

# ASEAN CATALYST



CITIZENSHIP REPORT 2017

PG 43

## IMPROVING ACCESS TO FINANCE

Reached out to 22% new customers, and facilitated more than RM150 million digital transactions, with emphasis on digital security.

PG 57

## NURTURING OUR PEOPLE

Delivered 934,511 hours of training in Malaysia and 18,168 volunteer hours for community development initiatives.

PG 36

## SUPPORTING INCLUSIVE GROWTH

Pledged 1% of PBT towards CSR efforts ASEAN-wide, in effect from 2017 PBT for 2018 initiatives.



FORWARD  TOGETHER



**CIMB NIAGA**  
Digital Lounge

**Beat**  
Banking

**Touch**  
**'nGO**

Rekening Ponsel

**CIMB eva**

View our Citizenship Report, Annual Report, Accounts and other information about CIMB Group Holdings Berhad at

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

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CIMB  
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MALAYSIA

CIMB  
FastSaver

CIMB *Clicks*



The cover showcases the digital world and our ongoing commitment to deliver solutions that empower our customers, our people and our partners to fulfil their dreams and aspirations for a better future.

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# CIMB GROUP AT A GLANCE

## VISION

**TO BE THE LEADING ASEAN COMPANY**

## MISSION

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

## SUSTAINABILITY STATEMENT

We aspire to demonstrate sustainability leadership to create shared value for our diverse stakeholders in our core operating markets across ASEAN and beyond. We will invest resources; influence our networks; and create positive economic, environmental and social impact.

## OUR VALUES

### Enabling People

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



### Customer-Centric

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



### Integrity

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



### Strength in Diversity

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



### High Performance

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

## CIMB GROUP

### Our Wide Network of Operations

- Malaysia
- Indonesia
- Thailand
- Singapore
- Cambodia
- Laos
- Brunei
- Vietnam
- Myanmar
- China & Hong Kong
- United Kingdom
- India
- Korea
- Sri Lanka
- United States of America

Our Retail Branches  
**851**



### OUR FOOTPRINT

Our presence in ASEAN, China & Hong Kong, India, Sri Lanka, Korea, United States of America, and the United Kingdom gives us an advantage in terms of access to a wide network of customers and strategic partners for consistent and sustainable growth year-on-year.

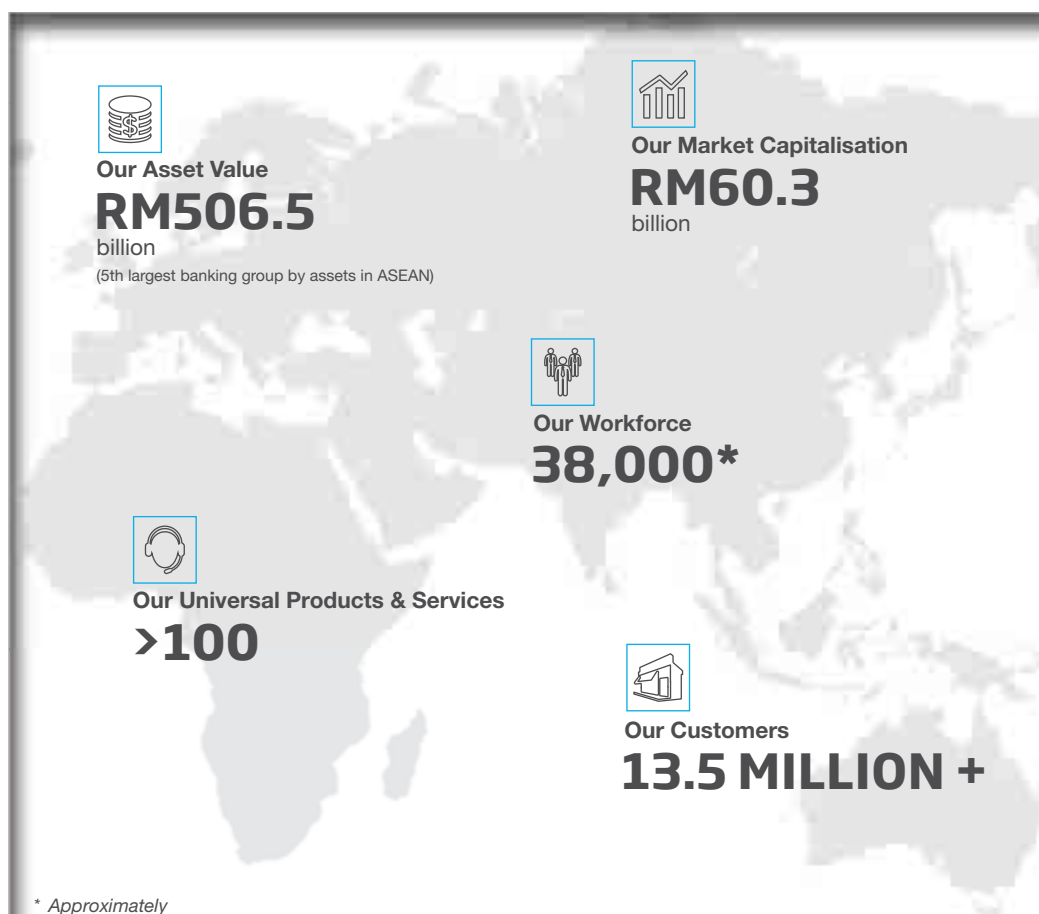
### Our Core Solutions

- ▶ Consumer banking
- ▶ Commercial banking
- ▶ Wholesale banking
- ▶ Transaction banking
- ▶ Islamic banking
- ▶ Asset Management



### Our Headquarters

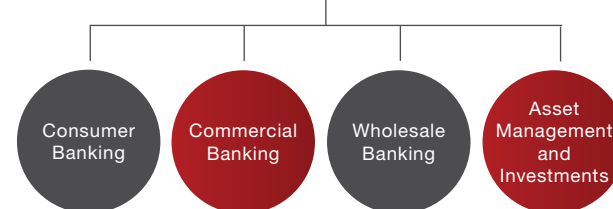
Menara CIMB, Jalan Stesen Sentral 2  
Kuala Lumpur Sentral, 50470  
Kuala Lumpur, Malaysia



### OUR SOLUTIONS

Our key products and solutions are designed to meet specific needs and challenges of our retail and institutional customers. We continuously seek their feedback to innovate our products and services in keeping with the dynamic market environment and evolving customer needs.

### OPERATING INCOME (GROUP)



Profit Before Taxation  
**RM6.1** billion

Earnings Per Share  
**49.6** sen

### LAST 5-YEAR DIVIDEND PER SHARE (SEN)

**23.2\*\***

**15.0**

**14.0**

**20.0**

**25.0**

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

## CIMB Group At A Glance



### CIMB GROUP

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

The Group is headquartered in Kuala Lumpur, Malaysia, and offers consumer banking, commercial banking, investment banking, Islamic banking and asset management products and services. It is the fifth largest banking group by assets in ASEAN and, as at the end of 2017, had around 38,000 staff and over 13.5 million customers.

CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 and has market capitalisation of RM60.3 billion as at 31 December 2017. Total assets at the end of 2017 were RM506.5 billion, with total shareholders' funds of RM48.2 billion and total Islamic assets of RM102.9 billion. At the end of 2017, the substantial shareholders were Khazanah Nasional Berhad with 27.27%, Employees Provident Fund (EPF) with 14.40% and Kumpulan Wang Persaraan (Diperbadankan) with 6.15%.

### CIMB BANK

#### CIMB BANK

CIMB Bank is the Group's commercial bank in Malaysia with 269 branches across the country. It has subsidiaries in Thailand, Cambodia and Vietnam, as well as branches in Singapore, London, Hong Kong, Shanghai and Laos and representative offices in Yangon and Mumbai.

### CIMB NIAGA

#### CIMB NIAGA

CIMB Niaga is the Group's banking franchise in Indonesia with 476 branches across the archipelago. It has been listed on the Indonesia Stock Exchange since 1989 and is the fifth largest bank in Indonesia by assets at the end of 2017.

### CIMB

#### CIMB INVESTMENT BANK

CIMB investment banking franchise operates in 15 countries across Asia Pacific. CIMB Securities is the Group's stockbroking arm, providing institutional and retail brokerage and equities research.

### CIMB THAI ซีไอเอ็มบี ไทย

#### CIMB THAI BANK

CIMB Thai is the Group's banking franchise in Thailand. It has been listed on the Stock Exchange of Thailand and is the 9th largest commercial bank in Thailand by assets, with 86 branches nationwide and 1 overseas branch in Vientiane, Laos.

### CIMB ISLAMIC

#### CIMB ISLAMIC

CIMB Islamic is the Group's Islamic banking and financial services franchise, with an extensive suite of innovative Shariah-compliant products and services. It operates in parallel with the Group's universal banking platform.

### CIMB BANK ធនាគារ ស៊ីអាយអិមប៊ី ភីអិលស៊ី

#### CIMB BANK PLC

CIMB Cambodia is the Group's banking franchise in Cambodia, with 13 branches across the country. It offers a wide range of banking products and services for individuals, businesses and corporates.

### CIMB BANK

#### CIMB VIETNAM

CIMB Bank (Vietnam) Limited is the Group's banking franchise in Vietnam with one branch headquartered in Hanoi. CIMB Bank Vietnam offers a wide range of banking products and services for individuals, businesses and corporates.



# ABOUT CIMB CITIZENSHIP REPORT 2017

## IN DELIVERING BANKING SOLUTIONS, WE FULFIL OUR RESPONSIBILITY TO SUPPORT SUSTAINABLE GROWTH IN ALL THE MARKETS WE OPERATE IN ACROSS ASEAN AND BEYOND.

The CIMB Citizenship Report 2017 documents our economic, environmental and social commitments and contributions in the workplace, marketplace, environment and community. While our near-term objective is to catalyse positive development, our long-term aspiration is to create a better future for our stakeholders.

We constantly seek opportunities to scale and improve. We attempt to cast our net wider every year, to reach out to the greater population with quality financial services in all our major markets (such as Malaysia, Indonesia, Singapore and Thailand). Our digitalisation efforts help us to not only achieve this objective, but to continuously build our capabilities

to mitigate fraud and increase digital trust for financial transactions and undertakings. The digital solutions also cater to the evolving needs of tech-savvy customers, improving the overall customer experience both in terms of access and services. On the product side, we also have a clear approach to addressing sustainable finance, which will progressively integrate relevant economic, social and governance (ESG) factors.

We hope this report reinforces our commitment to sustain our long-held relationships and the trust that we share with our internal and external stakeholders in fulfilling our corporate citizenship.

### SCOPE OF REPORTING

Our Annual CIMB Citizenship Report evidences our commitment to conducting business with responsibility. In 2017, there were no significant changes from previous reporting periods in the list of material topics and topic boundaries that would require any restatement.

**Boundary:** The scope of this report is limited to various strategies, initiatives and programmes that have been implemented mainly in our biggest market, Malaysia. At the same time, we have included updates from our ASEAN offices for select topics, as we aspire to extend the scope and boundary to our other ASEAN entities in the coming years.

**Comparability:** We are in the process of streamlining our internal data tracking mechanisms and hence, we may not have provided comparable data for all the indicators. The information disclosed will be more holistic in 2018 and thereafter. The report also outlines our approach to engaging multiple stakeholders and seeking their participation to support ESG factors.

**Guidelines:** We have prepared this report as per the Bursa Malaysia Securities Berhad Main Market Listing Requirements and “In Accordance” with GRI Standards: Core Option. This is the first year for us to use GRI Standards as our reporting framework. Our transition from GRI G4 guidelines (applied in our last Citizenship Report, released in March 2016) to GRI Standards will be progressive. For easy reference to GRI Standards that we have documented in this report, we have included a GRI Disclosure Index on pages 103-107 of this report.

**Period of Reporting:** The scope for CIMB Citizenship Report 2017 and the GRI Index includes information for the period 1 January 2017 to 31 December 2017, unless specified otherwise. All quantitative and qualitative data for indicators are disclosed where possible to allow for comparison.

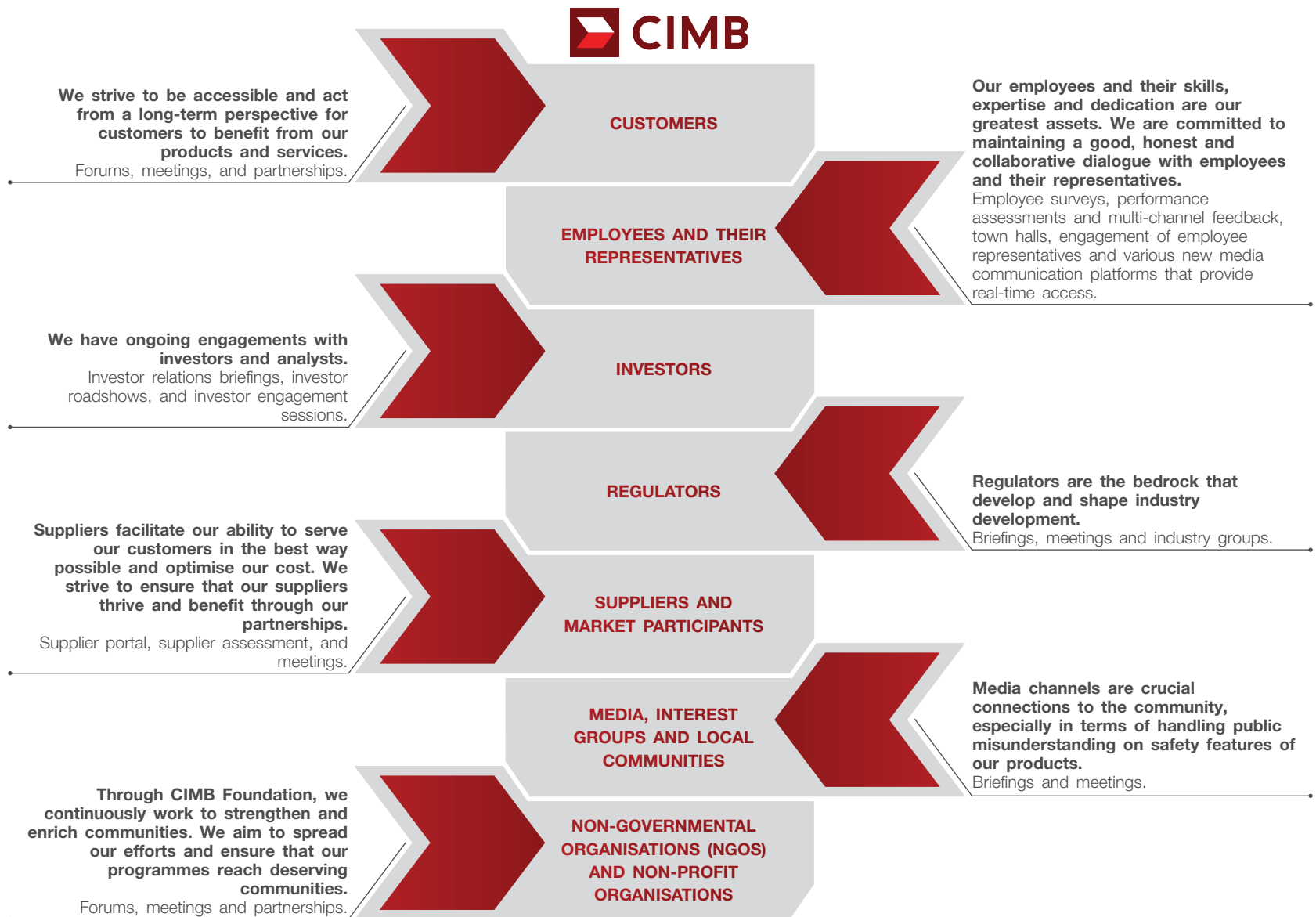
Overall, in determining the content of this report, we have ensured that we have adhered to the principles of stakeholder inclusiveness; sustainability context; materiality and completeness.

### STAKEHOLDER ENGAGEMENT AND MATERIALITY

As a responsible corporate citizen, we believe in creating opportunities to engage with our stakeholders, mainly to understand their expectations, and invite their feedback for continuous improvement. We rely on both formal and informal platforms and channels to not only educate, but also interact and have dialogue with relevant stakeholders.

**Basis for Stakeholder Selection:** Our basis for selecting the most critical stakeholders is to consider three factors: stakeholders' influence on our business, interactions, reputation; the degree or level of our dependency on various stakeholders to further their interests as well as our business; stakeholders who share common business and community interests and aspirations or their representativeness. On the next page are our most critical stakeholders and the various platforms we use for regular engagement.

## STAKEHOLDER ENGAGEMENT



**Stakeholder Inclusiveness:** We did not conduct any special stakeholder meetings in 2017 for the purpose of this report. However, the data analysed for the year under review includes information from customers, employees, suppliers, and community development partners collected through various institutionalised platforms on a monthly, quarterly, and annual basis. We analysed the stakeholder feedback and information to identify 28 material topics of interest as indicated in the table below. Based on our internal materiality assessment, we then identified several key issues to prioritise in 2017 - the ones that hold high significance for both internal and external stakeholders of CIMB.

**Materiality:** Our materiality process takes a long-term approach to aligning the interests of both internal and external stakeholders, by analysing factors that contribute to value creation. In 2018, we will go a step further to consider various sectoral approaches and partnership strategies, which will help sustain our efforts into the future.



■ Economic ■ Environmental ■ Social



**Stakeholder Group**  
Customers

**Basis for Selection**

- Dependency
- Influence

Banking distribution channels (Ongoing)	Call centres (Ongoing)	Feedback forms and surveys (Annual)
Social media (Ongoing)	Seminars & Conferences (Quarterly)	Complaints and feedback mechanism at branches (Ongoing)

**28 MATERIAL TOPICS OF INTEREST**

**OUR RESPONSE & ACTION**

- Access to financial solutions
- Safe and secure digital platforms
- Integrity
- Transparent communications
- Service excellence or customer experience (CX)

**SUSTAINABILITY CONTEXT**

Financial inclusion and knowledge being critical for customers to meet their personal and business ambitions, which in turn will catalyse sustainable economic development.

- Processed and approved a total of RM10.1 billion in loans for SMEs from the National Key Economic Areas (NKEA), which have been earmarked for rapid economic growth for Malaysia to achieve a high-income, developed-nation status by the year 2020.
- The number of digital banking customers increased by 22%, with more than 150 million digital transactions in 2017. Additionally, we had a 18.0% increase of digital customers active on CIMB Clicks online banking portal and a 34.8% increase in active customers using CIMB Clicks mobile application.
- Established the Country Data Governance Unit and built capacity to monitor data governance and data management activities across the region.
- To address customers service issues we conducted 53 lean six sigma and 25 customer journey mapping workshops. As the result 18 process reengineering projects and 425 quick fixes were implemented.



**Stakeholder Group**  
Employees

**Basis for Selection**

- Dependency
- Influence

Townhalls	Department meetings (Ongoing)	Feedback surveys
Community events (Ongoing)	Intranet, Newsletter, Internal Communications	Complaints and feedback mechanism in offices (Ongoing)

- Equality
- Wealth
- Career growth
- Fair treatment
- Transparent conduct
- Learning
- Conducive and secure environment
- Remuneration and benefits

**SUSTAINABILITY CONTEXT**

Equitable opportunities for development and growth foster a productive and high performance work culture and environment, in addition to promoting socio-economic welfare.

- Achieved a 55.6% female workforce, with 41.8% women representation at senior management level. Also, 20% of Board positions are held by women, which is closer to our target of 30% by 2020.
- Delivered 934,511 hours of training to 16,378 employees in Malaysia, with a total investment of RM54.7 million
- Expanded the ABC Informal Leaders' Network to 142 Business Sponsors and 2,304 Informal Leaders to drive culture transformation initiatives.
- Extended the popular staff-management engagement platform called 'Tuesday Chats' to Group Management Committee's one-downs (GMC -1), with a total of 683 sessions, and 92% response rate in Employee Engagement Survey (biennial survey, last conducted in 2016).



**Stakeholder Group**  
Suppliers

**Basis for Selection**

- Dependency

Procurement process (Ongoing)	Community events (Ongoing)	Performance evaluation (Annual)
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- Objective and transparent procurement policies
- Fair compensation

**SUSTAINABILITY CONTEXT**

Professional, equal, and fair opportunities to suppliers help forge productive partnerships and help us deliver quality products and services as well as help promote industry and business.

- Achieved 100% CIMB-registered supplier awareness on anti-corruption and code of conduct through digital interventions and voluntary pledges as part of procurement process.
- Migrated 853 suppliers to Group Electronic Procurement System (GEPS), improving efficiencies, reducing turn around time and helping improve communication with suppliers.

■ Economic ■ Environmental ■ Social



**Stakeholder Group**  
Government and Regulators

**Basis for Selection**

- Representative
- Influence

 Meetings (Quarterly)	 Seminars (Annual)	 Other forms of communication (Ongoing)
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**28 MATERIAL TOPICS OF INTEREST**

- Industry growth
- Data and transfer of knowledge / expertise
- Compliance
- Harmonious and constructive relationship

**SUSTAINABILITY CONTEXT**

Compliance, regulations, government priorities are all critical to promote the collective agenda of good governance for inclusive development – at both policy and grassroots levels.

**OUR RESPONSE & ACTION**

- Achieved an average of 99.2% participation rate for our e-Learning Programmes, covering governance, risk, AML, and IFSA training.
- Launched an organisation-wide digital campaign on compliance risk culture, educating CIMB staff on values such as integrity.
- Contributed as a founding member of Bank Negara Malaysia's Community of Practitioners (CoP) for the Value-Based Intermediation (VBI) initiative.
- Participated in an industry-wide survey on Sustainable Islamic Banking and Investment by RFI Foundation with the UN Environment Programme – Finance Initiative.
- Conducted Board-level deliberations on ESG risk frameworks, to develop our strategies and improve our ESG risk management.



**Stakeholder Group**  
Community / NGOs / Civil Society

**Basis for Selection**

- Representative
- Influence

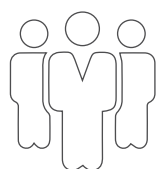
 Meetings (Ongoing)	 Community partnerships and investments, including donations (Ongoing)	 Other forms of communication (Ongoing)
------------------------	---	--

- Economic; Environmental; Social (EES) impacts
- Social inclusion
- Wealth, health, education
- Funding & donations

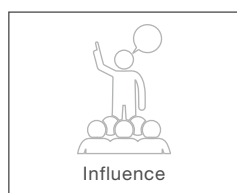
**SUSTAINABILITY CONTEXT**

It is critical for us as well as the nation to educate, nurture and build financially-abled communities, with equal access to education, healthcare, and socio-economic opportunities.

- Contributed RM10.5 million towards community development initiatives, covering causes related to social inclusion; entrepreneurship; gender empowerment; environmental stewardship; and financial literacy.
- Launched 378 projects, with 259 NGO and Civil Society partners across 14 states of Malaysia, with 183,929 community beneficiaries.
- Invested in developing local sports talent (abled and specially-abled), successfully producing national and international champions.
- Announced allocation of 1% of PBT towards our CSR initiatives, already in effect from 2017 PBT for 2018 initiatives.



**Stakeholder Group**  
Multiple Stakeholders (Employees / Customers / Suppliers / Regulators / Community)



- Green citizenship
- Green education and awareness
- Environmental protection
- Renewable energy
- Sustainable finance

**SUSTAINABILITY CONTEXT**

Environmental consciousness amongst our critical stakeholder groups will go a long way into promoting green behaviour, green practices, and green citizenship.

- Stipulated the Group Credit Risk Policy, which ensures that companies with high exposure to ESG risks are subject to higher credit approving authority and / or extra due diligence.
- Achieved approximately 40% reduction in paper consumption at Menara CIMB through Managed Print Services (MPS).
- Led issuance of Quantum Solar Park (Semenanjung) Sdn Bhd's RM1 billion Green SRI Sukuk.
- Supported a rural electrification programme with Renewable Energy (solar), with an initial investment of RM157,500.
- Migrated 853 suppliers to the Group Electronic Procurement System or GEPS - a 'paperless' and 'low-carbon' solution.





Dato' Sri Nazir Razak  
Chairman



# CHAIRMAN'S

## COMMITMENT

The year under review also saw us reinforce our corporate citizenship commitment with a long-term approach to create shared values with our diverse stakeholders. We began our work on Environmental, Social and Governance (ESG), which covers CSR, sustainable finance and new impactful businesses. We also institutionalised the CIMB sustainability framework, taking our commitment a step further by raising awareness and educating our senior management on sustainable finance.

#### Dear Stakeholders,

2017 was a big year in our corporate citizenship journey. We celebrated the 10th anniversary of CIMB Foundation, marking a decade of CIMB empowering communities and changing lives. In celebrating the momentous occasion, we strengthened our commitment to corporate social responsibility (CSR) and further institutionalised responsible corporate citizenship by unveiling fresh initiatives - our pledge to spend annually 1% of the Group's pretax profit on CSR, the introduction of Flex4CSR programme for staff to take paid leave to work on CIMB Foundation's activities, the regional implementation CIMB Foundation's flagship programme, Community Link, and the launch of a new flagship programme, CIMB Mozek. Over the next ten years, our CSR activities will grow in scale and impact not only in Malaysia, but also across ASEAN.

The year under review also saw us reinforce our corporate citizenship commitment with a long-term approach to create shared values with our diverse stakeholders. We began our work on Environmental, Social and Governance (ESG), which covers CSR, sustainable finance and new impactful businesses. We also institutionalised the CIMB sustainability framework, taking our commitment a step further by raising awareness and educating our senior management on sustainable finance.

I am pleased to share that in meeting our T18 main financial targets for 2017, we were also able to align some of the T18 strategies to our citizenship agenda. For example, one of our T18 strategies was to tap the digital banking potential to reach new markets and demographics through innovative digital solutions. From the financial inclusion perspective, we have been able to use the power of digital banking to cast our net wider, allowing small enterprises and rural communities to conduct e-commerce and banking transactions conveniently and safely.

CIMB actively looks for opportunities for sustainable financing and underwriting issuances in the renewable energy space through CIMB Islamic, already a leading global player in Sukuk issuances. For example, we participated in Khazanah Nasional Berhad's issuance of a RM100.0 million Sustainable and Responsible Investment (SRI) Sukuk as Sole Principal Adviser, Sole Lead Arranger, and Shariah Adviser in 2017, and Quantum Solar Park (Semenanjung) Sdn Bhd's issuance of RM1.0 billion green SRI Sukuk, which is the world's largest green Sukuk as at end 2017, as Sole Principal Adviser, Lead Arranger, Lead Manager and Sole Shariah Adviser.

CIMB Islamic has taken significant steps in promoting sustainable finance domestically and internationally. It is a founding member of the Community of Practitioners of Bank Negara Malaysia's Value-Based Intermediation (VBI), which is aimed at strengthening the roles and impact of Islamic finance in achieving a sustainable financial ecosystem. Given our global leadership in Islamic finance, we are well-positioned to integrate the VBI principles of entrepreneurial mindset, community empowerment, good self-governance and best conduct into our strategies.

CIMB Islamic is also a member of RFI Foundation, a London-based non-profit that promotes responsible finance. Through this platform, we support the development of responsible finance knowledge and provide industry perspectives in the hope of widening the global acceptance of Islamic finance as a form of responsible finance.

I am pleased to report that for our commitment in building awareness of shared values and greater social impact, we received a platinum award for Inclusiveness and Diversity Reporting at the National Annual Corporate Reports Awards (NACRA) presentation ceremony in November 2017. For the first time, we also emerged as the winner of the coveted Overall Excellence Platinum Award, as well as awards in other categories, underscoring our transparency and meaningful engagement with our stakeholders.

On behalf of the Board, I would like to express my appreciation to management and staff for embracing our corporate citizenship agenda. I am confident that with your continuing support, we will be able to achieve more in the long term.

We want you to join our journey as we empower more communities and change more lives, and welcome your feedback and input on the activities reported in the following pages of this report.



**Nazir Razak**  
Chairman  
CIMB Group



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



# GROUP CEO'S

PLEDGE



In 2017, we made a commitment to be a sustainable organisation and aim to integrate ESG considerations into our risk assessment and management strategies by 2020. More than a fiduciary duty, it is our responsibility and a deeper commitment to all our stakeholders.

As a leading universal bank and corporate citizen in ASEAN, we take our responsibility in ensuring sustainability across all our business and operations seriously. In 2017, we made a commitment to be a sustainable organisation. We target to integrate economic, social, and governance (ESG) considerations into our risk assessment and operational strategies to ensure that our business journey would have a net positive impact on all our existing and future stakeholders over the long term.

