



Southern Bank  
Merger Closing Report  
September 2007



# Contents

## Overview

Continuing From Where We Left Off	4
The Power of 'Cs'	7
New Retail Branch Concept - 'Advisory and Comfort Banking'	13
Practice Makes Perfect	19
Conversion Mock Runs	20
Buddy Programme	21
Operational Readiness Test	22
SPD1 Command Centre	23
SPD1 Was Achieved Ahead of Schedule	25
Post-SPD1 Internal Support Structure	29
Customer Relationship Management	30
Going Back to Business-as-Usual	31
Merger Appreciation Bash	33
Creating Value Synergy from the Merger	34
Merger Integration Cost	36
We're 1	37
An Amazing Transformation Journey	38
CIMB Consumer Banking – "Ready for Take-Off"	43
Our Transformation Agenda	47
CIMB Group Management Committee	48
Sustaining the Merger Achievements	49

## Appendix

Investment Banking: Corporate Banking	51
Group CEO's Office	52
Group Risk Management	53
Group Treasury	54
Islamic Banking	55
Retail Banking	56
Consumer Sales & Distribution	57
Group Finance	58
Business Banking	59
Auto Finance	60
Direct Banking & Cards	62
Group Asset Management	64
Group Strategy	66
Group Information & Operations	67
Group Corporate Resources	69
Group Insurance	71
Group Special Asset Management	72
Group Corporate Communications	73
Glossary	74





# Preface

---

In our first merger progress report published at the 100-day mark in October 2006, we outlined our plans for the integration between CIMB Bank and Southern Bank Berhad (SBB). I am delighted to be able to inform you that the integration has been completed successfully. The key date was on 18 March 2007 when we started operations as “one bank”, upon completion of the business and IT integration, one month ahead of schedule. As “one bank”, all customers could access our products and services through our entire network of 383 branches, over 1,900 self-service terminals, electronic banking channels and call centres nationwide.

Despite the myriad challenges along the way, this was the fastest bank merger integration in Malaysia, and possibly in the region. We made the strategic decision that we wanted to move ahead with our ultimate aim of value creation as fast as possible. This meant that we should take on the riskier route of a “big bang” integration. Further, we kept our focus on merger synergy realisation as we continuously tracked and reported synergy achievements.

Our achievements are made possible by my colleagues who have indeed proven their mettle. They have risen to the occasion admirably in overcoming the challenges posed by the integration exercise. I am aware of the long hours and sacrifices that they have made, and would like to thank each and everyone of them for their contribution. It has often been said that “Teamwork divides the task and multiplies the success” – I can think of no better example than the success of this integration exercise.

**Nazir Razak**

Group Chief Executive

September 2007

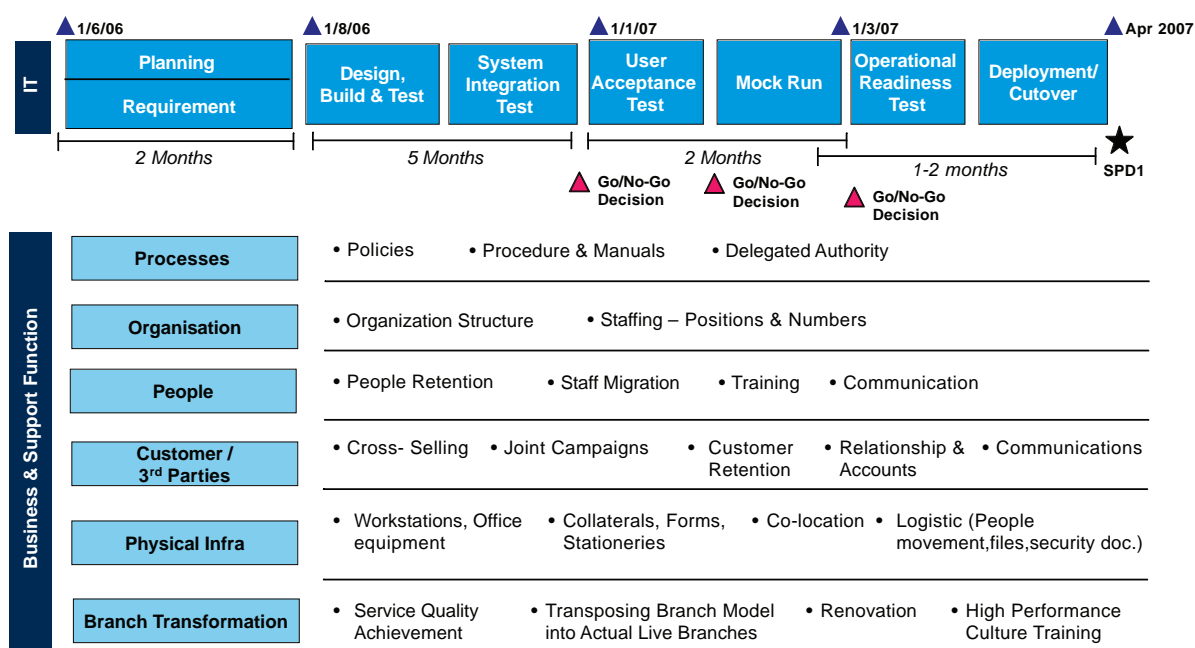


# Continuing From Where We Left Off

When we completed the 100-day merger integration planning in August 2006, we knew the tasks ahead for implementation were no less than inordinately complex. Nevertheless, we were confident that the target for Single Platform Day 1 (SPD1), where CIMB Bank and SBB would operate as 'one Bank' enabled by a single IT platform was achievable by end April 2007, as we had firmly stated in our previous report. We completed planning in 3 months, now we needed to deliver in 7 months.

The implementation phase that was about to be embarked upon required a high degree of coordination, precise monitoring and tracking, responsive updates that needed to be disseminated to multiple parties and last but not least, timely and quick decisions.

Fig. 1 : Implementation Phase - Key Activities



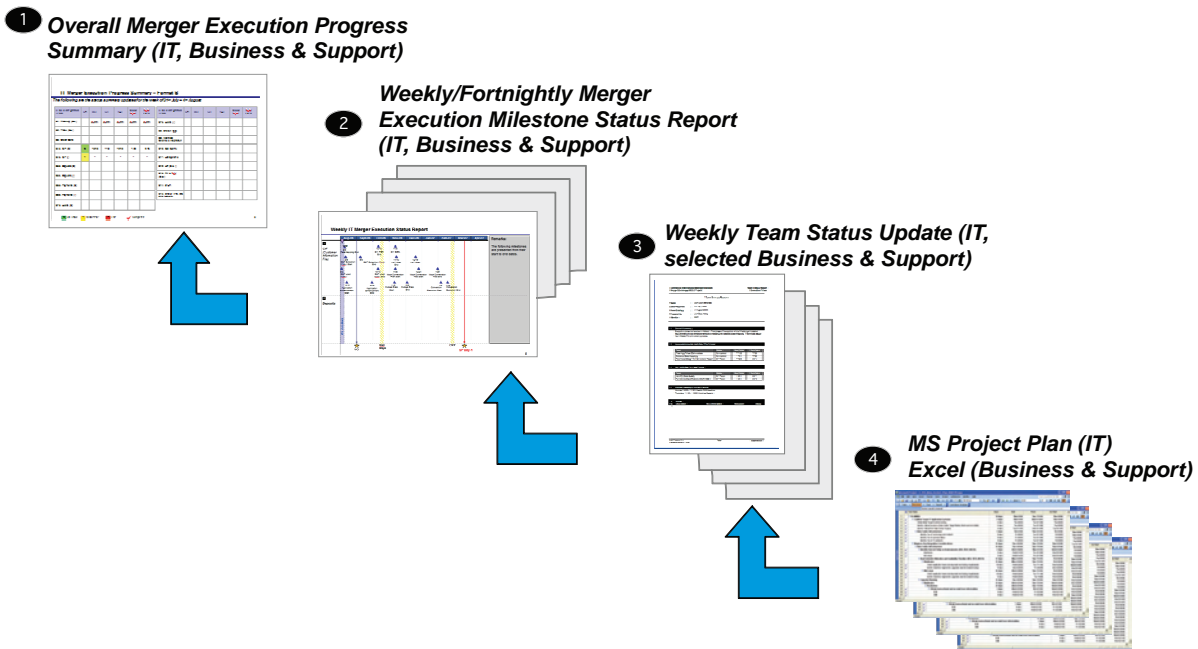
The complexity of the implementation arose due to:

- Multiple threads of workstreams – not only traditional activities related to achieving a single IT platform (e.g. training, operational readiness test, etc) needed to be executed, but we were also in the midst of a re-branding and branch transformation exercise;
- Branch physical renovation for ex-Bumiputra-Commerce Bank Berhad (BCB) branches and ex-SBB branches took place concurrently, the completion of ex-SBB branch renovation lay in the critical path of SPD1;
- Dependencies on various third party vendors required for system enhancement, conversion programme development, IT equipment procurement and branch renovation and furnishing; and
- Most of the IT equipment in the SBB branches required upgrade or total replacement, or else they were not compatible with the target system.

We realigned the merger resources into 47 Merger Exchange (MEX) teams to support and execute the activities during the implementation. Not less than 1,000 committed and motivated staff were directly involved in some form or another during the implementation phase.

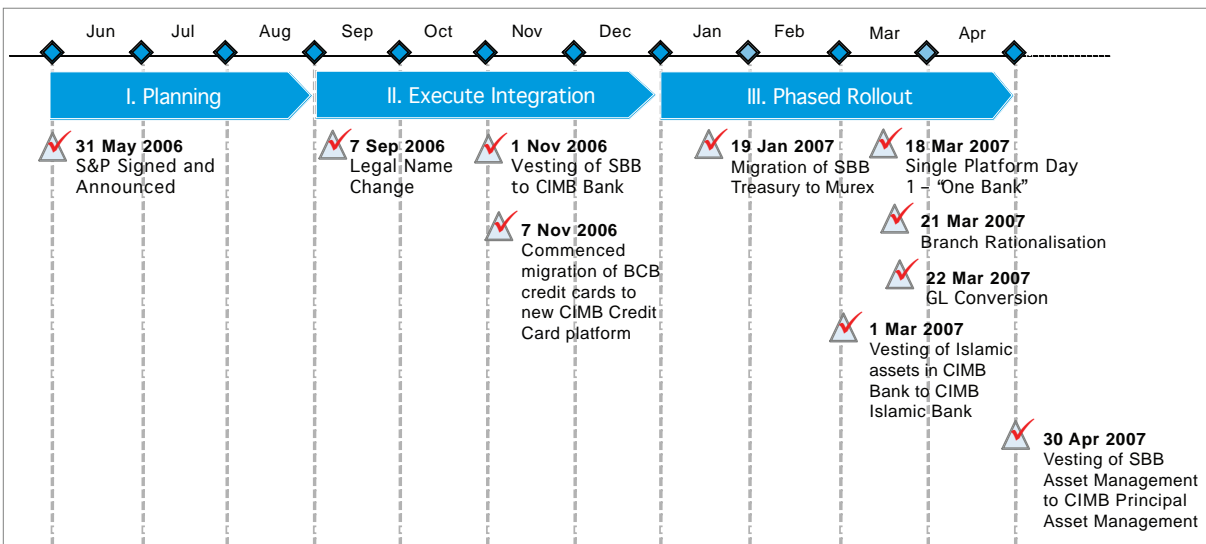
The merger governance proved to be critical and central in keeping to the timeline. The systematic program management principles adopted provided early alerts to management and the working teams such that corrective actions could be undertaken in a timely manner.

Fig. 2 : Implementation Phase - Tracking Mechanism



Despite the myriad challenges along the way, we had achieved SPD1 on 18 March 2007, *one month ahead of schedule.*

Fig. 3 : Merger Plan - Key Milestones Achieved



Teams worked under time pressure and multiple reporting relationships that fed back to the Merger Integration Committee (MIC) as a central decision repository. The fluid groupings were considered an asset as it gave the teams the flexibility and cross communication platforms required across the many areas.

Teams took on decision making responsibilities at all levels in order to exercise their own judgment about the best course of action. These recommendations were then escalated to the MIC supported by options and impact analysis of each the plausible options. In return, the MIC responded decisively and kept to the strict timeline. The equilibrium of decisions to issues escalated and the impact those decisions made to the business and the bank as a whole formed the central focus between the MIC and the MEX teams.







# The Power of ‘Cs’

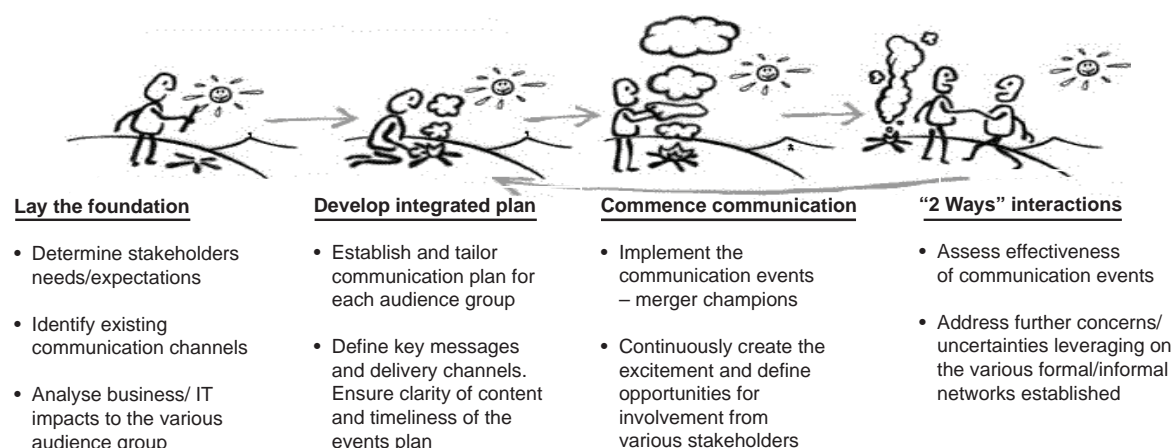
A merger between two banks naturally presents challenges, more so if the banks have different cultures and capabilities. As changes took place throughout both banks in order to facilitate the merger, the ‘status quo’ was affected in every aspect including management, staff and operations. Changes of such magnitude created uncertainties and anxieties amongst the stakeholders, and posed challenges to the merger team as well as all staff. This posed two interesting questions for the merger team:

- First, how do we get our people to set aside their different backgrounds and work together to focus on a common objective of implementing the merger within the added constraints of an aggressive timeline?; and
- Secondly, how do we manage customers’ expectations of the merged entity?

We firmly believed in the importance of clear and effective communications at all levels. Therefore, the MEX teams adopted a mantra to remind themselves of this - **“The power of ‘Cs’ – Communicate Continuously and Clearly with Charisma!”**

Through the power of the Cs, we reinforced the importance of cultivating buy-in and creating as much involvement opportunities for staff across all levels. We positioned key middle management as ‘Merger Champions’ who had the dynamism and passion to drive and cascade the communication messages to staff. This was invaluable in providing the staff with a sense of direction and connection, as well as enabling an interactive environment among staff. To extend the 4Cs to our valued customers, we communicated with them on the merger progress in a transparent and timely manner and established 2-way communication channels to receive their feedback. These steps coupled with structured implementation principles created a feasible communication strategy for us in transitioning our stakeholders along the 9-month merger journey.

Fig. 4 : Communications Approach



There is no one communication formula that fits all organisations. The Power of ‘Cs’ worked well in our merger exercise. It resulted in memorable experiences and enhanced the synergy from the merger. We are proud to provide you with some of our experiences:

## A. Senior Management Walkabout

Recognising the importance of keeping our staff informed and involved in the integration exercise, we organised regional management walkabouts entailing branch visits and briefings to the leadership teams to:

- Demonstrate management commitment in championing the integration;
- Share the merger milestones and key highlights; and
- Provide opportunities for staff to escalate their concerns/ provide input.



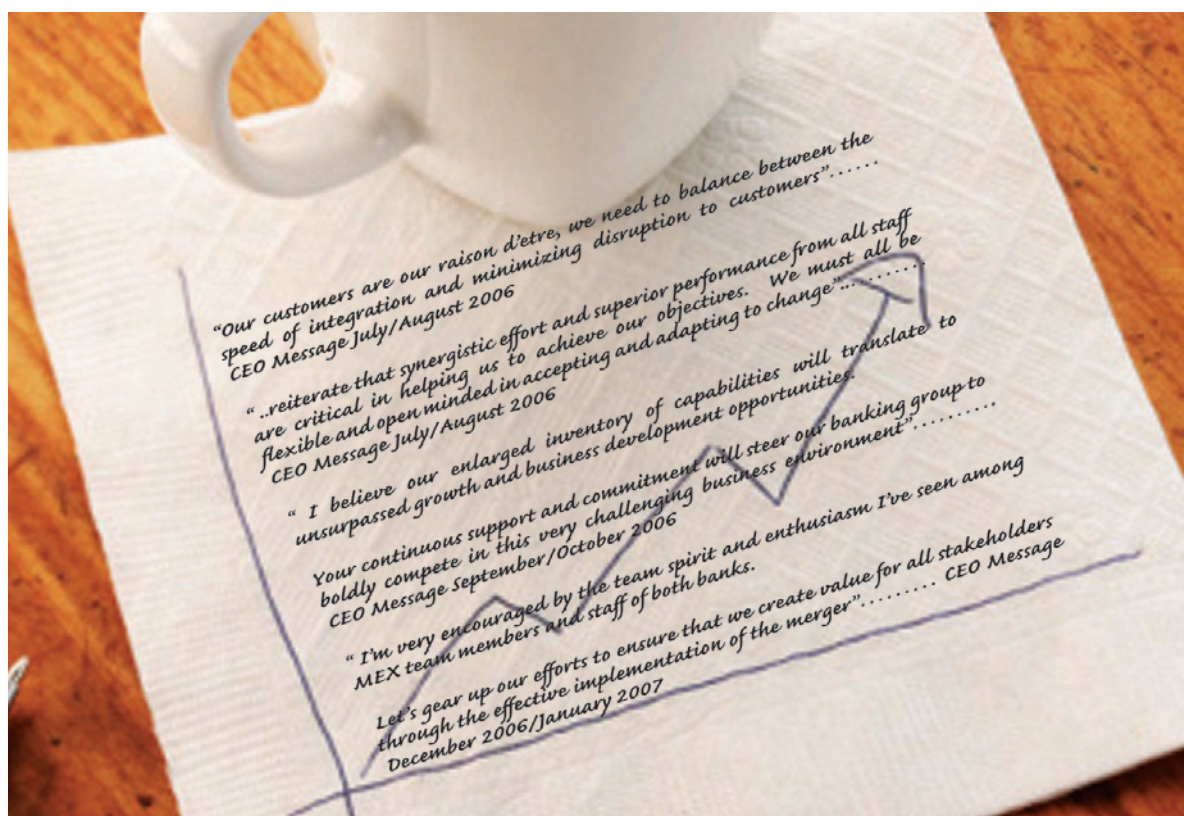
We learnt a lot about the anxieties and aspirations of our people through the walkabouts. Key observations and findings gleaned from walkabouts provided us with valuable input in refining the approach and methods during the implementation phase of the merger.



## B. CEO Message Series

A series of *personal messages* from the CEO sharing his aspirations, expectations and appreciation were shared with all staff involved throughout the merger journey. Inspiring messages from the merger champion added the extra boost to the staff to maintain stamina and momentum in continuously delivering outstanding results in this integration exercise as we crossed from milestone to milestone.

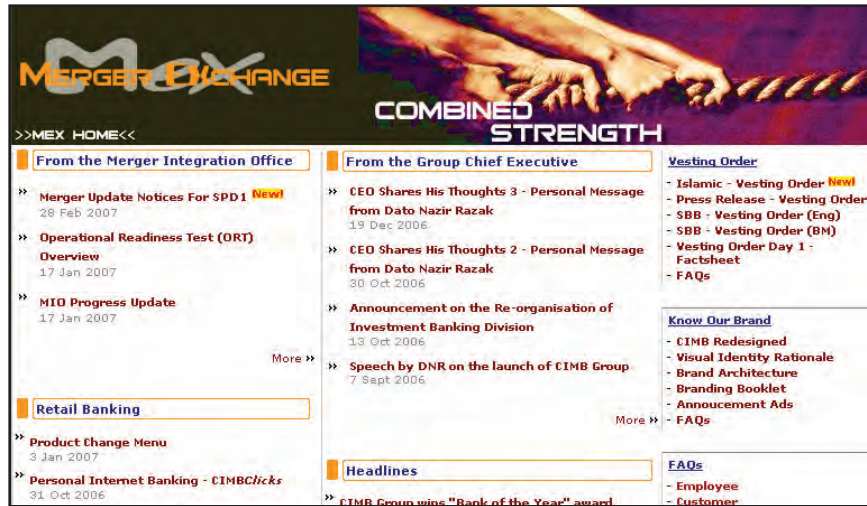
We utilised as many available communication channels we could find in reaching out to as many employees as possible in spreading the merger news.



### C. MEX Portal

The team further leveraged electronic channels to widely disseminate merger progress and key achievements. The development of a dedicated portal accessible across various entities acted as a common communication platform to disseminate merger related information. The portal carried a continuous flow of merger updates embedded with interactive channels linked to the portal and a creative use of monthly contests created the hype amongst the staff.

We created an interactive icon fondly named MEX – something that all of us could connect and associate with. This enticed staff to interact and participate in all MEX Portal activities.



### D. Pre-SPD1 Luncheon

In sustaining the energy levels of all MEX teams, we constantly needed to boost the morale and commitment of all staff. Senior management's attention and involvement at all stages was critical in ensuring that milestones were met and that teams were united in their objectives and had clear focus on the direction of activities. The luncheon was a small token of appreciation from the management to the merger teams for long hours clocked in, weekends/public holidays sacrificed throughout the merger period. Ideas such as the SPD1 survival kit was mooted to ensure the merger teams could sustain the 48 hours conversion window, 4 consecutive Operational Readiness Test (ORT) weekends and one critical date 18 March 2007.

