Responsible Workplace Practices

The Group recognises that employees are a key stakeholder of the business in line with our vision to be the region's leading universal bank. To achieve that vision, we must be able to competitively position ourselves as an "employer of choice" for both current and future employees.

This is reinforced by our corporate values which places enabling our people as one of the three core values of the organisation. This recognises the role of our people as the very heart of the organisation because we believe that it is only by enabling our people that we are able to create value for our customers in a sustainable manner.

CIMB Group provides a conducive environment for work which is physically safe and hazard-free, intellectually challenging and rewarding. It also promotes an active engagement of our people as well as striking a balance between work and play. This includes having in place fair grievance procedures to promptly deal with issues and keep all parties duly informed of the process and outcome.

Therefore for CIMB Group, corporate responsibility in the workplace centres on enabling our people and providing an enabling work environment which will help our employees to realise their full potential. This takes many forms and activities throughout the Group, and may be categorised as follows:

People Development

As a forward thinking employer, we are committed to ensuring that our employees have access to ongoing training, learning and career development opportunities that enable them to increase their skills, progress their careers and reach their full potential. In 2010, we invested approximately RM39 million in training. The Group also meets the requirements of Bank Negara Malaysia where the amount should be at least 2.5% (for CIMB Bank & CIMB Islamic Bank) and 3% (for CIMB Investment Bank) of total gross salary of the preceding year.

In 2010, a total of 60,903 training slots were filled by our staff which is an increase of about 71% from 2009. A total of 17,854 staff also took part in e-learning courses which is an increase of 38.5% compared to the previous year and to complement this, a total of 16 e-learning courses were launched in 2010.

Learning Facilities

CIMB Group has three training centres in Malaysia. Each centre is well equipped to provide an atmosphere conducive to learning for our staff.

Our main training centre, Pusat Putra, provides accommodation for staff who attend training sessions. In addition to nine fully equipped training rooms and four computer training rooms, the training centre is equipped with air-conditioned residential facilities, dining hall, sports facilities for football, volleyball, netball, squash and tennis. The centre also comes with a gymnasium, a swimming pool and a karaoke room.

To further promote learning among staff, the Group provides a variety of facilities, including access to the latest work-related books and magazines through our Knowledge Centres located at our main office buildings. Staff may use the Group's subscriptions to periodicals and trade publications without having to be physically present at the Knowledge Centres because these are available through our intranet.

Learning

We continue to train and develop our people to prepare them for our transformation journey. Project Oasis was initiated to drive the transformation of the consumer bank sales and service delivery capabilities to be the best-in-class through its people. The approach used in the transformation focuses on resourcing, people development and performance management.

The various key training initiatives include 1View Training, Forward Banking Leaders Programme, Forward Banking Experience Mindset Seminar, sales and service role-based certification programmes, CSD Preferred Centre of Excellence training, the Smart Banker Challenge and the Green Competition.

The Forward Banking Leaders (FBL) programme is a leadership development programme designed to create a new paradigm among our managers in managing business, people and process. The programme aims at creating a clear shift from a transactional mindset to a forward banking mindset in running their business. At the end of the programme, FBL aims to produce workplace entrepreneurs and inspiring

Bringing our vision closer to stakeholders:

Workplace



leaders who are able to enhance business performance through effective leadership skills. This programme involves Regional Directors, Area Retail Managers, Area Business Managers, Branch Managers, Head-Business Relationship Managers, Mobile Sales Force Managers, Team Leaders and Support Segment heads. Since 2008, 435 participants have graduated from this programme.

The Smart Banker Challenge first started in Malaysia in 2008. It was launched to promote creative learning amongst the branch staff of CIMB Group so as to enhance their service delivery to our customers. In 2009, the Smart Banker Challenge was expanded to include non-branch staff of selected divisions which directly support the branch staff in CIMB Group. The objective of the Challenge is to inculcate a learning culture by encouraging self-learning and promoting learning in a non-conventional and enjoyable manner. It also widens the participants' scope on the overall knowledge of the organisation and financial industry through balanced categories of quiz questions and activities. In addition, the Challenge encourages team bonding amongst staff through intra and inter business unit competition. In 2010, the concept of the Challenge went regional. CIMB Thai and CIMB Niaga conducts a similar quiz based on this Smart Banker concept.

The Green Competition is an annual event which started in 2009. It is a creative learning competition that encourages knowledge acquisition in Islamic banking and teamwork. The objectives of the competition are to promote



a self-learning culture within the organisation and to reinforce and enhance Islamic banking knowledge of the staff.

Leadership

We have in place a dedicated management and leadership development centre at our head office, known as the Commerce Leadership Institute (CLI). CLI was established in 2006 to grow leaders who will accelerate the Group's vision of being Southeast Asia's most valued universal bank. It aims to ensure sustainable growth of the Group by strengthening the leadership pipeline (key leadership positions across the Group and top 1% managers) and cultivating a mentoring and coaching culture to foster the bonds between present and emerging leaders in the Group.

CLI focuses on strategic executive development by identifying and enabling the Group's senior executives who have demonstrated leadership to broaden their leadership and strategic capabilities through its be-spoke in-house global leadership development programme. In addition, the CLI has also initiated various leadership team effectiveness processes to build the capabilities of the leadership teams across the Group.

We also regionalised team building and leadership development programmes to ensure that our corporate culture and leadership competencies are cascaded consistently across the region. For example we have partnered with INSEAD, a leading global business school, to customise the CIMB-INSEAD Leadership Programme (CLP) to develop and broaden the

leadership perspectives of our next generation of regional leaders. Current senior management are actively involved in the CLP, where they play the role of teachers, mentors and sponsors, helping to build a strong cadre of future leaders and embedding a teaching and coaching culture. Over 60 senior executives participated in the CLP in its first year in 2010.

The Group also offers Leader Coach Certification Programme by partnering with CCL (top three coaches in the 2010 Financial Times Worldwide Survey) to develop and sustain a coaching culture within the Group, developing coaching competencies, interpersonal skills and leadership capabilities in senior leaders. In 2010, a total of 50 employees from across the region participated in the programme.

The Top Leadership Dialogue Series continued in 2010 with the best-in-class thought leaders delivering sessions on organisational culture and leadership, scenario planning and decision-making for leaders. A total of 141 senior managers in the Group from across the region attended the three sessions conducted by London Business School, INSEAD and World Economic Forum.

Continuing Professional Development

To encourage our staff to improve their own skills, the Group also offers a sponsorship scheme for certification and professional courses, and also awarded scholarships to staff for university degrees. The Corporate Sponsorship Scheme aims at building a skilled workforce and contributing to the personal and

Bringing our vision closer to stakeholders:

Workplace

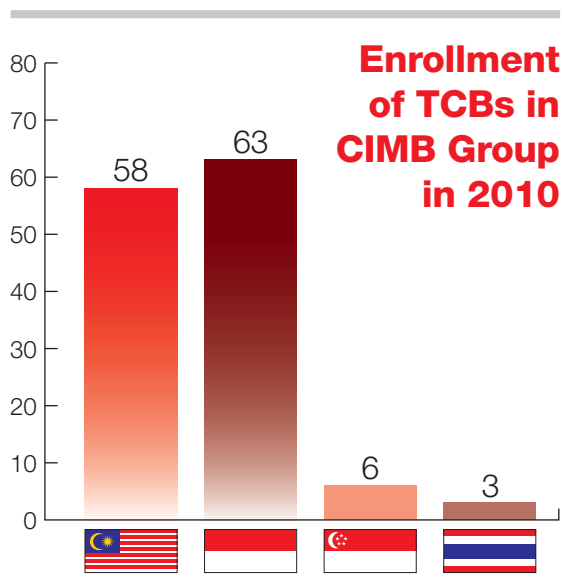
professional development of our employees. Our employees have the option to pursue part-time or full-time studies locally towards acquiring diplomas, advanced/post-graduate diplomas, degrees, post-graduate degrees and/or professional/technical certifications. In 2010, we awarded close to RM300,000 to 34 staff under this sponsorship scheme.

The Employee Scholarship Programme of CIMB Niaga has provided scholarships for CIMB Niaga employees to pursue undergraduate and post-graduate education in cooperation with the Faculty of Economics, University of Indonesia.

New staff

The Complete Banker (TCB) programme for management trainees (MTs) proved to be an enduring success, attracting a record number of applications. The programme aims to nurture a pool of regional talent of future ASEAN leaders. TCB is an exclusive CIMB Group trademark.

A total of 130 TCBs were recruited across the region in 2010 and 14% of the recruited number were offered an overseas stint that lasted three months each. We were particularly pleased with their willingness to explore opportunities outside their home countries, and their cross-border movement has certainly enhanced their understanding of the Group as a regional franchise.



“My two months of classroom training, followed by ten months of rotations in various departments has opened up my eyes to the banking world and expanded my horizons. There were assignments and presentations in between to keep me on my toes, as well as training on people management and personal improvement.”

*Teh Liang Seng
(top row, 3rd from left, in black shirt with the TCB 12 group)*

The Group also has an annual internship programme in place which provides opportunities for undergraduates to gain work exposure in our offices. In 2010, a total of 109 undergraduates were accepted for the internship programme.

The Group also introduced the Global Exchange Employees Programme (GEEP) in 2008, a structured and consistent approach towards deploying internal talents internationally. GEEP enriches the quality and quantity of career development opportunities within the Group to ensure better talent retention and development. It also cultivates a collaborative work culture within the Group for greater synergy and acts as an extension of our talent development framework. In 2010, 30 employees within the Group were offered international postings.