On the business side, our T18 strategy has strengthened our organisational foundation to ensure long-term sustainability and reinforced our position in the regional banking space. From improving customer experience and productivity, to digital banking and FinTech adoption, the T18 Strategy has enabled us to deliver real value to our stakeholders.

CIMB's commitment to sustainability is also reflected in our participation in the United Nation's (UN) Global Compact's Local Network in Malaysia, to align our business and CSR strategies with UN's Sustainable Development Goals (SDG's). Each of these SDGs mirrors ESG-related aspirations, which we believe will create long-term value for all our stakeholders, and help businesses and communities prosper. To that end, the newly developed CIMB sustainability framework aims to guide our corporate citizenship initiatives in the markets we operate, while contributing to those global SDGs. These include improving financial inclusivity, promoting education, enhancing the well-being of communities, demonstrating environmental stewardship and encouraging entrepreneurship.

In incorporating ESG considerations into our existing operational framework, one project we have also embarked on is to develop sustainable performance indicators to guide future financing, investment, and procurement decisions, to address the various risks associated with climate change. We will pilot this project through selected industries, involving active engagement with staff and clients to raise awareness on how sustainable financing could contribute to a greener world. Additionally, what ranks equally highly on our ESG agenda is financing businesses in industries such as renewable energy and waste management, and looking to partner with leading non-profit organisations that promote leading ESG initiatives.

In contributing to sustainability of communities and economies, our role in ensuring financial inclusion includes the provision of digital banking channels to ensure a wider consumer reach and cheaper transaction costs. In 2017 alone, the number of digital banking customers increased by over 22%, with more than 150 million digital transactions in 2017. Additionally, on the CIMB Clicks online portal, we saw a 18.0% increase of active digital customers, and a 34.8% increase in active customers using the CIMB Clicks mobile application. This also ties in with our efforts to enhance Customer Experience – another T18 programme – across the Group. We also enhanced our micro financing and micro saving products, and facilitated access to finance for SMEs, minority groups and underprivileged communities. Through our Commercial Banking unit, we processed and approved RM10.1 billion worth of loans for SMEs from National Key Economic Areas (NKEA sectors), which will catalyse Malaysia's economic growth to achieve a high-income, developed-nation status by the year 2020.

Within CIMB, the sustainability theme has become part and parcel of our working environment: built-in recycling facilities, energy-saving equipment and our ongoing 'think before you print' campaign are standard features across all countries in which we operate.

We consider CIMB's workforce to be a key aspect of our sustainability agenda. Human resource management and development policies are continuously reviewed and improved to ensure that we attract, train and retain the best talent. For example, in 2017, we introduced fresh initiatives such as additional benefits for mothers and single parents, flexible working arrangements, first-in-industry month-long paternity leave and interest-free housing loan for lower-income staff.

The development of our employees also ranks highly on our list of priorities. Regionally, we invested approximately RM108 million on staff training and development in 2017. One aspect of human resource that we are particularly proud of is the ratio of women in CIMB, which stood at 55.6% of our total workforce, with 41.8% women representation at senior management level. Coupled with the 14 nationalities in the CIMB family, I am proud to claim that we are a company that truly embraces diversity. Our T18 Culture transformation project, "A Better CIMB", has also resulted in better teamwork and stronger collaborative spirit Group-wide, while also promoting stronger corporate citizenship and 'responsible' behaviour towards all of our stakeholders.

2017 was also a milestone year for our main CSR arm, CIMB Foundation which celebrated its tenth anniversary. We feel honoured to have made a difference to 700,000 lives in Malaysia through 962 initiatives amounting to RM120 million since the foundation's inception. The Group has pledged 1% of its prior year's PBT to CSR efforts ASEAN-wide, starting in 2018. With an estimated minimum budget of RM60 million annually, we hope to empower even more communities and change even more lives through the foundation's three main pillars encompassing education, sports and community development. This will certainly help realise our aspiration to build a sustainable future with all our stakeholders, and to be an exemplary corporate citizen in ASEAN.

Under CIMB Foundation, we have been supporting our community members through three main pillars: sports, education and community development.

For sports, we focused on identifying and nurturing young talent and supporting social inclusion, by providing access to finance as well as sports infrastructure via programs like our partnership with Junior Cycling Malaysia and the CIMB Junior Squash Development Programme. From squash, to blind football and wheelchair basketball, 33-Foundation-supported athletes have competed in the SEA Games 2017 and ASEAN Para Games 2017.

On the education front, we provide opportunities to talented youth as a way of supporting community-based education programmes and under-resourced schools. An example of this is CIMB Foundation's flagship holistic financial literacy programme, Be\$MART, which created positive impact for 4,592 tertiary level students across 59 universities throughout Malaysia in 2017.

CIMB Foundation's community development efforts focused on creating positive impact for the environment and helping support projects that promote entrepreneurship, social wellbeing and national unity. The ongoing "Community Link" programme empowers CIMB branches nationwide to identify and champion eligible projects - from adopting schools to tree planting to feeding the homeless.

Moving forward, CIMB remains committed to fulfilling its role in helping to develop the socio-economy of this 630 million-strong region where we operate, and to ensure its long-term stability and sustainability. We believe our continuous commitment to the sustainability agenda will help us fulfil that role effectively.

Before I end, I would like to thank all our Board Members from the respective countries we operate in, trustees of CIMB Foundation, our business and CSR partners, as well as management and staff of #teamCIMB, who have contributed towards realising our sustainability agenda and fulfilling our responsibilities both as a business and as a corporate citizen.



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

# SUSTAINABILITY @ CIMB GROUP

**In whatever we do, our stakeholders act as both catalysts and beneficiaries of our sustainability efforts. Our partnerships with them help create shared value and future-proof our businesses across markets.**

At CIMB Group, we believe that one of our key purposes is to deliver value in terms of improved access to quality financial solutions and useful financial information. This in turn contributes to a more resilient economy; a more equitable society and a better future. Our business success on the other hand is driven by our inclusive growth strategies and shared values, which ensure our critical stakeholders are served with the right solutions and are motivated to make positive contributions - in the context of not just our business, but also economic, environmental, and social considerations.

We are currently working with our stakeholders to crystallise our long-term approach to sustainability, with an emphasis on global goals and local impact. This means, in partnership with local communities; civil society; government; policy-makers and regulators; our employees; investors; and other stakeholders, we are evaluating our economic, environmental and social impacts as well as the associated risks, to devise a long-term strategy.

**IN EMBRACING SUSTAINABLE BANKING PRACTICES, WE ARE ALSO IN THE PROCESS OF DEVISING LONG-TERM SUSTAINABILITY TARGETS.**



## THE WAY FORWARD: OUR SUSTAINABILITY JOURNEY

We have initiated the process of identifying good practice principles and initiatives; value partnerships; and long-term programmes to meet our sustainability agenda progressively.

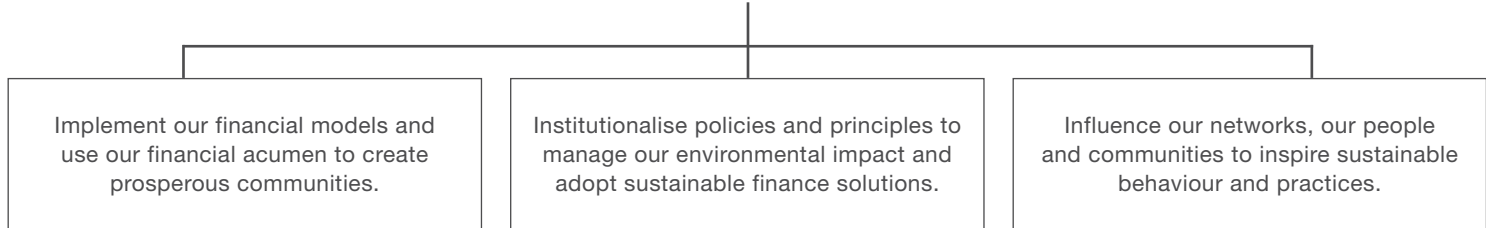
In 2017, we have become a signatory to the UN Global Compact (UNGC) Local Network (LN) Malaysia and assumed a Chair on its Advisory Board. The objectives of our initiatives and programmes are also guided by the UN Sustainable Development Goals (SDGs).

We are exploring other industry practices such as Green Bond Principles and Principles for Responsible Investment (PRI) amongst others. We are also working on a multi-stakeholder partnerships approach with global, standard-setting organisations that are setting the world's ESG direction.

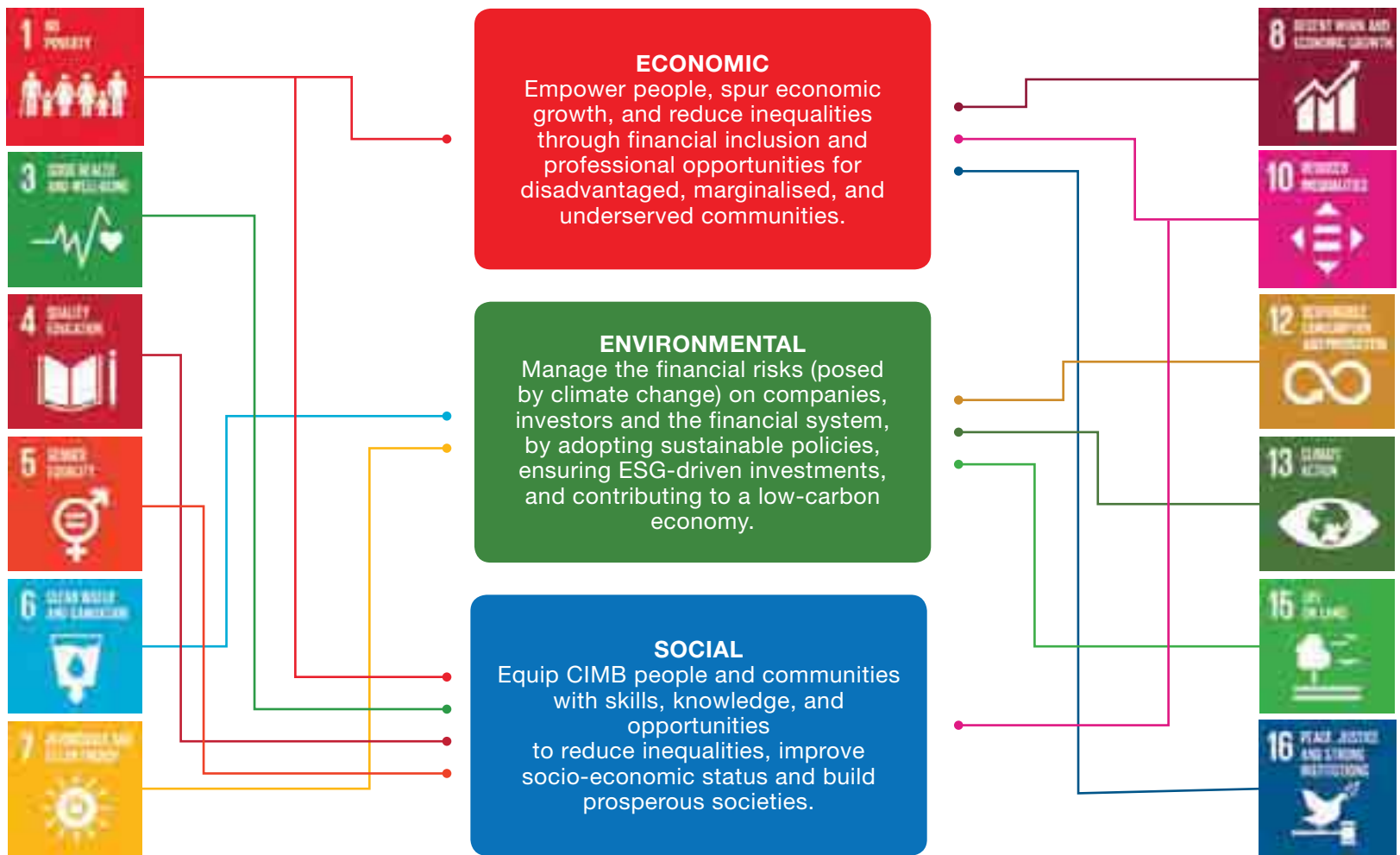


## THE CIMB SUSTAINABILITY FRAMEWORK

### OUR CORPORATE CITIZENSHIP REINFORCES OUR COMMITMENT TO:



### BANKING FOR THE FUTURE GUIDED BY THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)



The United Nations' **Our Common Future**, also known as the "Brundtland Report", defines sustainability as, **"...meeting the needs of the present without compromising the ability of future generations to meet their own."**

We strongly believe that Sustainability can help future-proof our people and business by mitigating the risk of 'short-term' strategies and approaches. Therefore, our philosophy for business goes beyond profits. With a rich legacy of over four decades, CIMB Group continues to be a progressive financial institution, always looking forward to meet the present and future needs of the society, and the nation. Our core business of banking aspires to fulfil the promise of a better future – where financial inclusion empowers people and businesses, spurs economic growth, and reduces social inequalities. With sustainable banking practices, we operate to achieve growth that is meaningful for everyone who shares this vision.

**Banking for the Future** is our promise for a better tomorrow and it inspires us to optimise our capabilities, resources, and influence for creating positive economic, environmental and social impact.

# GOVERNANCE

## SUSTAINABILITY FUNCTION @ CIMB GROUP

We have a sustainability-focused function which is spearheaded by the CEO of Group Islamic Banking, with oversight from the Group CEO's Office. The function primarily works to design and implement strategies that will lead to the integration of ESG considerations into our long-term risk assessment and management strategies. The function operates in close coordination with various business units as well as the CIMB Sustainability Taskforce, which was mobilised in 2017 under the stewardship of CEO, Group Islamic Banking. The Taskforce and all personnel working on sustainability-focused initiatives directly report to the CEO of Group Islamic Banking who works in consultation with our Joint Board of Directors, and receive guidance from the Group CEO and the Chairman. The CEO of Group Islamic Banking is responsible to manage the implementation of the function, with special focus on areas of improvements, policy interventions, implementation effectiveness, as well as our current and future sustainability direction. The Group CEO is the final decision-making authority.

## BOARD OF TRUSTEES

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

## THE ROLE OF CIMB FOUNDATION

In its 11th year of operations, the CIMB Foundation is established as a non-profit organisation limited by guarantee. Financial contributions to the Foundation are disbursed by CIMB Group for the sole purpose of implementing their corporate social responsibility initiatives and philanthropic activities.

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

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

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

## WORKING COMMITTEE

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



# BOARD OF TRUSTEES



*From left to right :*

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

BOARD COMPOSITION	AGE GROUP	LENGTH OF TENURE	GENDER	NATIONALITY	
<p><b>5</b> Independent Directors</p> <p><b>2</b> Non-Independent Directors</p>	<p><b>14%</b> 51 years - 60 years</p> <p><b>72%</b> 61 years - 70 years</p> <p><b>14%</b> 71 years &amp; above</p>	<p><b>57%</b> 5 years &amp; above</p> <p><b>43%</b> 2 years - 5 years</p>	<p><b>6</b> Male</p> <p><b>1</b> Female</p>	<p><b>6</b> Malaysians</p>	<p><b>1</b> Non-Malaysian</p>

## BOARD OF TRUSTEES' PROFILES

### TAN SRI DATO' MD NOR MD YUSOF

Chairperson

<b>NATIONALITY</b>	MALAYSIAN
<b>AGE/GENDER</b>	70/MALE
<b>DATE OF APPOINTMENT</b>	4 JANUARY 2016
<b>LENGTH OF TENURE</b>	2 YEARS

#### QUALIFICATION

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

#### AREA OF EXPERTISE

- Chartered Accountant

#### MEMBERSHIP OF BOARD COMMITTEES

- Chairman of Executive Committee, Khazanah Nasional Berhad

#### DIRECTORSHIP IN OTHER COMPANIES

##### Listed

- NIL

##### Non-Listed

- Chairman of Malaysia Airlines Berhad
- Chairman of Pelaburan Hartanah Berhad
- Board of Trustees of Yayasan Khazanah
- Director of Khazanah Nasional Berhad
- Chairman of Agrifood Resources Holdings Sdn Bhd
- Chairman of Yayasan Hasanah
- Chairman of Malaysia Aviation Group Berhad (fka Pulau Mabul Berhad)

#### RELEVANT EXPERIENCE

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

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

### DATO' SRI NAZIR RAZAK

Trustee

<b>NATIONALITY</b>	MALAYSIAN
<b>AGE/GENDER</b>	51/MALE
<b>DATE OF APPOINTMENT</b>	25 MARCH 2016
<b>LENGTH OF TENURE</b>	2 YEARS

#### QUALIFICATION

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

#### AREA OF EXPERTISE

- Management, Banking and Finance, Leadership

#### MEMBERSHIP OF BOARD COMMITTEES

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

#### DIRECTORSHIP IN OTHER COMPANIES

##### Listed

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

##### Non-Listed

- Deputy Chairperson/Non-Independent Director of CIMB Bank Berhad
- Director of Khazanah Nasional Berhad

#### RELEVANT EXPERIENCE

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

During his tenure as Group Chief Executive, Dato' Sri Nazir was recognised as Malaysia's top executive/CEO on several occasions. He was the youngest recipient of FinanceAsia's 'Lifetime Achievement Award' in 2009 and was awarded Euromoney's 'Outstanding Achievement Award' in 2012 in recognition of his contributions to the Asian financial markets. In 2015, he was the recipient of Asia House's 'Asian Business Leaders Award'.

Dato' Sri Nazir is also the Chairman of the World Economic Forum's ASEAN Regional Strategy Group and a Member of the International Advisory Board of the University of Oxford's Blavatnik School of Government. He is a Trustee of Asia Business Council.

## BOARD OF TRUSTEES' PROFILES

### DATO' MOHD SHUKRI HUSSIN

Trustee

<b>NATIONALITY</b>	MALAYSIAN
<b>AGE/GENDER</b>	63/MALE
<b>DATE OF APPOINTMENT</b>	15 NOVEMBER 2007
<b>LENGTH OF TENURE</b>	10 YEARS

#### QUALIFICATION

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

#### AREA OF EXPERTISE

- Economics, Management, Banking & Finance, Strategy and Investment

#### MEMBERSHIP OF BOARD COMMITTEES

- NIL

#### DIRECTORSHIP IN OTHER COMPANIES

##### Listed

- NIL

##### Non-Listed

- SME Bank Berhad

#### RELEVANT EXPERIENCE

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

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

### DATUK DR. RICHARD LEETE

Trustee

<b>NATIONALITY</b>	BRITISH
<b>AGE/GENDER</b>	69/MALE
<b>DATE OF APPOINTMENT</b>	15 NOVEMBER 2007
<b>LENGTH OF TENURE</b>	10 YEARS

#### QUALIFICATION

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

#### AREA OF EXPERTISE

- Social Development and Strategic Planning

#### MEMBERSHIP OF BOARD COMMITTEES

- NIL

#### DIRECTORSHIP IN OTHER COMPANIES

##### Listed

- NIL

##### Non-Listed

- NIL

#### RELEVANT EXPERIENCE

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

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

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

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

## BOARD OF TRUSTEES' PROFILES

### PUAN ROSNAH DATO' KAMARUL ZAMAN

Trustee

<b>NATIONALITY</b>	<b>MALAYSIAN</b>
<b>AGE/GENDER</b>	<b>61/FEMALE</b>
<b>DATE OF APPOINTMENT</b>	<b>15 NOVEMBER 2007</b>
<b>LENGTH OF TENURE</b>	<b>10 YEARS</b>

#### QUALIFICATION

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

#### AREA OF EXPERTISE

- Management, Banking & Finance, Strategy, and Investment

#### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson of Board Risk Committee of CIMB Bank Berhad
- Chairperson of Board Investment Committee of CIMB Banking Group
- Member of Audit Committee of CIMB Banking Group
- Member of Board Risk Committee of CIMB Islamic Bank Berhad  
– Resigned on 26 January 2018

#### DIRECTORSHIP IN OTHER COMPANIES

##### Listed

- NIL

##### Non-Listed

- Independent Director of CIMB Bank Berhad and CIMB Islamic Bank Berhad

#### RELEVANT EXPERIENCE

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

She completed the Global Leadership Development Programme, initiated by the Government to develop leaders in the financial industry. Her last appointment at CIMB was as Senior Executive Vice President heading the Banking Unit, responsible for the strategic businesses of Retail Banking, Business Banking, Corporate Banking, Treasury and International Banking.

### TAN SRI G K RAMA IYER

Trustee

<b>NATIONALITY</b>	<b>MALAYSIAN</b>
<b>AGE/GENDER</b>	<b>85/MALE</b>
<b>DATE OF APPOINTMENT</b>	<b>7 SEPTEMBER 2012</b>
<b>LENGTH OF TENURE</b>	<b>5 YEARS</b>

#### QUALIFICATION

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

#### AREA OF EXPERTISE

- Economics, Audit and Management

#### MEMBERSHIP OF BOARD COMMITTEES

- Chairman of the Investment Committee, Yayasan Tun Razak

#### DIRECTORSHIP IN OTHER COMPANIES

##### Listed

- NIL

##### Non-Listed

- YTR Harta Sdn Bhd

#### RELEVANT EXPERIENCE

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

He was the first Chairman of Malaysia Airlines System Berhad and a founder Director of Malaysian International Shipping Corporation Berhad. He is currently on the Board of YTR Harta Sdn Bhd and a Trustee of Gandhi Memorial Trust. Tan Sri Rama was a Director of CIMB Bank Berhad and its antecedents from 1987 to 2012.



## BOARD OF TRUSTEES' PROFILES

### DATO' ROBERT CHEIM DAU MENG

Trustee

<b>NATIONALITY</b>	<b>MALAYSIAN</b>
<b>AGE/GENDER</b>	<b>66/MALE</b>
<b>DATE OF APPOINTMENT</b>	<b>31 JULY 2015</b>
<b>LENGTH OF TENURE</b>	<b>3 YEARS</b>

#### QUALIFICATION

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

#### AREA OF EXPERTISE

- Management, Banking & Finance, Strategy and Investment

#### MEMBERSHIP OF BOARD COMMITTEES

- Member of Board Risk Committee of CIMB Investment Bank Berhad
- Member of Group Compensation Review Committee of CIMB Group Holdings Berhad
- Member of Nomination and Remuneration Committee of CIMB Thai Bank PCL

#### DIRECTORSHIP IN OTHER COMPANIES

##### Listed

- Vice-Chairman of CIMB Thai Bank PCL

##### Non-Listed

- Chairman of CIMB Investment Bank Berhad
- Chairman of CIMB-Principal Asset Management Berhad
- Trustee of Yu Cai Foundation

#### RELEVANT EXPERIENCE

Dato' Robert joined Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) in 1984 and held the position of Head of Corporate Finance, General Manager and Executive Director, before assuming the position of Chief Executive Officer from 1993 to 1999. From 1999 to 2006, he was an Executive Director of CIMB Investment Bank Berhad. He retired from CIMB Group and relinquished his executive positions in the various entities in the Group and resigned as Adviser for the Investment Bank Division of the Group on 27 February 2015. He was also Chairman of Tanjong PLC from 2005-2016.

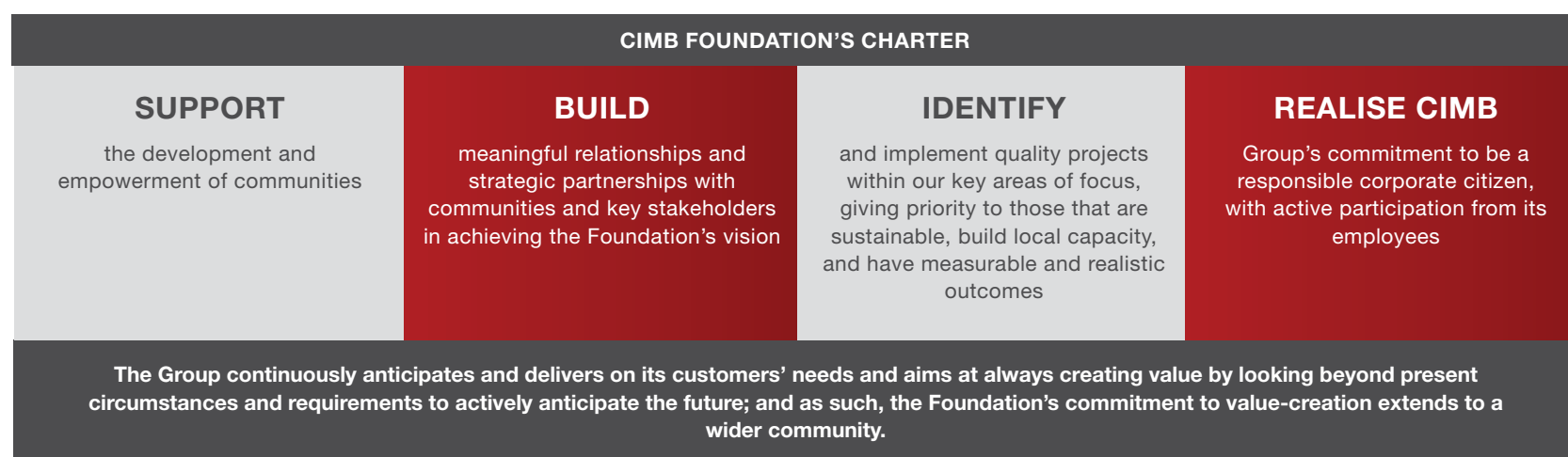
Prior to joining CIMB Investment Bank Berhad, Dato' Robert served in various management positions with the former United Asian Bank Berhad (now known as CIMB Bank Berhad) between 1977 and 1984. He has also worked in various accounting firms in London.

#### BOARD OF TRUSTEES ATTENDANCE AT MEETINGS IN 2017 ARE AS FOLLOWS:

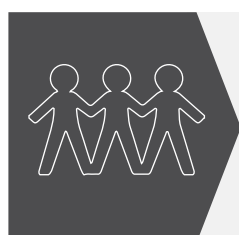
	<b>TOTAL</b>
Tan Sri Dato' Md Nor Md Yusof	<b>7/7</b>
Dato' Sri Nazir Razak	<b>6/7</b>
Dato' Mohd Shukri Hussin	<b>6/7</b>
Tan Sri G K Rama Iyer	<b>7/7</b>
Dato' Robert Cheim Dau Meng	<b>6/7</b>
Datuk Dr. Richard Leete	<b>7/7</b>
Puan Rosnah Dato' Kamarul Zaman	<b>7/7</b>

## Governance

CIMB Foundation was launched in 2007 as the corporate responsibility and philanthropic platform for CIMB Group. The Foundation is focused on developing sustainable communities across three pillars: community development, sports and education. This year's initiatives under the Foundation's key programme, Community Link, focused on socio-economic development, unity, culture and heritage, homes and shelters, environment, health, sports and education. With an initial seed fund of RM100 million, CIMB Foundation continues to drive change and today has become one of Asia's most ubiquitous corporate citizens.