The 9-month merger journey was fast-paced and challenging, and it was indeed not easy ... but what has brought us this far?



... thanks to the commitment of our staff, we enable others to bank on us to see beyond!





## E. Customer Appreciation Events

We kept our customer informed of the merger progress and achievements. Our customer's understanding and support were critical throughout the integration period, while we balanced between the speed of integration and continued to address our business-as-usual requirements.

To proactively manage perceptions, the management teams consciously made efforts to meet our valued customers nationwide. The intent was to share CIMB Bank's aspirations, re-connect with ex-BHLB, ex-SBB and ex-BCB customers as well as to thank them for their patronage all these years. The 3 months schedule was aggressive and the walkabouts were hectic, but it was all worth it!



## F. Other diversified communication delivery channels

Multiple communication materials were developed and implemented to better inform customers of the operational changes we undertook. The information was channeled through the various contact points (e.g. branches, self-service terminals (SSTs), website, interactive voice response (IVR), newspapers) in a timely manner to minimise disruption to customers, especially during the transitional period.

In the course of this merger, we adopted extensive delivery methods, in addition to the common communication methods such as letters, website, IVR and phone calls. At the same time, call centres were also equipped to further address customer queries.

We've put it together.  
Many thanks for  
your support.

7 months ago, we decided to integrate 4.5 million Southern Bank, Bumiputra-Commerce Bank, CIMB Bank and CIMB Islamic customers onto a single IT platform. Not an easy task, but we did it. And we did it 1 month ahead of schedule. So we're proud to announce that 383 branches, 1101 ATMs, 235 Cash Deposit Machines and 67 Cheque Deposit Machines, CIMB Clicks, Phone Banking and Call Centres are now ready to serve you as one bank.

From Malaysia's Bank of the Year\*, thank you for your patience and understanding. With integration behind us, we will get better and better for you.

FORWARD BANKING 

Kami telah bergabung  
sepenuhnya.  
Terima kasih atas  
sokongan anda.

7 bulan yang lalu, kami mengambil keputusan untuk menyatukan 4.5 juta pelanggan Southern Bank, Bumiputra-Commerce Bank, CIMB Bank dan CIMB Islamic ke dalam satu platform IT. Walaupun berhadapan dengan pelbagai cabaran, kami telah berjaya melaksanakannya sebulan lebih awal dari jangkaan. Oleh itu, kami ingin memaklumkan bahawa 383 buah cawangan, 1101 buah mesin ATM, 235 buah Mesin Deposit Tunai, 67 Mesin Deposit Cek, CIMB Clicks, Perbankan Telefon dan Pusat Panggilan kini telah bersedia untuk berkhidmat kepada anda sebagai satu bank.

Terimalah ucapan terima kasih daripada CIMB Bank, Bank Terbaik 2006\*, atas kesabaran dan sokongan anda yang berterusan. Setelah selesainya penggabungan penuh ini, kami kini semakin gigit untuk menawarkan perkhidmatan yang lebih baik kepada anda.

PERBANKAN MASA HADAPAN 

我们  
今能  
感谢您

7个月前,我们就已决定要将 Southern Bank (Bumiputra-Commerce Bank, CIMB Bank 和 CIMB Islamic) 的客户合并到一个平台。虽然我们面临各种挑战,但我们提前一个月完成了这项工作。因此,我们很高兴地宣布,共有 383 间分行以及 67 个支票存款机、1101 台 ATM 和 235 台现金存款机、CIMB Clicks、电话银行和呼叫中心现在都已准备好为您提供服务。感谢您一直以来的耐心和理解。随着整合的完成,我们将精益求精,做得更好。

FORWARD BANKING 



Bulletin Post



Wobblers



Banking Directory







# New Retail Branch Concept

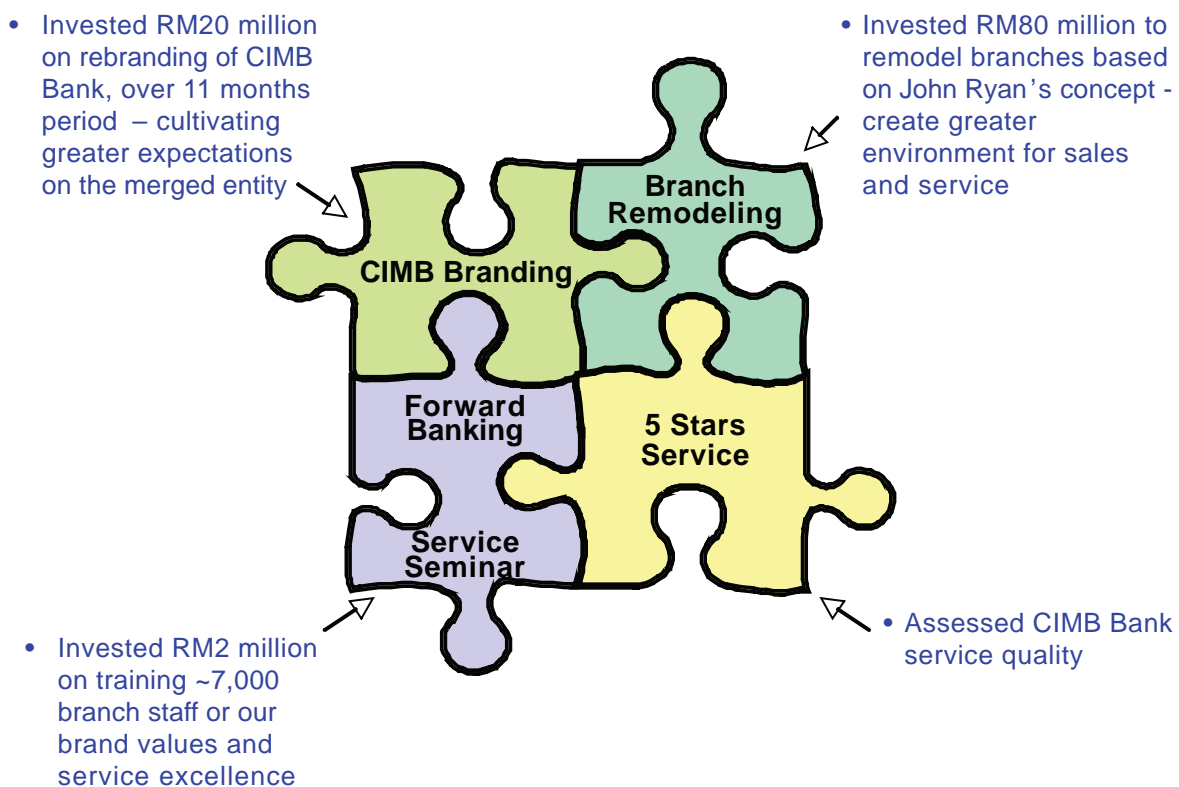
## - 'Advisory and Comfort Banking'

At CIMB, we believe that banking is about relationship building. The 'click' is intended to complement the 'brick', and not to replace this 'soul-based' channel. Our customers, like other potential customers, are seeking beyond just efficient processing time in a card-box; but are also turning to us for financial advisory, innovative and comfort banking.

We identified several key aspects that will essentially provide us with a new identity and to set us apart from our competitors in the financial retailing sector. Some of the key aspects include:

- ▶ Providing a combination of an enriched and impressive physical surrounding and delivering exceptional customer sales and service levels when customers visit the branch;
- ▶ Transforming from a regular traditional service and transactional-based branch to a more sales driven, approachable and customer friendly environment; and
- ▶ CIMB Community Link Fund, a corporate social responsibility programme where the bank will donate a portion of its earnings or cost-savings to fund community projects.

In order to elevate and transform the entire branch from customer experience to physical branch concept, the Group had invested over RM100 million to transform, re-brand and enhance the level of sales and service in the merged branch distribution network.



Our branch transformation goes beyond the refurbishment of the static physicals to tactfully choreographed elements and customer flows.

## Enhanced Customer Service

The following elements were introduced within the branches with the main intention to elevate branch and customer service. These elements range from navigators to providing customers a visible view of the queue at the teller services.



### Welcome Desk

An appointed Navigator is always at hand to assist customers around the bank as they enter the branch.

**Enhancing customer experiences by introducing new service elements – Q Tree.** Provide real-time status of the queue. The number of leaves displayed indicates the number of customers waiting not more than 5 minutes. Leaves fall off when customers complete their transactions.



**Building a CIMB culture and workforce, leveraging on the strengths of ex-BCB, ex-SBB and CIMB.** Our staff are rejuvenated to serve customers the same way they would like to be serviced - Forward Banking and High Performance Culture workshops.

## Sales and Advisory

New elements were also introduced in the branches to 'enable' customers to explore the full suite of CIMB Group (CIMBG) products and services.



**Offering comprehensive and innovative range of products – Hot Spots.** Customers can consult our qualified advisors/relationship managers about wealth management, financing options or any other banking needs.

## The Waiting Lounge

Customers will be occupied with a variety of information available at our waiting lounge. Our touch screens highlight Branch facilities, activities, product promotions and come equipped with an electronic calculator to help customers determine a financing package that is ideal for them. There is also information about each Branch officer for them to know who to approach for further assistance.



## Community Link

The elements below assist the branch to gather views from customers on community related projects and also to show customers how much cost savings and earnings are being channeled back to the public.



**Increase self service migration and Community Link – Community Thermometer.** Every time a transaction is made via any of our ATMs, Cash Deposit Machines or CIMB Clicks E-banking, we generate cost savings. The level at the thermometer indicates the utilization of our 365 Fast Banking by our customers. Because they help us to be more efficient, we pledge to channel these cost savings back to the community.

## Voting Console

Customers can determine which community project CIMB Bank will adopt at their locality. Living up to our aspiration to create value for our customers, CIMB Bank has initiated a Community Link Fund as our commitment to corporate social responsibility. Gathering consensus from the local community, the Branch Manager and team will identify three community project options to fulfill. The one with the highest number of votes will be adopted by CIMB Bank.





### Branch Signage



*Before*

*After*

### Branch Manager's Office



*Before*

*After*

### Hot Spots



*Before*

*After*



### Branch Counters



Before

After

### Navigator Counter



Before

After

### Self Service Terminals



Before

After

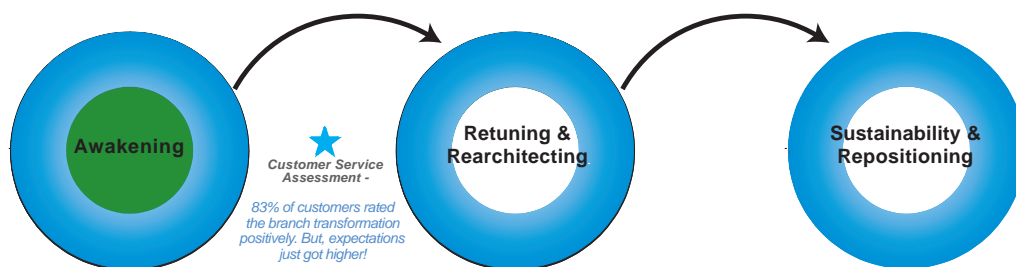


The past 7 to 9 months have proven our ability to deliver what was promised on our branch transformation:

- Staff capabilities in channeling various product campaigns leveraging on our universal banking stature. We launched new products which captured the attention of customers as they were imaginative, innovative and created value for them. These include deposit products (Money Multiplier, Dream Deposit), loan products (Dream Home Loan), structured products (All Stars, Star Select), and sub-prime loans.
- Service standards have also shown good improvements. In January 2006, the average queue time at branches was 11.8 minutes, and by middle of the year, the number had dipped to 3.2 minutes. This was despite an increase in transactions at branch counters. New account opening times had improved to 10 minutes from 25 minutes previously.
- As of 31 August 2007, all 383 branches have been re-branded to CIMB Bank. The transformation is not purely physical, as the branches are evaluated based on the 5 Star programme before CIMB Bank accreditation are granted. It comprises mainly of 5 key components or service indicators.
  - *Courteous & Knowledgeable when interacting with customers*
  - *Ambience in the branch that generates positive feeling in the hearts and minds of our customers*
  - *Resolving customers' issues efficiently – zero complaints*
  - *EBCs are able to provide banking convenience 365 days a year*
  - *Speed in customer turnaround time*

One of the values which have kept CIMB on an onward and upward trajectory is our paradigm of continuous self-improvement, “even if it ain't broke, we can still fix it to make it better”. With stronger CIMB retail platform built, more can be expected of us on our next mission to turn customers into loyal advocates of CIMB Bank!

The first phase of branch transformation has been completed – but we will not rest on our laurels. A glimpse into our second phase of branch transformation is outlined below.



- **Build the CIMB “merged entity” platform**
  - ✓ Revamped the ex-SBB and ex-BCB branch model by injecting new customer elements
  - ✓ 1<sup>st</sup> phase of branch rationalization/ relocation
  - ✓ Reframed the mindset – Service Seminar, High Performance Culture Workshops
  - ✓ Rolled out “5 Star Programme” focused on basic customer service (efficiency, staff etiquette and physical readiness)
  - ✓ Intensified the cross selling of products; structured deposits, wealth management, Xpress Cash and credit cards, dream deposits
  - ✓ Achieved SPD1 ahead of schedule
  - Accelerate cross platforms for Islamic and Conventional (Dec 2007)

- **Reengineer internal capabilities to create the differentiating factors**
  - Refine the new branches “software transformation” and ramp up staff developmental programme
  - 2<sup>nd</sup> phase of branch rationalization/ relocation (opportunity review)
  - Focus on customer acquisition strategy: strengthen other non-brick channels and intensify product bundling
  - Achieve quickwins on cross border extension of service initiatives, staff exchange programme to leverage on regional capabilities
  - Continue to fine tune the branch front and back office processes/systems

- **Sustainability and continuous review for superior regional positioning**
  - Integrated channels management
  - Regional initiatives; payment gateway, cross border sales and operational initiatives
  - Continuous review of transformational strategy, in line with the aim to be “South East Asia Most Valued Bank” : Customer, product and operational strategy

2006/2007

2008

2009 onwards

# Practice Makes Perfect

We have now addressed our stakeholder expectations through communications and revitalised our branch delivery network through the first phase of our branch transformation. Achieving single IT platform on SPD1 was the next hurdle.

Crossing SPD1 hurdle was a mammoth task – it meant that we had to:

- Migrate 4.2 million customers/ accounts/ transactions data records from more than 20 ex-SBB IT systems to the target CIMB Bank IT systems;
- Train over 1,500 bank personnel on new policies and procedures as well as how to use the target system;
- Convert 115 ex-SBB branches to become CIMB Bank branches and rationalise 16 pairs of overlapping branches in a single weekend;
- Convert ex-SBB 178 ATMs and 42 CDMs to be CIMB Bank ATMs and CDMs; and
- Deploy and operationalise over 700 new PCs, 200 new printers, 700 PC peripherals, 80 servers and 70 new SSTs to 115 ex-SBB branches nationwide.

Nothing was left to chance.

The migration and conversion of data records were completed over a limited time frame of 48 hours in a ‘Big Bang’ approach, wherein all 4.2 million data records were migrated and converted at the same time. There were also no extended weekends during the months of March and April 2007 – therefore the maximum window of time was ascertained at 48 hours.

With no room for errors during the SPD1 cutover weekend, we had to ensure that all key activities leading up to SPD1 were well planned and a rigid pre test regime was abided by all teams prior to the cutover weekend.

Understanding the cutover risks involved, the teams proceeded to incorporate fallback and mitigation plans into the planning activities leading up to SPD1.

Fig. 5 : Merger Plan - Cutover Risks

Risks	General Mitigations
1. Unexpected high reject rate of customers and account records during conversion	<ul style="list-style-type: none"> <li>• Cutover plan <b>designed</b> to ensure “Business-As-Usual” on Monday morning – no business impact</li> <li>• Assign the <b>best and most knowledgeable resources</b> to SIT, UAT, Mock Runs and ORT – “avoidance is better than cure”</li> <li>• <b>To work closely with vendors</b> to ensure required support is provided when required</li> <li>• To develop <b>contingency plan to utilise Sunday</b> as buffer – provide an additional 10 hours to resolve unexpected problems</li> <li>• To develop <b>contingency plan to reduce scope or phase out</b> the implementation, with acceptable customer service impact</li> <li>• <b>To increase management readiness</b> to handle customer service issue/situations during and post-SPD1</li> <li>• To prepare <b>Call Centres, Branches and all front-liner</b> to handle unexpected customer service issues</li> </ul>
2. Unable to reconcile conversion of customers & accounts	
3. Loss of critical personnel during conversion (e.g. resignations, ill-health, etc)	
4. Unexpected problems with IT infrastructure during conversion (e.g. failure of servers, storage, network)	
5. Unexpected problems with IT applications during conversion (e.g. applications not working)	
6. Branches or ATM’s not functioning	
7. Cutover activities taking longer than planned (“eating” into branch opening hours)	
8. Degraded IT system performance after cutover (slower online response time, longer night batch run duration)	

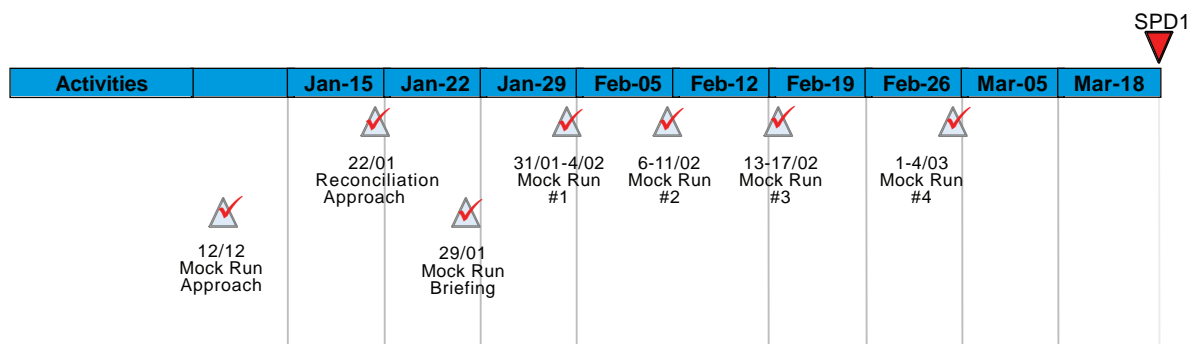


# Conversion Mock Runs

We planned for and executed 4 conversion mock runs over a 1.5-month period.

The main objective of these conversion mock runs was to simulate the data conversion activities and timing for the 48-hour window during the SPD1 cutover weekend.

Fig. 6 : Conversion Mock Run Schedule



Objectives of mock runs included:

- Refining cutover activities and timings;
- Confirming conversion and reconciliation approach and procedures;
- Finalising reporting and tracking processes;
- Increasing the familiarity of users to the systems and conversion procedures; and
- Testing the SPD1 Command Centre readiness.

The conversion mock runs covered the following scope of activities:

- Simulation of bank-wide IT conversion activities on SPD1 cutover weekend;
- Simulation of user reconciliation and data verification activities on SPD1 cutover weekend; and
- Preparation of data environment and system access for ORT.

The mock runs succeeded in pinning down the cutover activities on an hour-by-hour basis. By the final conversion mock run, we had achieved a 100 percent successful conversion rate for most IT applications, both Conventional and Islamic. These results served as a testament to the rigor of these mock runs.

The above simply put us a step closer to SPD1 readiness from a data conversion perspective – but what about our staff and operational readiness?

# Buddy Programme

The ferocity of merger timeline posed a challenge for our staff to absorb a colossal amount of knowledge, within a limited time period. Whilst classroom training was essential to expose staff to the target product and service offerings, policies and procedures, as well as systems – we consciously acknowledged the need to rollout further reinforcement programmes to:

- Familiarise the staff to the “adaptation” and practical aspect of the target product and service offerings, policies and procedures, as well as systems; and
- Provide opportunity for staff to enlarge their working/social network to build their localise support structure.

A ‘Buddy Programme’ was executed over 6 months (September 2006 to February 2007) wherein we paired ex-SBB ‘attachee’ to an ex-BCB ‘buddy’ going through areas/transactions reflected in the Buddy Checklist within a stipulated period. Upon completion, the attachee was evaluated in order to identify the level of readiness and to determine the areas for improvement to better establish the mitigation steps before the actual cutover. The attachment programme was further extended to during/post SPD1, where the identified buddy was placed at the attachee’s site for approximately 2 to 4 weeks to ensure minimal disruption to customer service. What made this programme work for CIMB in enhancing staff readiness? It took collaborative commitment not only from the buddy and attachee, but also:

- The managers and peers who had to double-up in their absence to ensure minimal disruption to customer service and daily operations; and
- The Manager Operations Support (MOS) who rigorously monitored the attachee’s progress and ensured critical gaps were addressed

At the same time, we cultivated a fun learning environment to garner a higher level of participation.