Helping new hires understand the Group, its culture and its values is also an important focus of managing our human resources. For new hires, we conduct orientation programmes to enable them to gain a better understanding of the organisation. We also hold familiarisation programmes for the more senior recruits to help them adapt to the work culture.

The Group also has a strategic alliance with University of Malaya to conduct training programmes for its students. Owing to the success of the programme in 2008, the Group and University of Malaya mutually agreed to extend the training programme. This programme, which enhances the employability of the graduates, comprises industrial training, internships and management trainees' stints at the Group's various business divisions. The programme starts off with 4-weeks training at University of Malaya and finally a 3-month attachment with CIMB Bank.

We continue to emphasise on being a committed and responsible corporate citizen by sharing our experience and resources to help produce graduates that have the requisite skills and exposure sought by other employers in the market.

Careers at CIMB Group

To ensure that we attract the best young minds in the country, the Group has also launched a series of career talks and fairs. We were also actively involved in reaching out to the younger

Bringing our vision closer to stakeholders:

Workplace

generations and advising them on the choices of careers available in the banking market.

We entered our 3rd year of the “Way Forward” Programme, through which we reach out to secondary school students in a series of career talks. Our senior staff took time off to go out to schools nationwide to speak to students in Forms 5 and 6, giving them career guidance. We also received write-in requests from several schools for us to host a career talk for their students.

A total of 51 schools were selected last year and 5,781 school students were involved in the Way Forward Programme.

The “Way Forward with CIMB Campus” programme is aimed at helping students from institutes of higher learning to relate what they have learnt in the classroom with the business world and equipping them for the workforce. We organised an on-line share trading competition from July to September 2010 which involved 19 teams from nine institutes of higher learning. We also conducted eight talks at six institutions of higher learning, and reached out to 910 students.

CIMB Niaga, through their “Tour de Bank” programme, also reaches out to primary school and early education students by providing them a tour of the bank’s branches. The tour introduces them to primary bank functions such as opening an account and using ATM services.

Fair Remuneration and Compensation

In line with the high performance culture of the Group, the employee performance appraisal process is comprehensive and is conducted annually for all employees. The appraisal system has been developed around a set of key performance indicators (KPI) communicated to each individual employee by their supervisors at the beginning of each appraisal cycle, against which their performance will be evaluated.

All our employees enjoy coverage on medical care (including their families), health/disability insurance and maternity and paternity benefits. The Group offers “CIMB Plan”, a benefit

programme that gives staff the freedom and flexibility to choose how to spend the money that CIMB contributes towards their staff benefits. As such, CIMB Plan puts our staff in charge of their benefits package and lets them choose from a variety of benefit options to make up a package which meets their needs and circumstances and gives them the most value. Staff may also sell a portion of their annual leave entitlement towards the CIMB Plan so as to increase coverage in certain areas, for example married staff with young children may choose to increase their clinical and dental benefits.

Handbooks and manuals which spell out the conditions of employment and the way disciplinary matters and employee complaints are to be handled are made available to all employees and are also communicated to new employees during induction courses. All human resources policies and guidelines e.g. overtime pay and allowances etc. are accessible through the intranet and employee handbooks.

The Group also offers a long service recognition award to reward staff for their loyalty. Upon reaching the 10 and 20 year milestones in serving CIMB Group, staff receive RM1,500 and RM3,000 worth of unit trust funds respectively. Retirees, on the other hand, receive a gold coin worth RM5,000. In 2010, a total of 402 staff were rewarded for their long service with the Group.

As an incentive for staff performance, each year, the sales staff of CIMB Bank compete to achieve (and surpass) their targets for the CEO’s Challenge. Based on sales achievements and KPI scores, in 2010, approximately 180 of the Bank’s top sales performers won an incentive trip to Spain.

Conducive Work Environment

The Group strives to create a work environment that encourages high productivity and creativity, one which will provide our people with a sense of work-life balance and fulfillment.

The headquarters for consumer banking business; Menara Burniputra-Commerce is a workplace that addresses the needs of staff in a holistic manner. It is a place that offers a work-life



Virtual Career Fair

In 2010, we launched our Regional Virtual Career Fair, a recruitment tool to attract graduates and experienced hires from all over the world. It showcases our business and advertises the Group’s vacancies across the region as well as allowing the candidates to interact with our regional recruiters in real time. Within a month after the site went live, it received over 6,000 registrants from over 40 countries. The Group participated in 51 career fairs across the region to source for talents.



Careers page on Facebook

A CIMB Group Careers page was launched on Facebook in August 2010 as a communication platform to disseminate information, encourage networking and engage with current interns, TCBians and potential talents for the Group.

Bringing our vision closer to stakeholders:

Workplace



balance, for example, spacious pantry areas for better interaction among staff, state-of-the-art gymnasium facilities, breastfeeding rooms for mothers, a surau on every floor, library facilities, a food court and many others.

At the same time, the building has been designed to empower our people to serve their customers better. Our spacious banking hall is based on an open office concept, making it easy for customers to approach our staff. Private meeting rooms are available for confidential meetings while separate conventional and Islamic banking areas make it convenient for customers. Our banking hall is also equipped with tighter security features for customers' peace of mind.

The latest addition to the Menara Bumiputra-Commerce is a new Telepresence Room which has 18 screens and is able to accommodate 18 people. It complements the existing Telepresence Room which currently accommodates 10 people and comes with a single screen.

We are in the midst of building the new Menara CIMB which will house the investment banking arm of the Group in Malaysia. The building is being built according to the specifications of the Green Building certification by Pertubuhan Arkitek Malaysia (PAM) and Association of Engineers Malaysia. It is also being built according to the specifications of the Green Building Certification by the Building and Construction Authority, Ministry of National Development Singapore.

Engaging Our People

Internal communications is an important focus area for us. With over 37,000 employees across the region, we place a lot of emphasis on engaging our employees, starting with having open communications.

CIMBnet, which is CIMB's intranet system, is a key channel of internal communications for our people. All announcements and happenings at CIMB Group are posted on CIMBnet and in 2009, CIMBnet was made available in Malaysia, Indonesia, Singapore and Thailand, complete with local customisation of content.

The Group's CEO himself is a frequent user of this communication tool. Dato' Sri Nazir Razak launched his internal blog in January 2010 in which he personally updates on a weekly basis. He also replies to the comments posted by the staff on his blog. CIMB Thai's President and Chief Executive Officer, Subhak Siwaraksa also launched his own blog in June 2010.

Another key communication tool among employees throughout our consumer banking branch network is the "Branch TV" or video conferencing facilities which allows for live 2-way communication between all branches and head office.

At the same time, with an emphasis on 2-way communications, we worked towards creating an environment where everyone, regardless of their position, felt empowered to contribute their



ideas. We now have in place a "CIMBians" forum on CIMBnet, which enables all staff to share their views and ideas with one another.

Numerous contests have also been launched to encourage all staff with good ideas to come forward and share their ideas, for example, the annual Blue Ocean contest. The CIMB Blue Ocean Strategy (BOS) was first launched in Malaysia in 2007. Since then we have been running annual competitions to encourage all members of staff to embrace BOS, and to share their thoughts on bringing more innovation and greater creativity to the firm, to their fellow colleagues and of course, to our valued customers.

In 2010, we expanded the campaign throughout the region. We identified five themes which are believed to be key priorities for the Group. The contest received an overwhelming response and attracted 5,188 entries. The Group took a step further by allowing the winning staff to actually work on their ideas should they be selected for implementation. This has resulted in much positive feedback from staff.

Occupational Safety and Health Activities (OSHA)

The Group places a strong emphasis on occupational safety and health activities (OSHA) and has put a written OSHA policy in place. It is guided by the MS 1722 OSHA management system which provides practical techniques for planning, implementing and monitoring an effective OSHA system.

Bringing our vision closer to stakeholders: **Workplace**



The Group has identified the top five health and safety risks as fire, ergonomic, stress, physical and health hazards. To address these risks, employees receive regular safety and health talks as well as updates and articles via the intranet. We also provide health and safety training, including first aid training, to our fire marshals and the Emergency Response Team. Adequate precautions and safety measures were put in place to mitigate accidents while checks were conducted regularly to ensure all work and safety equipment are in place and in working order. Throughout 2010, every effort was undertaken to ensure compliance with the legal OSHA requirements and internal OSHA policies.

Our 2010 OSHA activities are mainly based on the Occupational Safety & Health (OSH) Regulatory Requirements and we emphasise on the following details:

1. Improving OSHA awareness amongst CIMBians through communication via CIMBnet (OSHA Portal), OSHA Inspection Audit, safety & health talks/campaign, safety & health training etc.
2. Enhancing the CIMB Group Policy & Procedure Manual/Guidelines.
3. Building rapport with OSHA Government/Regulatory Body, Department of Occupational Safety & Health (DOSH), Ministry of Health (MOH), National Institute of Occupational Safety & Health (NIOSH), PDRM, BOMBA etc.



The Branch OSHA Inspection Audit for the year 2010 was successfully conducted in 95 selected branches in all five regions as to ensure good rapport and awareness among the Branch OSHA Committee and staff. This is in compliance with the OSHA regulatory requirements to ensure every employee is well equipped with OSHA awareness to avoid any unsafe incidents.

The OSHA Unit assisted in conducting the OSHA campaign and talks as part of the initiative of being a caring employer. This included two events as part of the Cervical Cancer Campaign by National Cancer Society Malaysia (NCS), a 5-day event by National Cancer Council Malaysia (MAKNA), Fire Safety Awareness Campaign for branches, NKF Community Health Day by National Kidney Foundation Malaysia and Road Safety Campaign by Road Transport Department.

We also conducted OSHA programmes with selected staff and attended to requests from Head of Divisions according to the division's needs.