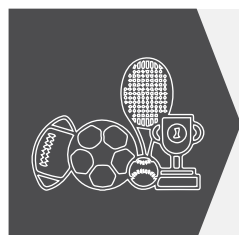


The Foundation supports causes in which it sees potential for empowerment through capacity building initiatives, in the following areas of focus:



### COMMUNITY DEVELOPMENT

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



### SPORTS

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



### EDUCATION

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



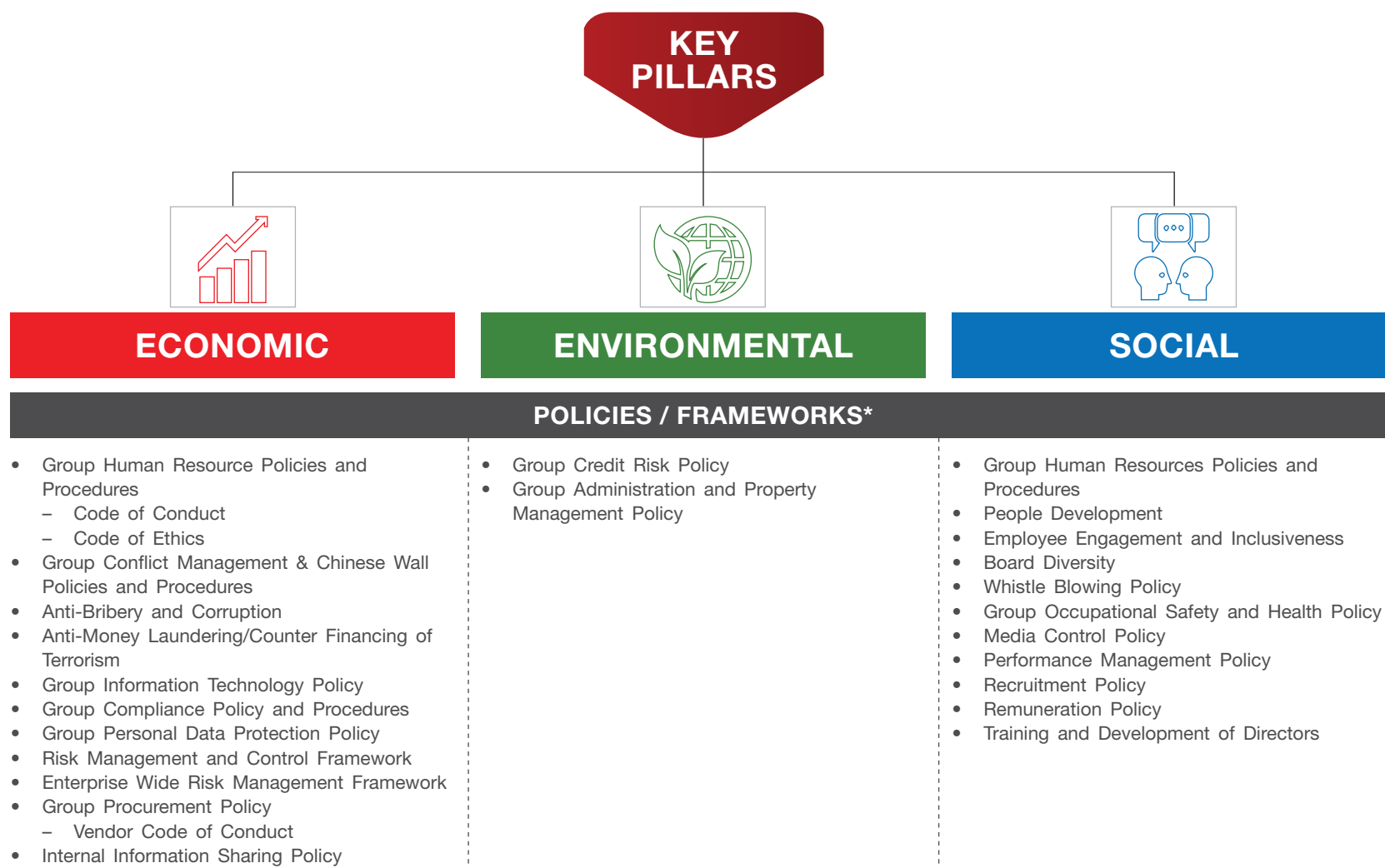
**BEYOND COMPLIANCE**

At CIMB Group, governance is one of the prerequisites for managing growth efficiently and effectively. Beyond compliance, we have institutionalised policies and frameworks to guide our business conduct and responsible behaviour. While compliance is a ‘must’, with principles of good governance, it has become a part of our culture, alongside our commitment to fulfilling our corporate citizenship agenda.

As the Group continues to improve upon its Regional Operating Model (ROM), the main focus in 2017 was the institutionalisation of regionalised processes to strengthen governance and ensure adherence to the ROM guidelines and rules of engagement, especially in the areas of senior level recruitment and performance management.

As a financial institution that operates in many jurisdictions across various entities, the Group is committed to ensure that all entities are appropriately governed, both in terms of the relevant aspects of governance, as well as the level of governance and monitoring required. A holistic Entity Governance Framework has been developed and adopted, to further refine and align the relationships between the various entities across the Group, including elements such as Senior Management Accountability, Policies and Procedures, Management Committees, Financial Booking Governance, Delegation of Authority, and Inter-Entity Service Level Agreements. This exercise demonstrates CIMB’s commitment towards stakeholders and further enforces protection of shareholder value for stakeholders of CIMB and its entities.

The Board is responsible for reviewing and approving our policies and frameworks, and ensuring consistent, transparent and credible performance on various indicators of corporate citizenship.



\*Some of the policies relevant to our material topics have been detailed on the following pages. For more information on our organisation-wide policies and procedures, kindly refer to CIMB Annual Report 2017, page numbers 189-192.

## CUSTOMER EXPERIENCE (CX) POLICY

### BUILDING A STRONG CUSTOMER EXPERIENCE FRAMEWORK

CIMB places high emphasis on providing the right products and solutions to customers, delivered in a way that meets their needs and creates high loyalty and satisfaction. To ensure the consistent customer centric design and delivery of solutions, we have enforced a Treating Customer Fairly policy. This policy helps us safeguard the interests of customers as well as to meet the regulatory requirements. We have also defined a Framework for Handling Complaints to effectively address customer dissatisfaction and mitigate any potential risks of customer attrition. This framework has helped institutionalise a culture of effectively identifying root causes and taking remedial actions to avoid repeat complaints.



## CODE OF ETHICS & CONDUCT

### PROMOTING PROFESSIONAL AND RESPONSIBLE BEHAVIOUR

Any actual or potential conflict of interest affects trust and integrity, which are the values that we live by, to build mutually rewarding and productive relationships at the workplace. We have documented comprehensive policies and standards to guide the conduct of CIMB employees. For instance, we follow a structured on-boarding approach to familiarise our new employees with tools, processes, systems, security practices, policies and procedures. All our employees are equipped with the Bank's Code of Ethics and Conduct. We conduct regular audits to ensure that our employees understand and follow the established policies.

## ANTI-BRIBERY AND ANTI-CORRUPTION

### PROMOTING ETHICAL CONDUCT

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

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



#### CIMB's No Gift Policy

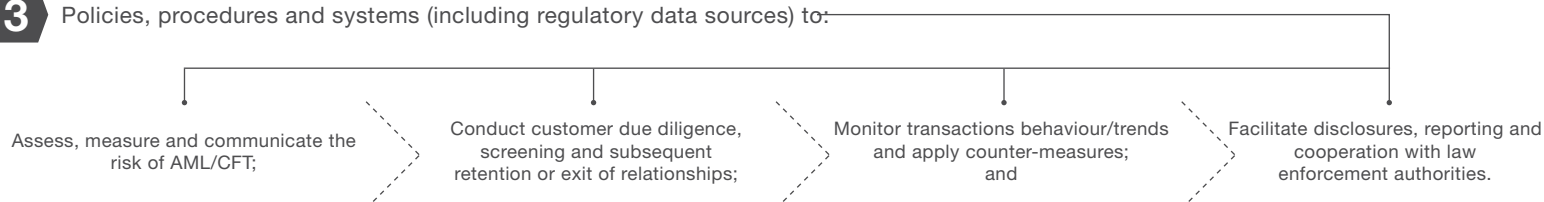
The 'No Gift Policy' applies to all employees, who are restrained from exchanging gifts with current or potential customers, vendors, agents or business partners. This is to prevent any conflicts of interest, or appearance of such in our business dealings. Gifts provided by customers will either be returned or donated to beneficiaries of CIMB Foundation.

## ANTI-MONEY LAUNDERING/COUNTER FINANCING OF TERRORISM (AML/CFT)

### SAFEGUARDING THE INTERESTS OF OUR STAKEHOLDERS

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

- 1** Governance and supervision by both the Board and Senior Management.
- 2** Culture, awareness and continued development.
- 3** Policies, procedures and systems (including regulatory data sources) to:



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

In 2017, specific AML training was completed by relevant employees covering areas that included identifying and reporting transactions that must be reported to government authorities, different forms of money laundering involving CIMB's products and services, and internal policies to prevent money laundering.

## COMPLIANCE FRAMEWORK

### CREATING A COMPLIANCE CULTURE

Our compliance framework consists of action plans that are actively monitored and tracked by Group Compliance. With the slogan 'Be Vigilant, Be Alert, Be Thorough', the framework includes three key action items:

- 1** creating awareness through campaigns and employee training;
- 2** nurturing the compliance culture within the workforce; and
- 3** implementing the Financial Services Act (FSA) Preservation of Secrecy Strategy and AML Strategy.

The framework also aims to build a competent compliance team to drive and support the Group's initiatives. We have also established Risk and Control Officer (RCO) Framework to continuously review and improve compliance controls and launch surveillance systems to enhance our compliance initiatives.

The RCO as the first line of defence is responsible to proactively drive a programme of awareness throughout the division ensuring that staff are aware of and use the Operational Risk Management/Shariah Risk Management/Compliance framework/policy and tools.

Under the RCO Framework, the RCO is to build, facilitate and drive execution of the Framework/Policy by the first line of defence in a robust and disciplined manner. This helps to achieve sound risk management practices and reporting, as well as to make sure the senior stakeholders of the bank are engaged and all the changes in the new policies are understood and embedded in the first line of defence.

The AML Framework, validated in December 2016, included the launch of five AML system training sessions for our branch employees. In 2017, our FSA Secrecy Strategy was launched to enhance our data security measures and to protect our customers' privacy. The Preservation of Secrecy Strategy also establishes standard control guidelines on methods to collect customers' information, record management, and document destruction.

## COMPLIANCE CULTURE

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

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

Various communication platforms are launched in multiple languages and shared regionally. Various preventive mechanisms such as the demerit framework are also in place to drive the right behaviour and attitude within our workforce, embedding the compliance culture. We also have an established strict recruitment process that utilises efficient profiling tools.

## PRIVACY AND DATA SECURITY

### PROTECTING DATA AND PRIVACY OF OUR CUSTOMERS

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

1

Use of personal information must be lawful and fair.

2

Monitoring of systems and processes to make sure that personal information held is secure and accurate.

Attempts to penetrate our security infrastructure will give rise to operational risks and compliance issues. For this purpose, robust security procedures have been put in place. These processes ensure optimum security of information and transactions. All mechanisms have been thoroughly tested in a series of independent security audits. They effectively protect against known security issues. The key controls to prevent any form of tampering or theft of information or transactions include Transport Layer Security (TLS) channel, 256-bit encryption, username, password protection and authentication, firewalls and account-locking.

Recognising that cyber security is a concern shared by most organisations globally, controls are put in place to protect both our customers’ and our business data from cyber threats.

As we continue to enhance these defenses, we educate our customers and our employees to increase awareness of ways to protect themselves against the latest cyber scams. We actively participate in industry and government forums to find collective ways to tackle the threat, including the Financial Services Information Sharing and Analysis Centre (FS- ISAC) forum. We also subscribe to threat intelligence services for surveillance coverage of the clear web and dark web for early warning of potential cyber threats and data breaches.

In addition, our employees also have to complete an annual security and awareness training programme to stay abreast of their responsibilities concerning information security.

## What’s New in 2017?

The Data Management Policy sets out a structured approach to managing data and disseminating information within CIMB Group effectively and efficiently. The Policy is developed in line with the Bank Negara Malaysia’s (BNM) six guiding principles on Data Management and MIS Framework.

The policy is applicable to CIMB Group entities that fall under the ambit of Financial Services Act 2013 (FSA) / Islamic Financial Services Act 2013 (IFSA). For international branches/subsidiaries, this will be internalised and localised to allow for local regulatory variations, and adopt the principles/controls/procedures as outlined in this policy.

## IMPACT IN 2017

1

The Group Data Governance team led the institutionalisation of Country Data Governance Units across the region. This has resulted in better oversight through improved awareness and appreciation of data governance and data management practices across divisions.

2

Introduced the Group Data Management Policy, Common Data Standards, and Data Management Processes to standardise the practice and principles regionally.

3

To increase the awareness and facilitate the implementation of data management initiatives, a series of regional training workshops and awareness programmes were conducted on Data Management, Procedures and Data Governance practices across our regional footprint.

4

Recorded improvement across all divisions of the Group, with positive evidence on data and system ownership.

5

Incorporated Data Governance and Data Management related KPIs into the Group's KPI Framework for 2018.

6

Established data domain owners and data stewardship functions (with support from System Owners and IT Support Teams) across our operating markets in the region. These roles are critical to support the Data Governance and Data Quality Management strategy within CIMB Group.

## GROUP REPUTATION RISK MANAGEMENT POLICY




### INTEGRATING FINANCIAL AND NON-FINANCIAL RISK ASSESSMENTS

The CIMB Group Reputation Risk Management Policy was adopted in 2015. The policy provides clear accountabilities for reputation risk management and a consistent approach into the current risk management process. Oversight of ongoing management of reputational risks lies with the Group Reputation Risk Committee (GRRC), which is a subcommittee of the Group Operational Risk Committee. By adapting more robust policies and procedures, we approach risk with a more holistic view, and move deeper into integrating financial and non-financial risk assessments. Our focus encompasses wide-ranging issues including managing mis-selling and negative press releases, ATM network slow down, customer experience, and social media. We strive to simplify any complexity in processes as well as continue to measure how these issues impact us.

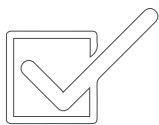
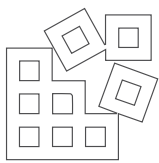
## REMUNERATION POLICY

### ENSURING FAIRNESS AND MERITOCRACY

The CIMB Group Remuneration policy is reviewed by the Group Compensation Review Committee (GCRC) and approved by the Board, before rolling-out to all subsidiaries and overseas offices. The policy sets out guiding principles in relation to the design and management of our remuneration programmes. The three key principles as our Remuneration Policy are:

		APPROACH
	<p><b>PRINCIPLE 1</b> Strong governance</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>PURPOSE</b> To ensure strong and independent oversight of the remuneration system</p> </div>	<ul style="list-style-type: none"> <li>▶ Oversight and review by GCRC</li> <li>▶ Guided by input from control functions, Audit Committees and Board Risk Committees</li> </ul>
	<p><b>PRINCIPLE 2</b> Appropriate assessment of performance</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>PURPOSE</b> To support a performance-based culture which promotes prudent risk-taking and long-term value creation</p> </div>	<ul style="list-style-type: none"> <li>▶ Performance measurement through balanced scorecards, which include both financial and non-financial goals, short-term and long-term perspectives and incorporates measures related to risk, compliance and process controls</li> <li>▶ Use of risk-adjusted performance measures i.e., risk-adjusted return on capital (RAROC) and economic profit</li> <li>▶ Deferral and clawback arrangements in variable remuneration schemes</li> </ul>
	<p><b>PRINCIPLE 3</b> Competitive market levels</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>PURPOSE</b> To offer rewards that allow the Group to attract, motivate and retain the right talent</p> </div>	<ul style="list-style-type: none"> <li>▶ Benchmarking against similar organisations in the geographies and industries in which we operate</li> </ul>

### FURTHER, THE GROUP'S EMPLOYEE REMUNERATION IS MADE UP OF THE FOLLOWING TWO MAIN COMPONENTS:

	<div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>FIXED</b> Consists of base salary and fixed allowances</p> </div>	<ul style="list-style-type: none"> <li>▶ Determined based on skills, competencies, responsibilities and performance of the employee, taking into consideration market competitive levels</li> </ul>
	<div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>VARIABLE</b> Payable annually through cash bonuses and shares</p> </div>	<ul style="list-style-type: none"> <li>▶ Purpose of motivating, rewarding and retaining high-performing employees who generate shareholder value and contribute to the success of the Group</li> <li>▶ Performance-based and not guaranteed, reflecting the individual employee's performance, and business unit or function performance as well as the Group's results</li> <li>▶ Portions of cash bonus may be subject to deferral over 6 to 9 months</li> <li>▶ Based on selection criteria, shares may be awarded to employees through participation in the Group's Equity Ownership Plan, where the value of award ranges from 20% to 60% of variable remuneration</li> </ul>



## PEOPLE DEVELOPMENT

### NURTURING TALENT

CIMB Group acknowledges that people development is critical to ensure that there is a constant pool of talents to fuel the businesses' growth needs. Employees need to be equipped with the right competencies to perform in their roles and exercise sound judgement when fulfilling their responsibilities. To ensure that we leverage off the right talents to fit the various needs of the organisation, CIMB standardises the identification and segmentation of our talent pools across the Group, thus enabling leadership teams to deploy the necessary interventions that best develop and maximise talent potential.

This practice also enables the identification of a pool of high potentials and suitable successors to take on critical leadership roles in the organisation and mitigate vacancy risks. Our Talent Management Governance Structure consists of Talent Review Councils comprising of key members of the leadership team. The multi-tiered Governance Structure governs talent and succession management, ensuring an appreciation of the talent landscape across the region.

To ensure continuous development of the talent pool across the Group, individual development plans are co-created between the individuals and their managers through career conversations. Focused predominantly on building breadth and/or depth in one's career experiences, a blended development approach of building experiences, learning from others, and formal learning is adopted as a best practice within the organisation. This practice has introduced a fit-for-purpose suite of diverse interventions

ranging from Core, Customised as well as Personalised development interventions; including mentoring of talent, to accelerate their readiness toward critical leadership roles and align their aspirations to that of CIMB.

CIMB's formal learning programmes span across multiple leadership levels, universal banking and role-based certifications, and development programmes. An example of a senior leadership programme is the CIMB-INSEAD Leadership Programme, which allows the development of an agile leader with a global outlook of the business. The Accelerated Universal Bankers Programme for middle management emphasises on enhancing the universal banking acumen of our middle management employees.

CIMB Group prioritises employee mobility as part of our continuous efforts to grow and develop our talent beyond our shores. We believe and strive to create a true ASEAN organisation harnessing the uniqueness of each nation and enriching our work culture to encompass an ASEAN mindset for global outreach.



#### Employee Engagement and Inclusiveness

As a responsible and caring employer, CIMB realises and appreciates the immense contribution of its employees who form the core driving force of the organisation. With this in mind, CIMB gives due regard to the importance of employee engagement and talent development and at the same time, provides opportunities to create inclusiveness in the workplace. CIMB believes that creating an engaged workforce and inclusive culture will not only add value by boosting the overall productivity, but will also reduce risks that may be detrimental to CIMB's reputation.

## DIGITAL SECURITY

### STRENGTHENING DIGITAL TRUST

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

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

1

**ISO 27001:** Information security management system standard defined by ISO and internationally accepted best practice to demonstrate regulatory compliance and effective risk management on information security.

2

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

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

## MEDIA MANAGEMENT POLICY

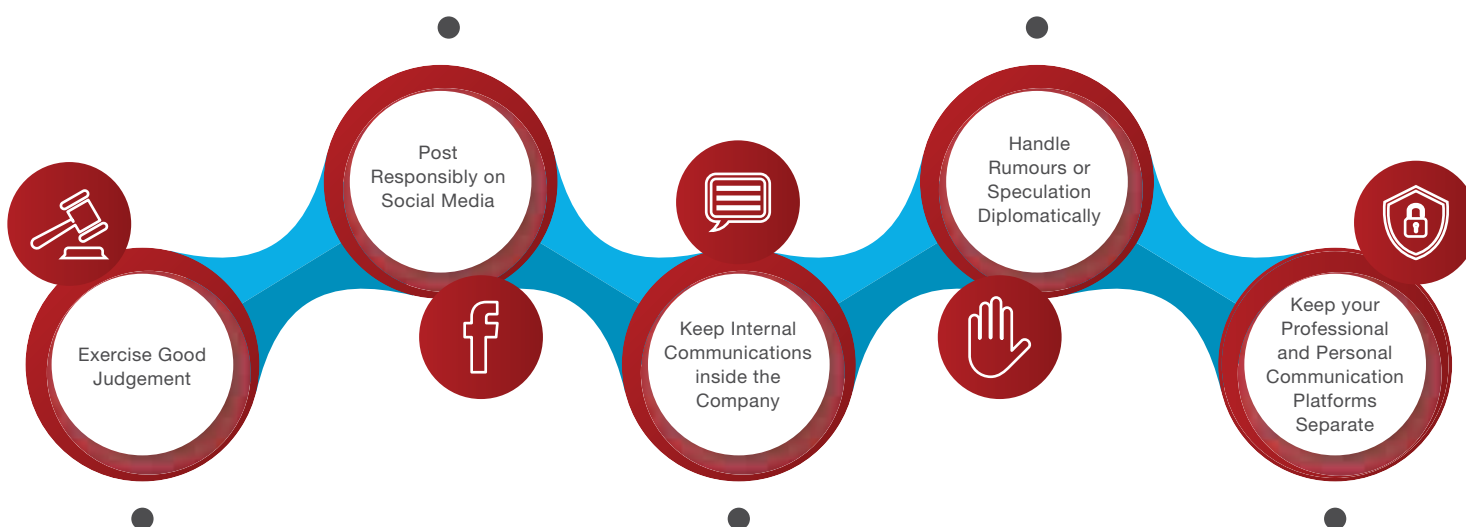
### COMMUNICATING STRATEGICALLY AND WITH INTEGRITY

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

We approach social media communications in the same way as we do other communication channels, by always adhering to our values and industry best practices.

The Group also has a set of Crisis Communications Guidelines to ensure proper and aligned messaging across all communications channels and customer touchpoints during a crisis.

#### Our clear guidelines and rules for the use of social media



### INTERNATIONAL INITIATIVES AND MEMBERSHIP IN ORGANISATIONS

For active engagement with various stakeholder groups and enhanced visibility amid communities and stakeholders alike, we actively participate in several membership groups and associations. Our contributions go beyond the applicable annual fee commitments, to include sharing industry insights; participating in roundtable discussions and sectoral studies; and demonstrating our leadership by sharing best practices.

For instance, CIMB Islamic Bank is a member of the RFI Foundation, which is a registered non-profit institution in the United Kingdom, dedicated to raising awareness on responsible finance through research-based industry perspectives and outreach to institutional investors, asset owners, policymakers and external stakeholders.

Our decision to commit to RFI membership was mainly influenced by its long-term objective of gaining wider global acceptance of Islamic Finance

as a form of Responsible Finance, which is also aligned with CIMB Islamic’s business objectives.

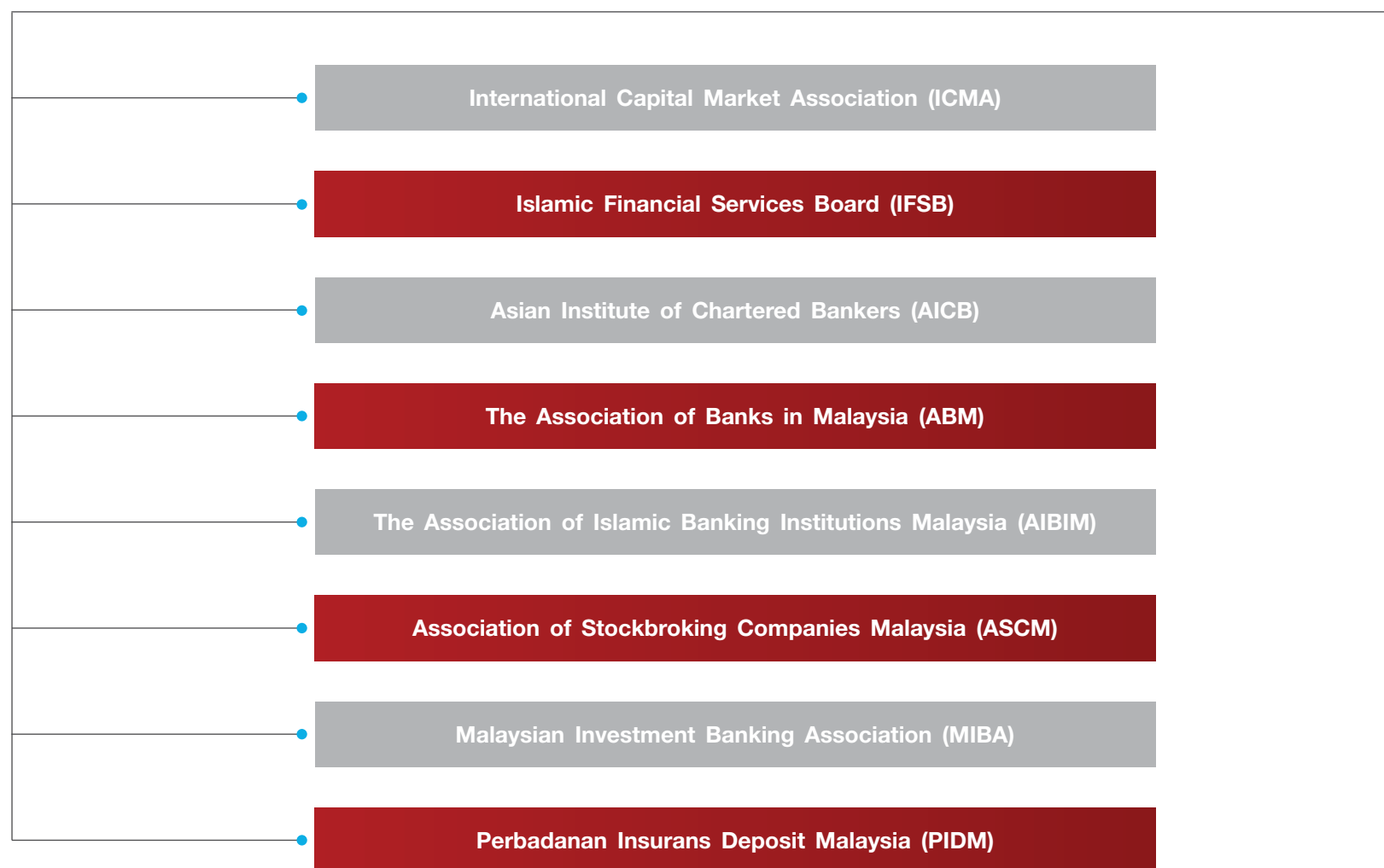
In 2017, we actively participated in the “RFI Survey on Sustainable Islamic Banking & Investment”, which was a joint research project of RFI Foundation and the UN Environment Programme – Finance Initiative. The programme is part of a wider capacity-building programme, focused on addressing environmental and social drivers of systemic risk among Islamic financial institutions.

In addition, we organised 50 stakeholder engagement sessions; hosted five roundtables in countries such as Malaysia, Thailand, Indonesia and Hong Kong; and organised an International Advisory Panel in Shanghai, China.

### MEMBERSHIPS WITH KEY APEX INSTITUTIONS IN 2017 (THIS IS NOT A COMPREHENSIVE LIST OF MEMBERSHIPS)



#### Selection of Organisations





“Empowering the communities and changing the lives of our beneficiaries regardless of their race, creed, age or gender is very close to all of us here in CIMB. There is nothing more fulfilling than seeing people meet their full potential through our investment in them and in projects that improve lives, societies and communities. When communities thrive, nations will also thrive, which bodes well for the region’s growth and stability. And one of the best ways to ensure communal growth is to ensure inclusivity, so that everyone can contribute to nation-building in their own unique way.”

**Hamidah Naziadin**  
Chief Executive Officer/CIMB Foundation

“CIMB takes its corporate responsibility seriously, particularly in ensuring that local communities are properly enabled to thrive from the nation’s economic development. CIMB Foundation is key in driving this agenda by providing support to, amongst others, the urban poor, underprivileged youth and disadvantaged individuals. The solid foundation we have built over the last decade has set the stage for us to further strengthen this role to ensure socioeconomic resiliency and inclusivity for all in the region’s growth story.”

**Tengku Zafrul Tengku Abdul Aziz**  
Group Chief Executive Officer/Executive Director,  
CIMB Group

**OUR 10-YEAR IMPACT SCORECARD AGAINST SDGS**

**43 projects**  
**RM2,224,790**

**10 projects**  
**RM709,705**

**98 projects**  
**RM5,058,999**

**230 projects**  
**RM41,091,022**

**74 projects**  
**RM4,486,313**

**242 projects**  
**RM9,617,535**

**36 projects**  
**RM2,091,483**

“

The PINTAR programme has definitely aided my students in improving their English subject achievements for the past three years. Last year, our school's GPS was at 2.86 which was higher than the National Level GPS of 2.96.

**Puan Ani Aishah Leong**  
**Binti Abdullah**, Teacher from  
 Sekolah Kebangsaan Datok  
 Seri Syed Ahmad



“

With the grant from CIMB Foundation, we have acquired the resources to empower persons with disabilities (PWDs) to become self-reliant, independent and integrated members of society.

**Michael**, Manager, Persatuan Daybreak



“

We are proud and excited that the Edible Garden programme has encouraged various schools to start their own edible gardens. The produce that has grown and engagement amongst students are a testament to the success of students and teachers having ownership of the initial idea.

**Nisha**, Sustainability Facilitator and Co-founder of  
 EcoCentric Transitions

“

Saya berasa sungguh bertuah kerana dapat bermain di peringkat kebangsaan walaupun saya kurang upaya.

**Muhammad Roozaini Johari**,  
 National Wheelchair Basketball  
 Player

“

Only through the consistent support of CIMB Foundation has SRAM been able to address most of the key development areas with programmes covering all levels - from the basics to turning pro. With these programmes in place and running continuously, SRAM can really focus on further improving the quality and results of its players as well as nurture a consistent talent pipeline in the game.