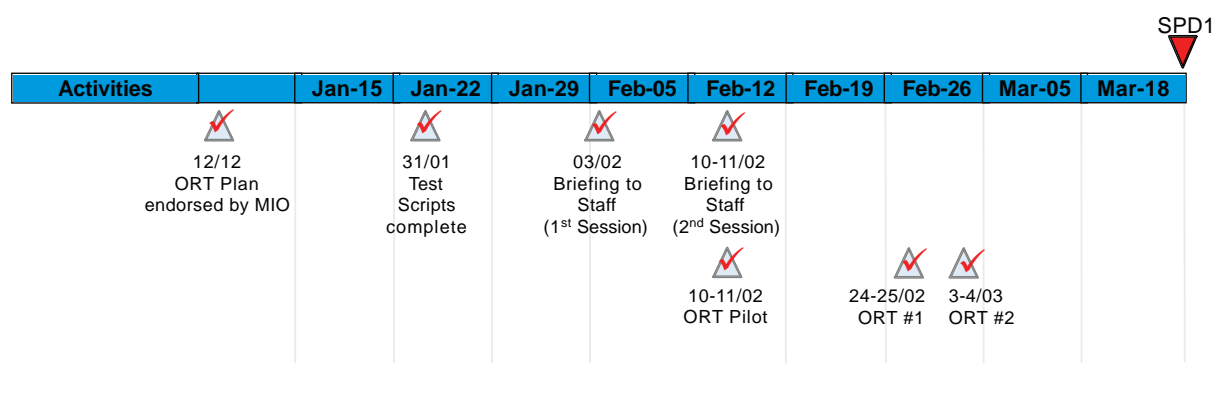


# Operational Readiness Test (ORT)

We planned for and executed 3 ORT runs over a 1.5-month period.

The key objective of ORT was to test the 'Big Bang' IT infrastructure and operational readiness of ex-SBB branches and key business units to service customers on SPD1 under the CIMB Bank operating model.

**Fig. 7 : ORT Schedule**



Key focus of ORT included:

- Testing of key business process flows and systems at ex-SBB branches;
- Familiarisation of users with latest procedures and new interactions across business units;
- Assessing people readiness in the new operating environment and proactively determining the additional supplementary initiatives/ support required for SPD1; and
- Ironing out the technical intricacies on the SPD1 cutover weekend, e.g. printer configuration, etc.

3 ORT runs were executed:

- ORT Pilot (10 to 12 February 2007) involving 20 ex-SBB branches;
- ORT Run 1 (24 to 25 February 2007) involving 101 ex-SBB branches & selected business units; and
- ORT Run 2 (3 to 4 March 2007) involving 99 ex-SBB branches & selected business units.

By the final ORT run on 4 March 2007, 98 of 99 ex-SBB branches and majority of the business units completed ORT successfully.

At this point, we were confident that we were well-positioned to achieve SPD1 on 18 March 2007.

# SPD1 Command Centre

The SPD1 Command Centre structure was an integral part of governance for the cutover weekend. We set up the structure early, tested its functions and efficiency via the multiple simulations of Mock Runs and ORT.

The SPD1 Command Centre structure was designed to centralise control and decision making, and orchestrate the execution of activities during the SPD1 cutover weekend. Many parts had to come together and pieces had to fit during a very short window of time. There was no room for ambiguity, especially when precise instructions needed to reach 131 branches nation-wide, and over 200 on-site field engineers.

The apex of the structure was none other than the bank's key management team. They were tasked with making all the critical decisions guided by recommendations put forth by the Merger Integration Office (MIO).

Fig. 8 : SPD1 Command Centre Structure

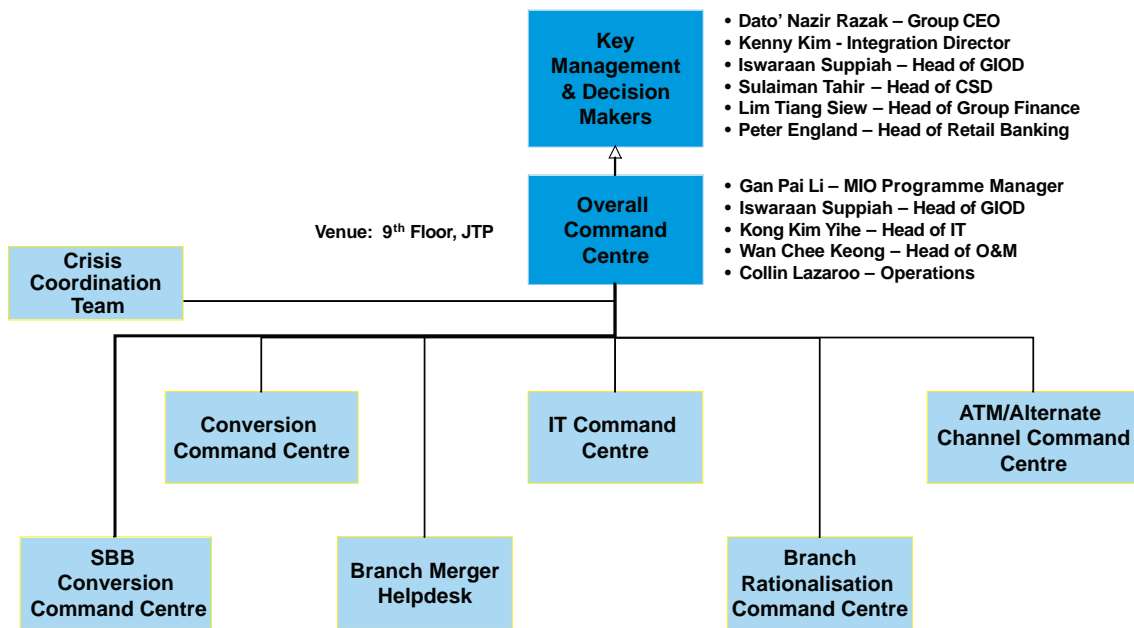
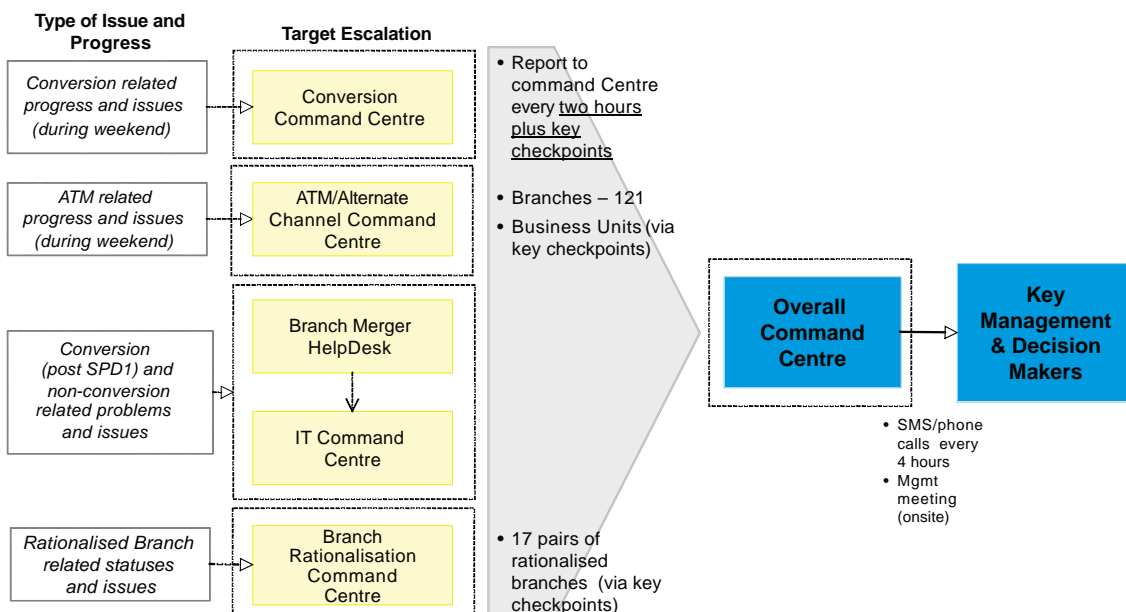
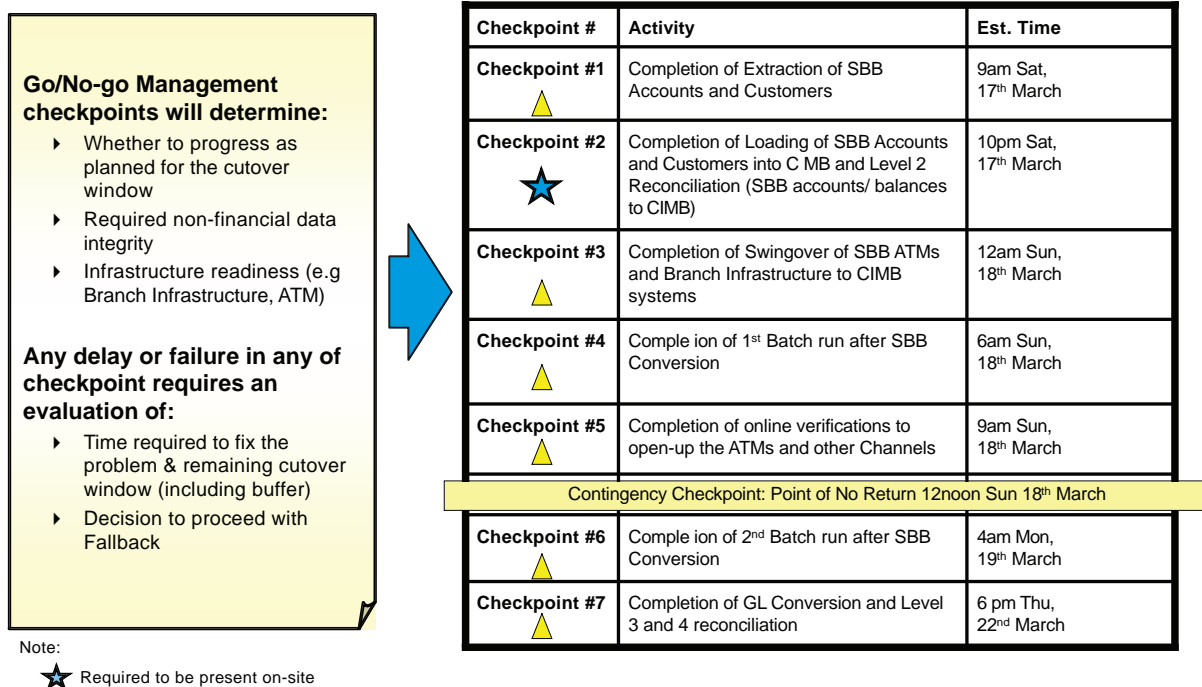


Fig. 9 : SPD1 Command Centre Structure - Escalation Process



Throughout the SPD1 cutover weekend, we instituted 8 Go / No-Go management checkpoints with checkpoint number 2 as a key milestone. It was great relief when we cleared the second management checkpoint on the evening of 17 March 2007!

Fig. 10 : SPD1 Go / No-Go Management Checkpoints





# SPD1 Was Achieved Ahead of Schedule

Ex-SBB and CIMB Bank successfully integrated on to a 'Single Platform' effective 18 March 2007 ... *one month ahead of schedule.*

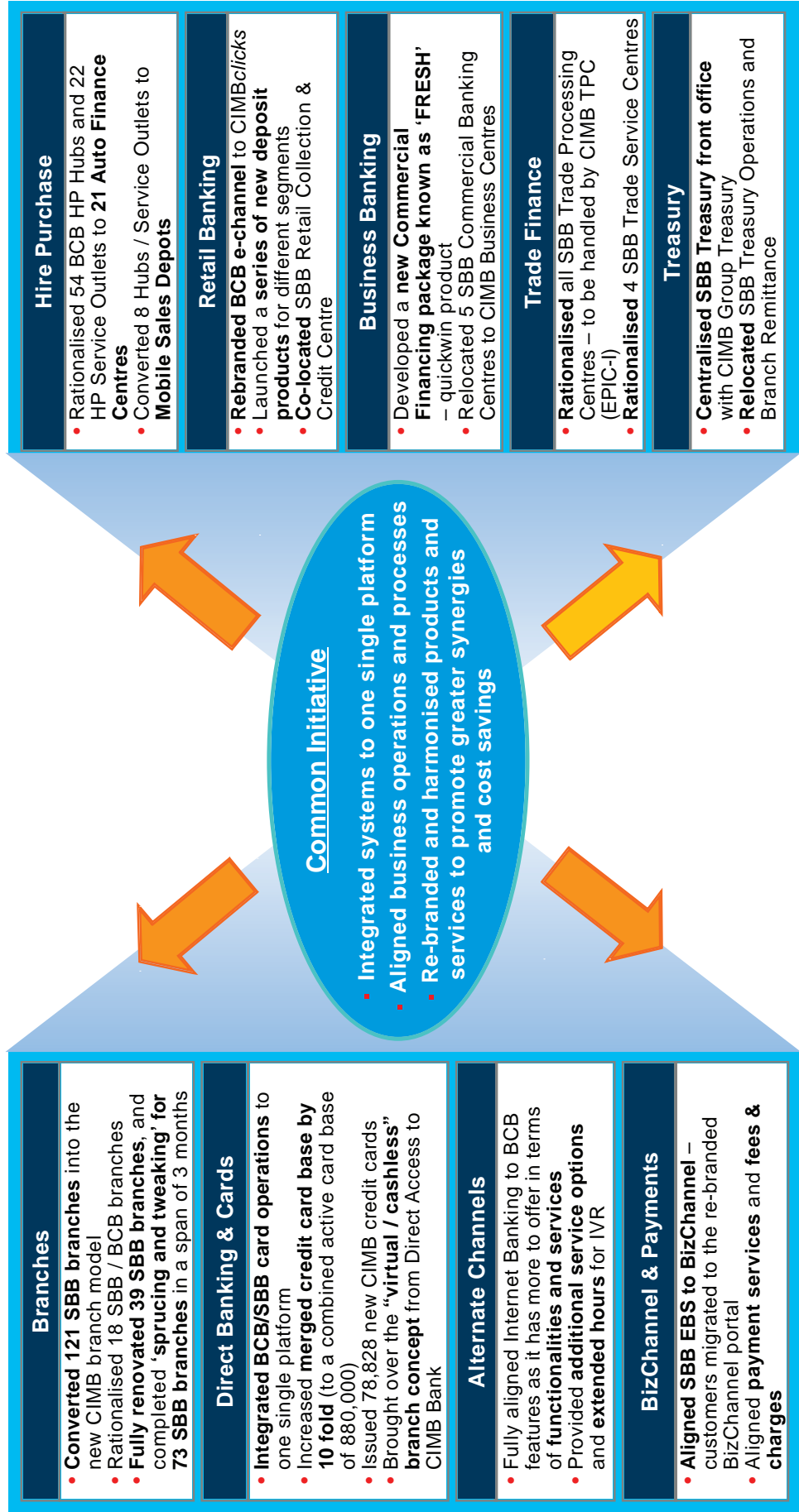
Key highlights of the SPD1 cutover weekend included:

- The cutover of ex-SBB systems to CIMB Bank completed over a 42-hour conversion window which commenced on Friday, 16 March 2007, 6pm to Sunday, 18 March 2007, 12 noon;
- Over 400 personnel worked round the clock;
- Conversion of over 4.2 million data records (customer, account, transaction details) on over 20 different ex-SBB IT system applications;
- Rationalisation and consolidation of 32 ex-SBB and ex-BCB branches into 16 CIMB Bank branches; and
- Effective Monday, 19 March 2007, a seamless 'One Bank' service was made available to all ex-SBB, ex-BCB and CIMB Bank customers across 383 branches, 1,180 ATMs, 379 CDMs, 102 CQMs, 334 CDTs, CIMB *Clicks* & Biz Channel, Phone Banking and Call Centre.



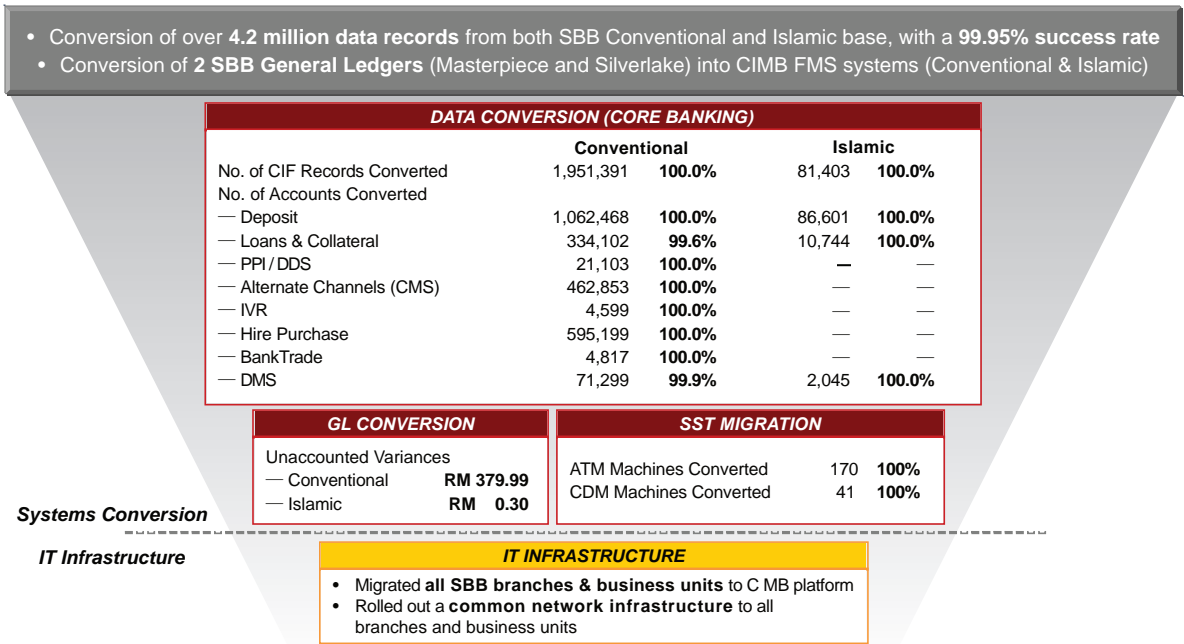
SPD1 marked a significant milestone achievement for branches and business units, as all systems and processes were aligned to a 'One Bank' service.

Fig. 12 : SPD1 Outcomes - Key Business Achievements



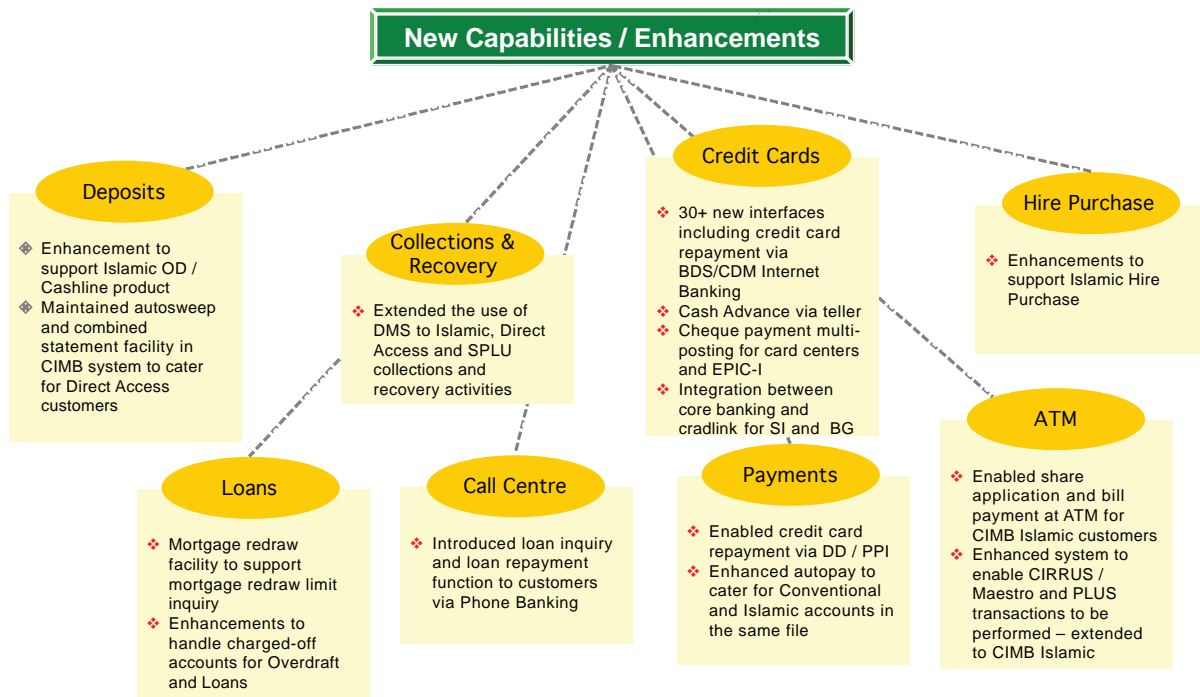
Overall system conversion success rates, infrastructure migration and general ledger ('GL') reconciliation status were above expectations.

Fig. 13 : SPD1 Outcomes - Key IT Achievements



CIMB Bank systems were also enhanced with new capabilities to support a wider range of products and services offered to our esteemed customers.