This is a part of the OSHA initiative campaign as per OSHA Act 1994 under section 15 and 24 of Employers & Employees responsibility and BOMBA Act 1988 as to give proper knowledge to staff in order to perform tasks.

OSHA Unit assisted in conducting the yearly Emergency Evacuation Drill in selected CIMB Group offices to ensure occupants' awareness of the evacuation process during emergency situations. The yearly evacuation drill is a



Operational Excellence

Human Resource Information System (HRIS) was launched in Malaysia in June 2010, covering 14 entities of CIMB Group and was made available to over 19,000 users. It was also subsequently launched in Singapore in November to over 1,200 active users spread over 4 entities.

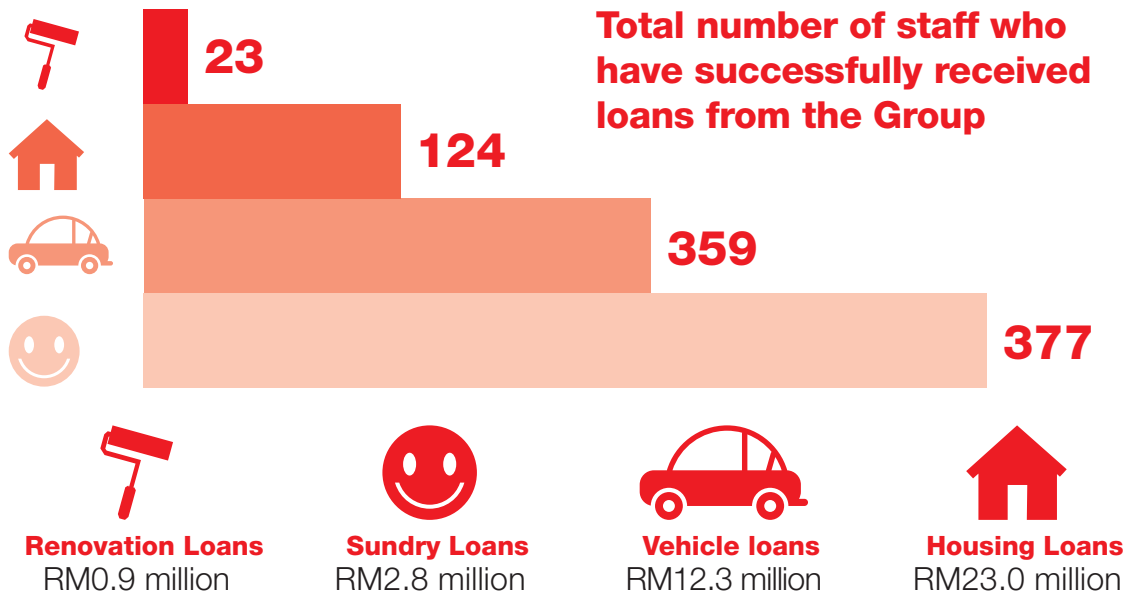
It is a single integrated HRIS for the Group where all entities across Malaysia and Singapore are using the same HR system. With this, heads and supervisors with staff across entities in Malaysia and Singapore will only need to access a single Human Resource system to approve leave, claims, training, staff performance as well as obtaining information on their staff.

The system enhances the human resource operational efficiency through a more effective processing and management of information. It is also robust enough to cater for future expansion.



Bringing our vision closer to stakeholders:

Workplace



requirement under the Fire & Rescue Act (BOMBA Act 1988) to ensure the fire protection system is in good order and occupants are aware of the necessary action in the case of emergency.

OSHA Unit also assisted in an External Enforcement Inspection Audit on renewal of certification (BOMBA FC) and compliance to the Department of Occupational Safety & Health Department (DOSH).

The Unit also helps in managing and handling Health Issues - three cases of TB and 21 cases of H1N1 in 2010 - by providing assistance and information, supplying safety masks, instructing anti bacteria misting and distribution of hand sanitiser. It should also be noted here that the Unit acted immediately after they received reports from the respective business units which had been confirmed by Human Resources. All the affected staff were monitored and only allowed back to work after getting clearance from their doctors.

Employee Wellbeing and Welfare

As a caring employer, we continued to develop new policies and programmes with the interests and well-being of our staff at heart.

Loans

The Group made various loans available to all confirmed staff at a very competitive rate. Housing loans and car loans are offered at an interest rate of 4% per annum throughout the tenure, and in 2010, 124 staff applied for the former and a total of 359 applied for the latter. We also offered renovation loans at the same rate and there were 24 takers throughout last year. In total, the Group gave out loans amounting to over RM35 million.

We also make it easy for staff under the consumer banking arm who want to perform their pilgrimage, pursue their studies (for themselves or for their children) or even get married by offering them sundry loans. Offered at the same 4% rate as the rest of the loans, the rate is indeed very competitive in comparison to commercial personal loans, which is the only other option under these circumstances. The sundry loan can also be applied for medical purposes. A total of 377 staff applied for this loan last year.

Family Friendly Policies

We recognise that family is an important aspect of our employees' lives, and therefore, have in place numerous family friendly policies

including medical and hospitalisation benefits for immediate family members, maternity and paternity leave, a flexible benefits programme (CIMB plan) and scholarships for children of eligible employees.

Staff Welfare Funds

The Group also has in place a Staff Welfare Fund to provide financial assistance to staff and family members to cope with high medical expenses as a result of accident or serious illness, and to assist in the event of loss or damage to property resulting from natural disasters. With the tagline "CIMBians helping CIMBians", the Group launched the Fund in September 2008 and pledged to match amounts donated by staff ringgit-for-ringgit up to RM100,000 per annum. As at the end of 2010, the Fund stood at RM189,000, and it has helped to alleviate financial burden of selected staff due to parents' medical treatment, natural disasters such as flood and landslides, damages caused by fire and other causes. For example, during the floods that hit the Northern region and Johor, the affected staff received RM1,000 each from the Fund.

To date a total of 115 staff have benefited from the Fund with over RM127,000 disbursed to help them cope with difficult situations.

"Projek Sihat"

Projek Sihat, launched in February 2009, was a concerted effort to increase the awareness about healthy living amongst employees of the Consumer Sales and Distribution division in order to improve their health. The project continued in 2010, with a total of 325 branches comprising approximately 8,000 over staff participating in the programme. Each branch was rated according to the percentage of employees who had been on medical leave during the week, and were classified in four categories from "Super Healthy" to "Unhealthy".

Two workshops were carried out to motivate the staff and to remind them of the importance of work-life balance. The division also conducted a "SIHAT Walk" at Bukit Cahaya in Shah Alam with over 300 staff participating in the morning

Bringing our vision closer to stakeholders:

Workplace



exercise walk. For the branch staff, the Division declared Friday as a “Health Day”, for staff to start the day with exercises and practice healthy living. The Division also invited healthcare experts and professionals to share health tips on healthy lifestyle topics including stress management, weight management, diet and exercise.

Staff Rejuvenation Programme

We understand that bearing in mind the pace and intensity at which our staff work, there may be a time when a break from work is needed, perhaps to spend more time with family, to catch up on personal pursuits, travel, or simply an opportunity to rest, relax and recharge. At the same time, we believe that a person who takes such a break is likely to come back refreshed and ready for greater challenges.

In view of this, the Group launched a Staff Rejuvenation programme in March 2009, to

allow employees, entirely at their own option, to apply for unpaid leave for a period of between one to six months, without any loss in service or disadvantage in career progression. Since its inception, a total of 339 employees have taken leave under the programme for a variety of reasons.

Awards

We received accolades in 2010 for our workplace practices. We won the Malaysia's 100 Leading Graduate Employers Award, the number one preferred employer for fresh graduates, under the Banking/Investment/Financial Services/Regulatory sector for two years in a row.

Due to our commitment and policy following procedures, we were awarded the National OSH Excellent Challenge Award under the category of Financial, Insurance and Real Estate. The yearly event which was conducted by National Council



of Occupational Safety & Health (NCOSH) under the Ministry of Human Resources acknowledged and recognised organisations and individuals in managing, maintaining and establishing excellent OSH Management System. The award represents the continuous commitment and support by the management and all the OSHA committees as well as the full cooperation shown by all employees.

CIMB Group also received an honourable mention under the Best Workplace Practices category for the Prime Minister's CSR Awards.



“My mother had been suffering from diabetes and high blood pressure for the past five years. Her condition took a turn for the worse when she had kidney failure in March 2010. The precious time spent attending to her needs and giving her support was invaluable and made our bond stronger. I am fortunate to work in an organisation that shares its employees’ concerns.”

Fatin Atikah Abdul Rahman
CIMB Investment Bank

Rejuvenation period: 15 March – 31 May 2010

Bringing our vision closer to stakeholders:

Workplace



Sports and Recreation

At CIMB, we strongly encourage staff to take part in sports and recreational activities, where people from different parts of the organisation can get together to have fun.

Our Sports and Recreation Department (SRD) is committed to providing fitness resources and a whole host of sports and recreation activities. We are particularly proud of the long list of sports and social activities that are organised each year.

The main sporting event of 2010 was the annual CIMB SEA Games, a sporting extravaganza organised by the SRD which was open to our staff in Malaysia, Indonesia, Singapore and Thailand. The 3-day event saw over 400 staff competing in futsal, bowling, badminton, golf, tennis and basketball. Senior management from across the region also added to the excitement by taking part. CIMB Group Chief Executive Officer, Dato' Sri Nazir Razak, competed in bowling and futsal while CIMB Thai President and

CEO, Subhak Siwaraksa, also joined the bowling team. The cross-border camaraderie and enthusiasm fostered at the CIMB SEA Games are testimony of our ability to bring employees closer across the region.