**Huang Ying How**, President of the  
 Squash Racquet Association of Malaysia  
 (SRAM)



“

Saya ingat dah tiada harapan untuk bermain bola. Rupanya saya sudah bermain bersama skuad kebangsaan.

**Mohd Azwan bin Azhar**,  
 Pemain Bola Sepak Buta  
 Negara



## 2009

- Launched a nationwide campaign to provide a unique opportunity for the public to propose causes for the Foundation to fund.
- Began supporting YFA Bintang Muda football club.



Haikal Lokman Lau is now playing for Malaysia U17.

## 2008

- Established the three pillars of CIMB Foundation: Community Development, Education and Sports.
- Began partnership with Squash Racquet Association of Malaysia to develop the Junior Squash Development Programme.
- Launched the CIMB-Niaga Scholarship Programme for Indonesian students to study in Malaysia.
- Began adoption of PINTAR Schools to improve English literacy.



## 2013

- Began CIMB Pan-Disability Football Programme in collaboration with Malaysian Blind Sports Association and Pan Disability IMC to nurture talent for the national Paralympic team.



## 2010

- Launched CIMB Regional Scholarship for ASEAN students' post-graduate studies.



## 2007

- Launched CIMB Foundation.
- Community Link Programme established.

## 2012

- Organised the inaugural CIMB Young ASEAN Leaders in Indonesia. 50 university students from 10 ASEAN countries exchanged ideas on ASEAN economic integration.

CIMB Foundation  
**EMPOWERING COMMUNITIES,  
 CHANGING LIVES SINCE 2007**

**2014**

- Adopted five new schools in Kedah under the PINTAR Programme bringing the total Malaysian schools under adoption to 20.



PINTAR Programme launched in Kedah with HRH Princess of Kedah.

**2017**

- Launched CIMB Foundation's new logo and tagline.
- Introduced "Flex4CSR" which allows CIMB staff to take up to one month paid leave to support CIMB Foundation's initiatives.
- CIMB Foundation's squash athletes won six gold medals at the ASEAN Games 2017 and was crowned runner up at the World Junior Team Championship 2017.
- The Blind Football team clinched bronze medal at the ASEAN Para Games 2017.
- CIMB Foundation's PINTAR Programme expanded focus to East Malaysia and adopted 12 new schools in Sabah and Sarawak bringing the total number of schools adopted across Malaysia to 32.
- Be\$MART programme has reached out to 4592 students across 57 universities nationwide through 72 sessions.



Ng Eain Yow with his father.



**2015**

- CIMB Foundation's blind footballers won a Gold medal in the ASEAN Para Games 2015.

**2016**

- Launched Be\$MART, CIMB Foundation's financial literacy programme.
- CIMB Foundation's athlete, Ng Eain Yow became the first Malaysian since Ong Beng Hee in 1998 to win the Men's World Junior Individual Championships.

“

I am grateful for the opportunity to be given the resources and technical expertise to run this programme for rural women.

**Norhanidah**, President Persatuan Ibu Tunggai Sabah, Agriculture Programme for Rural Communities, Kampung Kelampun, Keningau, Sabah

“

Before attending Be\$MART Financial Literacy programme, I thought that people at my age, as we are young, do not have the ability to invest. But once I attended this course, I know that every small thing that we can do could lead to a good investment and good wealth in the future.

**Gabriel**, Student, Brickfields Asia College

“

It is very empowering to voice out the opinion of young people like me and I am grateful that CIMB Foundation gave us the opportunity to do so.

**Guill Marc Mariano** from Philippines, CIMB Young ASEAN Leaders



“

Program pertanian yang melibatkan pemerhatian, aktiviti praktikal dan berkumpulan sangat baik untuk memahami kaedah dan cabaran bertani. Interaksi praktikal bagi pelajar sekolah rendah adalah penting bagi memupuk generasi petani moden.

**En Hishamuddin**, UniMap Perlis Geng Jari Hijau

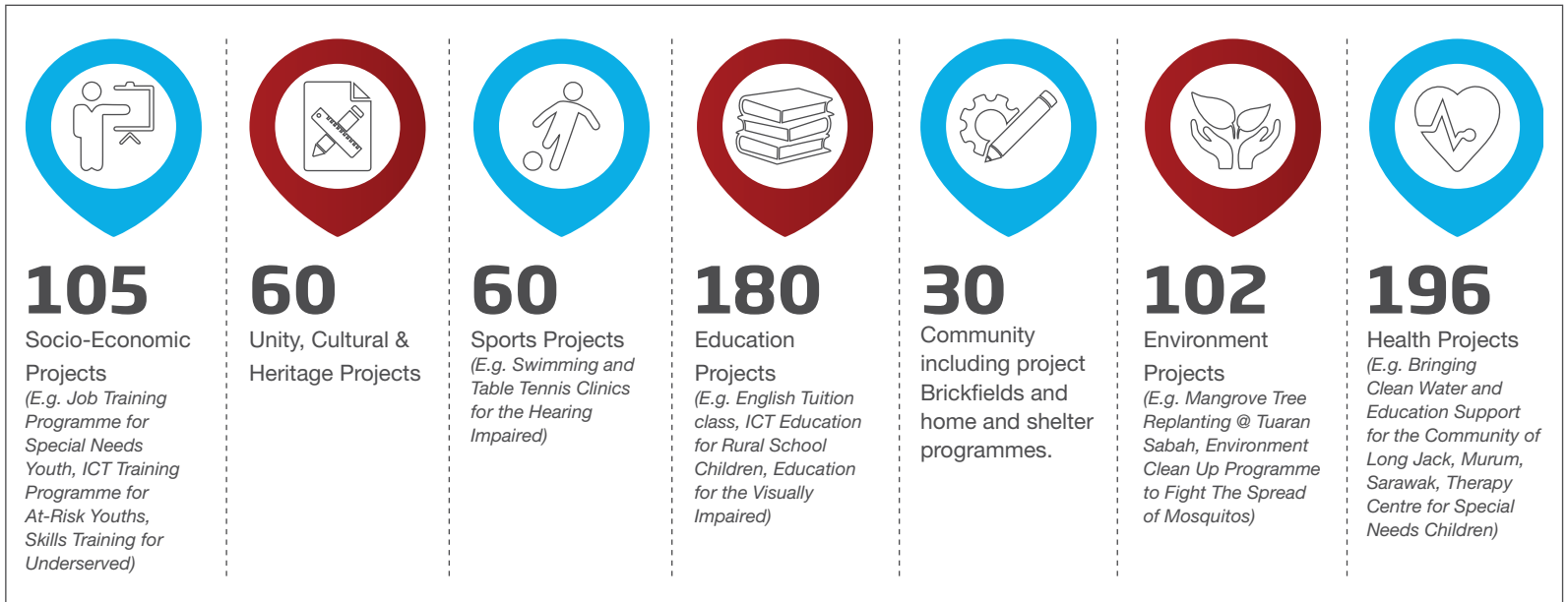
“

At CIMB, I learnt that it doesn't take a fortune to help others, to meaningfully contribute to the society and the environment. All it takes is the spirit of volunteerism and a few hours in a year for a worthy cause.

**Ramesh**, Group Marketing & Communications



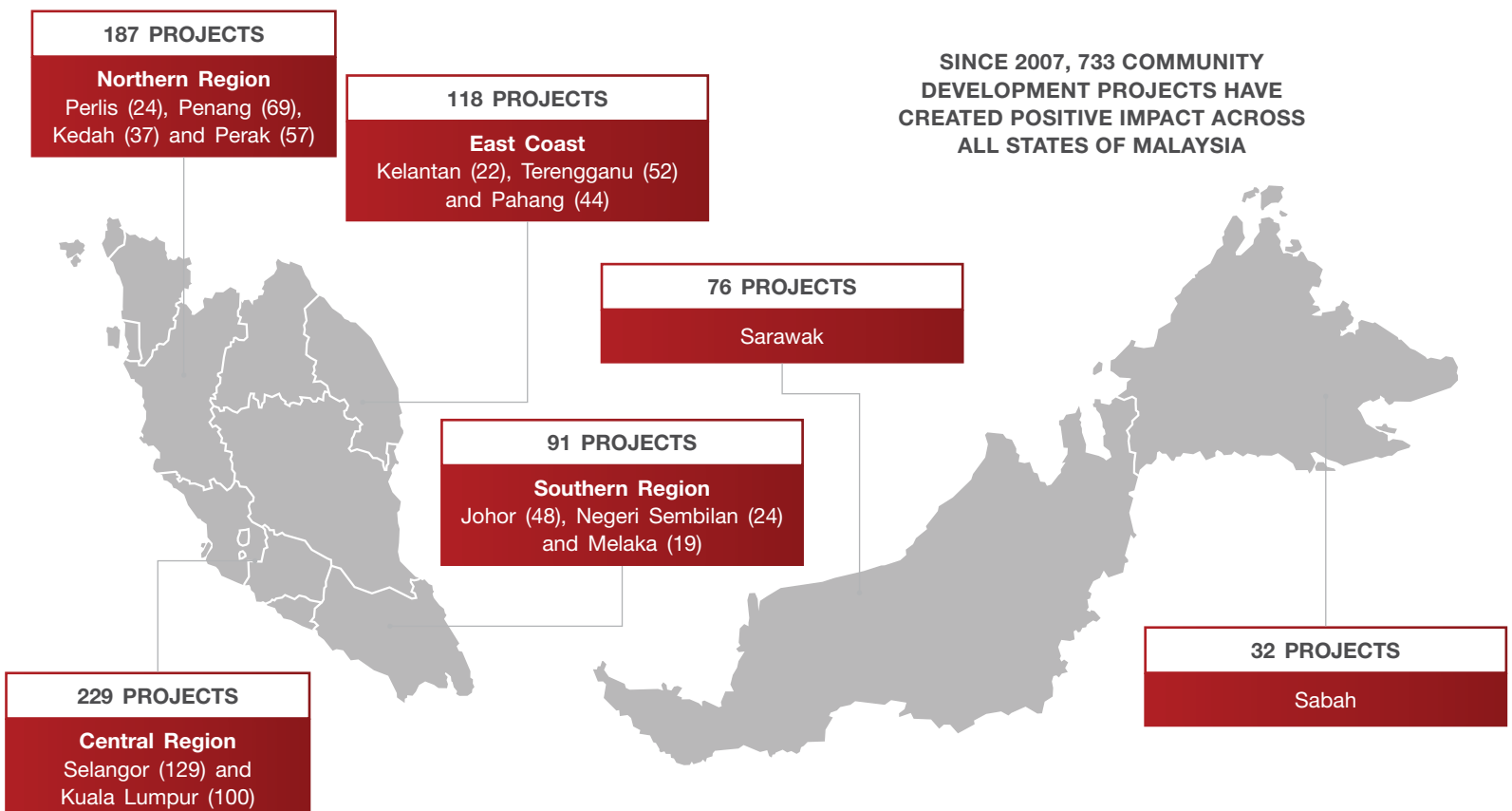
**BREAKDOWN OF NUMBER OF COMMUNITY DEVELOPMENT PROJECTS BY CATEGORY**



**AWARDS - CSR**



<p><b>2007</b> <b>Prime Minister's CSR Awards</b> Honourable Mention for the Prime Minister's CSR Awards Under the Community and Social Welfare Category</p>	<p><b>2009</b> <b>Prime Minister's CSR Awards</b> Winner for the Prime Minister's CSR Awards under Community &amp; Social Welfare Category</p>	<p><b>2010</b> <b>Prime Minister's CSR Awards</b> Honourable mention for the Prime Minister's CSR Awards under the Best Workplace Practices Category</p>	<p><b>2007</b> <b>Prime Minister's CSR Awards</b> Honourable Mention for the Prime Minister's CSR Awards Under the Community and Social Welfare Category</p>	<p><b>2009</b> <b>Prime Minister's CSR Awards</b> Winner for the Prime Minister's CSR Awards under Community &amp; Social Welfare Category</p>	<p><b>2010</b> <b>Prime Minister's CSR Awards</b> Honourable mention for the Prime Minister's CSR Awards under the Best Workplace Practices Category</p>	<p><b>2011</b> <b>MSWG Malaysian Corporate Governance (MCG) Index &amp; Awards</b> Best Corporate Responsibility</p>	<p><b>2013</b> <b>The Edge Billion Ringgit Club Corporate Awards</b> Best Corporate Social Responsibility Initiatives</p>	<p><b>2015</b> <b>National Annual Corporate Report (NACRA) 2015</b> Best Inclusiveness and Diversity Reporting (Gold)</p>	<p><b>2016</b> <b>National Annual Corporate Report (NACRA) 2016</b> Best Inclusiveness and Diversity Reporting (Gold)</p>	<p><b>2017</b> <b>ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2017</b> Shortlisted Report</p>	<p><b>2017</b> <b>National Annual Corporate Report Awards (NACRA) 2017</b> Best Inclusiveness and Diversity Reporting (Platinum)</p>
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# CIMB CITIZENSHIP HIGHLIGHTS

AS A LEADING FINANCIAL SERVICES PROVIDER, WE UNDERSTAND OUR GREATER RESPONSIBILITY TO CREATE POSITIVE ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACT, DELIVERING THE PROMISE OF A BETTER FUTURE FOR ALL OUR STAKEHOLDERS. DURING THE YEAR, WE PLEDGED 1% OF PBT TOWARDS CSR INITIATIVES, IN EFFECT FROM 2017 PBT FOR 2018 INITIATIVES.



<p><b>RM10.1 million</b> in loans approved for SMEs from the National Key Economic Areas (NKEAs)</p>	<p><b>150 million</b> digital transactions</p>	<p><b>79%</b> positive improvement in service-levels across all our markets</p>	<p><b>15</b> Customer Journey Mapping Workshops <b>53</b> Lean Six Sigma Workshops <b>18</b> Business Process Reengineering Initiatives <b>425</b> Project Submissions from employees to improve customer experience</p>
<p><b>6</b> Customer Experience (CX) Awards</p>	<p><b>100%</b> CIMB-registered supplier awareness on anti-corruption and code of conduct</p>	<p><b>99.2%</b> average participation rate for our mandatory e-Learning Programme, covering governance, risk, AML, and IFSA training</p>	

	<p><b>RM157,500</b> initial investment for a rural electrification programme with renewable energy (solar)</p>		<p><b>853</b> suppliers migrated to the Group Electronic Procurement System (GEPS) - a 'paperless' and 'low-carbon' solution</p>		<p><b>GROUP CREDIT RISK POLICY</b> Stipulates that companies with high exposure to ESG risks are subject to higher credit approving authority and/or extra due diligence</p>
	<p><b>RM1 billion</b> world's largest Green, Sustainable and Responsible Investment Sukuk Issuance-Quantum Solar Park (Semenanjung) Sdn Bhd</p>		<p><b>40%</b> reduction in paper consumption through Managed Print Services (MPS) at Menara CIMB</p>		

**ENVIRONMENTAL**

<p><b>6</b> CLEAN WATER AND SANITATION</p>	<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
<p><b>13</b> CLIMATE ACTION</p>	<p><b>15</b> LIFE ON LAND</p>	

**SOCIAL**

<p><b>1</b> NO POVERTY</p>	<p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>4</b> QUALITY EDUCATION</p>
<p><b>5</b> GENDER EQUALITY</p>	<p><b>10</b> REDUCED INEQUALITIES</p>	

	<p><b>20%</b> board positions are held by women, closer to our target of <b>30%</b> by <b>2020</b></p>		<p><b>55.6%</b> female workforce <b>41.8%</b> women representation at senior management level</p>		<p><b>142</b> Business Sponsors and <b>2,304</b> Informal Leaders in the ABC Informal Leaders' Network to drive culture transformation initiatives</p>		<p><b>934,511</b> hours of training to <b>16,378</b> employees in Malaysia, with a total investment of <b>RM54.7 million</b></p>
	<p><b>RM10.5 million</b> for community development initiatives (social inclusion; entrepreneurship; gender empowerment; environmental stewardship; and financial literacy)</p>		<p><b>183,929</b> community beneficiaries</p>		<p><b>378</b> projects <b>259</b> NGO and Civil Society partners across <b>14</b> states of Malaysia</p>		<p><b>683</b> 'Tuesday Chats' - popular staff-management engagement platform extended to Group Management Committee's one-downs (GMC - 1)</p>

CIMB  va

plug  n pay

Touch  
nGO

CIMB *Clicks*

**FORWARD**  **PROSPERITY**

We endeavour to promote prosperity through financial inclusion strategies and solutions.



# 8

## ECONOMIC IMPACT (MARKETPLACE)

- 40 Ensuring Customers First; Responsibility Always
- 42 Striving for Financial Inclusion
- 44 Spreading Financial Literacy
- 45 Forging Partnerships of Trust

# ECONOMIC IMPACT (MARKETPLACE)

Our economic impact is delivered by going beyond business-as-usual processes, to create value for our customers, suppliers, regulators and the government. For instance, one of our primary concerns and a priority area in relation to our customers is to provide them a safe and secure digital environment, for them to access financial knowledge as well as information on our quality financial products. We have therefore institutionalised various data governance mechanisms for the monitoring and safeguarding of personal information as well as the interests of our customers, while they enjoy interacting with our digital solutions without the fear of cyber threats. We have also launched Lean Six Sigma initiatives, with significant process and service improvements, promising a superior customer journey across all CIMB touchpoints. We will continue to devise innovative ways to address the concerns of customers, suppliers, regulators with uncompromising commitment to good governance, and with product, service, and technology solutions. The following section presents our value-added approaches to designing and promoting our quality financial products; enhancing access to finance; and providing a safe and secure environment.

## CUSTOMERS FIRST; RESPONSIBILITY ALWAYS

At CIMB, customers come first and customer experience has been identified as the key success factor to the winning, growing, and retaining of customers. We advocate the 3Es principle: be Easy to bank with; be Efficient in our dealings; go the Extra mile for customers. We believe that the 3Es will help build trust, loyalty, and enhance our reputation as a credible and responsible bank – all towards providing customers with convenient access to our quality financial products and solutions to help meet their socio-economic needs and financial goals, as well as to help grow their businesses. For instance, Takaful Suria is Malaysia's first universal takaful hajj product that was developed by our bancatakaful partner, Sun Life Malaysia Takaful Berhad. Takaful Suria provides protection, savings and financial flexibility to assist Muslims in fulfilling their Hajj aspiration.

In December 2017, we also launched Takaful Mulia, which has been designed to complement Takaful Suria and help our customers achieve complete religious peace of mind throughout their life. Our main objective is also to support our customers in meeting their financial and spiritual goals.

Takaful Suria is one of CIMB Islamic's products. It goes through a Shariah screening process by Sun Life Malaysia Takaful Berhad, ensuring that our Takaful Suria product is free of speculative elements. Once the due diligence on governance and financial strength is completed, the social impact of financing is also examined.

At the working level, we strive to create a lasting impression by constantly monitoring and improving customer experience (CX) across our multiple touchpoints. We start with a process called Customer Journey Mapping (CJM), which helps us to identify, resolve and streamline customer pain points in processes, products and services. As an outcome of the 15 CJMs conducted in 2017, we successfully implemented a total of 18 Business Process Re-engineering (BPR) initiatives across the Group.



In 2017, we also embarked on a Robotic Process Automation, which involved automating repetitive tasks in our banking operations. The exercise improved the Group's banking operations, with enhanced quality, increased accuracy, better productivity, and improved staff efficiency. In November 2017 alone, nine out of the 15 processes deployed in production showed marked reductions in turnaround time, ranging from 25% to 90%, which were significant achievements and a trend that will continue to help us meet our primary objective of improving customer experience.

In addition to 15 regional workshops on CJM, we also conducted 53 Lean Six Sigma workshops to empower our people to drive customer process improvements and enabling them to initiate Business Process Reengineering (BPR). To-date, we have carried out 32 BPR projects across the region. The e-Learning modules covering both CX and Lean Six Sigma are now mandatory for both new CIMB recruits and existing employees. Besides the CX checklists and CX audits, this year, we have introduced Voice of Customer – a real-time mechanism to capture and react to customers' feedback in a timely, actionable and visible manner.

Through 2017 we continued to make CX as our differentiator across the region by strengthening the delivery of CX and adopting best in class standards and practices.

To continuously monitor and improve our rate of success on CX initiatives, we have built a performance dashboard, comprising of 16 key indicators, which include branch-wait time, call-handling time, complaint-resolution times and quality, and overall time-to-market of our core products. The dashboard provides clarity on improvement data and trends, which are important for design interventions that will systematically create a consistently positive CX.

We achieved consistency on service-levels across our operating markets in 2017 and best practices were replicated to ensure we continuously raise the service bar. We have seen positive improvement in 79% of our indicators.

In 2017, our CX efforts were recognised with six accolades from Customer Experience Asia Excellence and Customer Experience in Financial Services, which commend industry leaders and trailblazers who are setting new standards in CX.

While our ultimate objective is to make CX a key differentiator for CIMB, our aspiration is to create a better future for all.

01



**A robust governance and oversight structure** in place to ensure all our product development and processes are customer-centric.

02



**A CX mind-set amongst our employees.** We launched a one-year campaign to promote an entrepreneurial mind-set, where staff are encouraged to identify opportunities for continuous improvement as well as ways to positively impact their customers. To date, 425 projects have been successfully implemented across Malaysia, Indonesia, Singapore and Thailand.



**Customer Experience Management Asia Excellence Awards 2017**

- Best Digital Experience for CIMB EVA (Gold Award)
- Best Customer Experience Malaysia (Honorary mention)
- Best Call Centre Malaysia (Honorary mention)



Manpreet Singh, Group Head, Customer Experience Management, CIMB Group (left) and Dr. Piyawat George Jirapongsuwan, Head of Business Engineering, Customer Experience Management, CIMB Thai with the five accolades won by CIMB at the Customer Experience Asia Excellence Awards 2017 ceremony held in Singapore.



**Customer Experience (CX) in Thailand**



In 2017, CIMB Thai won two awards – The Best CX Employee Engagement “Honorary Mention”, and The Best CX Personality “CX Rockstar”, from Customer Experience Asia Excellence Awards 2017 hosted by the International Quality and Productivity Center (IQPC-APAC). CIMB Thai also took home an award for the Most Highly Commended CX Business Model at the 3rd Annual Customer Experience in Financial Services 2017 Award Ceremony. Additionally, CIMB Thai also won the Retail Banker International (RBI) Award and was highly commended for its best CX business model.

## STRIVING FOR FINANCIAL INCLUSION

### IMPROVING QUALITY OF LIFE POST-RETIREMENT

To help people accumulate savings towards a more comfortable retirement, we provide private retirement schemes (PRS) through CIMB-Principal Asset Management (CIMB-Principal). PRS is a voluntary alternative which complements mandatory EPF contributions.

The CIMB-Principal PRS Plus and CIMB Islamic PRS Plus offer customers their choice of 5 conventional and 5 Islamic funds. We are one of Malaysia's largest providers of PRS, with a market share of approximately 23% of all members of PRS schemes, as well as 23% of all PRS industry assets under management (AUM). In 2017, we contributed 22% of new PRS member enrolment. Corporate employers can also positively impact the long-term economic well-being of employees by contributing to their PRS accounts, while also driving employee retention and enjoying tax relief on corporate contributions.

83% of the companies in our Corporate PRS are contributing via monthly payroll. In 2017, our PRS segment's AUM increased by 50% to RM518 million.

#### PRS 2015

Total AUM  
**280**

No. of Members  
**37,100**

#### PRS 2016

Total AUM  
**345**

No. of Members  
**53,407**

#### PRS 2017

Total AUM  
**518**

No. of Members  
**71,548**

### PRS FOR CIMB EMPLOYEES

CIMB contributes a total of 16% of salary for retirement benefit for all its full time employees. All staff who joined after 2014 have 4% of their excess EPF statutory contribution automatically invested into PRS schemes, whilst staff who joined before 2014, were similarly given an option to redirect their 4% EPF excess. There are currently over 9,000 staff PRS accounts.

### OFFERING ANYTIME, ANYWHERE MICRO-PAYMENT SERVICES

With the advent of digitalisation, alternative banking channels have become the need of the hour, especially for greater convenience of customers. Such channels are also instrumental in reaching out to customers in sub-urban and rural areas with mobile and broadband penetration, offering banking at their finger-tips.



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



In Indonesia, we continued to offer '**Rekening Ponsel**' an innovative and practical application which enables cash transfers to anyone in the country using a valid mobile number as the account number. Besides transfer of money, Rekening Ponsel also allows purchases at registered merchants as well as withdrawals and cash-in at all CIMB Niaga channels and approximately 40,000 Indomart and Alfamart mini-markets. With such unconventional product mechanisms, our objective is to improve access to finance through simple solutions, without the administrative costs involved in opening a traditional bank account.



During the year under review, we collaborated with **Touch 'n Go**, 'The #1 Micro-payment Wallet in Malaysia', to penetrate the Malaysian micro-payment services market via the introduction of CIMB 'Get Cash' micro financing to all existing Touch 'n Go customers, with a loan facility of up to RM100,000.

In March 2017, Touch 'n Go launched the **Customer Experience Centre (CEC)**, which has adopted the cashless self-service automated retail concept via its Self Service Kiosk (SSK), Café and Vending Machines. This is in addition to the offline support offered through our strategically located customer hub at Nu Sentral, with operating hours from 10am – 10pm, 7-days a week.

Since its operation, we have seen traffic of more than 4,000 customers on a monthly basis. Other services and facilities available at the CEC include customer service ambassadors; Touch 'n Go customised photo card printing; after sales services; and merchant on-boarding area. At CEC, the CIMB cardholders are also able to access their ATM and CDM banking facilities at their convenience.



ENHANCING DIGITAL EXPERIENCE

Our digitalisation efforts have come a long way towards simplifying our products and services, whilst ensuring transparency. Analytics and data have enhanced our accessibility and allowed us to reach out to customers in a more interactive and meaningful way. The number of digital banking customers increased by 22%, with more than 150 million digital transactions in 2017. Additionally, we had a 18% increase of digital customers active on CIMB Clicks online banking portal and a 34.8% increase in active customers using CIMB Clicks mobile application. This was mainly due to our newly introduced customised and convenient product solutions.



In Thailand, **Beat Banking** continues to create a new experience by transforming mobile phones into 'digital banks'. A collaboration between Advanced Info Service (AIS) Public Company Limited and CIMB Thai Bank, Beat Banking offers solutions that have revolutionised the way customers access funds, make payments, and transfer money 24 hours a day, every day. As at December 2017, we secured a total of 48,792 Beat Savings accounts.



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



During the year under review, we also introduced **CIMB EVA** (Enhanced Virtual Assistant) – the first AI-based virtual assistant launched in ASEAN. Designed with simplicity, CIMB EVA introduced easy navigation to banking details, transactions (Transfer Money, Pay Bills/Jom PAY and Top Up) as well as usage just by chatting or with quick access through keywords. The always-improving EVA has been built with a spend analysing capability where it intelligently categorises customers' spend behaviours, allowing them to easily view and compare monthly spending patterns for their CIMB debit, credit and prepaid cards, thus helping them to better manage their spending and saving.

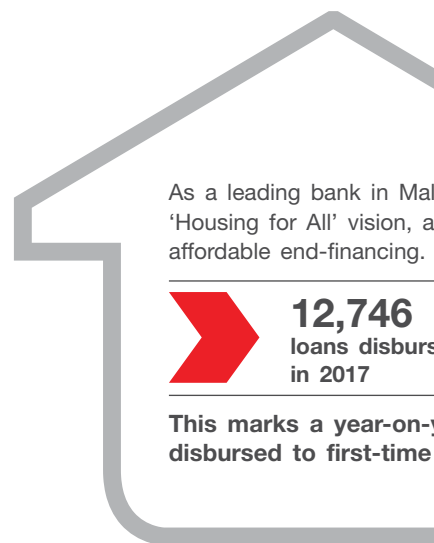
Most recently, CIMB EVA also enhanced its Natural Language Processing (NLP) ability, and is now better trained to interact in conversational English to cater to customers' needs and commands. With the enablement of NLP, EVA's chatting and understanding capabilities will improve and adapt to be smarter over time. EVA is also integrated with messenger services, and through this, customers are able to receive targeted and personalised offers and promotions from CIMB.

Awards Won in 2017:

- Internet Banking Product of the Year, The Asian Banker's International Excellence in Retail Financial Services Awards Programme.
- JomPAY Innovation Award, Malaysian e-Payments Excellence Awards ("MEAA").
- Best Self Service Project for 2017 Award, The Asian Banker Technology Innovation Awards.
- Best Digital Experience – Gold Award, The Customer Experience Management Excellence Awards.