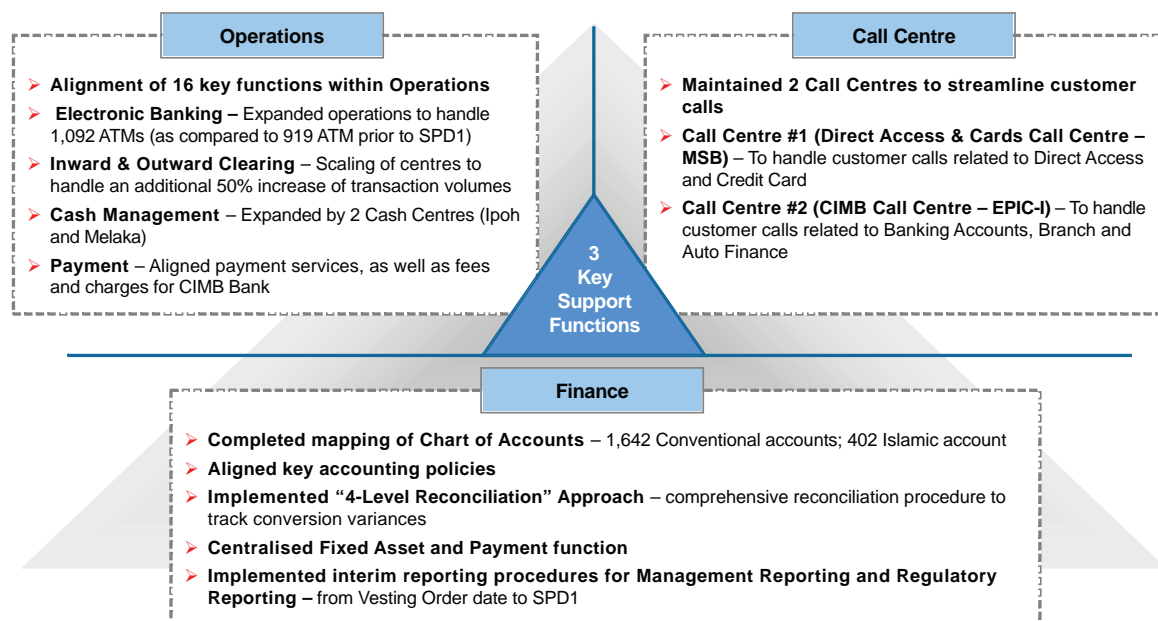
Fig. 14 : SPD1 Outcomes - Key System Enhancements





Capabilities of 3 key support functions of the enlarged CIMB Bank – Operations, Call Centre and Finance – were enhanced to support the branches and business units to operate smoothly SPD1 onwards.

**Fig. 15 : SPD1 Outcomes - Key Support Functions Enhancements**



# Post-SPD1 Internal Support Structure

The Branch Merger Helpdesk (BMH) is a critical component of the internal support structure. Throughout the Bank, our staff members regarded the BMH as a virtual lifeline pre, during and post SPD1. For this purpose we had trained over 60 coordinators, agents and trackers who had immense responsibilities to:

- ▶ Provide courteous, correct and consistent responses;
- ▶ Ensure issues were logged, tracked and resolved in a timely manner; and
- ▶ Act as a bridge between the ground staff to various business and support units.

A helpdesk of such scale posed several challenges to the structuring and co-ordination effort. We deliberated extensively the escalation processes and accountabilities of various teams involved. We even tested the BMH structure during the ORT, and re-organised the BMH to fine-tune the escalation process. BMH is another showcase of how staff from different cultural backgrounds and entities put aside their differences to work together to realise the common goal of achieving SPD1!

Fig. 16 : Branch Merger Helpdesk (BMH)

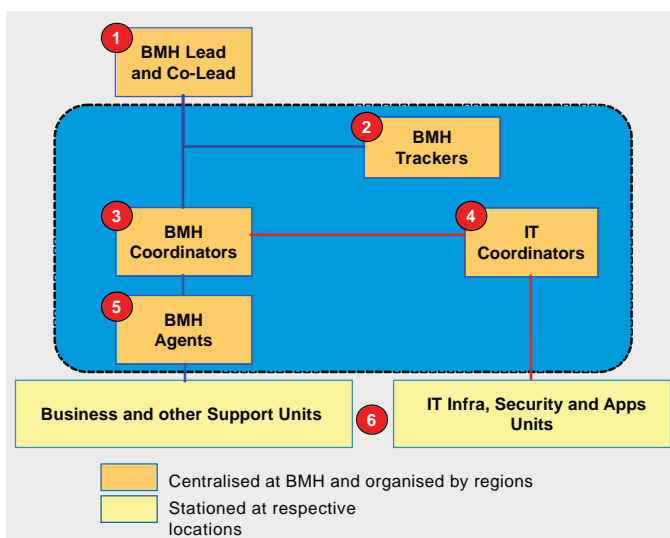


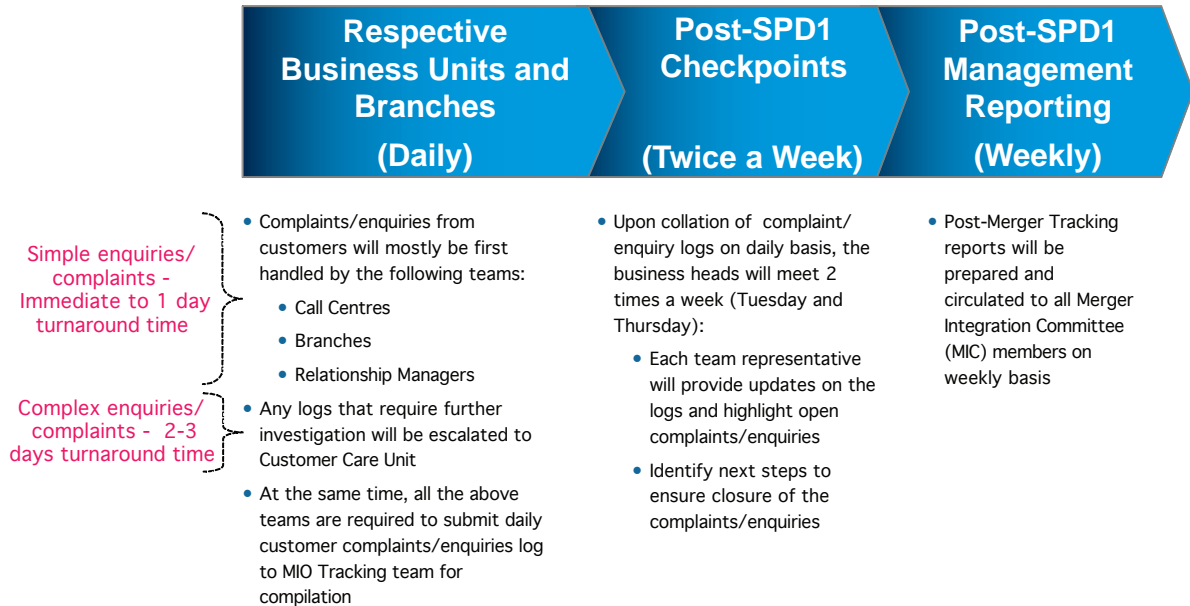
Fig. 17 : BMH Roles & Responsibilities

BMH Compositions	Roles & Responsibilities	BMH Compositions	Roles & Responsibilities
<b>1</b> <b>BMH Lead and Co-Lead</b>	<ul style="list-style-type: none"> <li>▪ Sole Contact to Command Centre - escalate Issues to and receive Issue resolutions from Command Centre</li> <li>▪ Responsible for crafting and delivering the BMH development programme</li> <li>▪ Liaise with the key leads from 2nd line of support to ensure clarity of accountabilities and timely issues resolution</li> <li>▪ Collate and review information from each BMH Coordinators. Conduct regular checkpoints to identify common/unique Issues, advice on potential resolutions</li> <li>▪ Obtain updates on Conversion Checklist from BMH Trackers</li> </ul>	<b>4</b> <b>IT Coordinators</b>	<ul style="list-style-type: none"> <li>▪ Act as liaison/follow-up person between BMH and various IT Units</li> <li>▪ Notify BMH Coordinator of any status updates or critical issues</li> <li>▪ Collaborate with BMH Coordinator to ensure issues are resolved in a timely manner</li> </ul>
<b>2</b> <b>BMH Trackers</b>	<ul style="list-style-type: none"> <li>▪ Track Conversion Checklist which are to be completed by branches and business units (pre, during and post SPD1)</li> <li>▪ Disseminate information to Branches through phone / fax /email</li> <li>▪ Update on status of conversion checklist activities – daily basis. Generate reports on the submission from branches</li> </ul>	<b>5</b> <b>BMH Agents</b>	<ul style="list-style-type: none"> <li>▪ Assist BMH Agents in identify categorization of issues</li> <li>▪ Attend to enquiries related to merger issues</li> <li>▪ Resolve operational and procedural issues</li> <li>▪ Perform Issue documentation on SharePoint</li> <li>▪ Forward Issues, which cannot be resolved, to the appropriate BMH Second Level Support Unit</li> <li>▪ Participate in the morning huddle with the BMH Coordinator</li> </ul>
<b>3</b> <b>BMH Coordinators</b>	<ul style="list-style-type: none"> <li>▪ Review all 'open/pending' Issues and follow-up with BMH Second-Level Support to ensure resolution / follow up. Ensure all critical issues are addressed by end of day</li> <li>▪ Generate reports and analyse status of Issues and Conversion activities to update the BMH Lead for their respective region daily</li> <li>▪ Update their Checkpoint and Issues Board</li> <li>▪ End of day briefing with the BMH Leads to recap on issues and share resolutions. Brief their agents and IT coordinators before conversion activities begin (morning huddle)</li> </ul>	<b>6</b> <b>Second Level Support Units</b>	<ul style="list-style-type: none"> <li>▪ Attend to enquiries related to merger issues</li> <li>▪ Resolve operational and procedural issues</li> <li>▪ Perform Issue documentation on SharePoint</li> <li>▪ Forward Issues, which cannot be resolved, to the appropriate BMH Second Level Support Unit</li> <li>▪ Participate in the morning huddle with the BMH Coordinator</li> </ul>

# Customer Relationship Management

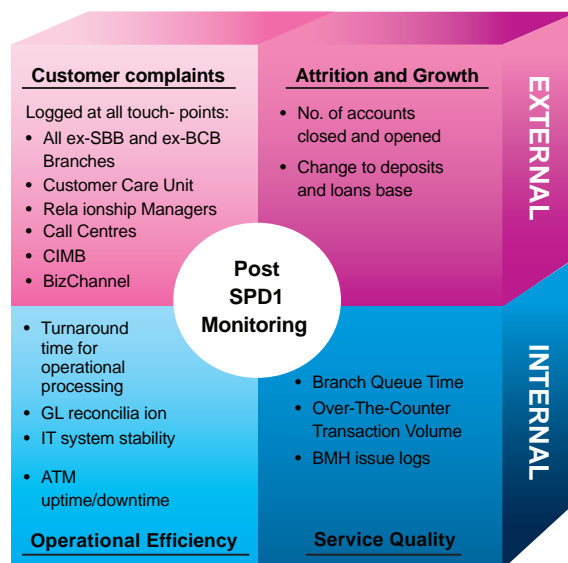
When it came to relationship management, our aim was to transition our customers to the single platform with minimal complaints and disruptions. Business units with areas of high customer impact were identified upfront based on their migration and conversion analysis. We crystallised our intent with the establishment of dedicated functional teams and a clear customer management process:

Fig. 18 : Customer Relationship Management Process



Not only did we want to actively respond to customer feedback, we wanted to proactively track the impact to internal operations post SPD1 as well to provide a check and balance to our stabilisation monitoring. The MIC received a consolidated report of customer complaints statistics and resolution status on a weekly basis.

Fig. 19 : Post SPD1 Monitoring



Upfront the team prepared customer communication materials to enable a smooth transition from the ex-SBB platforms to the new single platform. Areas where transition was not possible were mainly the cross platform services offered to Islamic banking customers of ex-SBB wherein the service range was limited on the new single platform.



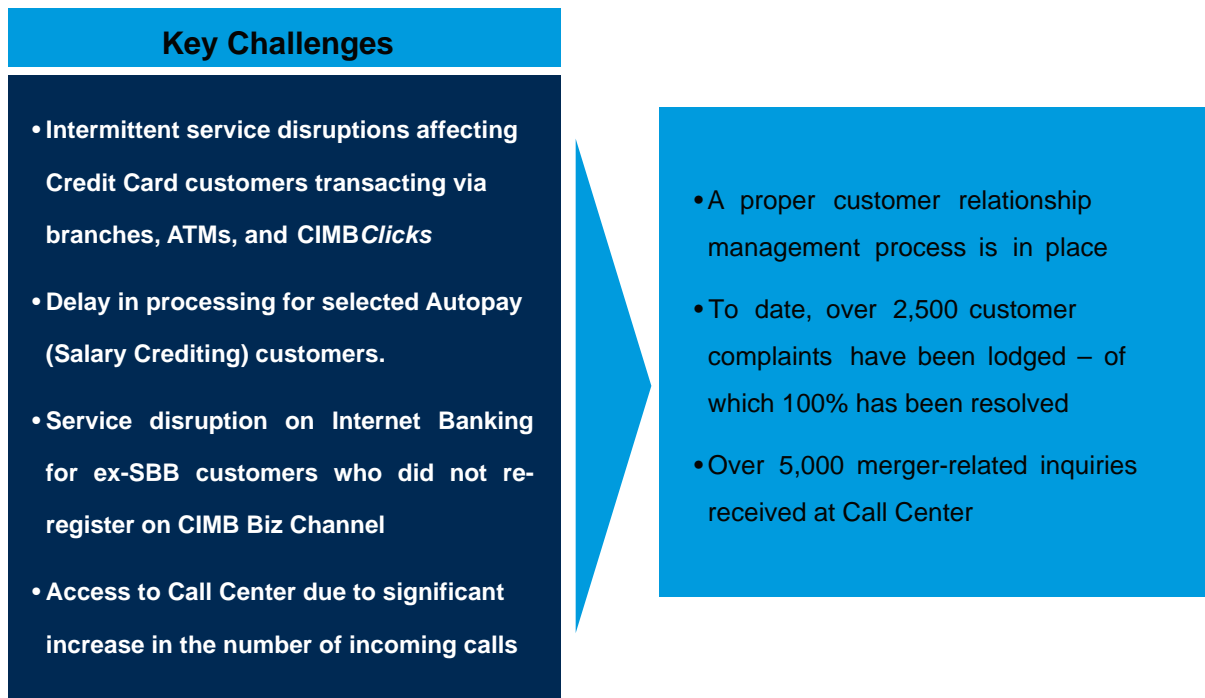
# Going Back to Business-as-Usual

Out of the 47 MEX workstreams in the integration process, we encountered some stabilisation challenges post SPD1 in the areas of credit card, salary crediting and alternate channels. The processes built around managing customer queries, complaints and expectations were fundamental in ensuring that these challenges were addressed expediently and that our customers were kept abreast of the progress of resolution.

Key stabilisation challenges we encountered post SPD1 include:

- ▶ Intermittent service disruptions affecting our credit card holders who sought to make payments through branches, ATMs and CIMB *Clicks* as the systems architecture of the interface between the CIMB Bank core banking system and target ex-SBB Cardlink system was not robust enough to handle the increased credit card transaction volume of the combined bank;
- ▶ Credit card holders were not able to perform cash advance withdrawals via ATMs both locally and abroad;
- ▶ Processing delays for Autopay (salary crediting) transactions as a significant number of ex-SBB customers were not successfully migrated onto CIMB Bank's transacting format;
- ▶ Service disruption to ex-SBB internet banking customers who did not manually re-register onto CIMB Bank's CIMB *Clicks* and CIMB Biz Channel; and
- ▶ As a result of above, branch queue time peaked and our call centres experienced high drop call rates.

Fig. 20 : Key Stabilisation Challenges

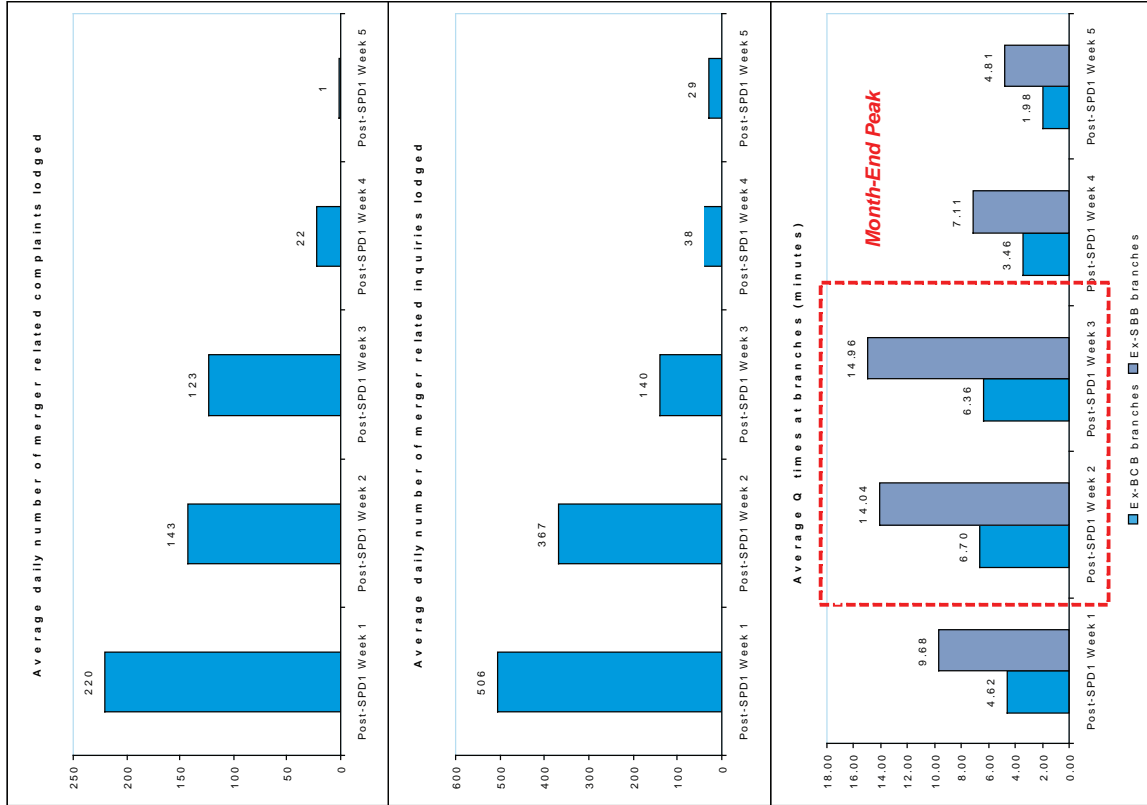


Within 5 weeks post SPD1, we had overcome the above-mentioned challenges and successfully re-established the business-as-usual mode.

Fig. 21 : Back to Business-as-Usual

## As at end April 2007

- The stabilisation effort has shown commendable results to date
- Merger-related customer complaints down to normal
- Average Q-times at branches have improved – close to pre-SPD1 target of 3-5 minutes
- No more new issues highlighted since 9<sup>th</sup> April



# Merger Appreciation Bash

We marked the successful achievement of SPD1 and post-cutover stabilisation with a Merger Appreciation Bash on 29 June 2007. The event was extremely meaningful as it celebrated the collective dedication and hard work of staff members of CIMB, ex-BCB and ex-SBB who contributed significantly to the merger success. Management team and over 800 staff members turned out in their spectacular attires in line with the theme of the evening – SIMPLY RED.

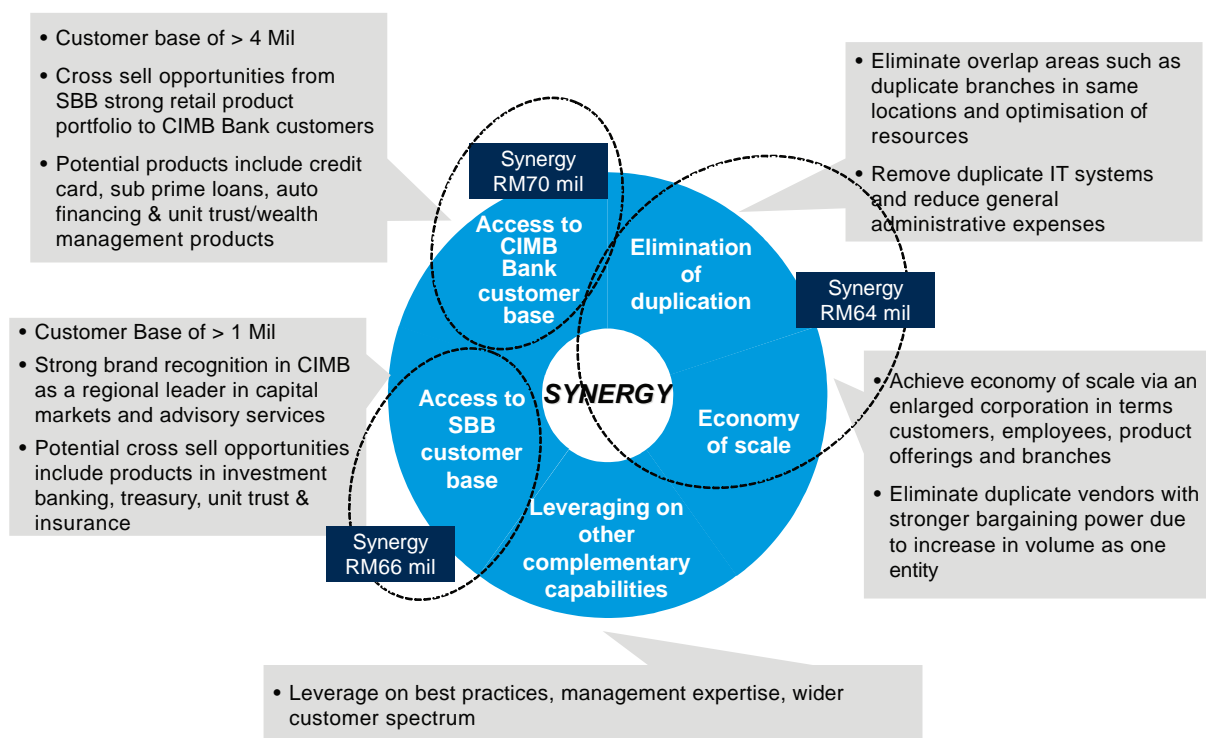




# Creating Value Synergy from the Merger

In our interim report published in October 2006, we have estimated total potential synergies at a 3-year average of RM200 million PBT per annum – of which 70 percent was derived from revenue synergies and 30 percent from cost savings.

Fig. 22 : Estimated Synergies



Actual synergy achievement as at 1H07 was RM75.8 million PBT or 76 percent of YTD target of RM100 million. We expect cross-selling performance to gain further traction in 2H07 now with all business lines integrated and operating off a single platform.