Other events organised by the SRD in 2010 include a paintball challenge, Explorace, water rafting, treasure hunts, field trips and many more. The department also prepared and trained CIMB teams to compete in external sporting events such as the Rat Race, the National Banks Sports Council events, the MIBA Games and other industry events. SRD also runs the employees' fitness centre at Menara Bumiputra-Commerce, a 6,000 square foot fitness centre complete with the latest sports equipment and fitness classes.

Bringing our vision closer to stakeholders:





Bringing our vision closer to stakeholders

Marketplace

This section on responsible marketplace practices explains how CIMB Group's activities relating to its customers, shareholders and business partners create value for these stakeholders.

In terms of customers, the Group today serves 6.2 million customers in Malaysia and over 11 million throughout the region. As a universal bank, we serve all customers, from the largest corporations to the small retail customers at home, fulfilling all their financial needs from cradle to retirement.



Taking into consideration the diverse nature of the Group's customer base, the Group specifically provides products and services for customers who have traditionally lagged in the marketplace. Examples of such products and services are:

CIMB Cares

CIMB Cares is an online donation portal which runs on the Group's online banking system, CIMB Clicks. The benefits of the portal are two-fold, first it links charitable organisations with donors, and secondly, it provides a secure payment channel for donations. In addition, NGOs who have signed up for CIMB Cares are eligible for a host of benefits including higher deposit rates and lower bank charges. As of 31 December 2010, a total of 141 NGOs have signed up for CIMB Cares. They can be categorised into four categories - welfare, healthcare, education and environment.

Community Link

Community Link is a unique programme which leverages on our network of branches to reach out to the communities served by them. In 2010, it was extended to the region covering CIMB Group Consumer banking entities in Malaysia, Indonesia, Singapore and Thailand. Funding for Community Link is provided by CIMB Foundation.

This programme empowers the community to propose causes that will enhance the lives of those within the areas served by our branches. Our staff work closely with community organisations to identify and fund causes that will have long term sustainable impact and benefits to the communities.

Branch posters, flyers, bags, notebooks and mousepads were produced as part of the Community Link campaign for 2010 to encourage staff and the public to get involved. Community Link boards are also placed in branches to showcase their projects.

Bringing our vision closer to stakeholders:

Marketplace



1Platform

CIMB Group is investing RM1.1 billion over the next five years on 1Platform, the largest component of the Group's regional operations transformation. The setting up of 1Platform signifies a single information technology and operations system for the Group to operate as one entity across the region. This will allow the Group to generate more synergies from its regional business model, improve operational efficiency and facilitate product development. It is expected to be completed by 2015 and will first be launched in Thailand followed by Malaysia, Indonesia and Singapore.

Customer Service

At CIMB we are very transparent about handling customer-based complaints. We are accessible to customers 24-7 via our call center at 1300880900 and via our CIMB Bank/ Islamic/ Investment website.

"CRU – We are here for you!"

Our Customer Resolutions Unit (CRU) was set up to assist branches as their second level escalation point of contact for all complaints. CRU will help frontline staff who need any assistance in resolving customer issues. All they need to do is escalate the issue via a Complaint Log-in form which is faxed or emailed to CRU. For customers' easy reference, CRU's contact details are also available on our official website, Bank Negara Malaysia's weblink and printed in most of our forms such as remittance applications, letters of offer and collection communications.

Any complaints that are received by CRU are logged, attended to and treated with the utmost importance. The data is then collated and reviewed for further improvements in our products and services and policies and procedures.

CRU is guided by the policies and procedures of the Bank and Bank Negara Malaysia's guidelines, and governed by Internal Standard Operating Procedures for timely resolution of customer issues. To ensure quality service, we have a team of internal quality officers to perform audits on our correspondence and call quality.

Business Advisory Team for SMEs

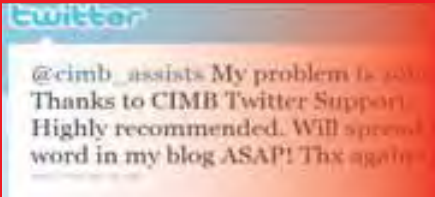
The Business Advisory Team in CIMB Bank provides financial advisory services to small and medium enterprise (SME) customers across all sectors with the aim of matching



customers' financing needs to the right form of financing instruments. It also provides a link between the Bank's business clientele and the Group's venture capital and private equity arms, reaffirming CIMB Group's commitment to support viable entrepreneurs with sound business models and growth potential with equity financing.

The advisory services are also extended to external customers through active participation in SME programmes and seminars organised by government agencies and the private sector. We also provide advisory services to SME Bank, SME Corp and MARA on matters relating to the guidelines in providing financing to SMEs. In recognition of our role in developing SMEs, CIMB Bank has been declared the "Top SMI Supporter" by Credit Guarantee Corporation for 15 years in a row.




CIMB Assists

In line with CRU's commitment to serve our customers better, CRU in collaboration with Group Marketing & Communications embarked on an initiative to engage and provide support to customers in prevailing online social platforms, primarily Facebook and Twitter. CIMB Assists, launched in March 2010 on Twitter and July 2010 on Facebook respectively, is a dedicated customer service channel designed to listen, learn, respond, address customer issues and provide resolution.

Bringing our vision closer to stakeholders:

Marketplace

Customer outreach

In 2010, CIMB Group through CIMB Bank produced 13 television episodes targeted at SMEs. The programme, entitled "Smart Entrepreneur", was aired on a Malaysian local television channel to showcase the different products and services available to SMEs. It provides the viewers with essential information and a general overview of SMEs in Malaysia. The Group's top management team provided information on financing, advisory services and the overall Malaysian market. We also worked in partnership with the SME Corporation to include interviews with top Government officials in the programme.

In August 2010, CIMB Bank sponsored and organised the largest gathering of business owners in the region with SME Magazine. The SME Solutions Expo 2010 was held in Kuala Lumpur and featured over 300 booths and 200 exhibitors from various industries.

The Commercial Banking division organised this exhibition to create a valuable platform for fast growing SMEs from the region to showcase their product and services. Various business units from several divisions lent their strong support in making this exhibition a success.

The exhibition not only showcased exhibitors from various SME industries but also included a 3-day Business Financing Workshop and Forum. These workshops and forums provided valuable information to SMEs and individuals alike to find out more about how various service providers and Government agencies are able to support them and help them grow their businesses.

CIMB Foundation also took the opportunity to network with some of the 20,000 business owners and entrepreneurs who attended the expo. Through our Community Link programme, we encouraged SMEs to engage in socially responsible activities in their local community. These activities range from support for socio-economic initiatives through partnerships with not-for-profit organisations, to employees volunteering their time and skills. The Foundation is committed to helping SMEs develop their CSR initiatives by sharing technical expertise and providing assistance in carrying out projects.

Our branches and business centres are equipped with Relationship Managers who reach out to those who may not be able to come to the branch or business centres to perform their business. These managers have the necessary skills and information to advise customers on their investment opportunities without them having to leave the comfort of their workplace or homes. All our products and services are made available online via our website, newspapers and other channels.

To further facilitate the services and products offered, staff in the branches are also given daily briefings and training to ensure that they are up to speed with the latest information when communicating with customers.

CIMB Niaga

CIMB Niaga launched the "CIMB Niaga Scholarship Programme-Mikro laju" to train its selected micro finance customers in basic business education and marketing strategy as well as to provide a forum for them to share business experiences. The programme focuses on clients in Jakarta and its surrounding areas.

Potential candidates are first put through a few stages of selection. They are first invited to a seminar, from which 45 people are selected to attend a Success Camp. The final stage involves a competition based on the skills

learnt during the camp. The top ten finalists will receive a scholarship to attend a "Successful Entrepreneurship Academy" programme and receive a start-up capital amounting to approximately RM40,000. Participants also receive mentoring during the next four months. The programme which was launched in 2010 has developed its first batch of micro-entrepreneurs. The graduates of this programme have all started a small business and we are optimistic about their prospects.

CIMB Niaga also organised an Entrepreneurship Programme in cooperation with Al-Azhar University Indonesia. The programme includes a Young Entrepreneurial Talent Competition and a workshop themed "How to become an Entrepreneur". It was attended by over 100 students and academia. The competition awards the winners with a start-up capital of approximately RM4,000 for their business. This programme produces creative young entrepreneurs and reduces the unemployment rate in Indonesia.

CIMB Express

CIMB Express is a division of CIMB Bank that caters to lower income customers. This is in line with our universal banking proposition to serve all customers including the lower income segment of society, who typically have had little or no access to financial institutions. These customers



Datuk Rohani Abdul Karim, Deputy Minister of Domestic Trade, Cooperatives and Consumerism in Malaysia visiting our booth during the SME Solutions Expo 2010

Bringing our vision closer to stakeholders:

Marketplace

are either denied financial services or do not seek them, as mainstream financial products do not match their needs nor their means. A disturbing trend highlighted in recent local media reports is that many have had to resort to the “informal sector” for financing.

CIMB Express provides loans to customers who earn as little as RM800 a month, and makes it easy for them to access these loans through distribution tie ups with POS Malaysia, 7-Eleven and Singer Malaysia. While the sums for these loans may be relatively small, the impact is large as we assist customers to increase their income, acquire capital to run businesses, manage risks and work their way to a better and more secure future. This clear convergence of business purposes and corporate responsibility makes this a good example of our responsible marketplace practices.

CIMB Express AWAM-I is available to all full-time government servants who are registered with Koputri. Available at a very attractive rate of only 3.98%, this loan is available to all mentioned with salaries of RM500 and above. Applicants may apply for the loan for personal reasons from as low as RM1,000 and up to RM200,000 depending on the applicants monthly income. Approvals usually do not take more than three days and for further convenience, repayments are deducted directly from the monthly salary of the borrowers.