To-date, CIMB EVA has recorded over **170,000** downloads with over **800,000** transactions since its launch in December 2016.

PROVIDING AFFORDABLE HOUSING



As a leading bank in Malaysia, we support the government's 'Housing for All' vision, and therefore provide access to affordable end-financing.

**12,746** loans disbursed in 2017

This marks a year-on-year increase of 21.3% for loans disbursed to first-time house buyers.

FUNDING SME GROWTH



More than **97%** of business establishments in Malaysia are SMEs.

SMEs are catalysing new growth for the economy. SMEs form the backbone of most ASEAN economies where we operate, and so we are committed to help address the issue of SME financing to support their growth. For instance, we have processed and approved a total of RM10.1 billion in loans for SMEs and RM1.8 billion in total facilities limit for customers from the National Key Economic Areas (NKEA), which have been earmarked for rapid economic growth for Malaysia to achieve a high-income, developed-nation status by the year 2020.

In 2017, BNM announced a RM500 million Disaster Relief Facility to alleviate the financial burden of SMEs and assist them to rebuild their business operations affected by the floods in the Northern States of Peninsular Malaysia. We actively participated in raising awareness of this facility amongst our customers, and helped disburse RM1.4 million in funds to our customers during the year under review. Similarly, in Thailand, we ran a relief campaign for flood-affected business customers in the Southern Province, by reducing interest and offering grace periods, with a total credit limit of THB400 million. We also offered consumer loans of THB500,000 to help our affected customers restore their homes.

In Indonesia, our SME processing centres which are available in large cities are equipped with a complete support unit to enable faster end-to-end loan approval. Managers are trained to educate customers about financing application processes. We view our role as facilitating and supporting SME customers to increase their competitiveness in a rapidly changing business environment.

## Economic Impact

In Laos, micro, small and medium enterprises (MSMEs) are an important part of the economy and employ a large part of the population. CIMB Thai (Vientiane Branch), supported the Commercial Bank in Laos to fund SME development with an amount of LAK65.6 billion, or equivalent to USD8 million, to be disbursed over three years starting in 2016. The loan is purposed for financing micro, small, and medium enterprises, including those in the primary agriculture sector. The local currency loan was fully guaranteed by the International Finance Corporation (IFC), a member of the World Bank Group. This is in line with our aspirations to support underserved sectors such as agriculture.

**Enterprise Clean Loans for SMEs.** In 2016, CIMB and Credit Guarantee Corporation (CGC) Malaysia Berhad signed a Memorandum of Understanding (MoU) to offer up to RM1 billion of Enterprise Clean Loans (ECL). This was part our joint initiative to nurture and develop Malaysian SMEs. During the year 2017, the Malaysia SME Banking extended this facility to 506 SME customers for a total of RM288.8 million.

### ENABLING MICRO-LINKAGES FOR LOCAL COMMUNITIES IN INDONESIA

In Indonesia, our SME Banking coverage extends beyond the traditional SME client base, and reaches out further to support the local community through our Micro Linkage business which focuses on:

01

**Plasma (Palm Oil Plantation Financing), which supports farmers from remote areas seeking financing solutions.**

The Indonesian regulation allows community ownership for at least 20% of palm oil plantations and Plasma equips these local community farmers with the means to own and plan palm oil development. In 2017, we provided more than IDR350 billion of facilities through various farmers' cooperatives.

02

**Rural Bank Financing, supports micro businesses in rural areas and cities of Indonesia.**

In 2017, we disbursed more than IDR 900 billion to rural banks through our Micro Linkage solution, helping more than 1,200 micro entrepreneurs.

03

**Cooperative Financing provides lending to Cooperatives that have members/employees with fixed income from legally registered companies in Indonesia.**

This form of financing allows the Cooperatives to realise the common economic or social needs of their members.

## SPREADING FINANCIAL LITERACY



**Be\$MART Programme** aims to improve financial literacy amongst college- and university-aged youth across Malaysia, mainly to mitigate the trend of growing youth bankruptcy in the country. The programme is delivered in the format of a two-day workshop, targeting 50 students each. The sessions use a mix of interactive lectures, simulation games, and personal question and answer sessions with CIMB representatives, providing a practical understanding of sound financial management. The best performing students are provided with a Private Retirement Scheme account jointly by CIMB-Principal Asset Management (CPAM) and CIMB Foundation, mainly to jump start their savings for the future.

► **Impact**

In 2017, 4,592 college and university students participated in the programme, with our monetary contribution of RM1.65 million. The students demonstrated a 128.32% increase in financial knowledge.



**Let's Save and Share campaign** (Ayo Menabung dan Berbagi – AMDB) is a similar financial literacy initiative that was launched in 2011, which supported the Financial Services Authority's regulation. Our efforts through this initiative have been to inculcate a 'savings habit' amongst children and teenagers. In 2017, we covered 40 schools (14 primary schools, 14 junior high schools, and 12 senior high schools) in 10 major cities around Indonesia, to impart financial knowledge through various interactive and educational activities. The programme also provides a platform to raise funds for the disadvantaged, giving them access to a quality education.

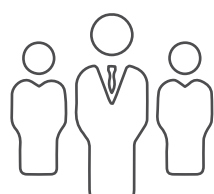
► **Impact**

As at 31 December 2017, through AMDB, we educated 32,569 students from 223 schools (165 elementary schools, 46 junior high schools and 12 senior high schools) in 62 cities around Indonesia. Through the AMDB account, we raised IDR2.1 billion, which was disbursed to chosen foundations. Besides, under the programme, we contributed to Student Savings Accounts (Simpel and IB Simpel) growth, with 34,917 accounts (up by 59.48% compared to 2016) and total savings of IDR6,793 million (up by 27.08% compared to 2016).

## FORGING PARTNERSHIPS OF TRUST

As a leading financial services provider with large-scale operations, we engage and partner with suppliers across ASEAN – mainly in the areas of IT, banking operations, marketing, professional services, as well as facilities management. We seek mutually beneficial relationships with suppliers based on trust, merit, and fair competition. We work through our supply chain to promote responsible and inclusive procurement practices, applying high standards of integrity and good practice in managing related environmental and social impacts.

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



### SUPPORTING BUMIPUTERA SUPPLIERS

CIMB is committed towards the Bumiputera Vendor Development Programme (BVDP), which helps us focus our efforts on supporting the economy and improving the performance of our Bumiputera Vendors.

We support selected Bumiputera suppliers to enable them to achieve sustainable competitive advantage and provide the link to access other government-linked companies (GLCs) and government agencies in terms of business opportunities via focused presentations through the BVDP platform.

CIMB, together with the Malaysian Ministry of International Trade and Industry (MITI), and other local government agencies, also provide specific training modules for selected Bumiputera Vendors in the BVDP. The customised development programme offers participating Bumiputera vendors an opportunity to learn and grow from interactive training programmes. As a direct result of the development programme, we have nurtured a National Champion as per our commitment to MITI's KPI and the success path of this vendor includes closing deals with GLCs, getting on panel of GLCs, getting awarded and recognised by both the Prime Minister and MITI, and achieving their target sales.



### PROMOTING RESPONSIBLE SUPPLIERS

Our procurement principle is to promote shared value and positive outcomes. Towards this, we continuously find ways to motivate our suppliers to demonstrate responsible and ethical behaviour, while optimising opportunities for learning and growth with our partnership.

In other words, we care about the way our suppliers do business. Our vendor code of conduct states our expectations in areas of labour and human rights, health and safety, environment and ethical dealings. As our procurement mission stands for more than short-term gains, we work with our suppliers to go beyond legal compliance, to exceed minimum requirements, and to strive for continuous improvement.

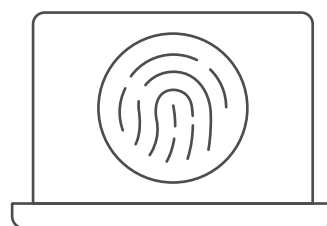
In addition to the above, our Whistle-Blowing Policy is a confidential avenue for anyone to report suspected unethical, illegal or improper behaviour, and disclosures are treated confidentially.



### DIGITALLY-ENABLED SUPPLIER RELATIONSHIPS

In 2017, our Group Strategic Procurement unit successfully launched a series of online procurement modules through the Group Electronic Procurement System (GEPS), to improve the transparency, efficiency, and effectiveness of the procurement process. A total of 853 suppliers were migrated to GEPS during the year.

During the year under review, we also deployed GEPS across Malaysia, Indonesia, Singapore and Thailand. Besides connecting us to our suppliers, it helps increase the visibility of our spending and controls across the Group.



### ADDRESSING CYBER SECURITY AWARENESS FOR CUSTOMERS AND SUPPLIERS

In 2017, we also rolled out various initiatives through CIMB Clicks to create awareness and educate our customers on internet safety, particularly with regard to phishing and fraud. Apart from prominent displays about online safety and a refreshed education page, we have also placed pop-ups and sent secured message blasts to customers via e-mail and Short Message Service (SMS).

Similarly, recognising that cyber security is a concern shared by most of our stakeholders, controls have been put in place to protect both our customers' and our business data from cyber threats. As we continue to enhance these defenses, we educate our customers, suppliers, and our employees to increase awareness of ways to protect themselves against the latest cyber threats.

In 2017, we actively participated in industry and government forums to find collective ways to tackle these threats, including the Financial Services Information Sharing and Analysis Centre (FS-ISAC) forum.

CIMB *Clicks*

CIMB  
PAY  
MALAYSIA

# FORWARD PLANET

We aspire to champion sustainable finance practices for a greener world and a better future.

plug n pay

Touch  
'nGO

# 9

## ENVIRONMENTAL IMPACT (ENVIRONMENT)

- 48 Demonstrating Environmental Stewardship
- 52 Strategising Green Financing
- 53 Supporting Sustainable Initiatives

# ENVIRONMENTAL IMPACT

Our environmental impact is guided by our commitment to factor in climate related financial risks and the potential financial impact of such risks to our business as well as our stakeholders. We are currently in the process of assessing these risks and opportunities for scenario planning and mitigation measures. Meanwhile, the following section outlines some of the key initiatives undertaken to manage our operational impact as well as our pioneering sustainable financing efforts.

We are guided by our Group Credit Risk Policy, which stipulates that companies with high exposure to environmental or social risks are subject to higher credit approving authority and / or extra due diligence. In addition, our Energy Management Statement articulates our purpose and objectives of minimising our direct environmental impact from our operations.

## DEMONSTRATING ENVIRONMENTAL STEWARDSHIP

Managing environmental impact across all our operations is part of our concerted efforts across the CIMB network. Our main environmental footprint consists of office materials and energy usage. We have the processes in place to make continuous improvements in energy efficiency, energy reduction and resource conservation. Our initiatives and processes for cost optimisation are documented under 'Project Kaiju'.

Going forward, our aspiration is to set more ambitious targets and mobilise our workforce to positively contribute to our environmental stewardship. We measure the success of our initiatives by the quantum of savings in terms of cost and resources, besides the direct and indirect environmental impact.



### Our Purpose

- To reduce energy consumption and eliminate waste without adversely affecting business operations.
- To optimise the use of energy and adopt good energy management practices, to meet the energy efficiency practices established by the Malaysian Energy Commission.

### Our Objectives

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

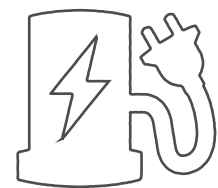
### Some Of Our Energy Management Efforts Include

Reducing energy consumption in our Headquarter buildings.



01

Implementing energy efficient initiatives.

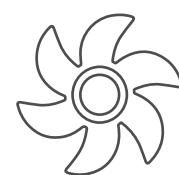


02



Installing a chilled water fan coil unit for energy optimisation in new areas and facilities subject to building conditions.



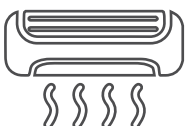
03



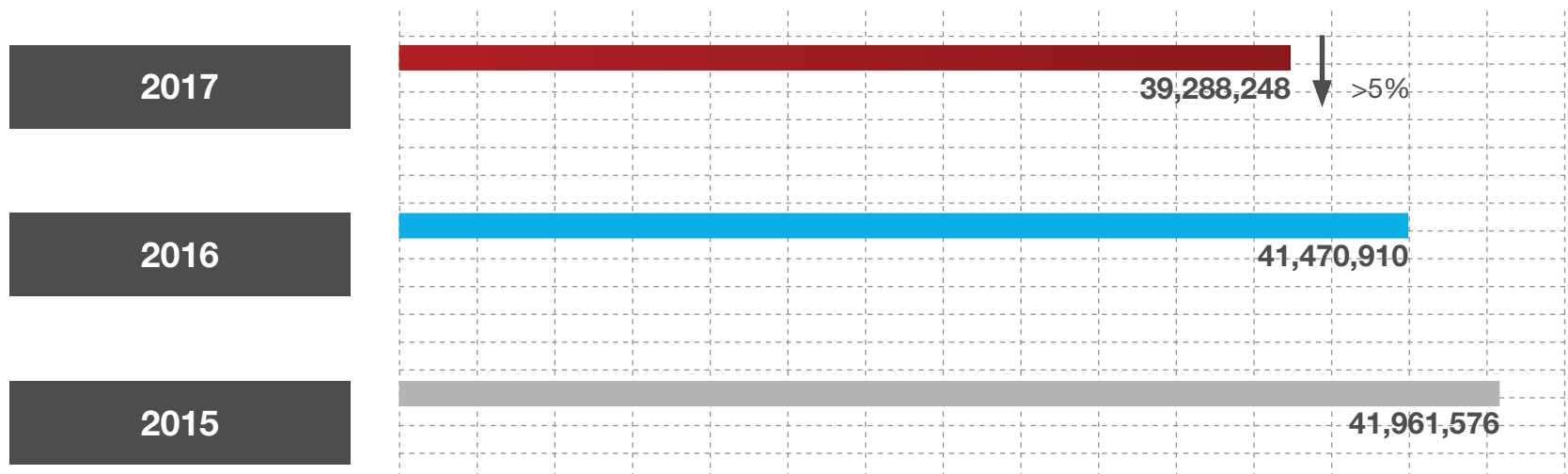
Replacing centralised air cool package units with split unit air conditioners based on building operational requirements and conditions.

04

In 2017, we noted a decrease in electricity consumption, mainly due to various measures put in place to use energy more efficiently. Some of the measures adopted across all our HQ buildings are as follows:

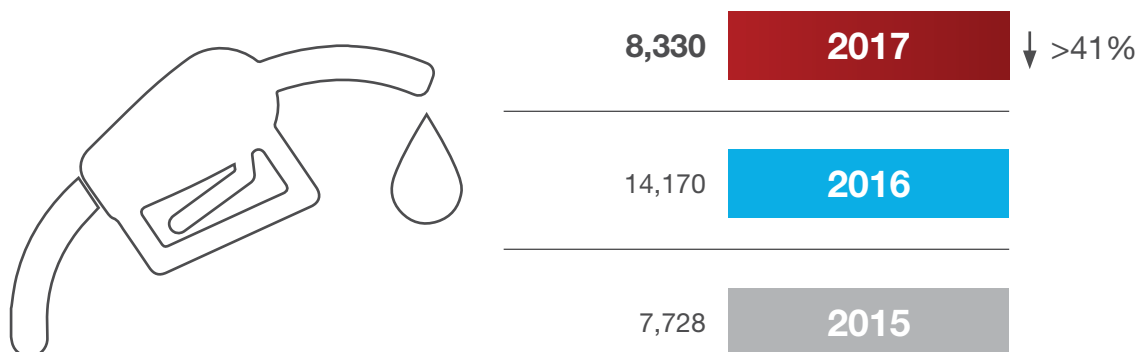
		
<p><b>01</b></p> <p><b>Luminaries</b></p>	<p><b>02</b></p> <p><b>Liquefied Petroleum Gas (LPG)</b></p>	<p><b>03</b></p> <p><b>Air Conditioning</b></p>
<ul style="list-style-type: none"> <li>Using energy-saving LED lights for sky signs.</li> <li>Replacing halogen bulbs with LED ones in the lobby area.</li> <li>Replacing T8 and T5 fluorescent tubes into LED types for energy efficiency.</li> <li>Replacing fluorescent EXIT signs with LED ones.</li> </ul>	<ul style="list-style-type: none"> <li>Installing leakage detectors.</li> </ul>	<ul style="list-style-type: none"> <li>Revising chillers temperature set point for energy optimisation.</li> <li>Optimising energy efficient chillers' operation.</li> <li>Installing automated Start/Stop air handling units (AHU).</li> <li>Rationalising chillers capacity requirements for daily operations.</li> <li>Reinstating air-conditioning efficiency performance.</li> </ul>

**Electricity Consumption (kWh)**



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

**Diesel Consumption (Litre)**



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

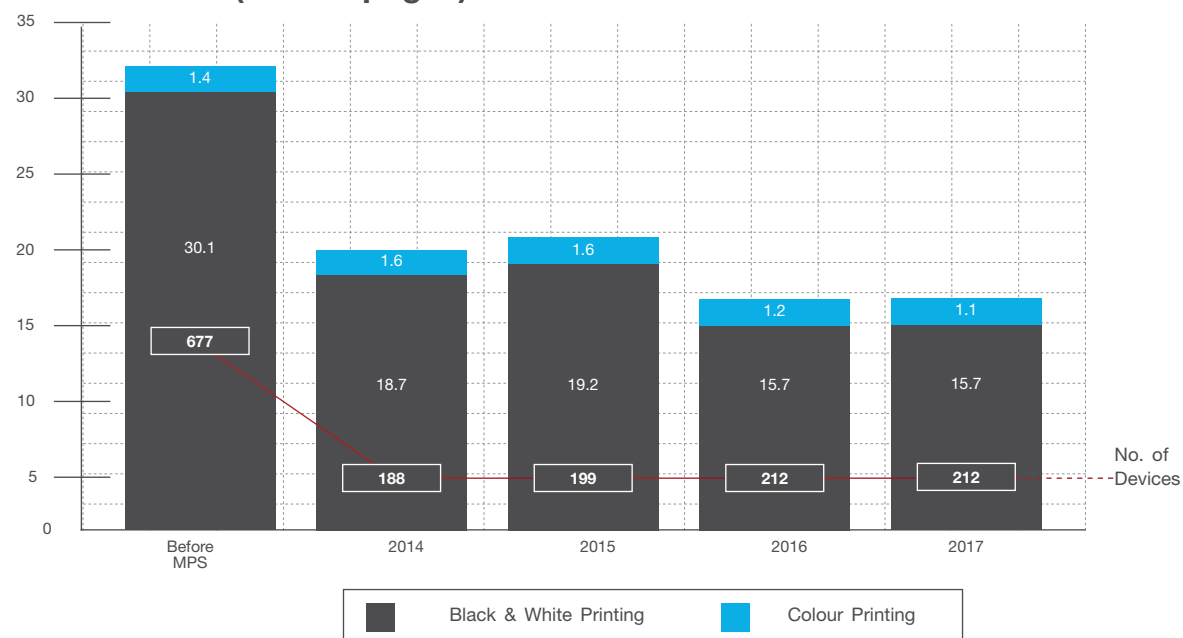
## Environmental Impact

### Managing our Operational Impact on the Environment

At CIMB, we are continuously looking for ways to minimise and manage our environmental impact. For instance, we began the 'managed print services' (MPS), mainly to monitor and control organisation wide printing. MPS helps save money and boost productivity, besides ensuring document security.

In 2017, we continued our efforts to raise awareness through informational posters, interviews with employees printing high volumes, a 'Think Before You Print' built-in email notification, and even paperless meetings. As a result of these initiatives, as at December 2017, we reduced the overall print volume by approximately 40% compared to before MPS. Following this success, we are in the process of rolling-out MPS at regional level.

#### Print Volume (Million pages)\*



**Note:**

- \* Menara CIMB only.
- Before MPS: Unmanaged print solutions at Bangunan CIMB.
- 2014: Moved to Menara CIMB and started to implement managed print solutions, optimising the number of devices and reducing the print volume.
- 2015 – 2017: Initiated the reduction of print volumes and removal of bad paper.

#### Water (m<sup>3</sup>)

As an organisation that employs around 38,000 employees, water is an important environmental issue to consider. Although not a material matter, we continue to report our water consumption data for the year.



**Note:**

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



**SOME OF THE KEY ENVIRONMENTAL INITIATIVES IN 2017**

- 01 Allocated a number of “Green-Car” and Pool Car parking lots at Menara CIMB, encouraging and supporting our employees who opt for electric/hybrid cars to reduce their carbon footprint.
- 02 Reduced the use of personal cars by opening a food court, convenience store, and adding vending machines at our head offices. With these amenities within walking distance, our employees are able to positively contribute to the reduction of carbon emissions.
- 03 Replaced paper towels with hand-dryers in all common toilets at Menara CIMB.
- 04 Encouraged virtual-meetings through the telepresence system, video and audio conference system. This not only saves paper, but also helps reduce our carbon footprint by reducing travelling for physical meetings.
- 05 Implemented e-Fax (rightfax) solutions at Menara CIMB. The feature allows our employees to send and receive the data they need without the need to print and transmit a paper fax.
- 06 We migrated 853 suppliers to GEPS – a ‘paperless’ and ‘low-carbon’ solution. With GEPS, suppliers can interact and transact with us through a seamless online platform, reducing paper printing and the need for them to travel to our office.

**Small Initiatives; Big Impact**

In 2017, we sourced Forest Stewardship Council (FSC) certified paper for the CIMB 2018 Notebooks, which were distributed to clients and partners. This small initiative in itself promotes green behaviour, inspiring our internal and external stakeholders to be environmentally-friendly and socially-responsible consumers.



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## Environmental Impact

### Green Financing

The Green Technology Financing Scheme (GTFS), established by the Malaysian Government, promotes investments in green technology. As one of the Participating Financial Institutions (PFIs), our role is to provide financing to companies that supply (producers) and utilise (users of) green technology. Investment in green technology refers to products, equipment, or systems which satisfy any of the following criteria:



The projects under GTFS provided an opportunity for us to develop and own a portfolio of emissions-to-energy projects across ASEAN. Similarly, during the year, CIMB Thailand disbursed loans and working capital to the tune of THB450 million for financing renewable energy businesses to include biogas, biomass, solar and energy power plant.

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## WORLD'S LARGEST GREEN, SUSTAINABLE AND RESPONSIBLE INVESTMENT SUKUK ISSUANCE

In 2017, we led Quantum Solar Park (Semenanjung) Sdn Bhd's ("QSP Semenanjung") RM1.0 billion Green SRI Sukuk to partially fund three solar photovoltaic plants in Malaysia. The projects are expected to be instrumental in helping Malaysia achieve sustainable electricity supply and the reduction of carbon emissions in line with the National Renewable Energy Policy and National Green Technology Policy of Malaysia.

QSP Semenanjung's Green Bond Framework has received a Dark Green shading – which entail zero emission solutions and governance structures that integrate environmental concerns into all activities – from the Center for International Climate Research (CICERO).



°CICERO  
Dark Green

## FIRST SRI SUKUK ISSUANCE APPROVED UNDER THE SECURITIES COMMISSION MALAYSIA'S GUIDELINES ON ISSUANCE OF PRIVATE DEBT SECURITIES AND SUKUK TO RETAIL INVESTORS

CIMB had successfully arranged Khazanah's second issuance of RM100.0 million in nominal value Sukuk via Ihsan Sukuk Berhad ("Ihsan"), a special purpose vehicle. It was issued pursuant to Ihsan's Sukuk Programme, and consists of a RM95.0 million Non-Retail tranche as well as an RM5.0 million Exchange Traded Sukuk ("Retail Sukuk Ihsan") tranche.

The Retail Sukuk Ihsan was also the first ever to be offered via reward crowdfunding platforms, allowing participation from the Malaysian public who want to contribute to the programme from as low as RM10.

The social impact of this "Pay-for-Success" structure is measured using a set of predetermined Key Performance Indicators ("KPIs") which are assessed over a five-year observation timeframe. The KPIs are evaluated at Year 5 prior to the maturity of the Retail Sukuk Ihsan. If these KPIs are met, the Sukukholders will forgo 3.18% of the nominal value due under the Sukuk at maturity in return for tax vouchers in recognition of the positive social impact generated by the Trust Schools Programme. If these KPIs are not met, the Sukukholders will be entitled to the nominal value due under the Sukuk in full at maturity. The terms of Retail Sukuk Ihsan also allow Sukukholders to waive the principal sum invested at any time during the tenure of the Sukuk.

The proceeds from the issuance will be used to transform schools under Yayasan AMIR's ("YA") Trust Schools Programme identified in 2016. YA is a not-for-profit foundation initiated by Khazanah to improve accessibility to quality education in Malaysia's government schools through a Public-Private Partnership with the Ministry of Education.

### SUPPORTING SUSTAINABLE INITIATIVES

01

#### SWEPA BAREFOOT SOLAR PROJECT

We supported SWEPA's mission to locate and identify rural villages in Sabah with energy constraints to provide sustainable solar power for its community. In 2017, we invested RM157,500 in the programme which aims to identify and train rural women to become solar engineers. As community champions, they install and take ownership for maintaining the solar power infrastructure for households in their villages. The initiative targets semi-literate or illiterate Grandmothers, who will remain in their communities and work for their welfare. The initiative has been extremely impactful both in terms of empowering women as agents of change, and using renewable energy solutions to connect off-grid and rural communities with power, improving their quality of life.

02

#### CONSERVATION BA'KELALAN AND LONG SEMADOH, SARAWAK AND ULU MUDA, KEDAH BY WORLD WIDE FUND FOR NATURE MALAYSIA (WWF)

Both programmes focused on water as a natural capital that impacts the livelihood of more than 2 million people living in that area. Through CIMB Islamic, we pledged a three-year partnership, with an annual budget of RM500,000 towards food- and water-security initiatives. The three-year work plan involves assessing the biological diversity; developing the best mechanism to raise awareness on the importance of the area.

03

#### GREEN PRODUCTS FOR GREEN CUSTOMERS

Our EcoSave-i Savings Account is environmental friendly, with 'on-line' and 'paperless' features. To promote green behaviour, through this account, we pledge 0.2% of the total EcoSave portfolio balance for green environmental initiatives every quarter. As at 31 December 2017, a total of RM314,135 was disbursed to support several environmental initiatives through credible NGOs. For instance, the amount allocated to World Wide Fund for Nature Malaysia (WWF) was utilised to advocate for the establishment of a state or national park at Fraser's Hill, Pahang and to promote the consideration of declaring a protected area at Ulu Muda, Kedah.

plug  pay

Beat  
Blank FM

Touch  
NGO



CIMB *Clicks*

 CIMB  
PAY  
MALAYSIA

**FORWARD**  **PEOPLE**

We continue to fulfil our social responsibility  
to improve the lives of people.



# 10

## SOCIAL IMPACT (WORKPLACE & COMMUNITY)

- 56 Promoting the spirit of #teamCIMB
  - Thriving on Diversity
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- 61 Ensuring Occupational Safety And Health (OSH)
- 62 Inspiring Citizenship
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# SOCIAL IMPACT

## (WORKPLACE & COMMUNITY)

Our social impact can be measured by our commitment to the welfare and well-being of our employees as well as the communities where we serve. Our 'people and community' approach is to empower them with skills that can prepare them for the future and the Fourth Industrial Revolution; gender-balanced and needs-based policies to cater to their demanding lifestyles; rewarding careers and benefits to help them meet their financial commitments; access to quality education and healthcare to reduce inequalities in society. We believe, CIMB in the community and at workplace is all about shared resources, benefits, achievements, and value. It is about empowering people and improving lives. The following section outlines some of the key policies, programmes, and areas of impact in both workplace and the community.

### PROMOTING THE SPIRIT OF #teamCIMB

With around 38,000 employees across ASEAN +7 countries, we are driven by values such as diversity and inclusion for continuous growth. As a progressive leading bank in the region, our 'people' strategy is well-positioned to meet the emerging challenges of today's dynamic marketplace including rapid digitalisation. Our efforts are focused on optimising the potential of our workforce and workplace, by making sure we future-proof our employees. We do this by developing the right skill-sets and behaviour through innovative learning and development initiatives, alongside the culture transformation process. We also ensure that the evolving needs of our diverse employees are met adequately, covering critical aspects such as health and wellness, financial well-being, flexible work options, gender balance and participation, and green and responsible behaviour.