Fig. 23 : Actual Synergy Achievement as at 1H07

Synergy Areas	Target (FY07)	PBT Achieved (1Q07)	PBT Achieved (2Q07)	Q-o-Q	PBT achieved (1H07)
Cross-sell to BCB customer base	75.0	7.3	19.5	167%	26.8
Cross-sell to SBB customer base	74.0	4.0	6.6	65%	10.6
Cost savings	51.0	12.4	26.0	110%	38.4
<b>Total</b>	<b>200.0</b>	<b>23.7</b>	<b>52.1</b>	<b>120%</b>	<b>75.8</b>

To date, sales performance in the following areas continues to be impressive ... but there is still room for improvement:

- New credit card sales via ex-BCB branch network;
- Unit trust sales via ex-BCB branch network;
- Home-Flexi mortgage sales via ex-SBB branch network and Mobile Sales Force; and
- Structured product/ deposit sales via ex-SBB branch network.

Apart from revenue and cost synergies, one must not undermine structural synergies that can be realised from rationalisation post acquisition:

- Sale of CIMB Wealth Advisors and SBB Asset Management to CIMB-Principal at AUM of 6.6 percent - the highest in the region and highest ever paid by Principal Group globally;
- Disposal of Commerce Assurance and partial sale of Commerce Life and Commerce Takaful at P/bk of 2.5x and 4.8x to Allianz and Aviva respectively is amongst the highest in the region;
- Private placement of 117 million BCHB shares, representing 3.64 percent, to BTMU at an unprecedented premium of 17 percent to market price; and
- On-going proposed sale of Southern Investment Bank.

# Merger Integration Cost

In our interim report published in October 2006, we have estimated the overall merger cost to amount to RM157 million or 2.3 percent of total purchase consideration, i.e. RM6.7 billion. This preliminary estimate was in line with industry proven practices of 2 to 3 percent of total purchase price.

Fig. 24 : Merger Integration Cost

	RM mil
Branch remodelling	41
IT systems [migration/ write-offs]	58
Professional/ legal fees	28
Other costs *	30
	<b>157</b>

*\* Includes relocation costs, communications & customer retention programmes costs and replacement cost of BCB and SBB credit cards but excludes BCB's rebranding and branch remodelling costs*

We are proud to share that the actual merger integration cost came in at RM156.74 million ... close to 100 percent accuracy against the original estimate!



# We're 1

7 September 2007 marked an important day in the calendar of CIMB Group. One year ago we launched our new brand identity, the culmination of the successful merger between CIMB Investment Bank, BCB and SBB. The identity is one of a leading regional universal bank. The launch saw us present ourselves through three unique brand entities, that of CIMB, CIMB Bank and CIMB Islamic.

We will continue to champion and live our brand promise of 'Forward Banking' by continuously anticipating and looking beyond the obvious to create superior value for our customers.



## We're 1.

As we celebrate the first anniversary of our merger and our new brand identity, we would like to thank you for your support and trust. The good news is, we've only just begun, and we look forward to serving you better in the years to come. Bank on us to see beyond.

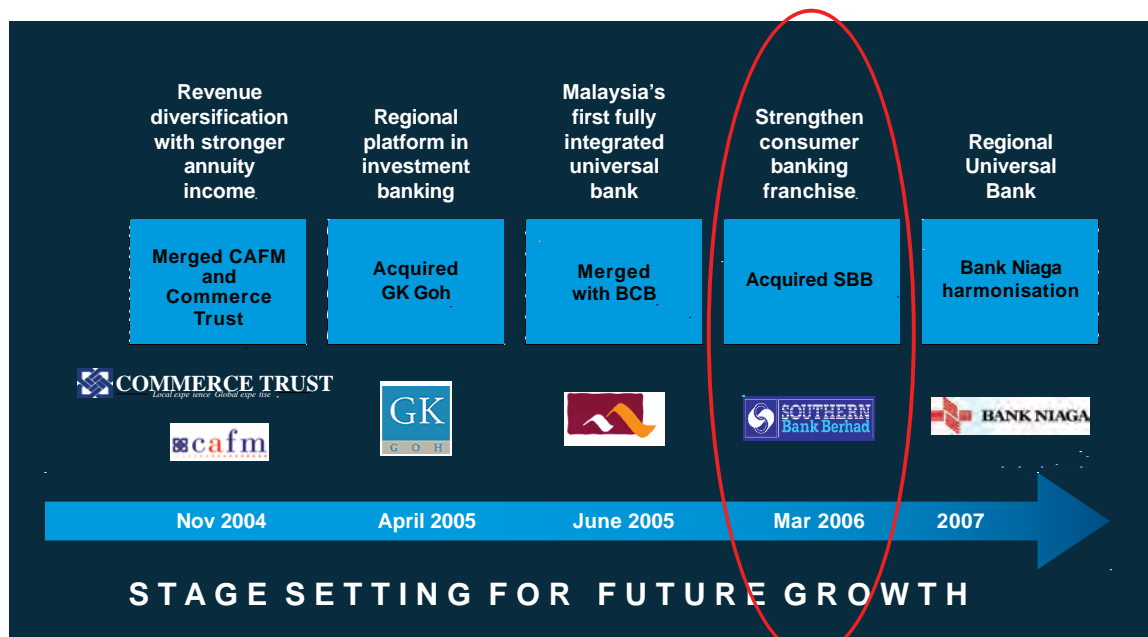


# An Amazing Transformation Journey

The transformation journey for CIMB Group's consumer banking franchise began 2 years ago when Commerce Asset-Holding Berhad (CAHB) announced the proposed merger between CIMB and BCB, and the creation of a group-wide universal banking platform.

In March 2006, the proposed acquisition of SBB was announced. SBB was identified as the 'perfect merger' candidate for CIMB Bank, and a key enabler for us to strengthen our consumer banking franchise.

Fig. 25 : CIMB Group's Transformation Journey



*The SBB merger was a key enabler in our transformation journey*

A smooth and successful CIMB-SBB merger was deemed critical in redefining our competitive advantage and for us to re-connect with our customers. Fast and accurate visibility of cross-division dependencies was a key focus in managing the entire post-merger integration journey. Hence, the MIO anchored by Group Strategy was formed to maintain oversight.

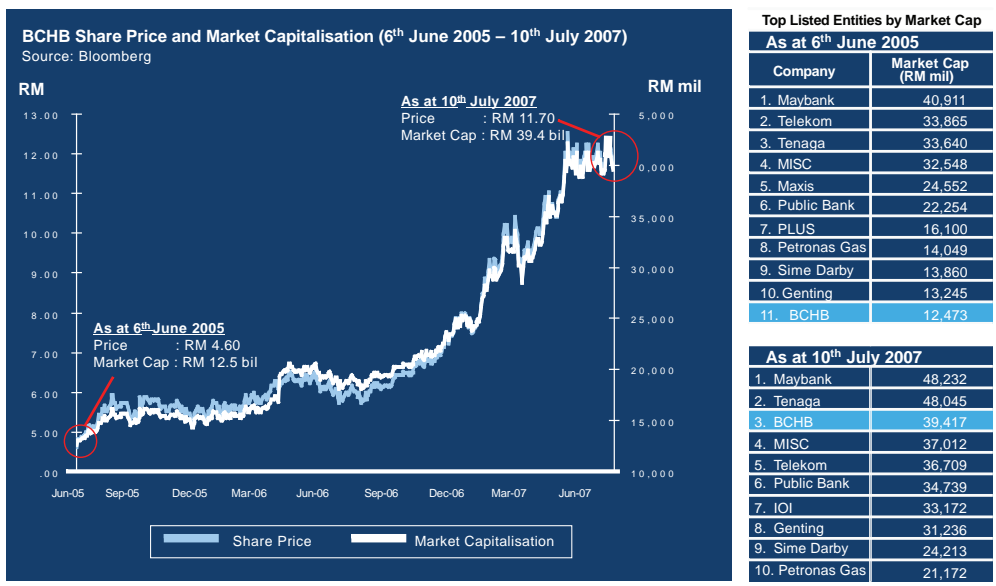
Fig. 26 : CIMB-SBB Merger Journey



It has been an amazing journey – the creation of the CIMB-BCB universal bank, the merger with SBB and the re-branding of the group, the multitude of projects, tasks, initiatives involved in rapid succession.

In terms of value creation for shareholders since June 2005, we created RM27 billion in value with Bumiputra-Commerce Holdings Berhad's (BCHB) market capitalisation increasing from RM12.5 billion to RM40.4 billion today. We were then Malaysia's eleventh largest listed company, and today we are its third largest. Our market valuation is well underpinned by a dramatic turnaround in financial performance and there is every expectation that in 2007, our profits will reach another new high. The average analyst prediction puts our 2007 net profit at RM2.47 billion, 65 percent higher than RM1.5 billion in 2006 and 82 percent higher than the preceding year.

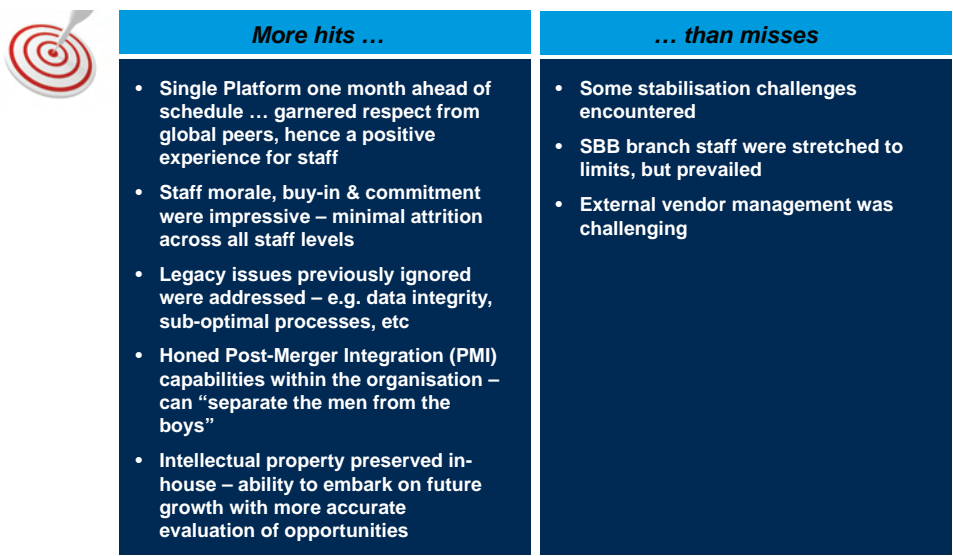
**Fig. 27 : RM27 billion Increase in Market Capitalisation**



In addition to the market's perception of the company, there were many other examples of enhanced value recognition. The unprecedented 17 percent premium to market price paid by Bank of Tokyo-Mitsubishi UFJ (BTMU) for their additional 3.6 percent stake in BCHB testified to the confidence one of the world's largest banks places on our potential. The premium price of RM1 billion paid by Aviva and Allianz for partnering with us in insurance is endorsement of the enlarged CIMB Bank's distribution potential.

Over the course of the 9-month CIMB-SBB post-merger integration journey, we have gained much from valuable lessons learnt ...

**Fig. 28 : Lessons Learnt**





... and practical insights.

Fig. 29 : Practical Insights

### Post-Merger Integration – A Practical Insight to Value Creation

**1) Finalise clear management structure ASAP**

*Merit basis, no acquirer/ acquiree mentality, everyone needs a 'home'*

**2) Robust integration governance structure**

*Technical team but high in EQ content. You are managing over 400 people who have no direct reporting line to you.*

**3) No compromise on timelines and integration budget**

*Momentum must be built and maintained ... but no easy way out by spending lavishly*

**4) Stakeholder communications**

Shareholders, regulators, rating houses, senior management and staff, customers

**5) Clear synergy targets and tracking**

*Develop a robust and simple to understand model. Do not allow business uplift from BAU factors to cloud the question of whether you are extracting value from what you just bought. Do not forget the structural synergies from rationalisation.*

With our own successful post-merger integration, we are now able to share insights with clients on the challenges that will arise after the 'easy' part i.e. acquisition. Nothing beats going through this on our own and today, CIMB is in a position to add value to our M&A clients by complementing our M&A franchise with our own post-merger integration experience and capabilities.







# CIMB Consumer Banking – “Ready for Take-Off”

Holding true to our post-merger integration guiding principle of “integrate first, re-engineer later”, the achievement of SPD1 in record speed now marks the beginning of a new transformation phase for our consumer bank.

Product proliferation across the enlarged sales force is now evident. We have launched new products and services which captured the consumer’s attention as they were imaginative, innovative and created value. The key to our future lies in exploiting synergies between investment and consumer banking and between our various businesses in general. Early results have been encouraging.

- ▶ We created capital market products for retail banking customers, introducing to them structured products such as All Stars, Star Select and Best Select;
- ▶ We leveraged on the enlarged CIMB Bank network through the cross-selling of joint products such as Xpress Cash, motor insurance, Dream Home loan, and Money Multiplier;
- ▶ We also leveraged on our corporate relationships to enhance our consumer offerings. Examples of these include the opening of the CIMB Bank branch at Genting Highlands, and the launch of “CIMB Enrich MasterCard” with Malaysia Airlines; and
- ▶ We made significant advances in regional investment banking transactions by combining the strengths of CIMB Investment Bank and CIMB-GK and leveraging on the balance sheet of CIMB Bank. We were highly placed in league tables in Indonesia where we led the largest bond and IPO deals and in Singapore where we advised some major M&A deals including the creation of the new mega plantation, Wilmar.

Fig. 30 : Consumer Bank Turnaround

**Consumer turnaround  
evident**  
Upturn in sales and asset  
quality



Average monthly mortgage sales	RM508 mil (1H07) vs RM294 mil (2H06)
Average monthly credit card applications received	19,390 (1H07) vs 5,860 (2H06)
Structured product sales	RM1.77 bil (1H07) vs RM1.13 bil (2H06)
Net NPL ratio as @ 30 <sup>th</sup> June 07	5.2% (6.0% as @ 30 <sup>th</sup> June 2006)

Service standards have also showed rapid improvements. In January 2006, the average queue time at branches was 11.8 minutes, and by middle of the year, the number had dipped to below 4 minutes. This was despite an increase in transactions at branch counters.

Branch transformation also saw highly visible results. Apart from a better look and feel and a more conducive layout for customer service and sales, the branch transformation also facilitated customer migration to ATMs, CDMs, CQMs and CDTs via the “365 Fast Banking” route. To help enable that migration process, we increased the number of SSTs to over 1,900 or an average of 4 per branch. We also replaced 700 aging machines to improve ATM availability.

We also had an excellent share of league tables, awards and accolades during the year including the “Best International Islamic Investment Bank” and “Bank of the Year in Malaysia”.

Fig. 31 : Key Accolades



*“Bank of the Year 2006, Malaysia”  
The Banker*



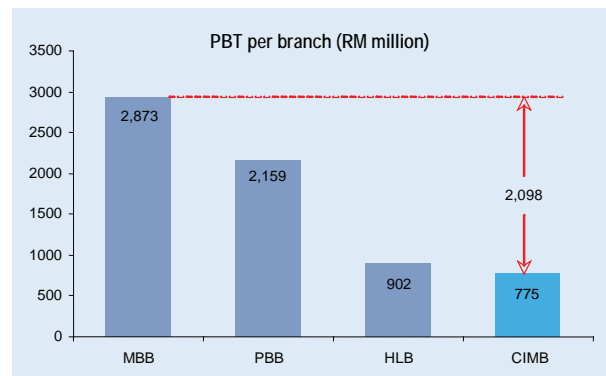
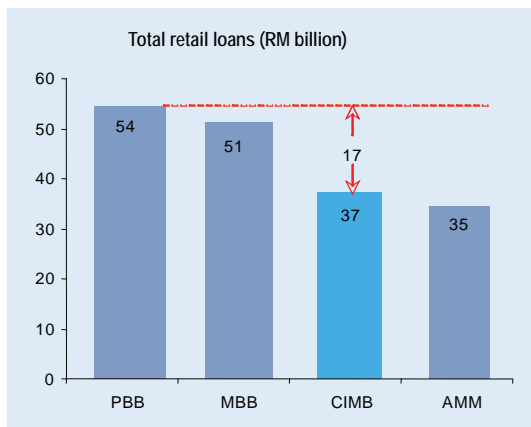
*“Global Islamic Investment Bank of the  
Year 2006”  
The Banker*

Although much has been achieved thus far, the pace of competition is unforgiving. The market does not stand still nor does it slow down for anyone to play catch up. Our accomplishments to date only serve to position our consumer banking franchise ahead of the weaker banks and bring the market leaders, both foreign and local, within our sight, but we are still behind. It is now time to surge ahead!

In consumer banking, we continue to lag behind our competitors in many core banking aspects – which simply translates into a tremendous opportunity for future growth.

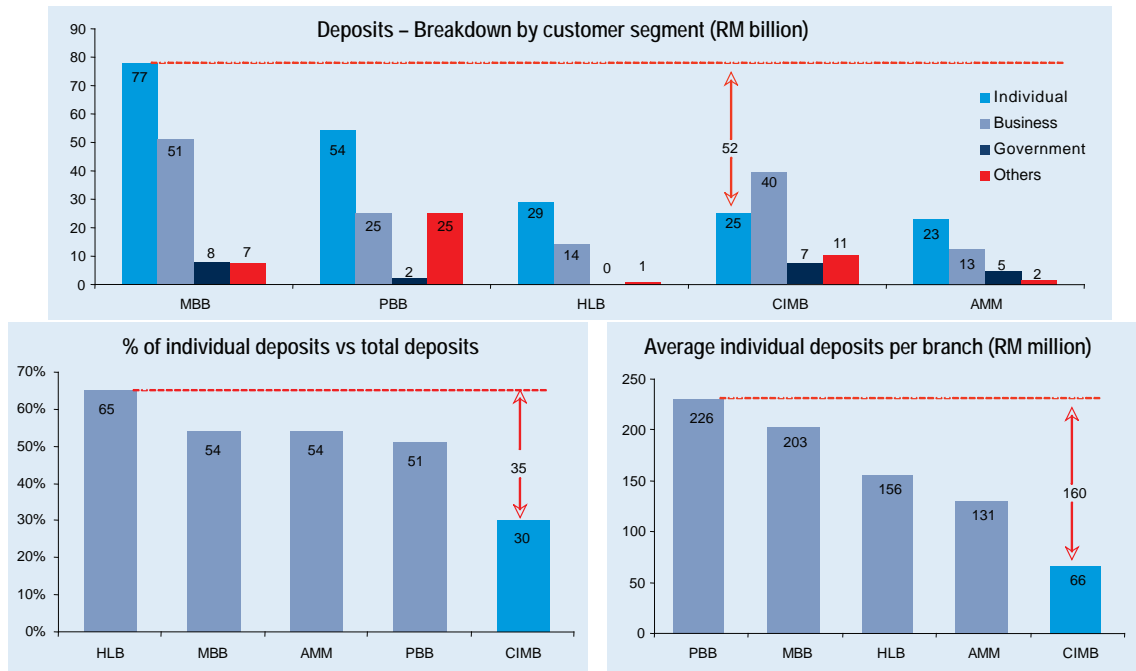
Our market shares lag behind the market leaders:-

Fig. 32 : Potential for Upside is Significant



As at 31st March 2007

Fig. 33 : Potential Upside is Significant



With SPD1 behind us, our primary focus now is on winning customers by creating a compelling customer experience and by evolving into a high-performance sales organisation.

Fig. 34 : High Performance Sales Organisation

**From Low Performer, to ...**

- No loans growth** in FY06, to...
- Reactive sales culture** – e.g. 95% reactive sales 5% proactive sales, to...
- Traditional** incentive scheme - equal distribution, to...
- Small** sales force, to...
- One-size-fits-all** sales and marketing approach, to...
- Basic sales targeting**, to...
- Loose sales & management processes**, to...
- Transactional & service focused IT capabilities**, to...

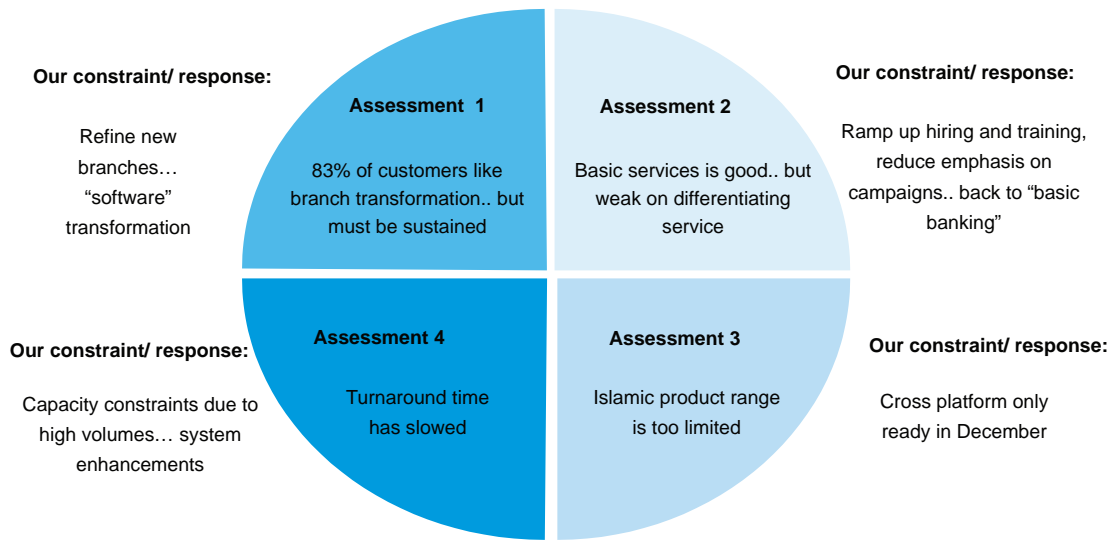
**... High Performer (the “Vision”)**

- ... Loans growth above industry average**
- ... Proactive sales culture** – e.g. 60% reactive sales 40% proactive sales
- ... High performance** incentive scheme – biased distribution to reward high performers disproportionately
- ... Critical mass & scalable** sales force
- ... Differentiated** sales and marketing approach – customer centric
- ... Advanced sales insights**
- ... Industrialized** sales processes – closed loop & integrated
- ... Sales enabling IT capabilities** – sales tools, insight engines, single customer view



We will also embark on branch transformation phase II to address the ‘software’ of the organisation.