CIMB Junior

CIMB Junior is a new segment proposition designed for children aged 12 years and below. There are three elements to the product, which are a savings account, investments and bancassurance. The product promotes a healthy savings habit among the young. Subscribing to CIMB Junior also enables the children to enjoy attractive rewards simply by saving or investing and they also stand to get discounts from participating merchants.

Foreign Cash ATM

CIMB Bank launched ASEAN's first Foreign Cash Automated Teller Machines (ATMs) on 25th August 2010, making it the first bank in the region to offer customers the convenience of withdrawing foreign currencies at any time of the day. The new Foreign Cash ATMs offering is in collaboration with International Currency Exchange (ICE), the bank's retail foreign exchange partner. ICE has successfully operated and managed Foreign Cash ATMs in United Kingdom and Europe for the last five years.



Foreign currency ATMs

The foreign cash ATM machines enable CIMB Bank and CIMB Islamic ATM and credit card holders to withdraw in foreign currencies - namely the US Dollar, Euro, Australian Dollar, Singapore Dollar, Hong Kong Dollar, Thai Baht, Chinese Renminbi and Indonesian Rupiah – and offers one of the best exchange rates in the market. ATM card holders with Malaysian Electronic Payment System (MEPS) from selected banks are also able to enjoy this facility.

CIMB Bank and CIMB Islamic ATM cardholders are able to withdraw the foreign currencies of up to the Ringgit-equivalent limit set by the individual customers. These withdrawals can be done for free, with no hidden fees or service charges. Meanwhile other MEPS customers will be charged RM1, the normal fee for all MEPS transactions. The foreign cash ATMs are located at the Kuala Lumpur International Airport, Low Cost Carrier Terminal, Menara Bumiputra-Commerce and CIMB Bank branches at Damansara Utama, USJ9, Pavilion Kuala Lumpur and Tropicana City Mall.

Shareholder-related activities

The Group carries out responsible business practices which impacts the shareholders and relate primarily to corporate governance and investor relations. Corporate governance and investor relations are addressed in detail in the corporate information section of this annual report. Therefore this section provides a summary of the highlights.

In terms of corporate governance, the Group has made progress when it was awarded with Asia's Best Companies for Corporate Governance by a Hong-Kong based journal, Corporate Governance Asia. The award was given based on reforms carried out by the Group which include the areas of shareholders rights, disclosure and transparency practices and board and management discipline. The Group also won honours from Malaysia's Minority Shareholders Watchdog Group (MSWG) in its Malaysian Corporate Governance Index 2010 when it won awards for the "Most Diverse Board" and "Best CSR", as well as a Distinction Award for Corporate Governance.

Bringing our vision closer to stakeholders:

Marketplace



Regional ATM Service

CIMB ATM Regional Link service is a cross-border ATM withdrawal service which enables all ATM cardholders throughout CIMB Group's consumer banking network in Malaysia, Indonesia, Singapore and Thailand to withdraw cash in foreign currency from over 3,000 of our ATMs. All they need to do is to activate the ATM card in order to use the Regional ATM Service. The activation can be done via local ATMs, local branches, CIMB Clicks or by contacting the call centre. CIMB Bank and CIMB Islamic ATM cardholders are able to withdraw the foreign currencies for free, with no hidden fees or service charges.



The Group's Investor Relations team works to ensure that institutional investors are continuously provided with up-to-date and accurate information on the Group's financial performance. Investor information was also made available online at www.cimb.com. The quick availability of presentation materials and announcements on the website has made the online medium an effective communication tool judging from the number of hits for the Investor Relations webpage and the number of online enquiries from both retail and institutional stakeholders.

CIMB Property Mart

CIMB Group provides a one-stop centre for the sale of properties by auction. In addition to providing a showroom where prospective purchasers can view photos of auctioned properties, our staff are available to answer questions on the properties, the auction process as well as provide information on financing packages. By setting up CIMB Property Mart as an alternative sales channel, we aim to raise the profile of auction properties and persuade the public that they represent a viable and sound real estate investment.

Streamlining of Group Administration and Property Management (GAPM) Policies and Procedures

GAPM policies and procedures were reviewed in May 2010 to reflect the current organisational structure and to provide best practice and governance to CIMB Group in Malaysia, Thailand and Indonesia. The end result is to streamline policies and procedures in the areas of administration functions, code of ethics for administration employees and procurement.

Suppliers

In terms of suppliers, the Group's marketplace rules and practices ensure that suppliers adhere to a high standard in terms of products and services as well as ethics.

Most importantly, to support the Group's core business of financial services, the key suppliers are rigorously vetted before they are appointed to an approved panel of suppliers for which stringent criteria are set in terms of capabilities and ethics track records.

This empanelment criteria and the yearly review of the members of these panels also encourage the suppliers to adhere to a high level of ethics and to serve the Group and its customers well. Among these are the Group's panel of solicitors, valuers, auctioneers and others playing their roles in helping the Group protect its interests and mitigate risk.

The Group also encourages working with local suppliers, provided that they comply with rules and regulations that are set by the Group, to empower local businesses and the community that we operate in. To facilitate our business needs, e-procurement system was launched in January 2010. This system helps to improve the tender process on stationery, printed materials and office equipment. E-bidding methodology was also introduced with an aim to achieve maximum savings.



Bringing our vision closer to stakeholders

Environment

As a responsible business we need to manage the impact we have on the environment. We are committed to reducing our impact on the environment and creating value for stakeholders through three main methods:

1. Enabling our staff and our business to become more environmentally-friendly.
2. Offering “Green Products” and services to our customers.
3. Empowering communities to go green by promoting environmental awareness projects and campaigns, with a focus on schools and universities.

Please switch off
when not in use.

Save Energy • Go Green



Enabling our people and the business

Office energy efficiency

CIMB Group is continuously looking for ways to achieve energy savings in the most efficient and cost-effective ways. Among the measures introduced in 2010 are as follows:

- In 2010, we placed stickers in all offices reminding our staff to switch off the lights to save energy. We have placed around 3,000 stickers in various buildings in Malaysia.
- In July 2010, CIMB Group initiated an effort to recycle paper materials and toner cartridges with CIMB Investment Bank staff in three buildings - Commerce Square, Bangunan CIMB and Wisma Amanah Raya in Kuala Lumpur, with a weekly collection.
- Installing movement and daylight sensors to ensure lights are only on when needed.
- Improving air-conditioning controls

CIMB Niaga Green Office Project

CIMB Niaga launched a Green Office project throughout its offices in Indonesia on 14 May 2010. CIMB Niaga, in cooperation with building managers, formed partnerships to make use of organic waste to produce liquid fertiliser by providing rubbish bins for composting in several CIMB Niaga offices. An awareness campaign was also launched through e-mail blasts and posters to remind staff to reduce waste through some simple yet practical measures:

- Combining copiers, printers and scanners in one device.
- Removing printers from individual desks to a central location and minimising the number of printers in use.
- Implementing default settings to save energy, ink, toner and paper (e.g. double-sided printing and black and white settings).

Bringing our vision closer to stakeholders:

Environment



- Reducing waste in procurement of ink, toner and paper.
- Re-using envelopes as many as 18 times or more (if the envelope material doesn't start to fall apart after all that handling!)

As a form of support for Earth Hour on 27 March 2010, CIMB Niaga switched off all lights and non-essential electronic devices, including the neon signs and flags in CIMB Niaga branches in Jakarta, Bogor, Depok, Tangerang and Bekasi, Indonesia.

Leveraging on technology

The Group also leverages on technology to cut down on the use of physical resources for its business activities. This includes the use of teleconference facilities, on-line capabilities and software in place of physical meetings and paper-based systems.

Teleconferencing: Technology such as smart phones and video conferencing enables employees to be more productive by traveling less and reducing carbon emissions from business air travel. The latest addition to Menara Bumiputra-Commerce is a new Telepresence Room which has 18 screens to accommodate up to 18 people. It complements the previously existing Telepresence Room which accommodates up to ten people with a single screen.

Virtual Career Fair: In November 2010, we launched our regional virtual career fair as a recruitment tool to attract graduates and

experienced hires from all over the world. It showcases our businesses and advertises Group vacancies across the region as well as allows candidates to interact with our regional recruiters in real time. Just a month after it officially went 'live', the site had already logged over 6,000 registrants from over 40 countries with more and more people signing on daily.

e-Procurement system: The e-Procurement system was rolled out in January 2010 to facilitate tender exercises on stationery, printed materials and office equipment using an e-bidding module to maximise savings. The system aims to increase efficiency and effective cost management through a paperless system with minimal manual intervention.

New Corporate Head Office

We have made progress with our plans to relocate the corporate headquarters of the Group in Malaysia. We are introducing measures which will reduce our impact on the environment through its design and architecture. The building is being built according to the specifications of the Green Building certification by Pertubuhan Arkitek Malaysia (PAM) and Association of Engineers Malaysia and the Green Building Certification by the Building and Construction Authority, Ministry of National Development Singapore.

Tree Planting

We provide opportunities for employees to contribute to a cleaner environment and to organise activities locally and regionally. CIMB's

Transformation Office celebrated their 2nd anniversary with tree planting activities in Sekolah Menengah Kebangsaan Putrajaya Presint (18)1 to raise environmental awareness and lower the carbon footprint of the community. A total of 300 saplings were planted during the event. Among the attendees were Dato' Sri Nazir Razak, 160 staff volunteers, NGOs, students and teachers from the school.