Our corporate culture continues to drive performance and accelerate growth. The organisational culture rests on our philosophy of shaping 'A Better CIMB' (ABC) by encouraging three critical behaviours – a) go the extra mile to delight our customers; b) respect each other, engage openly and work

together; and c) recognise each other's efforts and always back each other up. We successfully cascaded the three critical behaviours of ABC across all levels and locations of our business in the region since 2015. Through numerous activities, our objective has been to accelerate culture transformation and strengthen the spirit of 'one #teamCIMB'.

For instance, we organised two "Culture Days" involving employees regionwide simultaneously this year. First is the #appreciate day, which is observed by staff in CIMB offices across the region by distributing fresh apples to appreciate colleagues and peers. Second is a #onetwojuice, which is a childhood game that is played in most of the ASEAN countries and brings together our diverse employees irrespective of their language and background. These symbolic days help promote diversity and inclusion, with participation from CIMB employees across the region.

#### PROMOTING DIVERSITY

##### Thriving on Diversity

One of our core values is "Thriving on Diversity" and our strategic workforce planning efforts help foster inclusivity and diversity for growth. We achieve diversity through merit-based hiring, a selection process that has proven to work for CIMB, based on our results. In 2017, 55.6% of our total workforce comprised of women, with 41.8% women representation at senior management level. Also, 20% of the Board positions are held by women, which is closer to our target of 30% by 2020.

In keeping with our inclusive approach, we also continue to look for differently-abled talent and high-potential employees with special needs. To-date, we have hired 14 such employees in Malaysia alone.

We also encourage talent mobility across our key operating markets in ASEAN and beyond, which helps to foster cross-cultural, and multi-ethnic teams that bring new perspectives and dimensions to enhance workplace productivity.

#### NURTURING PEOPLE

##### Introducing Enriching Policies

We strongly believe in creating a nurturing and caring workplace, which will only foster a sense of belonging and a happy, productive workforce. We are guided by this philosophy when reviewing and introducing our human resource policies; training and development needs; and the overall cultural transformation programmes and initiatives.

Our new employee policy, which took effect on 18 June 2017, complements CIMB's existing Staff Rejuvenation Programme, which allows staff to take up to nine months unpaid leave for personal reasons – including extended maternity/paternity leave – and maintain their current position or seniority at the bank. Our paternity leave policy also reinforces CIMB's commitment to continuously improve employee welfare through gender-balanced policies.

We also introduced innovative policies under the CIMB Workplace Wellness programme, which aims to help our employees manage their various personal priorities with Flexible Work Arrangements: **Flex4Parents** offers reduced workweek or flexible work options for parents with school-going children or those with ailing parents; one month's paid **Paternity Leave** for first-time fathers; **Zero-interest Housing Loan** for the first five years; and financial assistance for single parents with school-going children. In Thailand, 100 employees opted for Telecommuting Work Arrangement, which offers 2-3 days work-from-home option every week for better work-life balance and another 40 employees opted for Staggered Work Hours policy. In Malaysia, we offered more than RM1.0 million in **Staff Sponsorships and Scholarships** to support their financial needs in relation to higher education, family commitments and career aspirations. All these policy-level efforts help build a highly exciting, productive and inspiring work environment, while supporting different needs of our employees.

We also seek continuous opportunities to improve the workplace productivity through various health and wellness initiatives. In 2017, on occasions such as the World Heart Day and Mental Health Day amongst others, we raised staff awareness on various health issues and preventive measures through a regularised EDM. Besides, we also promoted various sports and recreational activities. Similarly, in Thailand, we have 12 staff sports and recreational clubs, which promote employee team spirit, health and well-being. During the year, 1,577 members of the staff benefitted from an allocation of THB993,968 to these clubs.



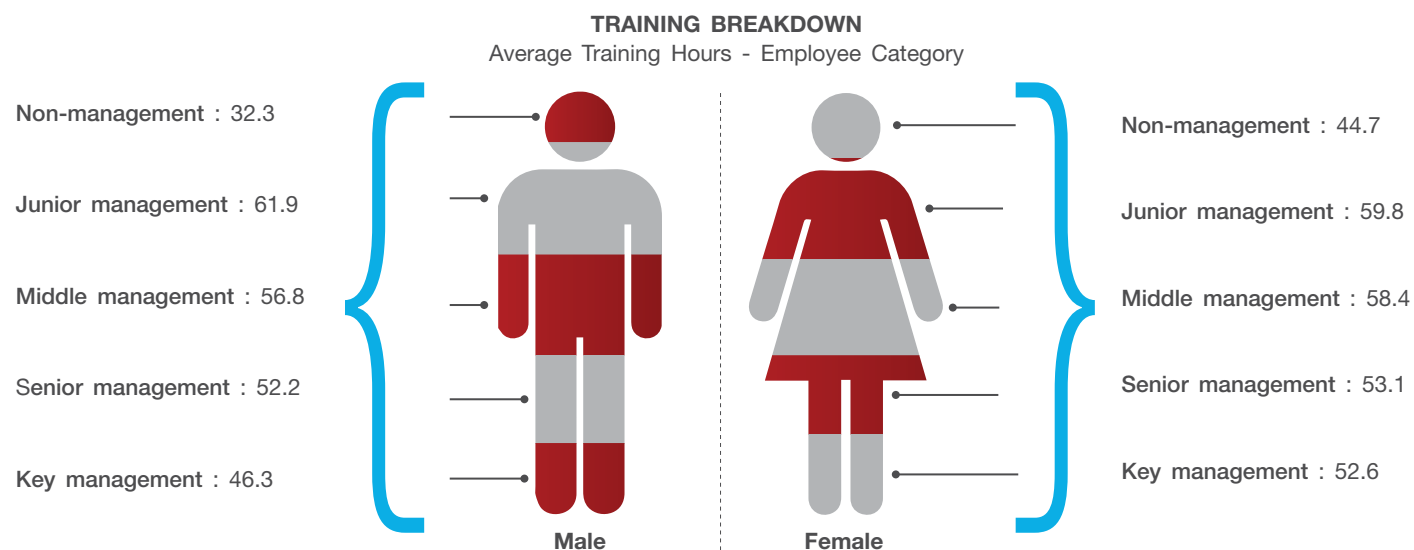
## ENCOURAGING LIFE-LONG LEARNING

We conduct regular training needs assessment of all our employees, across various functions and levels. We believe learning and development can help employees upskill and reskill to remain competent and relevant, with the evolving needs of the industry and workplace.

### 2017 TRAINING AND DEVELOPMENT

Region		Malaysia		
<b>1,777,270</b> total training hours	<b>RM107.9 million</b> total investment	<b>934,511</b> total training hours	<b>RM54.7 million</b> total investment	<b>16,378</b> employees

At CIMB Group, we remain committed to the principle of equality in providing opportunities for learning and growth, as also reflected in the Training Composition below:



In 2017, specific AML training was also completed by relevant employees covering areas such as identifying and reporting transactions that must be reported to government authorities; different forms of money laundering involving CIMB's products and services; and internal policies to prevent money laundering. Our customer-facing and control personnel completed their annual training via e-learning, targeted training, and external professional and regulatory seminars.

## Social Impact

### COMPLETION RATES FOR E-LEARNING TRAINING PROGRAMMES

The e-learning training programmes covering areas of governance, risk, AML, and IFSA are mandatory for all permanent staff based in Malaysia. In 2017, we achieved an average participation rate of 99.24%.



	Compliance Frequency	Percentage of staff completed
Anti-Money Laundering/Counter Financing of Terrorism	Annual	99
Financial Services Act/Islamic Financial Services Act	Half-yearly	99
Business Continuity Management	Every two years	100
Introduction to Customer Experience	One-off	100
Introduction to Competition Act 2010	Every two years	98
Data Protection	Annual	99
Information Security Awareness	Annual	99
Shariah Governance Framework	One-off	100
Risk Appetite Principles	One-off	100
Operational Risk Management	One-off	100

*\*All non-clerical staff of grades 32, P28, P29, P32 & U11, receptionists, messengers, drivers, bodyguards, security guards, telephone operators, interns & SL1M trainees are exempted from compulsory e-learning programmes.*

## PREPARING FOR LIFE BEYOND WORK

In August 2017, 30 employees from Malaysia attended the “Living it to the Fullest”, a pre-retirement workshop held in Menara Bumiputra-Commerce. At the workshop, experts from Agensi Kaunseling & Pengurusan Kredit (AKPK) shared insights on prudent financial management, emphasising on 4 Ws – Wealth Creation, Wealth Accumulation, Wealth Protection and Wealth Distribution. Other invited speakers shared tips and advice on “Retirement Style” and “Wellness Matters”, respectively. Some CIMB retirees were also present to share their key ingredients of a successful retirement life, from the aspects of financial habits, lifestyle and relationship.

To help them transition to a ‘Retirement Life’, we also nominate our deserving and loyal CIMB employees for retirement and long-service awards. In 2017, across all our business units in Malaysia, we awarded cash value of RM1,213,000 to 366 Long Service Award winners and 23 Retirement Award recipients.



## FOSTERING EMPLOYEE ENGAGEMENT

Meanwhile, we also continued our efforts to build a delightful employee experience by making our end-to-end HR processes more digital, simpler, faster and accessible. We are already working with Group Technology and Operations to put in place a HR back-end technology platform to support the 'front-end employee experience'.

In 2017, we started reviewing how we can innovate the core HR functions to include employee data management, mobility, and organisation management; payroll; benefits and rewards management; recruitment; talent and learning management. All our initiatives are based on active employee feedback, which is formalised through various employee surveys and feedback mechanisms.

In 2017, we also expanded the ABC Informal Leaders' Network to 142 Business Sponsors and 2,304 Informal Leaders, which helped to accelerate our culture transformation efforts, with increased employee engagement and

relationship building activities across the region. Similarly, we extended our most popular staff-management engagement platform called 'Tuesday Chats' to Group Management Committee's one-downs (GMC -1), a skip-level session that facilitates open engagement between staff and senior management to share their feedback and suggestions in an informal setting. The idea has been to 'walk the talk' and demonstrate new leadership in bridging management-employee relationships for productive and practical solutions at the workplace and beyond. A total of 683 sessions were held as at 31 December 2017, with an encouraging 92% response rate in Employee Engagement Survey (biennial survey, last conducted in 2016).

We also launched the ABC Torch of Recognition for the region, to cultivate the positive habit of recognising each other's efforts. ABC Torch relays were initiated by GMC members who subsequently passed down the torches to deserving employees who would then further identify recipients of the torches as a form of recognition.



## CIMB: A GREAT PLACE TO WORK

The ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2017 recognised CIMB for 'Best Workplace Practices', which allow opportunities for work-life balance; learning and development; career growth; community giving; health and wellness.

*In the picture (from left): YBhg. Dato' Lee Chee Leong, Deputy Finance Minister; Puan Shareen Shariza Dato' Abdul Ghani, Chief Executive Officer of Talent Corp; YBhg. Dato' Hamidah Naziadin, CIMB Group Chief People Officer; and YBhg. Dato' Merina Abu Tahir, President of ACCA Malaysia Advisory Committee.*

## FUTURE-PROOFING EMPLOYEES

In 2017, we institutionalised the CIMB Mobility Centre, which has been tasked to devise strategies to remobilise CIMB staff into new roles as a response to the anticipated role redundancies in near future, especially with the advent of the Fourth Industrial Revolution (IR4.0). This also means that we will be working closely with individual business units to differentiate our hiring approaches; upskill, reskill and multi-skill our employees for them to remain relevant and competitive; co-create new learning methodologies; and improve the outcomes through cutting-edge staff training programmes.

We also initiated our discussions to transform to a nimbler HR structure with emphasis on building:



A dedicated S.W.A.T. – Special Winning Attitude Team, with a specialised pool of agile, multi-skilled, plug-n-play problem solvers.



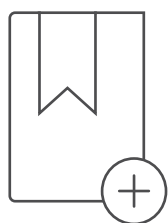
A consolidated transactional or operational HR, which translates into teams based in one country, but serving the Group ASEAN-wide for consistency and efficiency.

### Contributing to Youth Development

Preparing Youth for the Jobs of the Future: In partnership with the Malaysia Digital Economy Corporation Sdn Bhd (MDEC) and SAS Institute, we organised the CIMB Data Science Challenge in 2017. This annual data science competition is to help the university students in Malaysia to design solutions for real-life business scenarios. The objective is build a talent pool to serve the present and the future needs of the financial services industry.

Similarly, the CIMB ASEAN Stock Challenge, in its 8th year, was organised to enable aspiring ASEAN students to demonstrate their investment and analytical skills in virtual stock trading across five major stock exchanges in the region.

The winners in both competitions were offered internships with CIMB apart from the cash prizes.



### INSTILLING A CULTURE OF COMPLIANCE AND RISK

As the banking environment is fast evolving, the need for building and living a compliance culture is absolutely critical. In 2017, we initiated efforts to engage with CIMB employees across various levels to better understand what compliance means to them on the job and what would make 'compliance' a habit and behaviour rather than a mandated KPI. Towards 2018, we plan to introduce compliance-culture-building programmes, which over time will help mitigate reputational risks.

Meanwhile, we also revisited our employee communications to rediscover ways to improve employee participation, learning and growth. Our discussions in 2017 gave birth to ZAC – a CIMB employee icon, who leads the way to remind CIMBians of compliant behaviour. The idea is to design communications (supported by a fun-to-learn tutorial pack, gamification, competitions, and quizzes) that will inspire employees to learn and apply the lessons in their everyday work.



### MOTIVATING HIGH-PERFORMANCE

The Group's performance is determined by a balanced scorecard approach, which includes key measures on profitability, cost, capital, shareholders' return, medium to long-term strategic initiatives, as well as risk, audit and compliance positions. The Group currently tracks two risk-adjusted performance measures – risk-adjusted return on capital (RAROC) and economic profit, which are adopted in phases across the Group.

The Group's key measures are cascaded to the business units and functions, and subsequently to the KPI scorecards of individuals. In 2017, the RAROC measure has been cascaded to the KPI scorecards of key individuals in the organisation across the Group.

Similarly, for each employee in the Group, performance is tracked through KPIs in a balanced scorecard. In addition to financial targets, KPIs in the balanced scorecard usually include measures on customer experience, long-term initiatives (where progress of milestones or ROI may be monitored), risk management and process controls, audit and compliance findings, as well as people-related measures. At the end of the year, performance of each individual is then assessed through the Group's performance management framework which is based on 70% of the balanced scorecard and 30% of the individual's proficiency in required competencies.

As at 31 December 2017, 100% CIMB employees have received their KPI assessments for the 2017 assessment period.

## ENSURING OCCUPATIONAL SAFETY AND HEALTH (OSH)

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

The safety and health management system and its processes are key to operational excellence and we are guided by the MS 1722:2011 Occupational Safety and Health Management System. Some of the key functions of CIMB Health and Safety Committee include:

- 

Assisting in the development of safety and health rules.
- 

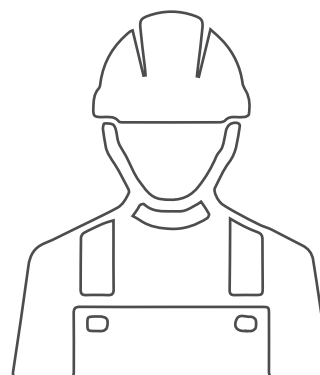
Reviewing the effectiveness of safety and health programmes.
- 

Carrying out studies on accidents, dangerous incidents and occupational diseases.
- 

Reporting any unsafe or unhealthy conditions or practices, together with recommendations for corrective action.
- 

Reviewing safety and health policies, and providing recommendations for policy revisions.

The occupational safety and health statistics include accidents and incidents. The data is tracked and reviewed so that safety risks and hazards can be proactively and effectively managed. Measures are taken after every accident is reported. Training, counselling and preventive action, including risk-control programmes, will minimise future recurrences. Below is the OSH track record for the period 2015-2017.



### Occupational Safety and Health (OSH) Indicators

	Malaysia		
	2015	2016	2017
Accident with fatality	0	0	0
Accident with lost workdays	2	2	2
Total workdays lost	8	42	75
Accident without lost workdays	3	0	0
Total no. of accidents	5	2	2
Fatality rate	0	0	0
No. of safety and health training programmes	26	26	12
No. of employees trained on safety and health	396	402	426

## INSPIRING CITIZENSHIP

In 2017, keeping with our efforts to inspire and create a culture of responsibility, we introduced a new policy called Flex4CSR, which allows CIMB Group employees to opt for 30 consecutive calendar days of paid leave to support any of CIMB Foundation's projects, with no impact to their existing employment tenure and benefits. All confirmed permanent employees, with minimum two years of service with CIMB are eligible to apply for Flex4CSR option.

CIMB employees are also entitled to a half-day leave for every 10 hours spent volunteering for a cause. These two fresh policies are in addition to the Foundation's existing employee-driven CSR initiative called Community Link, which encourages staff from our branches to bid for funding for CSR projects in their respective communities. The idea is also to promote camaraderie amongst CIMBians in addressing social issues and supporting disadvantaged and underprivileged communities.

### Feeding the Needy Programme

CIMB employees volunteered at a soup kitchen once a month from January – July 2017, with average 2.5 hours and 10 volunteers per programme. In 2017, we had 74 volunteers, with a total contribution of 185 hours.



### Community Link Programmes

In 2017, a total of 60 programmes were implemented throughout Malaysia, with active participation of 2,259 volunteers, contributing a total of 9,290 hours.



### Be\$MART Programme (Financial Literacy)

A total of 72 sessions were conducted throughout Malaysia, with 2,304 hours dedicated by 576 CIMB Volunteers.



## TOTAL CIMB GROUP EMPLOYEES

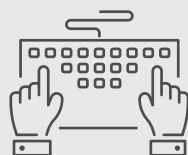
### Workforce by Country and Gender

MALE		FEMALE	
44.4%		55.6%	
6,640	Malaysia	10,059	
7,071	Indonesia	7,097	
757	Singapore	852	
1,874	Thailand	2,569	
145	Cambodia	166	
36	Vietnam	51	
162	Others	118	
16,685	Total	20,912	

### Employees by Levels and Gender

MALE	JOB CATEGORY	FEMALE
47.4%	Non-management	52.6%
41.1%	Junior management	58.9%
52.0%	Middle management	48.0%
58.2%	Senior management	41.8%
73.7%	Key management	26.3%
16,848	Total	20,887

### Workforce with Disabilities/Special Needs



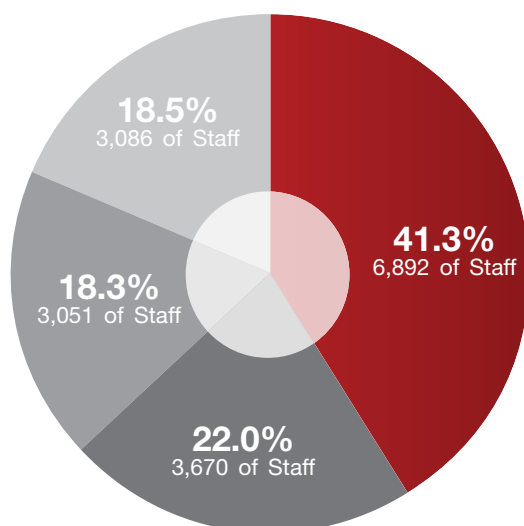
MALAYSIA			
10	2016	2017	14

### Total Employees based on Level of Education

In terms of competencies, in 2017, employees with bachelor's and master's degrees made up 41.3% of 16,699 CIMB employees in Malaysia.

#### HIGHEST QUALIFICATION

- Master's and Bachelor's degree
- Secondary School/SPM/SPVM/MCE/O-Level
- Diploma/Advanced/Higher/Graduate
- Others\*



**TOTAL:**  
100%  
16,699 of staff

### Ratio of Basic Salary and Remuneration (Women to Men) for each Employee Category

CIMB provides equal pay by gender for the same role and responsibility in the same location. These aspects are regularly reviewed to ensure pay equity. The variance in the ratio of basic salary for men to women is negligible. The low variance is mainly due to the difference in qualifications, the tenure with the organisation, as well as the individual performance.



MALE



FEMALE

1.00	Non-management	1.10
1.00	Junior management	0.97
1.00	Middle management	0.94
1.00	Senior management	0.90
1.00	Key management	1.03

#### Assumptions:

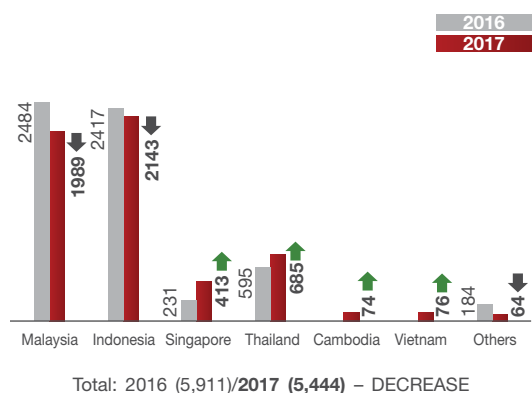
- Men's average indexed to 1; Women's average taken in relation to Men's average
- Data based on Malaysian staff, employed in Malaysian entities (excluding iCIMB, CPAM, CPIAM, Mapletree, TnG)
- Data based on basic salaries only from December 2017 payroll

\* STPM/A-Level / Pre-U / Matriculation Certificate Professional Secondary School / SRP / LCE / PMR Primary School / Doctorate (PhD)

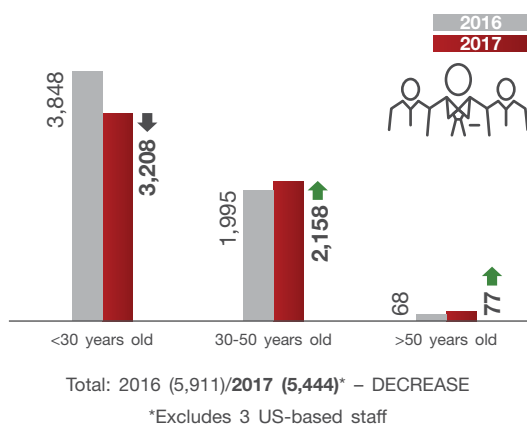
## Social Impact

### NEW HIRES

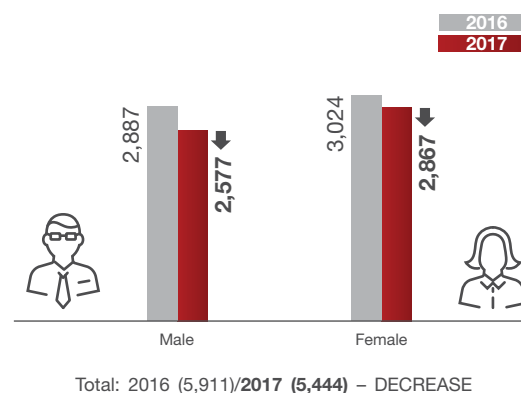
New Hires by Country



New Hires by Age Group



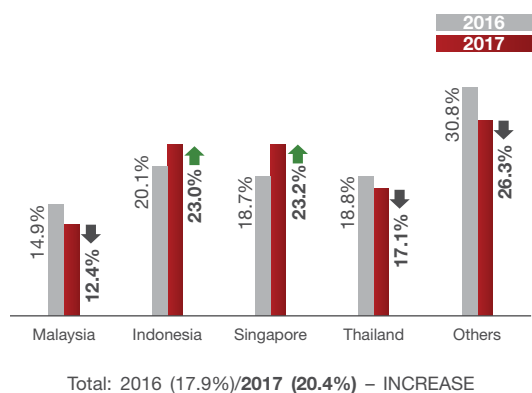
New Hires by Gender



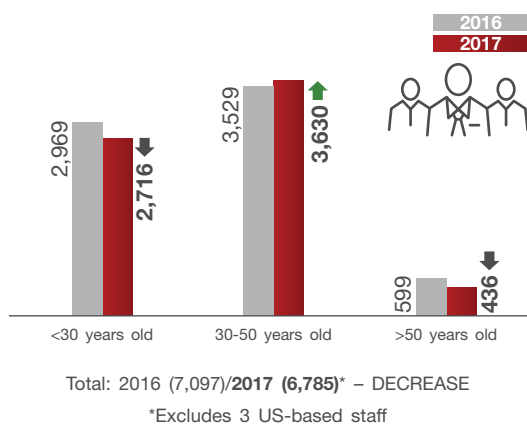
### EMPLOYEE TURNOVER

The average employee turnover at CIMB Group in 2017 increased marginally, from 17.9% in 2016 to 20.4% in 2017. More male employees resigned (53% of the total). All resignations were due to reasons of a personal nature.

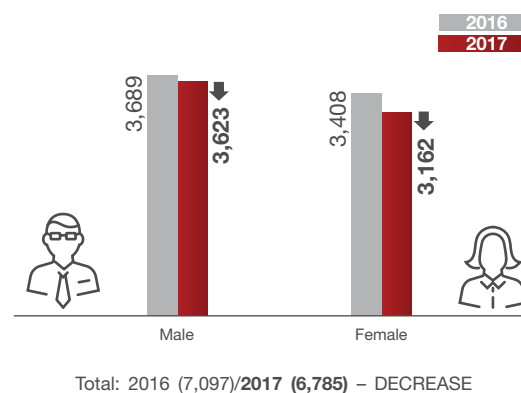
Employee Turnover by Country



Employee Turnover by Age Group



Employee Turnover by Gender



### SUPPORTING FREEDOM TO FORM ASSOCIATIONS

With regard to labour rights in Malaysia, we recognise 8 unions and have in place Collective Agreements (CA) with National Union of Bank Employees, Association of Bank Officers, CIMB Bank Berhad Executive Staff Union, Sarawak Bank Employee's Union, Sabah Banking Employees' Union, Kesatuan Pegawai-Pegawai Bank Sabah, Kesatuan Pegawai-Pegawai Bank Sarawak and National Union of Commercial Workers. Unionised staff make up 51.2% of 16,699 employees in Malaysia.

## COMMUNITY WELFARE & WELL-BEING

We fulfil our commitment to serve local communities through CIMB Foundation. In 2017, our initiatives under the Foundation's key programme, Community Link, focused on social inclusion (unity, culture and heritage, homes and shelters, sports for differently-abled); health; and education. A total of approximately RM10.5 million was invested to achieve positive impact in the three areas. Below is the breakdown of our social investments in the region.

Contribution by Country (RM'000)			
2016		2017	
RM9,590	73.8%	Malaysia	RM10,462   76.3%
RM2,835	21.8%	Indonesia	RM2,667   19.5%
RM69	0.5%	Singapore	RM7   0.05%
RM475	3.7%	Thailand	RM571   4.2%
RM31	0.2%	Other	RM0   None

Contribution by Programme (RM'000)			
2016		2017	
RM4,163	32%	Community Development (Social)	RM3,088   22.5%
RM2,096	16.1%	Sports	RM1,702   12.4%
RM3,625	27.9%	Education	RM4,601   33.6%
RM3,116	24%	Natural Disaster & General Donations	RM4,316   31.5%

Contribution by Entity (RM'000)			
2016		2017	
RM7,604	58.5%	CIMB Foundation	RM7,592   55.4%
RM1,986	15.3%	Non-CIMB Foundation*	RM2,870   20.9%
RM3,410	26.2%	Regional**	RM3,245   2.37%

Note: \* Contributions by entities in Malaysia that exclude CIMB Foundation. \*\* Includes all countries outside Malaysia.

	2016	2017	UP BY
Staff Volunteers	751	3,769	> 400%
Volunteer Hours	3,344	18,168	> 400%
Volunteer Hours Per Staff	4.2 hours	4.8 hours	> 14%

## SOCIAL IMPACT

Community Contribution  
**RM10.5** million



Beneficiaries  
**183,929**  
Community Members



Coverage & Reach  
**14**  
states



Print Media Mileage  
**RM6.5** million



Projects Initiated  
**378**



NGOs & Partners  
**259**



Social Media Mileage  
**3,138**  
social media followers



### IMPACTING QUALITY EDUCATION

We support community-based education programmes and under-resourced schools by providing opportunities for talented youth at the national and regional levels.

The **PINTAR School Adoption Programme**, introduced by Khazanah Nasional Berhad, aims to provide rural school children with access to quality education. The programme creates a competitive environment, encouraging academic excellence through rewards and incentives. In 2017, we adopted 12 new schools and introduced new programmes to encourage the learning of the English language and also upgraded computer labs and libraries in the states of Sabah and Sarawak.

#### Impact

Seven out of 12 schools showed an improvement in their English scores after only one year. We reached 4,659 pupils, 628 teachers, and 12 schools, with a total contribution of RM310,000.