**Fig. 35 : Branch Transformation II**



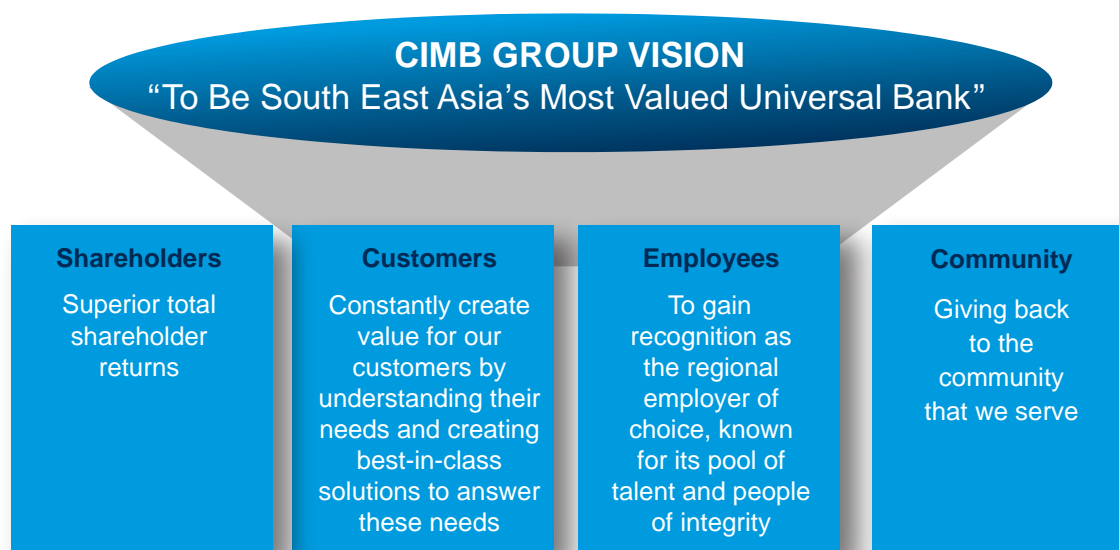
We are in a unique position today. We have gone through an amazing transformation journey together, but it does not end here. CIMB Consumer Banking now stands at the cusp of the next period of exponential growth and vast potential – it is now ready for take-off!

# Our Transformation Agenda

High-performance organisations have remarkable clarity when it comes to setting strategic directions. They always seem to be in the right place at the right time. When one market matures, they are ready with the next big thing; when buying trends send customers in a different direction, they are waiting at the end of the path; when they acquire new businesses, they do so wisely and integrate them well. CIMB strives to be a high-performance organisation.

Hence, we have taken a bold step to articulate our Vision 2010 (V2010) Framework which outlined the Group's vision and strategic directions for the next 3-year horizon.

Fig. 36 : CIMB Group's Vision

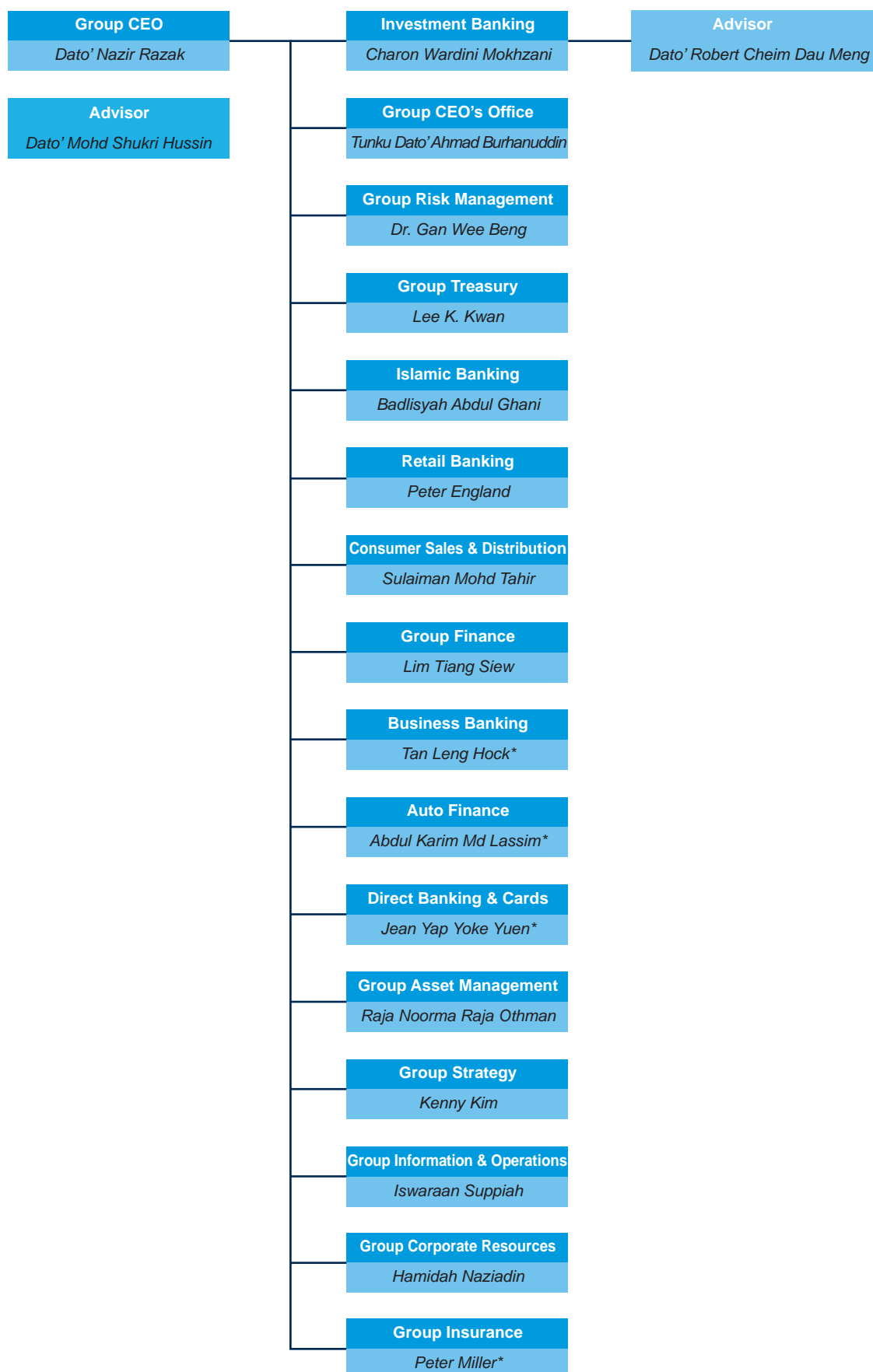


Our transformation agenda beyond 2007 will be driven by three key pillars – Regionalisation, Optimisation and Innovation. To date, we have commenced several strategic initiatives on this front.

- ▶ CIMBG – PT Bank Niaga (PTBN) Synergy Programme commenced in January 2007 as a collaborative effort between CIMBG and PTBN to identify and actively pursue cross-border collaboration aimed at value creation for both organisations. Areas for collaboration identified to date can be largely grouped into 4 key thrusts – revenue enhancement through improved product and service offerings; operational excellence and cost efficiency through adoption of proven service delivery models; alignment to Group platform; and sharing of resources and knowledge
- ▶ Blue Ocean Strategy (BOS) Programme commenced in February 2007 with the formation of the BOS taskforce. The taskforce was tasked to spearhead the Blue Ocean initiative across the Group. Successful internalisation of BOS principles is key to better position CIMBG to continuously win in an increasingly competitive landscape and evolving industry dynamics. Innovative ideas are sourced and cultivated from all staff levels within the organisation, then implemented under the sponsorship and strategic guidance of the BOS taskforce.
- ▶ Group IT Strategic Review commenced in September 2007 to align the Group's IT and Operations strategies and plans to business growth targets and plans as well as map out the Group's 3-year strategic IT blueprint and roadmap.
- ▶ Sales Transformation Programme driven by two key taskforces mobilised to date – Wealth Management Taskforce and Deposits Taskforce. These cross-functional taskforces pull together the best talents across the Group to formulate and implement strategies to accelerate the growth of our wealth management and retail deposit businesses.
- ▶ Basel II Programme (Implementation Phase) commenced in September 2007 to spearhead the Basel II implementation with the target compliance date for Internal Rating Based (IRB) by 1 January 2010, in line with BNM expectations.

There are exciting times ahead!

# CIMB Group Management Committee



\* Ex-SBB Management Team



# Sustaining the Merger Achievements

Examples of key achievements of the Business and Support Function MEX teams are set out below. Further on in the booklet a more detailed summary of the activities and achievements facing the various Business and Support Function MEX teams is enclosed.

Divisions	Merger Achievements
Investment Banking: Corporate Banking	<ul style="list-style-type: none"> <li>➤ Harmonisation of client managers for BCB and SBB corporate customers.</li> <li>➤ Currently able to underwrite larger deals due to higher Single Customer Limit.</li> </ul>
Group CEO's Office	<ul style="list-style-type: none"> <li>➤ Integrated group wide database on customer complaints for future references.</li> <li>➤ Increased the cross selling capabilities and acted as mediator for the resolution of operational and system issues related to Government and GLCs.</li> </ul>
Group Risk Management	<ul style="list-style-type: none"> <li>➤ Completed the validation, selection and harmonisation of credit scorecards for the various business divisions.</li> <li>➤ Currently focusing on Basel II implementation.</li> </ul>
Group Treasury	<ul style="list-style-type: none"> <li>➤ Completed the integration and centralisation of ex-SBB treasury with CIMB Group Treasury.</li> <li>➤ Completed the migration of integrated data and limits for both SBB's conventional and Islamic businesses into the Murex treasury system.</li> <li>➤ Delivered a complete suite of treasury products for all clients, from simple value transactions to more complex derivatives.</li> </ul>
Islamic Banking	<ul style="list-style-type: none"> <li>➤ Applied the leverage model with the relevant business divisions.</li> <li>➤ Launched Shariah products covering basic savings, current and investment accounts, treasury products etc.</li> </ul>
Retail Banking	<ul style="list-style-type: none"> <li>➤ All major retail products have been integrated, harmonised and delivered under the CIMB Brand.</li> <li>➤ All business functions in retail banking have been fully integrated under a single organisation.</li> <li>➤ Full auto finance business capabilities under a monoline business unit by leveraging on the ex-SBB structure.</li> </ul>
Consumer Sales & Distribution	<ul style="list-style-type: none"> <li>➤ Increased sales in loans, wealth management, treasury products, credit cards and CIMB Xpress cash.</li> <li>➤ Improved customer service in terms of shortened queue time and focused sales teams in branches.</li> <li>➤ Introduced new process enhancements to upgrade the level of customer service.</li> </ul>
Group Finance	<ul style="list-style-type: none"> <li>➤ Successful conversion and reconciliation of all account balances to the target GL system.</li> <li>➤ Obtain the best practices from both entities and applied the work processes for better efficiency and effectiveness.</li> </ul>
Business Banking	<ul style="list-style-type: none"> <li>➤ Increased the total number of Trade and Business Centres.</li> <li>➤ Performed cross selling of products and services within the Group.</li> <li>➤ Successfully retained customers.</li> <li>➤ Provided Islamic banking facilities in lending and also offering Islamic products.</li> </ul>
Auto Finance	<ul style="list-style-type: none"> <li>➤ Reassembled the non-monoline of ex-BCB Auto Finance into a monoline structure.</li> <li>➤ Employed e-Dealer (end-to-end credit system) in our Hire Purchase business operations.</li> <li>➤ Successful migration of ex-SBB accounts into a common banking platform.</li> <li>➤ Harmonised business rule and processes.</li> <li>➤ Integrated the ex-BCB service outlets and hubs and ex-SBB business centres into 21 Auto Finance Centres.</li> </ul>

Direct Banking & Cards (CIMB Xpress as sub-unit)	<ul style="list-style-type: none"> <li>➤ Completed the integration of credit card operations, credit policies and product benefits for both banks.</li> <li>➤ Launched CIMB's first co-brand card with MAS.</li> <li>➤ Achieved successful branch cross selling initiative to achieve 30,000 card applications a month.</li> <li>➤ Successfully rolled out Xpress Cash, a micro credit product through the entire branch network.</li> <li>➤ Sealed exclusive distribution partnerships for Xpress Cash with Pos Malaysia Bhd, Convenience Shopping Sdn Bhd (7-Eleven) and Singer Bhd.</li> </ul>
Group Asset Management	<ul style="list-style-type: none"> <li>➤ Completed the alignment and integration of resources and functions of all 3 entities.</li> <li>➤ Created Group Special Asset Management, an independent debt recovery division to focus on and enhance the debt recovery process.</li> </ul>
Group Strategy	<ul style="list-style-type: none"> <li>➤ Anchored the end-to-end CIMB-SBB pre and post merger process from deal due diligence to post merger integration.</li> <li>➤ Completed the reorganisation of BCHB.</li> <li>➤ Anchored the tender process of the Group's insurance business.</li> <li>➤ Anchored several business rationalisation initiatives to deliver structural synergies.</li> </ul>
Group Information & Operations	<ul style="list-style-type: none"> <li>➤ Completed four areas of testing with satisfactory results.</li> <li>➤ Successful IT cutover of customer's accounts, systems and applications.</li> <li>➤ Realigned the operations to support the enlarged bank.</li> <li>➤ Completed the cutover of all delivery channels including SSTs and branch systems.</li> </ul>
Group Corporate Resources	<ul style="list-style-type: none"> <li>➤ Consolidated head office functions and effective development to other areas.</li> <li>➤ Harmonised the key HR processes including performance and KPI management, payroll and administration.</li> <li>➤ Consolidated all corporate websites and standardised the email domain for staff.</li> </ul>
Group Insurance	<ul style="list-style-type: none"> <li>➤ Announced the proposed sale of 49 percent stake in Commerce Life Berhad and Commerce Takaful Berhad, as well as its entire stake in Commerce Assurance Berhad to Allianz General Insurance Malaysia Bhd.</li> <li>➤ Transactions progressed on schedule with the completion of the Aviva transaction in June 2007 and the Allianz transaction in August 2007.</li> </ul>
Group Special Asset Management	<ul style="list-style-type: none"> <li>➤ All ex-SBB recovery staff successfully integrated into the respective Recovery Units.</li> <li>➤ Created Group Special Asset Management, an independent debt recovery division to focus on and enhance the debt recovery process.</li> </ul>
Group Corporate Communications	<ul style="list-style-type: none"> <li>➤ Completed the rebranding exercise of CIMB Group, which saw the birth of a new brand identity, that of a leading regional universal banking franchise. This exercise also saw the Group position its businesses through three key brand entities, that of CIMB Bank, CIMB and CIMB Islamic.</li> <li>➤ Planned and executed numerous internal and external events to support merger initiatives.</li> <li>➤ Streamlined internal communications efforts across the Group in a variety of ways, including the creation of CIMBNEWS, the Group's quarterly newsletter.</li> </ul>

*Charon Wardini Mokhzani*



## Investment Banking: Corporate Banking

### Scope of Business

- Corporate Banking is the investment bank's lending arm for Malaysian corporate clients, offering a broad range of funding solutions, including working capital finance, trade finance and transactional financing to support their businesses. Corporate Banking's core strength is in its ability to provide the necessary lending support for our corporate clients' transaction activities, which provides an important base for developing long term relationships with our clients.
- Through our headquarters in Kuala Lumpur and new regional offices in Johor, Penang and Kuching, Corporate Banking now serves about 1,700 public and private sector customers with facilities of over RM51 billion. The ongoing deepening and expansion of our relationships with existing clients continue to drive consistent and sustainable long term performance for the department.

### Key Merger Achievements

- Revamped organisation structure and portfolio of accounts.
- Completed alignment of the grading structure, compensation and benefits for both ex-BCB and ex-SBB, to the Investment Bank scheme.
- Established a new Corporate Support Unit including incorporation of ex-SBB Corporate Documentation Unit.
- Harmonised client manager for common ex-BCB and ex-SBB corporate customers.
- Completed cross transfer of accounts with Business Banking in line with the criteria set for Corporate Banking and Business Banking.
- Achieved cross selling of products in particular Cash Management and Investment Banking services to ex-SBB corporate customers.
- Currently able to underwrite larger deals due to the higher Single Customer Limit provided.

### Overall Business Strategy & Focus Moving Forward

- To establish an Agency Unit to continue with the segregation of marketing and back office support activities which will enhance specialisation.
- To improve the effectiveness and capabilities of the Credit Documentation Unit by introducing specific procedures for routine job functions.
- To mobilise campaign to drive up deposits to enhance and strengthen our corporate relationship via cross selling of Autopay and Cash Management products.
- To increase our staff strength to carve a bigger market share.
- To increase quality asset base with focused lending to target customers and enhanced monitoring procedures.



*Tunku Dato' Ahmad Burhanuddin*

## Group CEO's Office

### Scope of Business

- Group CEO's Office comprises two main divisions, Customer Relationship Management, and Group Internal Audit (which reports directly to the Audit Committee and indirectly to Group CEO's Office). The Customer Relationship Management comprises the Management Support, Government Relationship Management and Customer Care Unit. Also reporting to the Group CEO's Office is the CIMB Bank's subsidiary in Mauritius, the South East Asian Bank Ltd.

### Key Merger Achievements

#### Customer Care Unit

- Integrated group-wide database on customers' complaints for future references. Customers' enquiries, complaints, and feedback collated serve as a reflection of our efficiency level and identified areas for improvement.
- Analysed the customer complaints and provided the business units with information on the common issues raised, potential problems, probable causes and solutions to address and mitigate the recurrence of the issues.
- Informed and shared with the relevant business units on the early warning signs on the pertinent identified risks.

#### Government Relationship Management

- Achieved improvement in process and service efficiency to customers by providing competitive and total solutions for our customers through effective pooling of CIMB Group's relevant expertise, driving, coordinating and consolidating initiatives.
- Enlarged delivery channels and collection centres.
- Resolved operational and system issues, as well as pricing of solutions impacting Government and Government Linked Corporations (GLCs)
- Managed the overall relationship between Government & GLCs and the CIMB Group (i.e. CIMB Investment Bank, CIMB Bank & CIMB Islamic Bank).

### Overall Business Strategy & Focus Moving Forward

#### Customer Care Unit

- To focus on continuous tracking, reporting and follow-up of merger related issues and complaints.
- To enhance the current systems and processes to improve on the customer service level as the information is useful to Business Units in improving and enhancing their operations and performance.

#### Government Relationship Management

- To broaden product offerings in order to meet the Government and GLCs requirements and enhance our service capabilities.
- To be the main banker of the Government & GLCs.



*Dr. Gan Wee Beng*



## Group Risk Management

### Scope of Business

- Following the transformation of the Group into a universal bank, the role of Group Risk Management has been also to continuously anticipate the changing risk profile of the Group, and to take the necessary measures to manage risks group-wide.
- Among the main areas of focus for Group Risk Management has been the formulation of the Enterprise-Wide Risk Management Framework.
- The framework contains the principles that determine how the Board of Directors and Management perceive the role of risk management and how the Group intends to manage risk.

### Key Merger Achievements

- Completed alignment of risk management frameworks for both banks and Singapore Branches.
- Completed alignment of Bank-wide Credit Delegated Authorities.
- Finalised the Target Operating Model for Group Risk Management (GRM) in August 2006.
- Finalised organisation structure in July 2006 with 5 departments under GRM and completed the remapping of staff for each function.
- Completed the validation, selection and harmonisation of credit scorecards for various business divisions.

### Overall Business Strategy & Focus Moving Forward

- To focus on Basel II implementation, as BNM has announced that the implementation date for Internal Rating (IRB) will be 1 January 2010.
- The group is also currently working towards meeting the IRB requirement for all risk categories.
- Progress has been significant in calibrating Basel II compliance rating and scoring models.



Lee K. Kwan

## Group Treasury

### Scope of Business

- The Group Treasury division is the merged markets and treasury operations of CIMB, BCB and SBB which provides the BCHB group with strong capabilities to intermediate in interest rates, credit spreads, and FOREX term structures across every market segment including the consumer, SME, corporate, institutional investor and inter-bank markets.

### Key Merger Achievements

- Completed the overall integration and centralisation of SBB Treasury with CIMB Group Treasury to reap benefits from lower cost of funds within CIMB Bank and SBB and for the enlarged entity to meet various regulatory requirements.
- Successfully re-organised and retained SBB staff to fit them into various sales and trading teams based on their original functional roles in SBB.
- Completed the migration of integrated data and limits for both SBB's conventional and Islamic businesses into Murex treasury system.
- Instituted a single Balance Sheet Management Committee for the enlarged entity of CIMB, BCB and SBB to achieve a better interest rate risk and return management of the commercial bank's loans and deposit books as well as to coordinate the pricing of all loan and deposit products.
- Completed the integration of BCB's and SBB's funding operations. With a larger paid up capital of CIMB Bank post integration, we have also managed to obtain higher placement limits from various customers.
- Successfully launched the first structured deposit in Malaysia, All Stars Global Guaranteed Deposit, in July 06. This was the inaugural structured product which utilised the combined distribution channels of CIMB, BCB and SBB.
- Significantly expanded the structured product offering and efficiently utilized the enlarged sales and distribution channels of the universal bank to cover a larger market segment.
- Achieved significant cost savings on post tax basis, as the entire acquisition cost for SBB was funded by cash/ debt and without any call on equity.
- Promoted and established a single point of contact for all treasury FX enquiries and orders for both external and internal clients.
- Capable of delivering a more complete financial solution to all clients, from simple FX transactions to more complex derivatives solutions to suit our clients needs.