Enabling our customers

In 2008, CIMB Islamic launched its EcoSave Savings Account-I, an account that is environmentally friendly with 'on-line' and paperless mode of operations (no passbook and no physical statement which promotes 'green cause activities'. This environmentally conscious service has continued into its third year and rewards account holders with a monthly RM5 cash incentive provided that there was no over-the-counter transaction (no paper transaction) in any day of the month and an average monthly balance of RM3,000 a month. A quarterly contribution of 0.2% of the total EcoSave portfolio balance is also rewarded to environmental activities such as CIMB Islamic's Tanamera Green Project.

In 2010, CIMB Islamic initiated the Tanamera Green Project in partnership with the Global Environment Centre (GEC) and Subang Jaya Municipal Council (MPSJ). This was the local community's first step towards adopting a sustainable lifestyle by reducing their household organic waste and converting it into compost to feed their herb gardens. GEC and MPSJ

Bringing our vision closer to stakeholders:

Environment



Zero Trash campaign with University Malaya

This is one of our biggest environmental efforts with an initial grant value of over RM180,000. The Zero Trash campaign was initiated by a group of environmentally conscious students to establish University Malaya as the first Zero Trash campus in Malaysia. Hundreds of recycling bins have been placed all over the campus, enabling students and residents to recycle easily. The campaign also includes all 13 food operators in the university who recycle their food waste into fertiliser or alternative energy.

provided the participating residents with the composting bins and herb garden starter kits. The residents also gained an awareness about practicing the 3Rs (Reduce, Reuse and Recycle) in their homes. Other activities to promote environmental awareness also included Eco Games, and arts and craft activities for children and families. Local indigenous tree species such as “pokok bunga cengkih” and “kayu manis” were planted in the community green area for landscaping and educational purposes.

CIMB Thai are market leaders in loans for energy conservation and alternative energy projects, a lending area which started in 2001. In 2010, they arranged a seminar on “Effective Strategies for Hospitals in Energy Efficiency Projects” for private hospital executives to develop and implement effective energy efficiency strategies. CIMB Thai has supported seven successful projects in hospitals. These hospitals received an award from H.E. Wanarat Charnnukul, Minister of Energy, in recognition of their accomplishments in energy conservation projects. CIMB Thai's Corporate Banking team was also invited to Jakarta to share their experiences in corporate loans for energy conservation and alternative energy projects at an Indonesian Bank Workshop organised by ECO ASIA-IFC-SMBC.

Empowering communities

In addition to empowering our staff and customers, CIMB Group also encourages communities to increase their awareness on environmental issues and to take active steps to conserve the environment. CIMB Foundation

has funded 31 projects with a total grant amount of RM1,700,000 in waste management, environmental programmes for schools, water source clean-up and mangrove conservation and rehabilitation.

Waste management

CIMB Foundation funds three types of waste management and reduction projects.

- Recycling projects which cover awareness campaigns which are accompanied by execution plans for community participation in recycling
- Solid waste disposal or management projects to convert waste into fertiliser or alternative energy
- Reducing the use of plastic bags

Recycling & Solid Waste Disposal

Help us help The Environment

We worked together with the National Autism Society of Malaysia (NASOM) by placing recycling bins in selected NASOM centres and encouraging the public to donate their recyclable items to raise money for their operations. The autistic children also participate by conducting simple composting and planting vegetable and others.

Promoting a Green Lifestyle to Universiti Kebangsaan Malaysia (UKM)

CIMB Group funded a green awareness campaign in UKM to supplement the university's earlier effort of placing recycling bins all over the university campus. The aim of the programme is to increase awareness among the 20,000



students living on campus on the green initiatives and to encourage them to recycle. The funding goes towards producing posters, handbooks and developing online media via facebook, a website and blogs to further attract the interest of this university's community. The university also arranges games, talks and roadshows to promote participation. The university also recycles the food waste from three of their food operators into fertiliser to use for landscaping purposes.

Bringing our vision closer to stakeholders:

Environment



No Free Plastic Bags Campaign

The campaign by the Penang State Government is based on the premise that a levy on plastic bags will lead to a huge reduction in the use of plastic bags, cutting back on waste and helping our efforts to save the environment. We produced reusable bags and distributed it to shoppers in several supermarkets and shopping centres. The initiative also involved giving out recycling bins and encouraging shoppers to start composting fertiliser at home.

CIMB-MVFRA Environment Care Programme

CIMB Bank and CIMB Islamic partnered together with the Malaysian Volunteer Fire and Rescue Association (MVFRA) to develop a community that cares for the environment by recycling to prevent water pollution and forest fire. The chosen area is "Taman Rimba Ampang - Recreational Park" which is a popular area within the Kuala Lumpur community to spend some quality family time together. Five recycling stations have been set up to prevent open burning of their rubbish. Signages were also put

up to remind the community to recycle. Primary schoolchildren in the area were also taught to creatively produce gifts from recyclable items.

Effective kitchen waste management and reduction of polybags

This project teaches seven local residents to do simple composting using the Bokashi technique and to reduce the amount of plastic bags used to throw away rubbish. Each participant was given a composting pail to recycle their own kitchen waste.

After a week, the contents of these composting pails are then buried and left for three weeks, after which the ground is good to be used as a top soil with no added fertiliser needed. Participants have started their own fruit, vegetables and flower gardens using this method.

No Free Plastic Bags Campaign

CIMB Foundation funded over RM600,000 for the "No Free Plastic Bags" campaign. This campaign is a Community Link project which involves 11 CIMB Bank and CIMB Islamic branches throughout Malaysia. The campaign is fully supported by the Penang State Government and was launched by Penang's Chief Minister, Mr Lim Guan Eng. Eight of the branches in Penang works closely with RT Desa Damai and Pusat Sumber Alam Sekitar to reduce the use of plastic bags in Penang.

The "No Free Plastic Bags" campaign is one of the highlights of our environmental efforts in 2010 and we hope to expand it further, through more branches, to reach out to the wider population of Penang and eventually nationwide.

Environmental programmes for schools

We promote environmental awareness in schools through hands-on practical projects for school children. In 2010, CIMB Foundation funded 11 projects reaching out to 80 schools throughout Malaysia. This involves equipping the schools with recycling bins, teaching them proper waste



Bringing our vision closer to stakeholders:

Environment



management skills and composting techniques to process waste into fertiliser. Funds collected from recyclable items go back into school funds and are used to support activities in their Environment Clubs. The projects are:

- Learning and Doing in Subang Jaya
- Waste Reduction Project with Yayasan Anak Warisan Alam in Setiawangsa and Bangsar
- Zero Waste Campaign in Rawang and Batang Kali
- React! Trash is Cash! in Cameron Highlands
- Bio-Waste Recycling Project in Tampin and Pulau Sebang
- Save Mother Earth - Recycle Now in Taman Melawati
- The Green Rose programme in Kajang
- Environment programme for schools by TrEEs in Taman Negeri Selangor
- Conservation and Awareness Biodiversity Education Project in Bintulu, Sarawak

Mangrove conservation and rehabilitation

We support mangrove conservation or rehabilitation programmes which aim to improve the socio-economic standing of the communities in the vicinity of the mangrove.

CIMB Niaga took part in the planting of 5,000 mangrove trees at Pantai Indah Kapuk, North Jakarta as part of its mangrove rehabilitation initiative. The activity which was named “Go Green with CIMB Niaga Cyclists” took place on 3 October 2010 and involved about 150 members of the CIMB Niaga Cyclist Club.

CIMB Group also worked in partnership with a local organisation in East Malaysia to raise awareness on the importance of preserving the state’s wetlands. The Wetlands Outreach and Beyond Project aims to conserve our wetlands, educate our youth and sustain our future. Children from nearby schools are invited to participate in games and awareness campaigns. 200 children will then be selected to participate further in the programme by taking part in a wetland clean-up exercise and mangrove replanting.

River Engineering and Clean-Up with Universiti Sains Malaysia (USM)

There are two lakes and a river situated in the central part of the main campus in USM. The university recognises these water sources as an important element of habitat for animals and insects which makes up the biodiversity of the campus. However, these water sources suffer from pollution. The lake and river clean-up initiative is a Community Link project which involves CIMB Bank’s branch in the USM campus working in partnership with the university. Funding of over RM100,000 from CIMB Foundation is channeled towards the clean up, using Effective Microorganism (EM) technology which originates from Japan. The rehabilitation of these water sources involve nine steps which are to be implemented by the university students and faculty together with the EM consultants.

CIMB Foundation's Charter

OBJECTIVES OF CIMB FOUNDATION



SUPPORT

the development and empowerment of communities.



IDENTIFY

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



BUILD

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



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. CIMB Group will make financial contributions to the Foundation for the sole purpose of implementing CIMB Group's corporate social responsibility (CSR) initiatives and philanthropic activities. This Charter has been adopted by the Foundation.

At CIMB Group, the vision is to be "Southeast Asia's most valued universal bank" which means that CIMB Group wants to be the bank of choice to its customers, the preferred employer to its employees and the bank that accords the highest premium to its shareholders.

"Forward Banking" articulates CIMB Group's central philosophy – forward thinking and continuously anticipating and delivering on its customers' needs. "Forward Banking" describes its drive to see beyond present circumstances and requirements and actively anticipate the future, always with the aim of creating value.

Premised on this philosophy, the Foundation's commitment to value-creation extends to a wider community, and aims to empower communities through sustainable capacity building initiatives.

AREAS OF FOCUS

The causes which the Foundation supports are as follows:

Community Development

The Foundation's initiatives within this category create opportunities and build 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 will be 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 will ensure that funds are properly administered and disbursed according to the Foundation's vision, objectives and areas of focus. Board meetings will be held at least once quarterly and more frequently, if needed.