**ICT for Development** is a programme implemented in Thailand, with a dedicated computer learning centre, internet connectivity and a library to meet educational needs of children in rural schools and youth in remote geographies. The positive outcomes include access to information and global knowledge; educational and employment; technical learning; and quality exposure to various learning tools and methodologies. We have been successful in securing support from members of the media as well as our corporate customers to make the programme more effective and sustainable.

#### Impact

In 2017, with an investment of THB2.4 million, we rolled-out seven ICT programmes in seven provinces of Thailand (Songkhla, Udon Thani, Khorat, Chiang Mai, Chanthaburi, Trat, Phitsanulok), benefitting 1,484 children and youth.

The **CIMB Young ASEAN Leaders (CIMB YAL)** is an annual programme designed to grow and nurture the best of our young ASEAN leaders through a process of exchanging ideas, sharing perspectives and cross-cultural experiences. Since its inception in 2012 until 2017, RM750,025.39 has been invested in shaping 250 university students into high-potential leaders. The initiatives present an opportunity for us to better understand the aspirations of youth leaders as well as to develop the ASEAN youth. In 2017, we invested RM266,000 in the programme, with 418 applicants from various ASEAN nations.

#### Impact

In CIMB YAL 2017, 50 selected students gained practical knowledge on the concept of the 'Sharing Economy', the role of entrepreneurs as its key drivers; and the use of technology to tap cross-border opportunities. As young leaders and the driving force behind all future development (in their respective countries), these students also visited a local community to develop and pitch a business idea, using the available resources and tools learnt at this programme such as business model canvas – a strategic management and lean start-up template.

The **Edible Garden Programme** aims to reach out to school children to raise awareness on where their food comes from and how to start edible gardens in schools. There are also competitions to reward students with the best edible garden. The objective is to encourage children to learn and practice sustainable agricultural techniques, through a creative, interactive and experiential learning process. The initiative is delivered in partnership with EcoCentric and our CIMB Kangar and Kuala Terengganu Branches in Perlis and Terengganu respectively.

#### Impact

In 2017, we reached out to 200 students from nine schools, with a total monetary contribution of RM141,182.



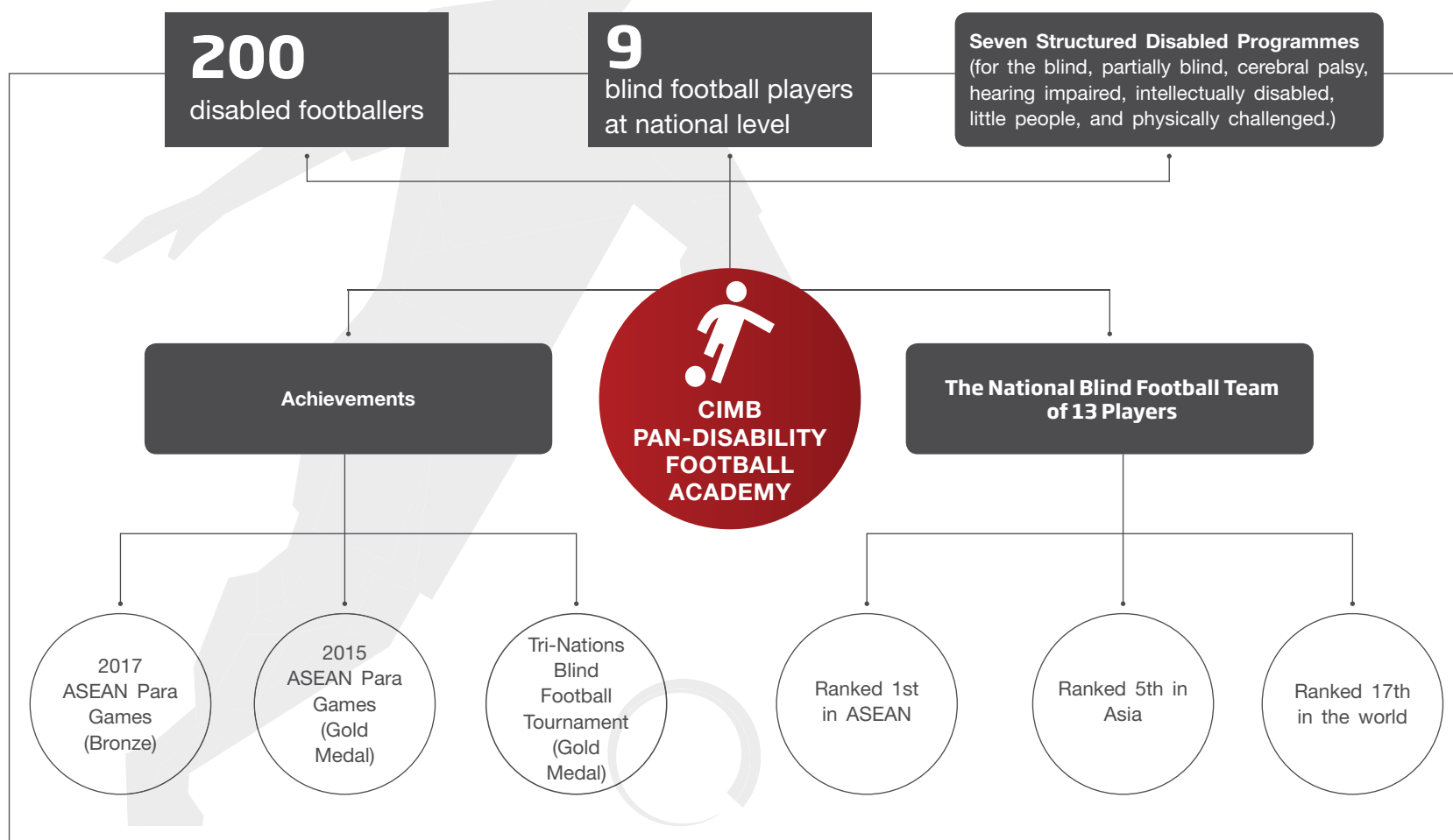
## SUPPORTING SOCIAL INCLUSION

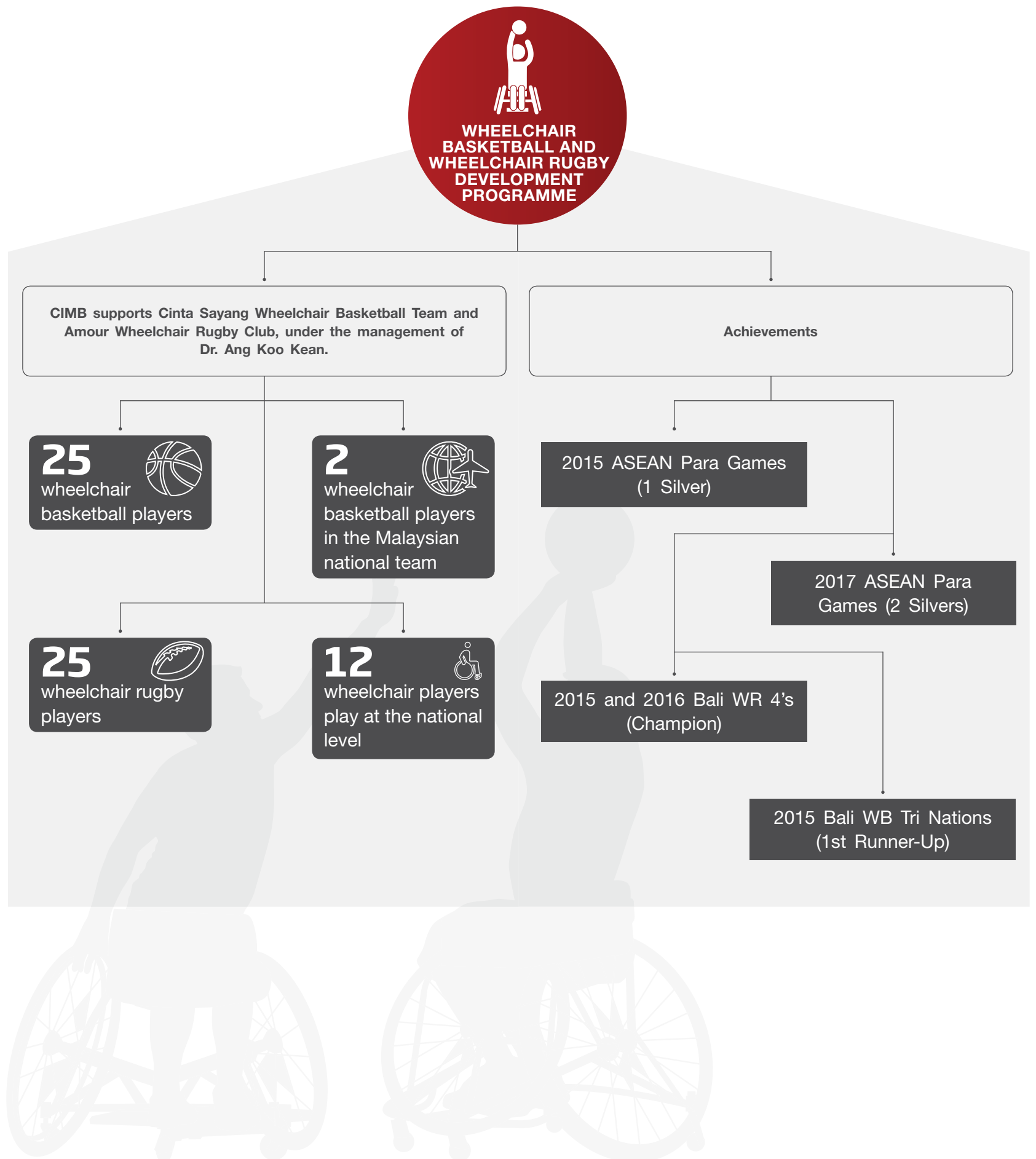
### Sports for Differently-abled

The CIMB Pan-Disability Football Academy is one of the first structured football development programmes for the disabled in Malaysia. We also support wheelchair rugby and wheelchair basketball grassroots programmes. Through the academy, we create possibilities for differently-abled people by removing barriers to their participation, as currently such people are half as likely to participate in a sport when compared to non-blind people.

Every year, we endeavour to build a high-performance Malaysian National Blind Football team to participate in the Paralympics. In 2017, the academy had 320 (2016: 192) disabled footballers, split into five disability groups: the blind B1 (visually impaired), B2/B3 (partially visually impaired), cerebral palsy, hearing impaired and the intellectually disabled. Each training programme and the training aids used are tailored to the respective needs of the players.

PARALYMPIC SPORTS	2016	2017
<b>CIMB Pan-Disability Football Academy</b> No. of Participants Monetary contribution	92 RM200,000	200 RM200,000
<b>Wheelchair Rugby Development Programme</b> No. of Participants Monetary contribution	50 RM100,000	60 RM50,000
<b>Wheelchair Basketball Development Programme</b> No. of Participants Monetary contribution	50 RM100,000	60 RM50,000







## Special Feature SPORTS FOR LIFE

Through CIMB Foundation, we have been supporting sports development, with a particular focus on identifying and nurturing young talent, providing access to finance as well as sports infrastructure. Our end objective is to prepare local sports talent and help them compete in the professional league at national and international levels. We endeavour to provide technical training, motivation, will power and confidence for the young high-potential sportsmen and sportswomen of the country to succeed.

Our sports programmes are designed to promote national unity and racial integration amongst the younger generation. We also focus on developing the psychological as well as physical aspects of our participants. At the same time, the programmes also educate junior athletes to give back to the community by organising talks and sharing knowledge on sports development programmes and careers in sports.

## KEY HIGHLIGHTS



Blind Football Team plays at Asian-level

Star Players Ng Eain Yow and Sivasanggari Subramaniam joined the Professional League



CIMB Junior Squash teams won 12 medals at SEA Games 2017



Launched Junior Cycling Malaysia in 2017



## Social Impact

### FOOTBALL

The CIMB Junior Football Development Programme enables CIMB YFA Bintang Muda Football Academy, CIMB ERA80an Junior Football Academy, and CIMB TABS Safa Bandaraya Kota Kinabalu to make the sport accessible to children from lower-income families by lowering fees and providing free apparel. In 2017, CIMB YFA Bintang Muda Football Academy focused on the development of elite juniors by setting up a project team and introducing a revised coaching programme in line with skills progression of the players. The team won the champion title in the 1MCC League 2017, held at Universiti Putra Malaysia, Serdang.

The legendary CIMB Foundation Cup 2017 (U14) has been supporting the agenda to produce quality talent for the national football team by investing in research and technical coaching for capacity building. In 2017, of the 90 players competing in the tournament, a 25-player elite team was chosen to undergo special high-level training.

### JUNIOR FOOTBALL DEVELOPMENT PROGRAMME



2,860 Juniors (age group 7-19 years) Trained

**CIMB JUNIOR FOOTBALL DEVELOPMENT PROGRAMME HAS PRODUCED**

**11** National Team Players

**21** State Players

### SQUASH

The CIMB Junior Squash Development Programme was initiated in 2006, and ever since, benefitted more than 2,500 young squash talents across six age groups – from under 9 to 18 years. The two popular tournament circuits are CIMB Rising Stars National Junior Circuit and CIMB National Junior Circuit.

In 2017, our young Malaysian Squash player, Sivasanggari Subramaniam won the OHANA Malaysian Open Women's Title at the National Squash Centre, Bukit Jalil, Kuala Lumpur.






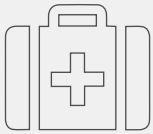
Champion of CIMB National Junior Circuit 2016, Muhammad Ezri Nasir






Ng Eain Yow in action at the Asian Junior Team Championship 2015

## ADDITIONAL PROGRAMMES FOR DIFFERENTLY-ABLED YOUTH & CHILDREN

In 2017, we reached out to youth and children with disabilities with the following programmes to improve their morale, impart new skills, build their confidence and of course, initiate the process of integrating them into the mainstream employment market as well as society.



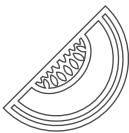


PROJECTS	PARTNER/S	BENEFICIARIES	MONETARY CONTRIBUTION	IMPACT
 <b>Hiring People with Disabilities (PWD) CIMB Thai</b>	Thai Bank Associate; Thai Red Cross; Social Innovation Foundation	<b>28</b> PWDs	<b>THB3.1 million</b>	The PWDs benefited from gainful employment with the Red Cross, with earning potential and improved quality of life.
 <b>Vocational Training for the Hearing-Impaired Youth adopted by CIMB Bank Batu Ferringhi Branch</b>	Penang Deaf Association Georgetown (Pulau Pinang)	<b>30</b> individuals	<b>RM52,687</b>	The hearing-impaired youth gained new skills in sewing or baking for employability.
 <b>Socio Economic Programme for the Disabled adopted by CIMB Commercial Banking Northern Region Branch</b>	Persatuan Daybreak, Ipoh (Perak)	<b>60</b> individuals	<b>RM53,035</b>	The participants were trained in agriculture skills at the centre's chili farming programme, contributing to empower them to become self-reliant members of the society.
 <b>Teaching and Learning Aid for Special Needs Children adopted by CIMB Bank Kluang Branch</b>	Sekolah Kebangsaan Dato' Syed Zain Alshahab	<b>60</b> children	<b>RM21,000</b>	The regular therapy sessions stimulated new learning experiences for the children.

**ADDITIONAL PROGRAMMES FOR DIFFERENTLY-ABLED YOUTH & CHILDREN**






PROJECTS	PARTNER/S	BENEFICIARIES	MONETARY CONTRIBUTION	IMPACT
 <p><b>Music Therapy for Special Needs Children</b> adopted by CIMB Bank Sungai Petani Branch</p>	Sekolah Kebangsaan Khir Johari	<b>122</b> children	<b>RM21,000</b>	The music therapy sessions enhanced the children's focusing and relaxing abilities.
 <p><b>Job Training Programme for Special Needs Youth</b> adopted by CIMB Bank Jalan Rahmat Branch</p>	Pertubuhan Perkhidmatan Intervensi Awal, Batu Pahat (Johor)	<b>20</b> youth	<b>RM30,000</b>	The cafe initiative presented an opportunity to gain new kitchen skills as well as hospitality skills, when interacting with the community through on-the-job training.
 <p><b>Vocational and Skill Development Programme for Persons with Autism (PWA)</b> adopted by CIMB Bank HQ</p>	The National Autism Society of Malaysia (NASOM)	<b>52</b> PWAs	<b>RM140,754</b>	The programme provided an opportunity to develop self-confidence and gain new skills such as food preparation, baking, marketing, handling money, and customer service, all of which positively contributed to the employability of the PWAs.

## SUPPORTING DISADVANTAGED WOMEN, YOUTH AND CHILDREN

We believe in the ability of people to meaningfully contribute to the economy, if equipped with the right skills and attitude towards learning and growth. The disadvantaged and underserved children, women and youth are no exception. Some of the key initiatives undertaken in 2017 were as follows:

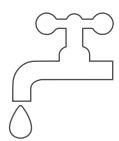



PROJECTS	PARTNER/S	BENEFICIARIES	MONETARY CONTRIBUTION	IMPACT
 <p><b>Socio-Economic Programme for Rural Communities adopted by CIMB Bank Api-Api Centre, Kota Kinabalu Branch</b></p>	<p>Forest Research Institute of Malaysia (FRIM) Penampang (Sabah)</p>	<p><b>30</b> single mothers</p>	<p><b>RM46,718</b></p>	<p>The women were equipped with knowledge of the industry, the opportunities available in the nursery as well as business and technical expertise to develop and plan nurseries for commercial purposes.</p>
 <p><b>Economic Empowerment of Women adopted by CIMB Bank Port Klang Branch</b></p>	<p>Women of Will</p>	<p><b>50</b> women</p>	<p><b>RM26,400</b></p>	<p>The upskilling initiative successfully targeted women from the bottom 40% income category and provided job attachments during the training programme.</p>
 <p><b>Rock Melon Farming for Rural Communities adopted by CIMB Bank Kuala Lipis Branch</b></p>	<p>Majlis Belia Daerah Lipis and Pertubuhan Kebajikan Anak-Anak Yatim Islam Al-Insan Daerah Lipis</p>	<p><b>100</b> children</p>	<p><b>RM45,200</b></p>	<p>The programme helped create sustainable income for a children's home, allowing it to meet its monthly expenses.</p>
 <p><b>Mulberry Silk Learning Programme for Indigenous Thai Silk Community adopted by CIMB Thai Bank</b></p>	<p>Ma Bann Nong Muang Wan School Korat (Thailand)</p>	<p><b>323</b> students <b>300</b> local silk community members</p>	<p><b>THB350,000</b></p>	<p>The programme helped the participants improve the quality of silk produced by adopting better standards, and also to explore distribution channels for better marketing. The programme also involved 228 CIMB Thai staff, inspiring the spirit of contributing to local communities.</p>
 <p><b>Bakery Production for Trained Women adopted by CIMB Bank</b></p>	<p>Pertubuhan Perkhidmatan Sosial dan Pembangunan Komuniti (PSPK) Daerah Gombak</p>	<p><b>100</b> single mothers and urban poor (direct beneficiaries) <b>approximately 120</b> children (indirect beneficiaries)</p>	<p><b>RM186,782</b></p>	<p>The initiative provided training on baking and the administrative work of a bakery, with potential job opportunities.</p>

**SUPPORTING DISADVANTAGED WOMEN, YOUTH AND CHILDREN**

PROJECTS	PARTNER/S	BENEFICIARIES	MONETARY CONTRIBUTION	IMPACT
 <p><b>Empowerment Programme for Urban Poor and Differently-Abled Community adopted by CIMB Bank Headquarters</b></p>	Food Aid Foundation	Single mothers and women from lower income groups Differently-abled community and youth	<b>RM99,609</b>	The initiative provided training on food-handling, and mentoring on culinary and hospitality skills, improving the participant's employability in services sector.
 <p><b>Hospitality Training for At-Risk Youth adopted by CIMB Bank Glenmarie 8 Branch</b></p>	Monfort Boys Town (Selangor)	<b>60</b> students	<b>RM64,042</b>	The programme helped develop leadership and future-planning skills as well as instil good values.
 <p><b>ICT Training Programme for At-Risk Youth adopted by CIMB Bank Jalan Simpang Empat Branch</b></p>	Monfort Youth Melaka	<b>40</b> youth	<b>RM52,500</b>	The programme helped develop leadership and future-planning skills as well as instil good values.
 <p><b>English Mentoring Programme and English Language Corner adopted by CIMB Bank Muar Branch</b></p>	Sekolah Kebangsaan Ismail Satu, Muar (Johor)	<b>180</b> students	<b>RM9,700</b>	The programme, through interactive and practical activities, helped improve English literacy.
 <p><b>English Tuition Class adopted by CIMB Bank Air Keroh Branch</b></p>	Sekolah Menengah Dato Dol Said, Alor Gajah (Melaka)	<b>90</b> students	<b>RM13,500</b>	The programme provided learning resources for English lessons and improved the students' proficiency level.



## PROMOTING HEALTH & PRODUCTIVITY

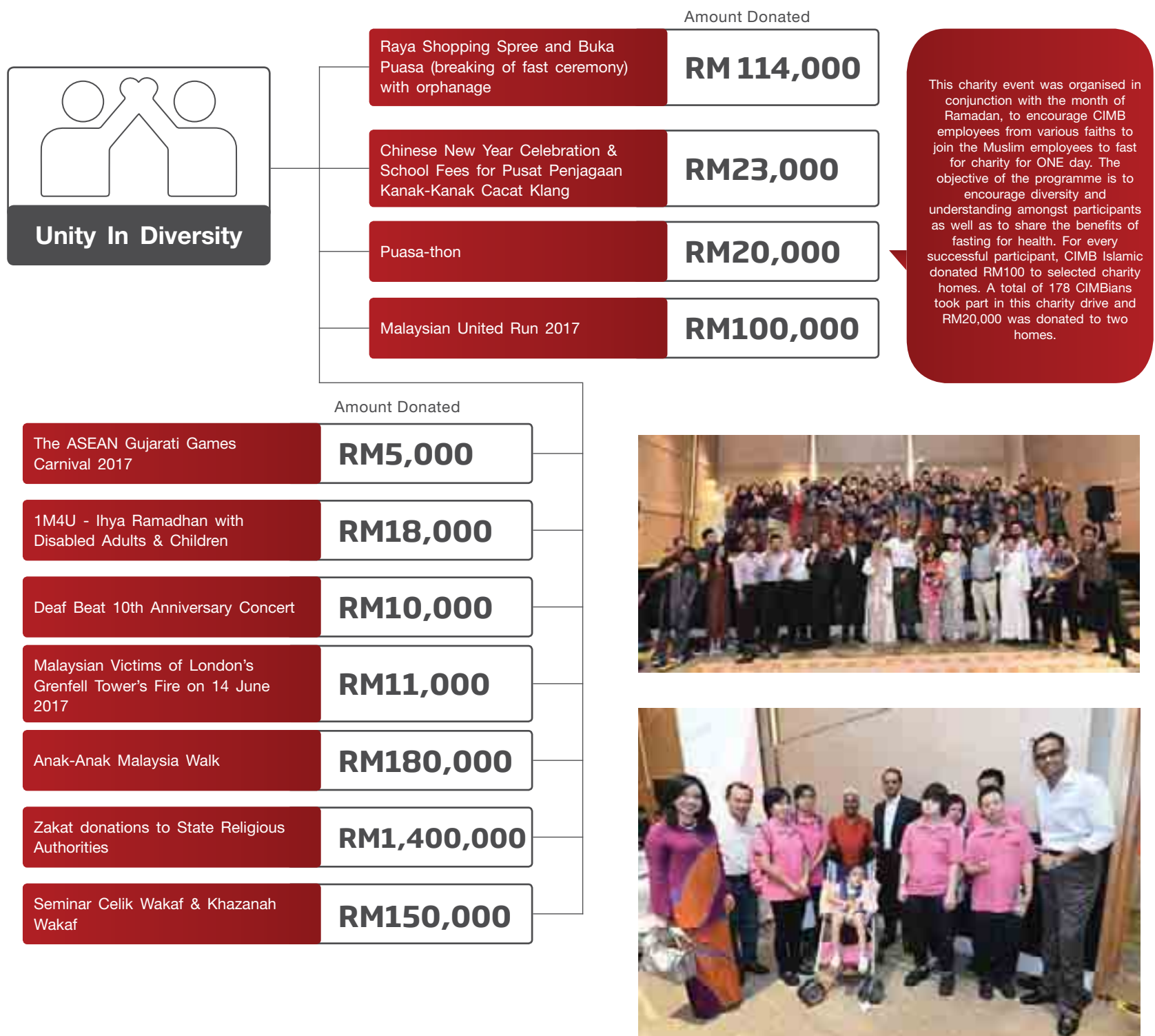
PROJECTS	PARTNER/S	BENEFICIARIES	MONETARY CONTRIBUTION	IMPACT
 <p><b>Clean Water &amp; Education for Community of Long Jaik, Murum adopted by CIMB Bank Boulevard Branch</b></p>	BEM Pelita Church, Miri (Sarawak)	<p><b>240</b> villagers and</p> <p><b>60</b> school children</p>	<b>RM28,463</b>	The initiative helped the community to pipe potable water from a natural water resource to the village as well as the local school. The children were also supported with school materials.
 <p><b>Bilik Terapi Sensori Integrasi Snowzelan adopted by CIMB Bank KLIA Branch</b></p>	Sekolah Kebangsaan Bandar Baru Salak Tinggi Sepang (Selangor)	<p><b>33</b> students</p>	<b>RM50,000</b>	The programme provided infrastructure for sensory therapy for children with special needs.
 <p><b>Cataract Operation and Treatment for Rural Communities adopted by CIMB Bank Kampung Raja Branch</b></p>	Lions Club of Hillview Cameron Highlands (Pahang)	<p><b>30</b> people</p>	<b>RM36,000</b>	The initiative offered eye screening for underserved communities; and provided treatment or operations for those with severe eye-problems.
 <p><b>Elderly Community Support by CIMB Korea</b></p>	Chung-Woon Elder Nursing Home	<p><b>57</b> residents (nursing home)</p>	<b>KRW1.5 million</b>	The initiative provided nursing home residents with four refrigerators to help store food hygienically. The initiative also involved 14 CIMB Korea Staff, inspiring the spirit of contributing to the well-being of local communities.

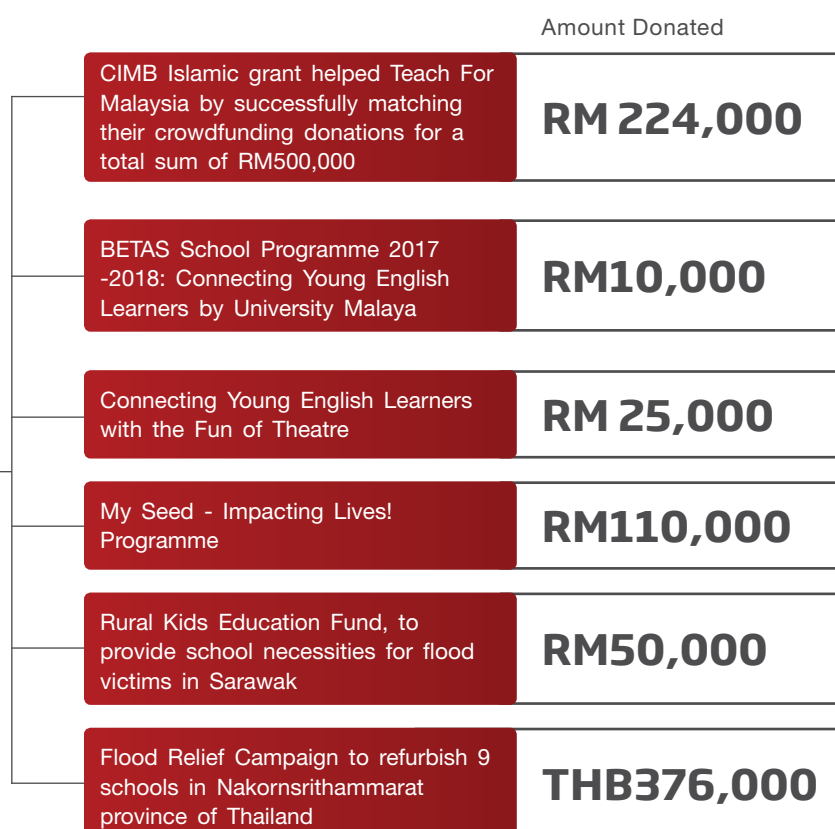
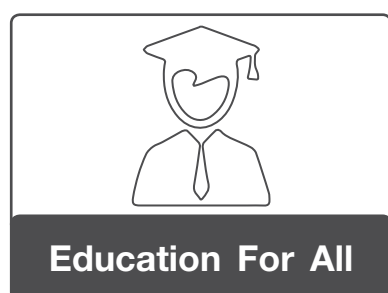
## Social Impact

### SOME DONATIONS OFFERED IN 2017

In 2017, we donated approximately RM3.4 million (2016: RM2.0 million) to various charitable initiatives. These donations were in the form of one-off contributions, mainly to serve immediate needs of the beneficiaries. While we take a long-term approach towards community development, which is necessary to create significant impact, the one-off donations are instrumental in supporting communities on eventualities such as natural disasters, or to meet their cultural or religious needs.