### Overall Business Strategy & Focus Moving Forward

- With ex-SBB full banking license in Singapore, we can significantly enhance our sales trading franchise and capture the synergies between Singapore, Brunei and Indonesia operations.
- Continue to leverage on the enlarged sales and distribution channel of CIMB Bank for new structured products .
- Continue to leverage on the enlarged customer base to boost our deposit taking activities.
- To improve the profitability of Islamic business with the increase of Islamic balance sheet size.
- Continue to grow the Fixed Income, FX and Derivatives Market-making franchise in both local and regional markets.
- Intensify new product roll-outs (for both conventional and Islamic).
- To maintain our No 1 position in primary markets.

*Badlisyah Abdul Ghani*



## Islamic Banking

### Scope of Business

- CIMB Islamic focuses on providing comprehensive and innovative Shariah compliant financial products and services in the areas of Investment Banking, Consumer Banking, Asset Management and Takaful. In ensuring effective and efficient business delivery the division operates on a full leverage model in that all other division heads carry mirror targets and objectives in catering for a comprehensive product and service range of Islamic banking offerings.
- As the Group's Islamic banking franchise, CIMB Islamic transcends all legal entities within the Group and the business is currently undertaken in various constituents of the Group. The core Islamic business entity is CIMB Islamic Bank Berhad, a fully licensed Islamic bank, which is the result of a merger between BCB, SBB and CIMB. The other core operating entities operating as a window includes CIMB Investment Bank, CIMB Bank (overseas branches and subsidiaries), CIMB - Principal, Commerce Takaful and CIMB-GK.
- On the international front, the Group has recently launched CIMB-Kanoo Islamic Investment Company BSC (C) to expand its Islamic portfolio overseas and to establish a presence in the Middle East.
- CIMB Islamic operates as a parallel bank, leveraging on the Group's infrastructure and network locally and globally.

### Key Merger Achievements

- Propelled CIMB Islamic into a leading position in the Islamic investment banking spectrum as well as Islamic asset management industry, providing an excellent platform to expand the business in the fast growing Islamic consumer market. It operates as a parallel Shariah-compliant universal bank throughout the group and anchors the CIMB Group's Islamic banking brand entity, "CIMB Islamic".
- Successfully applied the leverage model with the business divisions particularly, under Retail Banking, Business Banking, Group Treasury and Consumer Sales and Distribution to ensure a more focus and cost effective realisation in establishing the growth of the Islamic Banking business.
- Achieved significant advances by successfully leveraging and streamlining the Islamic Banking Operations with other divisions, mainly Group Finance, Group Information & Operations, Group Risk Management, and Group Corporate Resources.
- Enlarged the branch network to 383 branches with 55 business centers. In addition, it has also expanded its distribution capability of Takaful and Unit Trust with 4000 Wealth Advisors.
- Launched Shariah products covering basic savings, current and investment accounts, 8 treasury products, home financing, property and machinery financing and the full suite of trade financing products.
- From a Shariah Management perspective, CIMB Islamic has merged the three Shariah Committees of CIMB Investment Bank, CIMB Bank and CIMB Islamic into 1 centralised committee under CIMB Islamic.
- Accomplished the integration into a "Single Platform" on 18 March 2007. The cutover involved conversion of data records (customer, account, transaction details) residing on various different applications.

### Overall Business Strategy & Focus Moving Forward

- To obtain cross platform services for all customers of the conventional and Islamic banking at all customer touch-points.
- To continue the enhancement of our delivery channels to our customers and have embarked on key focused objectives within each division to close the gaps vis-à-vis our conventional banking business.
- To establish key action plans, to increase the quality asset base and by centralising Recovery functions. Currently in the midst of improving the Collection process whereby it is now centralized at the respective business units.
- To proliferate product and service offerings of Islamic banking throughout the consumer bank.



Peter England

## Retail Banking

### Scope of Business

- The Retail Banking division is accountable for the overall strategy, management and financial performance of the bank's business for individual customers. To this end Retail Banking develops and sources a range of products and services to be sold to these customers. Key product lines include mortgage loans, personal loans, auto finance, deposits, remittances, retail forex, wealth management products as well as other financial and transactional services. These cover both conventional as well as Islamic products.
- Key functions within Retail Banking include product development and marketing, customer segmentation and segmental product packaging, credit cycle management, alternate channels development (internet, phone banking, self service terminals), as well as customer relationship management.

### Key Merger Achievements

- All major products of ex-BCB and ex-SBB have been integrated, harmonised and delivered under the CIMB brand.
- Implemented common credit business rules and scorecard.
- All functions from product development to processing to collection have been fully integrated under a single organisation, process, common location and single technology platform.
- Completed the full migration of customer accounts to a single IT platform. Customers are now served and managed from a common core banking, internet banking and unit trust management system.
- Developed full auto finance business capabilities under a monoline business unit by leveraging on the ex-SBB structure.
- Successfully launched CIMB Club, the anchor offering for the upper mass affluent segment. 25 CIMB Club centres were opened in the last 9 months with 8 times growth in customer base.
- Completed cut over of key ex-SBB retail insurance business to CIMB Group.
- Successful deposit attrition management with the harmonisation of rates and branch level initiatives.
- With the conclusion of SPD1, full pace on cross-selling of unique products to the enlarged customer base have also been initiated. These comprised Flexi-cash (ex-SBB product) as well as Home Flexi, Prime and Money Multiplier (ex-BCB).
- Some of the post merger capabilities include:
  - The mass affluent segment size has doubled while average housing loan size has increased by around 50%. This would contribute to better customer and business profitability in the long run.
  - By leveraging on ex-SBB Institutional Unit Trust Agent (IUTA) status and ex-BCB network size, all CIMB Bank customers now have access to more than 100 unit trust funds from 10 fund houses via all of our 380+ branches and outlets.
  - With the increased network, ex-SBB retail customers also have full access to products and services via 380+ branches and over 1,900 self-service terminals (SST) as well as more feature rich internet banking facilities.

### Overall Business Strategy & Focus Moving Forward

- To continue to strengthen the offerings and capability of the delivery channels, especially for the mass affluent segments.
- To build stronger mind share and market share on the mortgage lending, deposit and retail investment space.
- To strengthen the retail Islamic product and service offerings
- To increase cross-selling by leveraging on the CRM capability and infrastructure
- To intensify product and service rollout on top of an integrated alternate channel platform.
- To continue the end-to-end asset quality improvement, building on the good momentum and results gained in the last one year.



Sulaiman Mohd Tahir



## Consumer Sales & Distribution

### Scope of Business

- Consumer Sales and Distribution (CSD) has the primary responsibility of developing, implementing and managing sales and distribution for Retail Banking and Business Banking products and services.
- CSD distributes a wide range of products and services to more than 4.5 million customers through its network of 383 branches, and more than 1,900 self service terminals and Internet channels (CIMBClicks and CIMB Biz-Channel).
- CSD is structured into 14 teams comprising 9 Regional Centres, Mobile Sales Force, CSD Sales, CSD Strategy, CSD Operations and CSD Islamic Product and Distributions. The 9 Regional Centres, which are overseen by Regional Directors, are responsible for formulating sales strategies for their respective areas.

### Key Merger Achievements

- Completed the characterisation of CIMB Branches through a new branch structure, which primarily consists of 5 main categories: Club, Prime, Retail Service, Mini and Kiosk.
- Upgraded ATM functions at over 600 terminals and additional 255 new ATMs were installed. ATM uptime has also improved tremendously from 95% to 98.5%.
- Completed the first and second wave of physical conversion from ex-BCB to CIMB Branch (currently a total of 234 branches). 7 new CIMB branches were opened.
- Rationalisation of the 18 identified branches has been completed.
- Introduced new process enhancements which include reducing the time taken for opening of new accounts and loans processing time.
- Established customer focused teams to cater for specific customer segments in view of distributing products through the branch network.
- Increase of sales in the following areas:
  - Credit cards sales reached a total of 49,000 cards in 3 months.
  - Xpress cash sales reached 38 Million during the campaign period.
  - Structured products sales exceeded branch targets by registering a total of RM 620 Mil in 3 months
- Reduced queue times and increased the quality of customer service.
- Introduced CIMB Elements and 5 STAR Service Quality Index at branches.

### Overall Business Strategy & Focus Moving Forward

- Deployment of 'software' to increase and enhance performance of branches.
- To enhance the skills set to improve cross selling and product knowledge at branches.
- To provide excellent customer and branch service by reducing queue and waiting times.
- To focus on Islamic Banking in areas concerning the development of support systems, sales processes and delivery channels.



*Lim Tiang Siew*

## Group Finance

### Scope of Business

- Group Finance plays a vital role in supporting management and the Board of Directors in their strategic planning and decision making process with 6 core units namely Financial Accounting, Management Reporting, Regulatory Reporting, Corporate Strategies & Implementation, Tax and Secretarial Services.
- The division is responsible for preparing various financial reports (both internal and external) as well as providing advice and opinions on all financial and tax matters as required by management from time to time. In addition, the division is also overall responsible for all corporate secretarial matters pertaining to the Group.

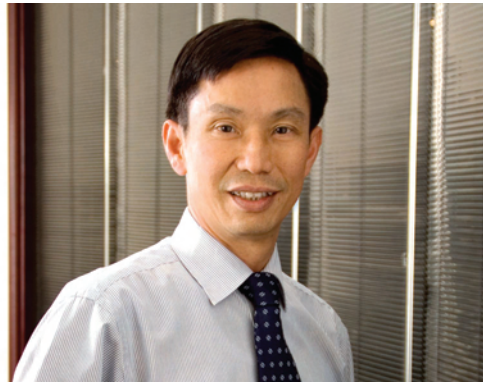
### Key Merger Achievements

- Successfully converted all account balances to target systems.
- Successfully reconciled all balances to target GL and application systems.
- Successfully converted all previous GLs into single existing GL.
- Rolled out first submission of statistical returns to BNM.
- Rolled out first set of financial and management reports under target GL.
- Completed goodwill and intangible assets allocation.

### Overall Business Strategy & Focus Moving Forward

- To obtain the best practice from both entities, and to re-engineer the work processes for better efficiency and effectiveness.
- To continue to drive the performance management via enhanced performance management tools and cost management strategies.
- To continue to strive towards full compliance with all applicable FRSs.

Tan Leng Hock



## Business Banking

### Scope of Business

- Business Banking is responsible for the development of products and services for customer segments comprising micro-enterprises, SMEs and mid-sized corporations as well as the management of business loan portfolios of these customer segments.
- Business Banking operates from 22 business centres and 33 retail business centres throughout the country. It also works closely with various partners to provide better access to financing for SMEs, namely SME Bank and Credit Guarantee Corporation.

### Key Merger Achievements

- Completed the product mapping of combined entity and harmonised assets and liabilities of the enlarged Business Banking Portfolio.
- Expanded the total number of Business and Trade Centres from the existing 75 to 83.
- Cross-selling of products and services within the CIMB Group to the integrated customer base, e.g. Credit Cards, Fire Insurance and Marine Cargo Insurance.
- Continued maintenance of high levels of customer retention with a total attrition rate of less than 3%.
- Providing a seamless array of conventional and Islamic banking facilities into the Business Banking portfolio.
- Increased Islamic Business Banking lending activities since early 2007.
- Introduced more vigorous credit checks resulting in improved asset quality and lower loan loss provisions.

### Overall Business Strategy & Focus Moving Forward

- Key developments in business growth will be focused on asset quality.
- To strengthen overall positioning of Islamic Business Banking and increase of market share.
- Establish a partnership with SME Bank to provide funding for customers.
- Collaborate with EXIM Bank to enable SMEs to apply for overseas guarantee facilities.



*Abdul Karim Md Lassim*

## Auto Finance

### Scope of Business

- Auto Finance is a monoline department within the Retail Banking division that undertakes the business of Hire Purchase, Block Discounting, Floor Stocking and Blanket Hire Purchase. The business covers conventional and Islamic products and caters for individuals as well as non-individuals.
- The scope of activities within the department includes product development, dealer relationship, sales and origination, credit underwriting, credit administration (together with EPIC-I) right through to collection and recovery.
- The department operates from 21 Auto Finance Centres supported by 4 Dealer Relationship Management offices (in Kuala Lumpur, Penang, Kota Bharu and Johor Bharu) and a Central Processing Centre at Wisma Nusantara, Kuala Lumpur.

### Key Merger Achievements

- Reassembled the non-monoline ex-BCB Auto Finance into a monoline structure.
- Employed e-Dealer (end-to-end credit system) in our business operations.
- Successful migration of ex-SBB accounts into a common banking platform.
- Integrated, harmonised and delivered the Business Rule and Lending Guidelines for both ex-SBB and ex-BCB has under the CIMB brand.
- Integrated the ex-BCB service outlets and hubs and ex-SBB business centres into 21 Auto Finance Centres.
- Successfully adopted the reengineered e-Dealer system during SPD1 for individual Hire Purchase applications while using Profile for non-individual Hire Purchase applications.
- Improved qualitative and quantitative factors for credit rating through the implementation of the new Credit Scoring Model (for individual Hire Purchase applicants).
- Implemented the realignment of risk appetite.
- Successfully reviewed and rationalised the dealership base through the respective Dealer Relationship Management offices.
- Harmonised the Payment Before Transfer (PBT) limit amongst dealers.
- Implemented strategic tie-up with GLCs and corporates together with Proton Commerce Sdn. Bhd. (PCSB) and Proton Edar Sdn. Bhd. (PESB) with financing offered to all government employees.
- Initiated cross-selling of the Group's products to the enlarged customer base.
- Leveraged on the branches in selected locations for renewal of insurance, road tax request for Registration Cards, request for Release Letter and settlement enquiry other than the 21 Auto Finance Centres,
- Completed set up of multiple channels to optimise disposal price and disposal cycle through weekly auction and bulk sales.
- Completed the relocation of all staff and operations at Wisma O' Connors with the Credit Control team in Wisma Nusantara.
- Completed renovation and refurbishment of all 21 Auto Finance Centres except API-API and Seremban (AFC still requires further renovation).
- Successfully rationalised the expanded staff force into various sections and centres according to respective requirements and needs.
- Completed the setup of KPIs for all staff and provided ePMS training.

### Overall Business Strategy & Focus Moving Forward

- To establish Intra-strategic alliances with Retail Banking division for product marketing, campaign activities and new product development efforts for 2007.





- To initiate strategic tie-up and cross-selling opportunities with franchised dealers targeting segments of CIMB Group customer base.
- To increase fee-based income from sales of motor insurance policy.
- To **optimise resource allocation vis-à-vis cost efficiency.**
- To pursue and strengthen collection and recovery initiatives to reduce gross and net non-performing loan (NPL) and improve bad debt recovery.
- To optimise profit by rebalancing our loan portfolio and maximize recovery efforts.
- To have multi-disposal channels/direct sale to end-buyer to reduce repossessed stocks.
- To increase additional recovery channels through outsourcing.
- To improve customer service delivery capabilities amongst all Call Centre and CCS staff.
- To adopt a pro-active management approach to drive operational improvement across Auto Finance's end-to-end monoline business.





Jean Yap Yoke Yuen

## Direct Banking & Cards

### Scope of Business

There are three business components within Direct Banking & Cards:

- **Direct Banking** operates under the brand name of “Direct Access”. It provides customers especially the mass affluent market with direct banking services on a 24-hours, 7-days a week and 365-days a year basis. It serves a specific consumer segment which prefers performing their banking needs “anywhere, anytime”. In addition to issuing ‘Free for Life’ credit cards targeted at professionals and graduates, Direct Access also provides consumer banking products, including consumer loans and deposit products. Being an ISO 9001:2000 certified centre, Direct Access aims to continue to deliver customer service excellence to its clientele.
- **CIMB Card Centre** has two main business portfolios, i.e. credit card issuing and merchant acquiring businesses. CIMB Bank is currently the only bank in Malaysia that issues three major credit card brands, i.e. MasterCard, Visa and JCB. It is also the largest Mastercard issuer in Malaysia and the 2nd largest card issuer amongst domestic banks to date. Besides its main card service centre in Kuala Lumpur, it also has 2 full-fledged card service centres in Penang and Johor Bahru. The card centre strives to deliver effective and efficient services to its customers supported by the ISO 9001:2000 certified processes and procedures.
- **CIMB Express** is responsible for developing products and services for low income individuals and small businesses which normally do not have access to formal financial services. CIMB Express’s maiden product, Xpress Cash, is a pioneering product among local anchor banks and has seen significant growth.

### Key Merger Achievements

#### Direct Banking and Cards

- Achieved successful integration of ex-BCB and ex-SBB credit card operations, alignment of credit policies, product benefits.
- Launched CIMB’s first co-brand card (Enrich MasterCard) with Malaysia Airlines and subsequently won the award for the world’s first co-brand airline cards using OneSmart MasterCard Paypass.
- Successfully secured a major alliance with POS Malaysia to distribute CIMB Bank credit cards and Xpress Cash at the respective outlets.
- Cross selling initiative launched has successfully achieved 30,000 card applications a month from overall branch network.

#### CIMB Express

- Successfully piloted sale of Xpress Cash micro-credit product to 193 ex-BCB branches through a buddy system with ex-SBB branches.
- Developed a sub-brand, CIMB Express, to focus in developing the micro-credit market in Malaysia which is in line with CIMB Bank’s aspiration to be a universal bank catering to all Malaysians.
- Successfully rolled-out a credit risk rating tool which is able to provide an objective analysis of customer applications resulting in significant reduction in credit risk.
- Leverage on CIMB Bank’s reputation, size and scale to close major distribution alliances with
  - Pos Malaysia adding a total of 669 Pos Malaysia branches
  - Convenience Shopping Sdn Bhd with more than 859 7-Eleven outlets
  - Singer Bhd with 125 branches and more than 4,000 sales agents
- Together with CIMB Bank’s 383 branches, these partnerships have extended the accessibility of CIMB Express products and services to more than 2,000 branches nationwide.



## Overall Business Strategy & Focus Moving Forward

### Direct Banking and Cards

- To fine tune and perfect the management of customer expectations post-merger and further enhance the customer service experience.
- To strengthen the brand loyalty amongst the current and future customers.
- To leverage on the branch network to optimize credit card sales and distribution.
- To seek strategic partnership for co-branding opportunities to strengthen customer value proposition.
- To forge more business alliances by partnering with other internal business units.

### CIMB Express

- To leverage on CIMB Bank's reputation and scale to further develop partnerships and alliances to further deepen our product portfolio as well as broaden our distribution reach.
- To leverage on CIMB Islamic's expertise and develop Xpress Cash-i, an Islamic micro-credit product. This is targeted to launch by H2 2007
- To further optimise our processes and systems in order to improve productivity, increase efficiency and reduce turn around time for loan applications





Raja Noorma Raja Othman

## Group Asset Management

### Scope of Business

- **CIMB-Principal Asset Management Berhad (CIMB-Principal)**  
CIMB-Principal is a joint venture between BCHB Group and Principal group of companies. It provides fund management expertise in equities, fixed income, money market instruments and cash; in both conventional and syariah compliant products. It offers customised/tailored portfolio of domestic and offshore fund management mandates and unit trust funds to both institutional and retail clients.
- **CIMB-Mapletree Management Sdn Bhd (CIMB-Mapletree)**  
CIMB-Mapletree is a 60:40 joint venture between CIMB Real Estate Sdn Bhd and Mapletree Investments Pte. Ltd. of Singapore (Mapletree). Launched in April 2005, it is involved in real estate fund management and real estate related advisory activities leveraging on both CIMB and Mapletree's distinct expertise and knowledge of the Malaysian market, structured corporate finance and real estate. To date, CIMB-Mapletree has achieved successful closure of its first privately held closed-end real estate fund, CMREF 1.
- **CIMB Private Equity Sdn Bhd (Private Equity)**  
Private Equity provides equity and mezzanine financing for mid and late stage investment opportunities, particularly management buyouts, restructuring and re-capitalisation exercises and aims to create value by investing in companies using CIMB's expertise and established network. With funds under management exceeding half a billion Ringgit, Private Equity is aggressively seeking local and regional investment opportunities.
- **CIMB Strategic Assets Sdn Bhd (Strategic Assets)**  
Strategic Assets is a 60:40 joint venture between BCHB Group and the Standard Bank Plc and focuses on providing equity and equity-related risk capital to businesses in the energy, infrastructure and natural resource sectors. Strategic Assets' investment portfolio in these sectors includes privately managed and controlled operating companies, brownfield expansions, privatisation, restructuring, project financed entities and publicly listed companies.
- **Commerce Asset Ventures Sdn Bhd (CAV)**  
CAV is a specialised investment fund and management company wholly owned by the BCHB Group. It is a leading venture capital company in Malaysia.

### Key Merger Achievements

- Completed the disposal of 40% shareholding in SBB Asset Management and SBB Mutual to the Principal Financial Group for RM 192.4 Million.
- Set up of a focused marketing plan to distribute UT products through the combined CIMB Bank branch network of 383 branches.
- Completed the alignment and integration of resources and functions of the 3 entities.  
Completed the blueprint on transformation of Customer Service Centres nationwide.  
Achieved savings of staff cost and rental through the shared services and relocation of SBBAM office to Menara Milenium.
- Initiated cross selling of group products to customers of unit trust agents for the following:
  - Structured Products
  - Trust Nomination
  - Private Equity
- Increased the product choices by including a full suite of products under CIMB-Principal Asset Management & CIMB Wealth Advisors for distribution by unit trust agents.
- Cross sell of products including offering CIMB Bank credit cards as value added services to unit trust customers.