Working Committee

The Board will be assisted by a Working Committee. The Working Committee will evaluate projects submitted to the Foundation against a pre-determined set of criteria. Projects that satisfy the criteria will be recommended by the Working Committee to the Chief Executive Officer of the Foundation or the Board for approval.

CIMB Foundation's

Board of Trustees



Tan Sri Dato' Seri Siti Norma Yaakob
Chairperson



Tan Sri Dato' Md Nor Yusof
Trustee



Dato' Mohd Shukri Hussin
Chief Executive Officer



Datuk Dr. Richard Leete
Trustee



Puan Rosnah Kamarul Zaman
Trustee

CIMB Foundation's Top 20 Grants

(1 January 2010 - 31 December 2010)

Beneficiary	Project Description	Grant Amount (RM)
Squash Racquets Association of Malaysia (SRAM)	Rakan Sukan Squash sponsorship	2,420,000
1361 cataract patients	Preventable blindness programme	1,814,000
10 rural schools under the "PINTAR" programme	Capacity building in rural schools through ICT and other programmes	1,463,550
14 Chinese-medium schools	Improving English through ICT and other programmes	641,737
The Combined Old Boys Rugby Association (COBRA)	CIMB-COBRA schools rugby development programme	525,000
CIMB Regional Scholarship recipients	CIMB Regional Scholarship for citizens of ASEAN countries	422,377
YFA-Bintang Muda	Community football club programme	319,771
Flood victims in Kedah and Perlis	Humanitarian relief in Kedah and Perlis	280,000
Abdul Razak Mohd Yusoff	Sponsorship of Ahmad Deedat Abdul Razak, 15-year old tennis champion	268,937
TrEES	Environment education programme for schools in Klang Valley	229,170
Langkawi Animal Shelter & Sanctuary Foundation	Construction of animal shelters, and education outreach programme	196,000
CIMB-Niaga Scholarship recipients	CIMB-Niaga Scholarship for Indonesians studying in Malaysia	183,518
UM Cares	Zero Trash Campaign at the University of Malaya	182,365
Rotary Club Tanjung Bungah	"Campaign for A Lane" cycling initiative	179,026
Students in Free Enterprise (SIFE) Worldwide	Sponsorship of SIFE World Cup	158,000
Persatuan Daybreak	Horticulture and landscaping programme for the mentally challenged	150,642
PACOS Trust and FRIM	Socio-economic development for rural communities in Sabah	150,402
Students in Free Enterprise (SIFE) Malaysia	Inter-university competition among SIFE chapters in Malaysia	150,000
National Kidney Foundation	Kidney care outreach programme	136,618
Perlis State Education Department	Statewide English workshops for UPSR students in Perlis	132,850

CIMB Foundation’s

Financial Statements

70	Trustees’ Report
73	Statement of Assets and Liabilities
74	Statement of Income and Expenditure
75	Statement of Changes in Accumulated Funds
76	Statement of Cash Flows
77	Summary of Significant Accounting Policies
82	Notes to the Financial Statements
87	Statement by Trustees
87	Statutory Declaration
88	Independent Auditors’ Report

Trustees’ Report

For the financial year ended 31 December 2010

The Trustees of CIMB Foundation (“the Foundation”) have pleasure in submitting their report together with the audited financial statements of the Foundation for the financial year ended 31 December 2010. The Foundation is incorporated as a company limited by guarantee and does not have a share capital.

The Trustees regard CIMB Group Holdings Berhad, a quoted company 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 surplus of income over expenditure for the financial year	17,363,369

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’ Seri Siti Norma binti Yaakob
- Tan Sri Dato’ Md Nor bin Md Yusof
- Dato’ Mohd Shukri bin Hussin
- Datuk Dr Richard Leete
- Puan Rosnah binti Dato’ Kamarul Zaman

In accordance with Articles 46 and 47 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’ Seri Siti Norma binti Yaakob
- Tan Sri Dato’ Md Nor bin Md Yusof
- Dato’ Mohd Shukri bin Hussin
- Datuk Dr Richard Leete
- Puan Rosnah binti Dato’ Kamarul Zaman

Trustees' Report

For the financial year ended 31 December 2010

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	Bonus issue	Disposed	As at 31 December
<u>Ultimate holding company</u>				
CIMB Group Holdings Berhad				
Direct Interest				
Tan Sri Dato' Md Nor bin Md Yusof	400,000	400,000	(400,000)	400,000
Dato' Mohd Shukri bin Hussin	300,112	300,112	-	600,224

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' 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 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 statement of income and expenditure and statement of assets and liabilities of the Foundation were made out, the Trustees took reasonable steps:

- 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
- 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:

- 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
- which would render the values attributed to current assets in the financial statements of the Foundation misleading; or
- which have arisen which 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.

Trustees' Report

For the financial year ended 31 December 2010

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this report, there does not exist:

- a) any charge on the assets of the Foundation which has arisen since the end of the financial year which secures the liability of any other person; or
- b) any 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) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially 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' Seri Siti Norma binti Yaakob

Trustee

Dato' Mohd Shukri bin Hussin

Trustee

Kuala Lumpur

25 March 2011

Statement of Assets and Liabilities

as at 31 December 2010

	Note	2010 RM	2009 RM
Current assets			
Other assets	2	1,177,502	1,350,002
Financial investments held-to-maturity	3	9,947,649	-
Cash and short term funds	4	50,621,507	44,587,328
		61,746,658	45,937,330
Less: Current liabilities			
Payables and accruals	5	3,299,700	4,853,741
Net current assets		58,446,958	41,083,589
Represented by:			
Accumulated funds		58,446,958	41,083,589
		58,446,958	41,083,589

Statement of Income and Expenditure

for the financial year ended 31 December 2010

	Note	2010 RM	2009 RM
Income			
Donations		35,974,490	36,042,648
Income and hibah	6	698,249	84,914
Accretion from financial investments held-to-maturity		66,978	-
		36,739,717	36,127,562
Less : Expenditure			
Contribution for charitable expenses	7	(16,791,917)	(17,455,718)
Advertising		(2,405,318)	(1,500,000)
Accommodation		(7,084)	-
Annual general meeting expenses		(65,045)	-
Meeting allowance (Trustees)		(27,500)	(30,000)
Legal fees		(25,092)	(9,606)
Audit fees		(3,000)	(3,000)
Tax agent fees		(2,100)	(2,100)
Transportation cost		(40,506)	(25,719)
Bank charges		(3,169)	(711)
Other general expenses		(5,617)	(950)
		(19,376,348)	(19,027,804)
Surplus of income over expenditure		17,363,369	17,099,758
Taxation	8	-	-
Net surplus of income over expenditure		17,363,369	17,099,758

Statement of Changes in Accumulated Funds

for the financial year ended 31 December 2010

	Total RM
At 1 January 2010	41,083,589
Net surplus of income over expenditure	17,363,369
At 31 December 2010	58,446,958
At 1 January 2009	23,983,831
Net surplus of income over expenditure	17,099,758
At 31 December 2009	41,083,589

Statement of Cash Flows

for the financial year ended 31 December 2010

	Note	2010 RM	2009 RM
Cash flows from operating activities			
Surplus of income over expenditure		17,363,369	17,099,758
Adjustment for:			
Donations received		(35,974,490)	(36,042,648)
Accretion from financial investments held- to- maturity		(66,978)	-
		(18,678,099)	(18,942,890)
Decrease/(increase) in operating assets			
Other assets		172,500	(1,350,000)
Decrease in operating liabilities			
Payables and accruals		(1,554,041)	(4,163,722)
Net cash flows used in operating activities		(20,059,640)	(24,456,612)
Cash flows from investing activity			
Purchase of financial investments held-to-maturity		(9,880,671)	-
Net cash flows used in investing activity		(9,880,671)	-
Cash flows from financing activity			
Donations received		35,974,490	36,042,648
Net cash flows generated from financing activity		35,974,490	36,042,648
Net increase in cash and cash equivalents during the financial year		6,034,179	11,586,036
Cash and cash equivalents at beginning of the financial year		44,587,328	33,001,292
Cash and cash equivalents at end of the financial year		50,621,507	44,587,328
Cash and cash equivalents comprise:			
Cash and bank balances		2,698,641	44,587,328
Deposits and placements with banks maturing within one month		47,922,866	-
	4	50,621,507	44,587,328

Summary of Significant Accounting Policies

for the financial year ended 31 December 2010

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 provisions of the Companies Act, 1965 and Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Financial Reporting Standards 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 the 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.

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

The new accounting standards, amendments to published standards and interpretations that are effective and applicable to the Foundation for the financial year ended 31 December 2010 are as follows:

- FRS 7 "Financial Instruments: Disclosures" and the related Amendments
- FRS 101 (revised) "Presentation of Financial Statements"
- FRS 139 "Financial Instruments: Recognition and Measurement" and the related Amendments
- Amendments to FRS 132 "Financial Instruments: Presentation"

A summary of the impact of new accounting standards, amendments and improvements to published standards and interpretations on the financial statements of the Foundation is set out in Note 10.

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

The new and revised standards, amendments to published standards and interpretations that are applicable to the Foundation, but which the Foundation has not earlier adopted, are as follows:

- Amendment to FRS 7 "Financial instruments: Disclosures" and FRS 1 "First-time adoption of financial reporting standards" (effective from 1 January 2011) requires enhanced disclosures about fair value measurement and liquidity risk. The amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The Foundation has applied the transitional provision which exempts entities from disclosing the possible impact arising from the initial application of this amendment on the financial statements of the Foundation.

The Foundation will apply this standard from financial years beginning on or after 1 January 2011.