- Set up of i-Wealth Advisors Sdn Bhd to distribute non-unit trust products through the CIMB Wealth Advisors' agency force.

#### **Overall Business Strategy & Focus Moving Forward**

- To continue to capture market share by strengthening the product offerings and delivery capabilities.
- To expand the Islamic Asset Under Management, both domestically and regionally
- To continue to improve Fund Management skill sets and back room capabilities.
- To increase cross selling of products, by CIMB Bank and CIMB Wealth Advisors.



Kenny Kim

## Group Strategy

### Scope of Business

- Group Strategy is responsible for identifying, developing, executing and managing the implementation of key strategic initiatives and processes for the Group. By overseeing strategy from inception to completion, new markets, products or processes can be identified and evaluated accurately and synergy benefits can be realised with focused execution.
- Group Strategy consists of Group Corporate Finance, Strategy & Innovation, Strategy Management & Integration, Special Projects and Investor Relations.

### Key Merger Achievements

- Anchored the end-to-end CIMB-SBB merger process from deal due diligence to post-merger integration. The merger garnered awards from several business publications - a further testament to its innovative deal structure and synergistic fit. The post-merger integration was completed in 9 months - the fastest bank merger integration in Malaysia and possibly in the region.
- Completed the internal reorganisation of BCHB.
- Anchored several business rationalisation initiatives to deliver structural synergies:
  - Sale of CIMB Wealth Advisors and SBB Asset Management to CIMB-Principal at AUM of 6.6 percent - the highest in the region and highest ever paid by Principal Group globally.
  - Disposal of Commerce Assurance and partial sale of Commerce Life and Commerce Takaful at P/bk of 2.5x and 4.8x respectively - amongst the highest in the region.
  - Private placement of 117 million BCHB shares, representing 3.64%, to BTMU at an unprecedented premium of 17 percent to market price.
  - On-going proposed sale of Southern Investment Bank.

### Overall Business Strategy & Focus Moving Forward

- Champion the “Regionalisation - Optimisation - Innovation” strategic agenda across the Group.
- Focus on realising cross-border synergies between the Group and Bank Niaga.
- Jointly with GIOD, to undertake a comprehensive assessment of the Group’s IT capability and define the strategic IT blueprint required to support the Group’s high business growth plans.
- Continue to uphold high standards of transparency and accountability towards our investors.

Iswaraan Suppiah




## Group Information & Operations

### Scope of Business

- Group Information and Operations Division (GIOD), the operations and technology hub of the Group, has seamlessly integrated its varied services under one umbrella. GIOD provides the foundation for an effective legal and risk monitoring framework, efficient operations and enabling Information Technology (IT) and business process platform for CIMB Group.
- GIOD undertakes support functions for the entire Group under its 3 operating pillars, namely Operations; IT & Business Process Development; and Legal, Compliance & Risk Monitoring.

### Key Merger Achievements

- Successfully aligned the Target Operating Model (TOM) and updated the critical policies and procedures including Customer Service Policy, Credit Policy Guide, Accounting Policy, Group AMLA Policy and Business Continuity Policy. In addition, to support pre-SPD1, during conversion, and post-SPD1 activities, a comprehensive 'Conversion Guide' was developed detailing all areas of operations including branch, centres, and outsourced activities.
- Systems conversion and infrastructure migration was critical to the success of the merger to enable all branches and business units to operate on a single platform. GIOD was instrumental in the successful conversion of over 4.2 million data records from both SBB Conventional and Islamic base, recording a 99.95% success rate. This includes the conversion of 2 SBB General Ledgers (i.e. Masterpiece and Silverlake Systems) into CIMB FMS System for both conventional and Islamic. This was achieved by enhancing more than 1,200 programs in 6 months from development to implementation.
- The outstanding results above were accomplished through 16 MEX IT and Operations workstreams across conventional and Islamic banking. Central to each project stream were the enhancement and data migration sub-streams working closely with over 15 IT vendors. Activities undertaken included Systems Integration Tests, Operational Readiness Tests, User Acceptance Tests, and 4 mock runs.
- As part of the SPD1 project, GIOD was instrumental in enabling the systems and processes of branches and business units to align to a 'One Bank' service. This includes:
  - Converting 115 ex-SBB branches into the new CIMB Bank;
  - Integrating BCB/SBB card operations to one single platform;
  - Fully aligned internet banking to BCB features given that it has more to offer in terms of functionalities and services and provided additional service options and extended hours for IVR; and
  - Aligned SBB EBS to Biz-Channel, payment services and fees & charges.
- Converted all the customers' accounts and integrated all delivery channels including ex-SBB branches, ATMS, CDMs and Call Centre. Ex-SBB branches were also integrated into CIMB MPLS network.
- Effectively rationalised all ex-SBB Trade Processing Centres (TPC) at CIMB TPC (without any increase in headcount) and rationalised 4 SBB Trade Centres. This achievement was part of the quick wins initiatives and was completed in November 2006, 4 months ahead of the scheduled SPD1 date. Similarly, the relocation and centralisation of SBB Treasury Operations and Branch Remittance were completed by September 2006. The integration of centralised operations resulted in an excess headcount of 130+ FTE being released to HR for redeployment. In cheque processing we leveraged on the automation capabilities at Penang & JB, leveraged on the automatic signature verification (ASV) and also established a hot Disaster Recovery (DR) site in KL. Significant manual effort was undertaken to capture the 280,000 Current Account Signatures. During the process cheque clearing for Direct Access was also incorporated under GIOD's purview. Transaction Volumes have increased in all areas, including call center, cheques, payments and loan processing. In spite of a much larger ATM self service network the uptime remained at its all time best of 98+%. The Business Continuity



Management (BCM) office also served the enlarged bank with standardised methodology, procedures and more focused testing. The newly established centralised Account Services Department (ASD) and GIOD Branch Support (GBS) units effectively removed more back office functions from the branches.

- Legal as part of the Merger Vesting Team (coordinated by Group Strategy) advised on, *inter alia*, human resource, branding, communication to stakeholders and power-of-attorney issues. Additionally, Legal reviewed all the relevant court papers relating to the various vesting orders to facilitate the merger.
- Overall, the integration in areas involving IT, Operations and Legal was concluded within a record time of 7 months.

### Overall Business Strategy & Focus Moving Forward

- To create Centre of Excellence (COE) for centralised hubbing of IT & Operations in the region.
- Strengthen IT infrastructure and operations for providing a robust and scalable platform for business growth. Specifically, post merger IT to refocus on business requirements to enable business growth within the Group.
- Projects such as 'Green Wave' are given the priority to elevate the delivery of support and IT infrastructure for Islamic banking at par with conventional banking services. In addition, there are IT initiatives in place to enable seamless cross banking between CIMB Bank Berhad and CIMB Islamic Bank Berhad.
- To institutionalise capacity planning as a key discipline within the organisation especially Operation and IT Systems to proactively manage business growth (e.g. Credit Support Administration (CSA), Cheques, Account Opening processes).
- To make CSA the flagship operational processing hub in CIMB. Continuously enhance the capacity and delivery capability from process, people, system and physical locality perspective in credit support and administration to facilitate the rapid growth in loans with significant process reengineering and new technology.
- To unlock greater synergies and assist cross-selling, GIOD has taken the pro-active initiative to provide the Group with an integrated cross channel customer service capability.
- A Lean Sigma Quality team comprising talent from the manufacturing industry has been deployed within GIOD to bring about manufacturing efficiency discipline to Bank Operations.
- To enable and support regulatory initiatives such as Basel II etc.



Hamidah Naziadin



## Group Corporate Resources

### Scope of Business

- Group Corporate Resources forms the integral part of CIMB Group's commitment towards developing and optimising its resources to support the Group's vision. It comprises Group Human Resources, Group Administration and the Sports and Recreation Department.
- Group Human Resources is primarily responsible for the full spectrum of human capital management processes within the Bank, as well as ensuring the inclusion and escalation of human capital issues to the strategic level of decision making within the Group. In line with CIMB Group's integration, Group Human Resources underwent a transformation program focusing on restructuring of its delivery system to better support the business through five pillars – HR Strategy, HR Services, Relationship Management, Learning and Talent Development; and Knowledge Management.

### Key Merger Achievements

- Conducted nation-wide roadshows in major towns and cities, communicating the new grading and compensation structure and to explain the offer of continued employment with CIMB Bank. This resulted in more than 4,000 ex-SBB staff or 99.5% accepting the offer. To date, the attrition of ex-SBB staff has been minimal and the majority of the key management staff is still with the Bank.
- The roadshows were also used to explain to the ex-SBB staff on the new brand identity and corresponding brand values, which have helped in retaining and motivating the staff towards the new culture.
- Due to the consolidation of branches and certain Head Office functions, some staff members were effectively redeployed to other areas requiring resources.
- Harmonised key HR processes including performance and KPI management, payroll administration etc.
- Conducted intensive training sessions for over 7600 (including ex-BCB staff) on High Performance Culture & Service.
- On Knowledge Management, all different websites were consolidated into one single platform, [www.cimb.com](http://www.cimb.com). The email domain was also revamped and standardised. We also developed an online banking products desktop to assist staff post SPD1.
- Took the opportunity to review and harmonise all procurement policies and processes which resulted in significant cost savings.
- Responsible for the renovation and consolidation of premises:
  - Completed the renovation of ex-SBB branches to be in line with the CIMB Bank's new branding experience by 31 January 2007 within the allocated budget.
  - Completed the renovation and relocation of the key Head Office units, comprising 17 different buildings, within the required timeline and budget.
  - Completed renovations of 198 branches by end of August 2007.

### Overall Business Strategy & Focus Moving Forward

- While the physical integration has been successfully completed, the HR team will continue to ensure that the cultural integration is also equally successful. As all staff members are now on a harmonised CIMB HR platform with respect to the policies and procedures, grading and compensation structures, performance management system, knowledge management, etc., we will continue to reinforce the Group's vision and values in all HR initiatives to ensure a strong and high performing CIMB culture. Some of the key focus areas for HR are as follows:
  - To continuously assess and monitor the manpower requirements to ensure optimal staffing levels. Excesses, if any, will continue to be redeployed to areas that are short of manpower.



- To improve the recruitment process to ensure that the best resources are available in the shortest time.
- To continuously develop initiatives that will attract the best talent to join CIMB.
- To refine and enhance the performance management system including the KPIs, to ensure it stays relevant to the Bank's overall objectives and the High Performance culture is maintained.
- To continue on the reengineering of work processes and systems for better delivery of quality services to internal customers.
- To maintain continuous engagement with employee unions for industrial harmony.
- On Knowledge Management:
  - To enhance the CIMB Group Career site by making it more engaging and dynamic to attract top talent.
  - To improve product knowledge dissemination and delivery by using Media Player tool, as a medium to create a better learning experience for CIMB Bank branches. This is to complement the static product information available in CIMBnet.
  - To develop e-learning to complement the conventional training method to ensure staff skills and competencies are continuously enhanced. This integrated learning approach will include online tests and assessments designed to build and measure both knowledge and skill.

Peter Miller



## Group Insurance

### Scope of Business

- Prior to 2007, the Group's insurance businesses were held under Commerce International Group Berhad (CIG). In early 2007 CIMBG announced the intention of selling equity in its insurance businesses. This was completed in Q3 2007 with the sale of 51% of Commerce Life and 51% of Commerce Takaful to Aviva International Holdings Limited and the entire disposal of Commerce Assurance to Allianz General Insurance Berhad. Both disposals are coupled with long-term partnership agreements.
- The disposals are in line with the Group's focus on identifying synergies between its banking and insurance businesses through bancassurance. As a Universal Bank, we need to be able to offer a full suite of products to our customers, by further growing the firm's bancassurance value proposition.

### Key Merger Achievements

- The transactions completed in August 2007 will yield an approximate PBT gain of RM 630m in Q3 2007
- Moving forward the primary objective will be to realise group synergies to maximise the value created in the Life and Takaful joint venture and to maximise the fee income received through our non-life partnership. Initially this will be achieved primarily through leveraging the merged banks 383 branch platform for:
  - The sale of discretionary savings, investment and wealth protection products to defined customer segments
  - Cross-selling of payment protection products to credit customers

### Overall Business Strategy & Focus Moving Forward

- To leverage on CIMBG's distribution platform to offer wealth management and wealth protection products:
  - 383 branches
  - 4,500 Wealth Advisor Agents
- To offer payment protection solutions to personal and business loan customers including:
  - Property loans
  - Hire Purchase
  - Share Margin
  - Unsecured Loans
- To develop a discrete range of solutions for both the mass market and the more sophisticated corporate
- To grow value in the insurance companies in line with the group's vision to be South East Asia's most valued universal bank and in the process realise **BNM's original vision for bancassurance – better value for customers** through more efficient distribution.
- To support the markets global Islamic hub objective by creating an ICBU (International Currency Business Unit) for Takaful and at the same time seek to reach the underinsured Malay population through Takaful.
- To extend CIMBG's insurance franchise to other markets through clever partnership in these markets



## Group Special Asset Management

### Scope of Business

- Group Special Asset Management (G-SAM) is an independent debt recovery division completely separate of the Business Units to concentrate on and enhance the debt recovery process, leaving the Business Units clear of any legacy NPL recovery distractions.
- Under this new structure, G-SAM will operate as a separate Business Unit. Unburdened by asset quality issues and fresh NPLs, **G-SAM will going forward be clearly and distinctly measured as a Business Unit on its own.**
- Group Special Asset Management will comprise of 6 units which are, Group Special Recovery, Corporate Recovery, Business Recovery, Retail Business Recovery, Retail Consumer Recovery and Auction and Property Management.

### Key Merger Achievements

- All ex-SBB Recovery staff members have been successfully integrated into the respective Recovery units.
- Set up of a dedicated Auction Team to handle all LACA auctions for all Recovery Units.
- Management of NPLs has been split between the 'Good Bank' and 'Bad Bank'. 'Good Bank' is now tasked with managing its fresh NPLs up to 12 months in arrears. 'Bad Bank', now known as G-SAM effectively takes over all staff from Group Recovery and manages all accounts which had previously been transferred, and will takeover new NPLs from the 'Good Bank' when they hit 12 months in arrears.
- As a result, the 'Good Bank' is more accountable for its fresh transfers to NPL, giving them more incentive to work out the accounts before they hit 12 months in arrears. G-SAM now manages a more discreet portfolio and will not suffer from large inflows of new NPLs on a monthly basis.

### Overall Business Strategy & Focus Moving Forward

To reduce the 'Bad Bank' portfolio as quickly as possible within the constraints of the legal system and to achieve a positive P&L position by end 2007.



*Effendy Shahul Hamid*



## Group Corporate Communications

### Scope of Business

- Group Corporate Communications is responsible for all events, communications, branding and corporate social responsibility (CSR) initiatives of the Group. Its core goals center around strategising and developing an integrated communications framework aimed at enhancing the overall image of the Group to both an external and internal audience.
- Group Corporate Communications drives its agenda through four related and cohesive units, Events & Sponsorship, Brand Management & Marketing Communications, Media Relations & Internal Communications and Corporate Social Responsibility & Reporting.

### Key Merger Achievements

- Completed the rebranding exercise of CIMB Group, which saw the birth of a new brand identity, that of a leading regional universal banking franchise. This exercise also saw the Group position its businesses through three key brand entities, that of CIMB Bank, CIMB and CIMB Islamic.
- Together with various stakeholders, conceptualised and drove the transformation of 383 branches nationwide to CIMB Bank.
- Planned and executed numerous internal and external events to support merger initiatives.
- Streamlined internal communications efforts across the Group in a variety of ways, including the creation of CIMBNEWS, the Group's quarterly newsletter.
- Managed external messaging and expectations through the merger exercise. Close engagement with the media community to ensure that what the Group stood for was understood and accurately represented.
- Together with the branch network, drove the CSR agenda of the Group, amongst others the launch and on-going initiatives of Community Link.
- Ensured that CIMB Group continued to garner industry accolades through accuracy in award submissions reflecting our value proposition as a merged entity.

### Overall Business Strategy & Focus Moving Forward

- Continue to drive the overall communications agenda of the Group.
- Continue to lead the industry in event management discipline, in view of planning and executing high quality events for internal and external consumption.
- Grow the CIMB franchise across the region through a series of exercises including brand building, re-branding, endorsements, targeted public relations and media campaigns.
- Continue to drive awareness of the Group's various businesses and propositions, through accurate messaging, look and feel.
- Continue to engage and maintain first class relationships with members of the media and press community across the region.
- Crystallise and drive the CSR framework of the Group. These efforts will be both local and regional in nature, taking into account our operations in various geographies.
- Continue to lead and support the various communications requirements of all operating units within the Group across the region.

# Glossary

<b>AMLA</b>	Anti Money Laundering Act
<b>AMM</b>	AmBank (M) Berhad
<b>ASD</b>	Account Services Department
<b>ASV</b>	Automatic Signature Verification
<b>ATM</b>	Automated Teller Machine
<b>BAU</b>	Business As Usual
<b>BDS</b>	Branch Delivery System
<b>BCB</b>	Bumiputra-Commerce Bank Berhad
<b>BCHB</b>	Bumiputra-Commerce Holdings Berhad
<b>BCM</b>	Business Continuity Management
<b>BHLB</b>	Ban Hin Lee Bank
<b>BMH</b>	Branch Merger Helpdesk
<b>BNM</b>	Bank Negara Malaysia
<b>BTMU</b>	Bank of Tokyo-Mitsubishi UFJ
<b>CAHB</b>	Commerce Asset Holdings Berhad
<b>CCS</b>	Customer Credit Support
<b>CDM</b>	Cash Deposit Machine
<b>CDT</b>	Cheque Deposit Terminal
<b>CDT</b>	Cheque Deposit Terminal
<b>CIF</b>	Customer Information File
<b>CIG</b>	Commerce International Group Berhad
<b>CIMBG</b>	CIMB Group Sdn. Bhd.
<b>CIMB-WA</b>	CIMB Wealth Advisors
<b>COE</b>	Centre of Excellence
<b>CQM</b>	Cheque Deposit Machine
<b>CSA</b>	Credit Support Administration
<b>CSD</b>	Consumer Sales & Distribution
<b>CMS</b>	Customer Management System
<b>CRM</b>	Customer Relationship Management
<b>DA</b>	Direct Access
<b>DDS</b>	Direct Debit System
<b>DMS</b>	Debt Manager System
<b>DM/TM</b>	Direct Marketing / Telephone Marketing
<b>DR</b>	Disaster Recovery
<b>EBC</b>	Electronic Banking Centre
<b>EBS</b>	Enterprise Banking System
<b>ePMS</b>	Electronic Performance Management System
<b>EQ</b>	Emotional Quotient
<b>FMS</b>	Financial Management System
<b>FRS</b>	Financial Reporting Standard
<b>FTE</b>	Full Time Equivalent
<b>FX</b>	Foreign Exchange
<b>GBS</b>	GIOD Branch Support
<b>GIOD</b>	Group Information & Operations Division
<b>GIMC</b>	Group Interim Management Committee
<b>GMC</b>	Group Management Committee

<b>GL</b>	General Ledger
<b>GLC</b>	Government Linked Corporation
<b>GRM</b>	Group Risk Management
<b>G-SAM</b>	Group Special Asset Management
<b>HLB</b>	Hong Leong Bank Berhad
<b>HP</b>	Hire Purchase
<b>HR</b>	Human Resource
<b>IBG</b>	Inter Bank GIRO
<b>ICBU</b>	International Currency Business Unit
<b>IRB</b>	Internal Ratings Based
<b>ISO</b>	International Standards Organisation
<b>IUTA</b>	Institutional Unit Trust Agent
<b>IVR</b>	Interactive Voice Response
<b>KPI</b>	Key Performance Indicator
<b>LACA</b>	Loan Agreement Cum Assignment
<b>MAS</b>	Malaysian Airline System
<b>MBB</b>	Malayan Banking Berhad
<b>MEX</b>	Merger Exchange
<b>MIC</b>	Merger Integration Committee
<b>MIO</b>	Merger Integration Office
<b>MOS</b>	Manager Operations Support
<b>MPLS</b>	Multi Protocol Label Switching
<b>MSB</b>	Menara Southern Bank
<b>M&amp;A</b>	Mergers & Acquisitions
<b>NPL</b>	Non Performing Loan
<b>OD</b>	Overdraft
<b>ORT</b>	Operational Readiness Test
<b>O&amp;M</b>	Operations & Method
<b>PBB</b>	Public Bank Berhad
<b>PBT</b>	Payment Before Transfer
<b>PCSB</b>	Proton Commerce Sdn. Bhd.
<b>PESB</b>	Proton Edar Sdn. Bhd.
<b>PPI</b>	Periodical Payment Instruction
<b>PMI</b>	Post Merger Integration
<b>P&amp;L</b>	Profit & Loss
<b>SBB</b>	Southern Bank Berhad
<b>SBBAM</b>	SBB Asset Management
<b>SI</b>	Standing Instruction
<b>SIT</b>	Systems Integration Test
<b>SME</b>	Small & Medium Enterprise
<b>SMF</b>	Share Margin Financing
<b>SPD1</b>	Single Platform Day 1
<b>SPLU</b>	Sub Prime Lending Unit
<b>SST</b>	Self Service Terminal
<b>S&amp;P</b>	Sales and Purchase Agreement
<b>TOM</b>	Target Operating Model
<b>TPC</b>	Trade Processing Centre
<b>UAT</b>	User Acceptance Test
<b>UT</b>	Unit Trust

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