- The revised FRS 124 "Related party disclosures" (effective from 1 January 2012) removes the exemption to disclose transactions between government-related entities and the government, and all other government-related entities. The following new disclosures are now required for government related entities:
 - The name of the government and the nature of their relationship;
 - The nature and amount of each individually significant transactions; and
 - The extent of any collectively significant transactions, qualitatively or quantitatively.

The Foundation will apply this standard from financial years beginning on or after 1 January 2012.

The adoption of the other new standards, amendments to published standards and Interpretations are not expected to have a material impact on the financial results of the Foundation.

Summary of Significant Accounting Policies

for the financial year ended 31 December 2010

B FINANCIAL ASSETS

(a) Classification

The Foundation allocates their 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 of 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 2010.

(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 derecognised 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.

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.

Summary of Significant Accounting Policies

for the financial year ended 31 December 2010

B FINANCIAL ASSETS (CONTINUED)

(c) Subsequent measurement (Continued)

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.

Change in accounting policy

The Foundation has changed its accounting policy for financial assets upon adoption of FRS 139 on 1 January 2010. Upon adoption of FRS 139, interest receivable previously classified under other assets is now reclassified into the respective category of financial assets.

The Foundation has applied the new policy according to the transitional provisions by re-measuring all financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to opening retained earnings or, if appropriate, another category of equity, of current financial year. Comparatives have not been restated. Refer to Note 10 for the impact of this change in accounting policy.

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 plus 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 profit or loss. Financial liabilities are derecognised 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 derecognised 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 derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

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.

Summary of Significant Accounting Policies

for the financial year ended 31 December 2010

E IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

(a) Assets carried at amortised cost (Continued)

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 or 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 has 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 loans 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 assess 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.

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.

Summary of Significant Accounting Policies

for the financial year ended 31 December 2010

F CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and bank balances and deposits placements with banks maturing within one month.

G 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.

Where the Foundation expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. 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.

H 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.

I RECOGNITION OF INCOME AND HIBAH

Income and hibah for all interest-bearing financial instruments are recognised within "Income and hibah" in the statement of income and expenditure using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the income and hibah over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Foundation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Notes to the Financial Statements

for the financial year ended 31 December 2010

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

2 OTHER ASSETS

	2010 RM	2009 RM
Membership fees receivable	2	2
Prepayment for charitable sponsorship	1,177,500	1,350,000
	1,177,502	1,350,002

3 FINANCIAL INVESTMENTS HELD-TO-MATURITY

Money market instrument:	2010 RM	2009 RM
Unquoted		
Bank Negara Malaysia Negotiable Notes	9,880,671	-
Accretion of discount	66,978	-
	9,947,649	-

The Bank Negara Malaysia Negotiable Notes has a principal of RM10 million, with a discount rate of 2.81%, and matures on 10 March 2011.

4 CASH AND SHORT TERM FUNDS

	2010 RM	2009 RM
Cash and short term funds maintained with related licensed banks:		
a) Cash and bank balances	2,698,641	44,587,328
b) Deposits and placements	47,922,866	-
	50,621,507	44,587,328

The effective weighted average interest rate is 1.87% (2009: 0.30%) and the deposits have a remaining maturity of 29 days (2009: Nil).

Notes to the Financial Statements

for the financial year ended 31 December 2010

5 PAYABLES AND ACCRUALS

	2010 RM	2009 RM
Donations payable	2,837,754	4,138,401
Accrued expenses	372,666	715,340
Income received in advance	74,514	-
Amounts due to related companies	14,766	-
	3,299,700	4,853,741

The balances with related parties at the year end carried out in normal Foundation transactions are unsecured, interest free and are repayable on demand.

6 RELATED PARTIES AND RELATIONSHIP

(a) 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.

	2010 RM	2009 RM
Income and hibah received from CIMB Islamic Bank Berhad	698,249	84,914

7 CONTRIBUTION FOR CHARITABLE EXPENSES

	2010 RM	2009 RM
Community development	6,809,901	12,933,598
Sports	5,309,081	3,218,175
Education	3,850,875	718,175
Miscellaneous contributions	822,060	585,770
	16,791,917	17,455,718

8 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.

Notes to the Financial Statements

for the financial year ended 31 December 2010

9 USE OF FINANCIAL INSTRUMENTS

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. It is anticipated that the Foundation may be exposed to some operational risk.

Operational risk is the risk resulting from inadequate or failed internal processes, people and systems or from external events. To monitor and control such risk, the Foundation is following the CIMB Group enterprise-wide risk management framework.

9.1 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 investment held-to-maturity (Note 3) and cash and short term funds, the Foundation is not exposed to any other significant credit risk.

9.1.1 Maximum exposure to credit risk before collateral held or other credit enhancements

The following table represents credit risk exposure to the Foundation as at 31 December 2010, before taking account of any collateral held or other credit enhancements and after allowance for impairment where appropriate.

For financial assets recognised in the statement of assets and liabilities, the exposure to credit risk equals their carrying amount.

This analysis and all subsequent analyses of credit risk include only financial assets subject to credit risk. They exclude other financial assets such as prepayment and non-financial assets.

The maximum credit risk exposures of the Foundation as at 31 December 2010 are as follows:

	Maximum exposure RM
Financial investments held-to-maturity	9,947,649
Cash and short term funds	50,621,507
Total maximum credit risk exposure	60,569,156

9.1.2 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 concentration of the financial assets of the Foundation before taking account of any collateral held or other credit enhancements as at 31 December 2010 is as follows:

- (a) Location of the counterparty - Malaysia
- (b) Industry of the counterparty - Finance, insurance and business services

Notes to the Financial Statements

for the financial year ended 31 December 2010

9 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

9.1 Credit risk (Continued)

9.1.3 Credit quality of financial assets

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

Financial investments held-to-maturity and cash and short term funds of the Foundation as at 31 December 2010 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 as at 31 December 2010 that are “neither past due nor impaired” are set out below.

	Sovereign (no rating) RM	Investment grade (AAA) RM	Total RM
Financial investments held-to-maturity			
- Money market instruments	9,947,649	-	9,947,649
Cash and short term funds	-	50,621,507	50,621,507
	9,947,649	50,621,507	60,569,156

9.2 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.

9.2.1 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 as at 31 December 2010, analysed by the earlier of contractual repricing or maturity dates.

	<----- Non-trading book ----->			
	Up to 1 month RM	> 1 - 3 month RM	Non-interest sensitive RM	Total RM
Assets				
Financial investments held-to-maturity	-	9,947,649	-	9,947,649
Cash and short term funds	47,922,866	-	2,698,641	50,621,507
Total assets	47,922,866	9,947,649	2,698,641	60,569,156
Liabilities				
Payables and accruals	-	-	3,225,186*	3,225,186
Total liabilities	-	-	3,225,186	3,225,186
Net interest sensitivity gap	47,922,866	9,947,649		

* Excluded income received in advance of RM74,514.

Notes to the Financial Statements

for the financial year ended 31 December 2010

9 USE OF FINANCIAL INSTRUMENTS (CONTINUED)**9.2.2 Foreign exchange risk**

The Foundation has no exposure to foreign exchange risk as all its assets and liabilities are denominated in Ringgit Malaysia.

9.3 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.

9.3.1 Contractual maturity of financial liabilities on an undiscounted basis**Non-derivative financial liabilities**

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.

	No specific maturity RM	Total RM
Liabilities		
Payables and accruals	3,225,186*	3,225,186
Total liabilities	3,225,186	3,225,186

* Excluded income received in advance of RM74,514.

9.4 Fair value of the financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction.

The fair value of the Foundation's financial instruments, which include cash and short term funds, 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.

10 CHANGES IN ACCOUNTING POLICIES

During the financial year, the Foundation changed its accounting policies on financial assets upon adoption of FRS 139. The effects are as follows:

Impact on the Foundation's statement of assets and liabilities as at 31 December 2010:

	Increase/(decrease) in balances as at 31 December 2010 RM
Other assets	(540)
Financial investments held-to-maturity	9,947,649
Cash and short term funds	540
	9,947,649

11 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 25 March 2011.

Statement By Trustees

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

We, Tan Sri Dato' Seri Siti Norma binti Yaakob and Dato' Mohd Shukri bin Hussin, being two of the Trustees of the Board of Trustees of CIMB Foundation, state that, in the opinion of the Trustees, the financial statements set out on pages 73 to 86 are drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 31 December 2010 and of its results and cash flows for the year ended on that date in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and with the provisions of the Companies Act, 1965.

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

Tan Sri Dato' Seri Siti Norma binti Yaakob

Trustee

Dato' Mohd Shukri bin Hussin

Trustee

Kuala Lumpur

25 March 2011

Statutory Declaration

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

I, Ng Ing Peng, the officer primarily responsible for the financial management of CIMB Foundation, do solemnly and sincerely declare that the financial statements set out on pages 73 to 86 are, in my opinion, 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.

Ng Ing Peng

Subscribed and solemnly declared by the abovenamed Ng Ing Peng at Kuala Lumpur before me on 25 March 2011.

Commissioner for Oaths

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 Financial Statements

We have audited the financial statements of CIMB Foundation on pages 73 to 86, which comprise the statement of assets and liabilities as at 31 December 2010 and the statements of income and expenditure, changes in accumulated funds and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 11.

Trustees' Responsibility for the Financial Statements

The Trustees of the Foundation are responsible for the preparation and fair presentation of these financial statements in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Foundation's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Foundation as of 31 December 2010 and of its financial performance and cash flows for the financial year then ended.

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

Soo Hoo Khoon Yean

(No. 2682/10/11 (J))

Chartered Accountant

Kuala Lumpur

25 March 2011