#### SCOPE OF REPORTING





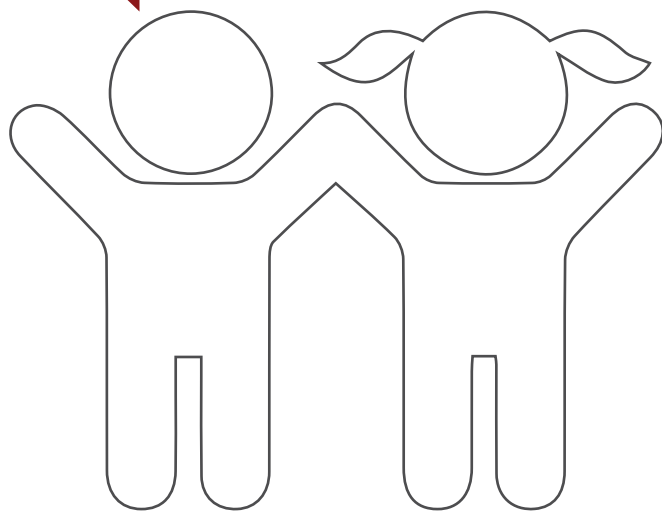
INDIGENOUS AND DISADVANTAGED COMMUNITIES

**Universiti Kebangsaan Malaysia - CIMB School  
@ Nature for Anak Orang Asli**

In keeping with social inclusion efforts, CIMB Islamic launched this programme for the children and youth of the indigenous (Orang Asli) communities. In 2017, we supported 116 Orang Asli children aged 5 – 12 and 626 people from Pos Gob community in Kelantan. The learning module produced by UKM helped to:

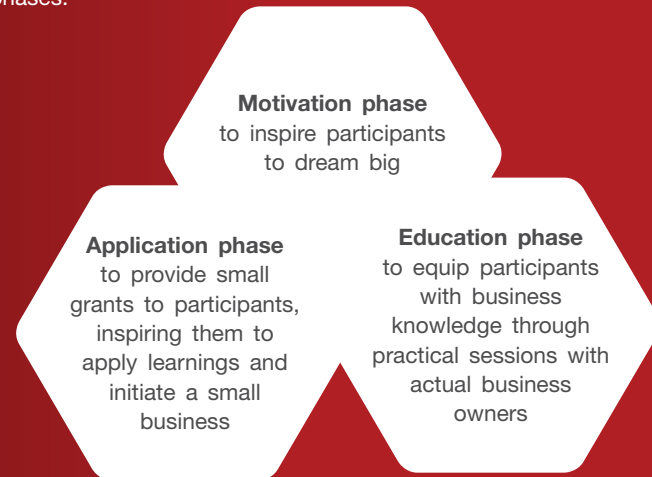
- Instil social values and norms
- Increase their literacy rate
- Develop a holistic learning ecosystem in the forest
- Create local community champions to ensure the sustainability of the learning ecosystem
- Enhance competitive skills and values for sustainable livelihood
- Create a healthy pool of Orang Asli human capital through healthcare management and clean environment

CIMB Islamic has plans to continue funding the programme for another four years for greater impact.



**Taylor's - CIMB Islamic Projek  
Keusahawan 2017**

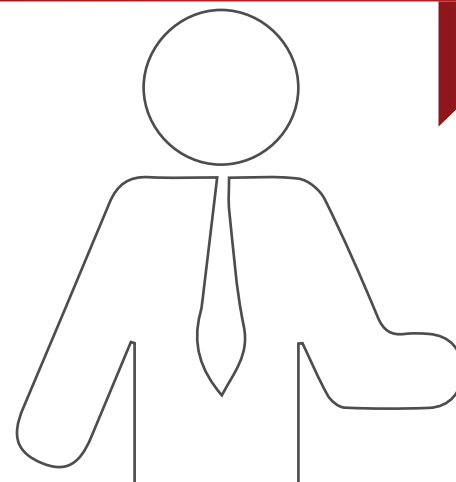
In an effort to tackle urban poverty, CIMB Islamic partnered with Taylor's Education Group to inculcate the spirit of entrepreneurship amongst residents of Projek Perumahan Rakyat (PPR) Sri Pantai. The initiative, dubbed as Program Keusahawanan Taylor's-CIMB Islamic, aims to alleviate poverty by shaping the community members into high-potential entrepreneurs. The programme is delivered in three phases:



In 2017, over 100 residents participated in the first phase of the programme. Among them, 48 participants qualified for the second phase, which was a 2-month classroom learning session conducted by lecturers from Taylor's Business School at Taylor's University.

After the second phase, the participants presented their business plans to a panel of senior management staff from both Taylor's Education Group and CIMB Islamic.

From the presentation, 17 participants impressed the judges with their outstanding business proposals and 13 of them were offered a total of RM47,000 in grants to start their businesses.





## UN Global Compact Network Malaysia Statement of Support

The UN Global Compact Network Malaysia (GCMY) has reviewed the CIMB Citizenship Report 2017. We note CIMB's strategic and programme alignment with the UN Sustainable Development Goals (SDGs).

The CIMB Foundation is a signatory to the Global Compact and represents CIMB Group on the Advisory Board of GCMY. We recognise CIMB's active involvement with the local network since August 2017, and their participation in the National SDG Portal initiative.

Based on the information presented in the CIMB Citizenship Report 2017, we acknowledge CIMB's continuing efforts to evolve and improve the quality of its sustainability programmes, the measurement of its impact, and its overall shift towards sector-specific targets.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "P. Selvanathan".

**Puvan J Selvanathan**

President

UN Global Compact Network Malaysia

**UN Global Compact Network  
Malaysia**

RoS Malaysia Reg. PPM-006-10-18032011

[www.ungcmalaysia.org](http://www.ungcmalaysia.org)

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# REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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# TRUSTEES' REPORT

for the financial year ended 31 December 2017

The Trustees of CIMB Foundation (“the Foundation”) hereby submit their Report together with the audited Financial Statements of the Foundation for the financial year ended 31 December 2017. The Foundation is incorporated as a company limited by guarantee and does not have share capital.

## OBJECTS

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

## FINANCIAL RESULTS

	RM
Net shortfall of income over expenditure for the financial year	(4,359,008)

## TRUSTEES

The Trustees who have held office during the financial year and during the period from the end of the financial year to the date of the Report:

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

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

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

## TRUSTEES' INTERESTS IN SHARES, SHARE OPTIONS AND DEBENTURES

According to the Register of Trustees' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, the beneficial interests of Trustees who held office at the end of the financial year in the shares, share options and debentures of the ultimate holding company or of its related companies during the financial year are as follows:

Ultimate holding company	No. of ordinary shares of RM1 each			
	As at 1 January	Acquired/Granted	Disposed	As at 31 December
<b>CIMB Group Holdings Berhad</b>				
Dato' Mohd Shukri bin Hussin	10,626	-	(10,626)	-
Tan Sri Dato' Md Nor Md Yusof	400,000	-	-	400,000
#Tan Sri G.K. Rama Iyer A/L V.R.G Iyer	58,204	2,861 <sup>^</sup>	-	61,065
>Dato' Robert Cheim Dau Meng	285,574	47,658 <sup>^</sup>	(11,585)	321,647
Dato' Sri Mohamed Nazir bin Abdul Razak	46,505,760	2,119,952 <sup>@</sup>	(5,000,000)	43,625,712

## Trustees' Report

### TRUSTEES' INTERESTS IN SHARES, SHARE OPTIONS AND DEBENTURES (CONTINUED)

According to the Register of Trustees' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, the beneficial interests of Trustees who held office at the end of the financial year in the shares, share options and debentures of the ultimate holding company or of its related companies during the financial year are as follows: (Continued)

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

	No. of ordinary shares of RM1 each			
	As at 1 January	Acquired/Granted	Disposed	As at 31 December
*Vijayalakshmi A/P Krishnaswamy	39,572	1,946 <sup>^</sup>	-	41,518
*Ganapathy Srihari A/L Rama Iyer	13,632	670 <sup>@</sup>	-	14,302
>Cheim Tat Seng	114,844	39,258 <sup>^</sup>	(11,585)	142,517

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

<sup>@</sup> Shares acquired from open market and by way of the exercise of DRS

Related company	No. of shares held			
	As at 1 January	Granted	Disposed	As at 31 December
<b>PT Bank CIMB Niaga Tbk</b>				
Tan Sri Dato' Md Nor Md Yusof	62,643	-	-	62,643
Tan Sri G.K. Rama Iyer A/L V.R.G Iyer	783	-	-	783
<sup>^</sup> Dato' Sri Mohamed Nazir bin Abdul Razak	7,490,371	-	-	7,490,371
Dato' Robert Cheim Dau Meng	26,248	-	-	26,248

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

Related company	No. of shares held			
	As at 1 January	Granted	Disposed	As at 31 December
<b>PT Bank CIMB Niaga Tbk</b>				
<sup>^</sup> Dato' Azlina binti Abdul Aziz	338,342	-	-	338,342

Ultimate holding company	Debentures held			
	As at 1 January	Acquired	Disposed	As at 31 December
<b>CIMB Group Holdings Berhad</b>				
<b>Subordinated Fixed Rate Notes</b>				
Dato' Robert Cheim Dau Meng	RM1,000,000	-	-	RM1,000,000
<b>Perpetual Subordinated Capital Securities</b>				
Dato' Robert Cheim Dau Meng	RM2,000,000	-	-	RM2,000,000
<b>Related company</b>				
<b>PT Bank CIMB Niaga Tbk</b>				
<b>Subordinated Notes</b>				
Dato' Robert Cheim Dau Meng	IDR1,000,000,000	-	(IDR1,000,000,000)	-
Dato' Sri Mohamed Nazir bin Abdul Razak	IDR4,500,000,000	-	-	IDR4,500,000,000
<b>Related company</b>				
<b>CIMB Thai Bank Public Company Limited Group</b>				
<b>Subordinated Notes</b>				
Dato' Robert Cheim Dau Meng	RM1,000,000	-	-	RM1,000,000



**TRUSTEES' INTERESTS IN SHARES, SHARE OPTIONS AND DEBENTURES (CONTINUED)**

According to the Register of Trustees' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, the beneficial interests of Trustees who held office at the end of the financial year in the shares, share options and debentures of the ultimate holding company or of its related companies during the financial year are as follows: (Continued)

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

Ultimate holding company	Debentures held			As at 31 December
	As at 1 January	Acquired	Disposed	
<b>CIMB Group Holdings Berhad</b>				
<b>Bonds</b>				
Ganapathy Srihari A/L Rama Iyer	RM500,000	-	-	RM500,000

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

**TRUSTEES' BENEFITS**

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

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any arrangements to which the Foundation is a party with the object or objects of enabling Trustee of the Foundation to acquire benefits by means of the acquisition of shares in, or debentures of, the Foundation or any other body corporate, other than Equity Ownership Plan as disclosed in the Financial Statements of the Foundation's ultimate holding company.

**AUDITORS' REMUNERATION**

Auditors' remuneration for the financial year ended 31 December 2017 is RM3,681 (2016: RM3,506).

**STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS**

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

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, which were unlikely to realise in the ordinary course of business, including the values of current assets as shown in the accounting records of the Foundation, had been written down to an amount which the current assets might be expected so to realise.

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

- which would render the amounts written off for bad debts, or the amount of the allowance for doubtful debts in the Financial Statements of the Foundation, inadequate to any substantial extent; or
- which would render the values attributed to current assets in the Financial Statements of the Foundation misleading; or
- which have arisen that render adherence to the existing method of valuation of assets or liabilities of the Foundation misleading or inappropriate.

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

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

- any charge on the assets of the Foundation has arisen since the end of the financial year which secures the liability of any other person; or
- any contingent liability of the Foundation which has arisen since the end of the financial year.

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## Trustees' Report

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

In the opinion of the Trustees,

- a) the results of the Foundation's operations during the financial year have not substantially affected by any item, transaction or event of a material and unusual nature; and
- b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Foundation for the financial year in which this Report is made.

### ULTIMATE HOLDING COMPANY

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

### AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146), have expressed their willingness to continue in office. PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146) was registered on 2 January 2018 and with effect from that date, PricewaterhouseCoopers (AF1146) a conventional partnership was converted to a limited liability partnership.

This Report was approved by the Board of Trustees on 6 March 2018.

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

**Tan Sri Dato'Md Nor Md Yusof**  
Trustee

**Dato' Mohd Shukri bin Hussin**  
Trustee

Kuala Lumpur  
6 March 2018

# STATEMENT OF ASSETS AND LIABILITIES

as at 31 December 2017

	Note	2017 RM	2016 RM
<b>Non-current asset</b>			
Intangible asset	2	–	199,605
<b>Current assets</b>			
Other assets	3	12,602	25,202
Financial investments held-to-maturity	4	9,673,913	7,656,092
Cash and short-term funds	5	3,467,117	13,405,628
Deposits placed with a licensed bank	6	14,061,868	10,048,904
		<b>27,215,500</b>	31,135,826
<b>Current liabilities</b>			
Payables and accruals	7	4,959,113	4,773,667
Amount due to a related company	8	117,194	63,563
		<b>5,076,307</b>	4,837,230
<b>Net current assets</b>		<b>22,139,193</b>	26,298,596
<b>Net assets</b>		<b>22,139,193</b>	26,498,201
<b>Represented by:</b>			
Accumulated funds		<b>22,139,193</b>	26,498,201
		<b>22,139,193</b>	26,498,201

# STATEMENT OF INCOME AND EXPENDITURE

for the financial year ended 31 December 2017

	Note	2017 RM	2016 RM
<b>Income</b>			
Donations		3,453,945	2,471,877
Interest income and hibah	8	643,337	806,661
Interest income from financial investments held-to-maturity		332,188	290,938
Amortisation of premium of financial investments held-to-maturity		(19,211)	(18,684)
		<b>4,410,259</b>	<b>3,550,792</b>
<b>Less: Expenditure</b>			
Contribution for charitable expenses	9	(7,592,083)	(7,604,046)
Advertising		(496,971)	(186,714)
Meeting allowance (Trustees)		(117,930)	(82,970)
Withholding tax		(9,748)	(18,790)
Audit fees		(3,681)	(3,506)
Tax agent fees		(2,720)	(2,620)
Transportation cost		(52,979)	(9,134)
Bank charges		(1,649)	(1,546)
IT outsource services		(163,614)	(57,975)
Professional and consultancy fees		(29,207)	(125,084)
Back office shared services	8	(88,990)	(108,512)
Corporate membership		(10,000)	-
Write off of intangible asset		(199,605)	-
Other general expenses		(90)	(6,564)
		<b>(8,769,267)</b>	<b>(8,207,461)</b>
<b>Shortfall of income over expenditure</b>		<b>(4,359,008)</b>	<b>(4,656,669)</b>
<b>Taxation</b>	10	-	-
<b>Net shortfall of income over expenditure</b>		<b>(4,359,008)</b>	<b>(4,656,669)</b>

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# STATEMENT OF CHANGES IN ACCUMULATED FUNDS

for the financial year ended 31 December 2017

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	Total RM
At 1 January 2017	26,498,201
Net shortfall of income over expenditure	(4,359,008)
At 31 December 2017	<b>22,139,193</b>
At 1 January 2016	31,154,870
Net shortfall of income over expenditure	(4,656,669)
At 31 December 2016	26,498,201

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# STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2017

	Note	2017 RM	2016 RM
<b>Cash flows from operating activities</b>			
Shortfall of income over expenditure		(4,359,008)	(4,656,669)
Adjustments for:			
Donations income		(3,453,945)	(2,471,877)
Interest income		(975,525)	(1,097,599)
Amortisation of premium from financial investments held-to-maturity		19,211	18,684
Intangible asset written off		199,605	–
		<b>(8,569,662)</b>	<b>(8,207,461)</b>
<b>(Decrease)/increase in operating assets</b>			
Other assets		12,600	(25,200)
<b>Increase in operating liabilities</b>			
Payables and accruals		154,798	2,588,731
Amount due to a related company		53,631	53,332
Net cash flows used in operating activities		<b>(8,348,633)</b>	<b>(5,590,598)</b>
<b>Cash flows from investing activities</b>			
Purchase of financial investments held-to-maturity		(2,000,000)	(5,061,000)
Placement of deposits with a related licensed bank		(4,000,000)	–
Interest received from financial investment held-to-maturity		295,156	234,888
Interest received from deposits placed with a related licensed bank		612,559	400,000
Interest received from cash and short-term funds		48,462	425,124
Net cash flows used in investing activities		<b>(5,043,823)</b>	<b>(4,000,988)</b>
<b>Cash flows from financing activity</b>			
Donations received		3,453,945	2,471,877
Net cash flows generated from financing activity		<b>3,453,945</b>	<b>2,471,877</b>
<b>Net decrease in cash and cash equivalents during the financial year</b>		<b>(9,938,511)</b>	<b>(7,119,709)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>		<b>13,405,628</b>	<b>20,525,337</b>
<b>Cash and cash equivalents at end of the financial year</b>	5	<b>3,467,117</b>	<b>13,405,628</b>

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2017

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

## A BASIS OF PREPARATION

The Financial Statements of the Foundation have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

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

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

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

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

There are no new standards, amendments to standards and interpretations that are effective that would be expected to have a material impact on the financial results of the Foundation.

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

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

#### (i) Financial year beginning on/after 1 January 2018

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

#### Classification and measurements

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

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is:

- For financial liabilities classified as FVTPL, the fair value changes due to own credit risk should be recognised directly to OCI. There is no subsequent recycling to profit or loss.

The combined application of the entity’s business model and the cash flow characteristics of the financial assets do not result in the significant change in the classification of financial asset when compared to the existing classification of financial assets in the statement of financial position as at 31 December 2017. However, the Foundation have identified certain instruments currently held at financial investment held-to-maturity of which that fail the solely for the payment of principal and interest (“SSPI”) test will be reclassified as fair value through profit or loss (“FVTPL”) accordingly on 1 January 2018.

The Foundation do not expect a significant impact to arise from the changes in classification and measurement of the financial assets.

There will be no changes to the Foundation’s accounting for financial liabilities. All the financial liabilities will remain as amortised cost as there has not been significant change in the requirements for financial liabilities under MFRS 9.

#### Impairment of financial assets

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

The new impairment model requires the recognition of impairment allowances based on expected credit losses (“ECL”) rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, lease receivables, loan commitments, financial guarantee contracts and other loan commitments.

## Summary of Significant Accounting Policies

### A BASIS OF PREPARATION (CONTINUED)

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

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

##### (i) Financial year beginning on/after 1 January 2018 (Continued)

- MFRS 9 “Financial Instruments” will replace MFRS 139 “Financial Instruments: Recognition and Measurement”. (Continued)

Under MFRS 9, impairment will be measured on each reporting date according to a three-stage expected credit loss impairment model:

- Stage 1 – from initial recognition of a financial assets to the date on which the credit risk of the asset has increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months (12-month ECL).
- Stage 2 – following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset (Lifetime ECL).
- Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised (Lifetime ECL).

As all financial assets within the scope of MFRS 9 impairment model will be assessed for at least 12-month ECL, and the population of financial assets to which full lifetime ECL applies is larger than the population of impaired loans for which there is objective evidence of impairment in accordance with MFRS 139, the total allowance for credit losses is expected to increase under MFRS 9 relative to the allowance for credit losses under MFRS 139.

In addition, changes in the required credit loss allowance, including the impact of movements between Stage 1 (12-month ECL) and Stage 2 (lifetime ECL) and the application of forward looking information, will be recorded in profit or loss and allowance for credit losses will be more volatile under MFRS 9.

#### Hedge accounting

The new accounting rules will align the accounting for hedging instruments more closely with the Foundation’s risk management practices. As a general rule, more hedging relationship might be eligible for hedge accounting, as the standard introduces a more principles based approach. The Foundation confirmed that its current hedging relationship continue to qualify as hedges upon the adoption of MFRS 9.

#### Disclosures

The new requires more extensive disclosures especially in the areas of ECL. The Foundation expect changes in the extent of disclosures in the Financial Statements for 31 December 2018.

The Foundation are still in the midst of finalising the financial impact in relation to the adoption of MFRS 9. Based on the preliminary assessments undertaken to-date, it would be expected no material impact on the financial results of the Foundation.

- MFRS 15 “Revenue from Contracts with Customers” replaces MFRS 118 “Revenue” and MFRS 111 “Construction Contracts” and related interpretations.

The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e., when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

A new five-step process is applied before revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligations;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

Key provisions of the new standard are as follows:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- If the consideration varies (such as for incentives, rebates, performance fees, royalties, success of an outcome etc.), minimum amounts of revenue must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees, and consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.



### A BASIS OF PREPARATION (CONTINUED)

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

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

##### (i) Financial year beginning on/after 1 January 2018 (Continued)

- MFRS 15 “Revenue from Contracts with Customers” replaces MFRS 118 “Revenue” and MFRS 111 “Construction Contracts” and related interpretations. (Continued)

The adoption of the above new accounting standards will not have any significant impact on the financial results of the Foundation except for MFRS 9. The Foundation has initiated the assessment of the potential effect of these standards. Due to the complexity of these standards, the financial impact of its adoption is still being assessed by the Foundation.

### B FINANCIAL ASSETS

#### (a) Classification

The Foundation allocates its financial assets into loans and receivables, and financial investments held-to-maturity. Management determines the classification of its financial instruments at initial recognition.

##### (i) Loans and receivables

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

The Foundation’s loans and receivables comprise cash and short-term funds and deposits placed with a licensed bank.

##### (ii) Financial investments held-to-maturity

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

#### (b) Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

#### (c) Subsequent measurement

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

Interest from financial investments held-to-maturity are calculated using the effective interest method and is recognised in the statement of income and expenditure.

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

#### (d) Reclassification of financial assets

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

### C FINANCIAL LIABILITIES

Financial liabilities are measured at amortised cost. Financial liabilities are initially recognised at fair value less transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities are de-recognised when extinguished.

The financial liabilities measured at amortised cost are amount due to a related company and payables and accruals.

### D DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

## Summary of Significant Accounting Policies

### E IMPAIRMENT OF FINANCIAL ASSETS

#### (a) Assets carried at amortised cost

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

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

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

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

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

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

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

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

### F CASH AND CASH EQUIVALENTS

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

### G INTANGIBLE ASSETS

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

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

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

Software	3 years
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### H IMPAIRMENT OF NON-FINANCIAL ASSETS

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

### **H IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)**

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

### **I PROVISIONS**

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

- (i) the Foundation has a present legal or constructive obligation as a result of past events;
- (ii) it is probable that an outflow of resources to settle the obligation will be required; and
- (iii) a reliable estimate of the amount of obligation can be made.

Provisions are not recognised for future operating losses.

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

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

### **J RECOGNITION OF DONATION**

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

### **K RECOGNITION OF INCOME AND HIBAH**

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2017

## 1 GENERAL INFORMATION

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

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

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

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

## 2 INTANGIBLE ASSET

	Software Work-in- progress RM	Total RM
<b>2017</b>		
<b>Cost</b>		
At 1 January	199,605	199,605
Write off during the financial year	(199,605)	(199,605)
At 31 December	-	-
<b>2016</b>		
<b>Cost</b>		
At 1 January/31 December	199,605	199,605

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

During the financial year, the Foundation had written off the intangible asset with the Trustees approval on 31 March 2017 due to system incompatible with the current business environment.

## 3 OTHER ASSETS

	2017 RM	2016 RM
Membership fees receivable	2	2
Prepayment	12,600	25,200
	12,602	25,202

## 4 FINANCIAL INVESTMENTS HELD-TO-MATURITY

	2017 RM	2016 RM
<b>Money market instrument:</b>		
<b>Unquoted:</b>		
Malaysia Government Securities	5,117,282	5,116,461
Khazanah bonds	4,594,526	2,558,315
	9,711,808	7,674,776
Less: Amortisation of premium	(37,895)	(18,684)
	9,673,913	7,656,092

During the financial year, the Foundation purchased a Khazanah bond with principal of RM2 million and a coupon rate of 4.60% maturing on 8 August 2024.

**4 FINANCIAL INVESTMENTS HELD-TO-MATURITY (CONTINUED)**

The existing Khazanah bond has a principal of RM2.5 million (2016: RM2.5 million) with a coupon rate of 4.30% (2016: 4.30%) and will mature on 17 June 2022.

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

**5 CASH AND SHORT-TERM FUNDS**

	2017 RM	2016 RM
Cash and short-term funds maintained with a related licensed bank:		
a) Cash and bank balances	467,117	405,628
b) Deposits and placements maturing within one month	3,000,000	13,000,000
	<b>3,467,117</b>	<b>13,405,628</b>

The weighted average interest rate is 3.17% (2016: 2.95%).

**6 DEPOSITS PLACED WITH A LICENSED BANK**

	2017 RM	2016 RM
Deposits placed with a related company, which is a licensed bank in Malaysia	14,061,868	10,048,904

The weighted average interest rate is 3.13% (2016: 4.00%).

**7 PAYABLES AND ACCRUALS**

	2017 RM	2016 RM
Donations payable	4,837,272	4,722,778
Accrued expenses	91,193	39,412
Interest income received in advance	30,648	11,477
	<b>4,959,113</b>	<b>4,773,667</b>

**8 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES****(a) Related parties and relationship**

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

Related party	Relationship
CIMB Group Holdings Berhad ("CIMB Group")	Ultimate holding company
Subsidiaries and associates of CIMB Group as disclosed in its Financial Statements	Subsidiaries and associates of the Ultimate holding company

**(b) Related party transactions**

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

	2017 RM	2016 RM
Back office shared services paid to a related company	(88,990)	(108,512)
Interest income and hibah received from a related company	643,337	806,661
Interest income from Khazanah bonds held-to-maturity	143,416	108,973

## Notes to the Financial Statements

### 8 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### (c) Related party balances

	2017 RM	2016 RM
<b>Related companies</b>		
Cash and short-term funds	467,117	405,628
Short term placements maturing within one month	3,000,000	13,000,000
Deposits placed with a related license bank	14,061,868	10,048,904
Khazanah bonds held-to-maturity	4,594,526	2,558,315
Amount due to a related company	(117,194)	(63,563)
Interest income on short term placement received in advance	(30,648)	(11,477)

The amount due to a related party are unsecured, interest free and repayable on demand.

#### (d) Transactions with shareholders and Government

Khazanah Nasional Berhad ("KNB"), the major shareholder of the ultimate holding company, owns 27.3% of the issued share capital of the ultimate holding company (2016: 29.3%). KNB is an entity controlled by the Malaysian Government. The Foundation considers that, for the purpose of MFRS 124 "Related Party Disclosures", KNB and the Malaysian Government are in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government controlled bodies (collectively referred to as "government-related entities") are related parties of the Foundation.

These transactions are conducted in the ordinary course of the Foundation business on commercial rates and consistently applied in accordance with the Foundation internal policies and processes. These rates do not depend on whether the counterparties are government-related entities or not.

### 9 CONTRIBUTION FOR CHARITABLE EXPENSES

	2017 RM	2016 RM
Community development	2,921,389	3,157,515
Sports	1,701,772	2,096,437
Education	2,470,811	2,027,037
Natural disaster and general donations	498,111	323,057
	<b>7,592,083</b>	<b>7,604,046</b>

### 10 TAXATION

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

### 11 FINANCIAL RISK MANAGEMENT

#### Financial risk management objectives and policies

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

#### 11.1 Credit risk

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

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

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

For financial assets recognised in the statement of assets and liabilities, the maximum exposure to credit risk equals their carrying amount as at 31 December 2017 and 31 December 2016.

## 11 FINANCIAL RISK MANAGEMENT (CONTINUED)

## 11.1 Credit risk (Continued)

## 11.1.2 Concentration of risks of financial assets with credit risk exposure

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

## (a) Geographical sectors

Location of the counterparty – Malaysia

## (b) Industry sectors

The analyses of credit risk concentrations (without taking into account any collateral held or other credit enhancements) for items recognised in the statement of assets and liabilities as at 31 December 2017 and 31 December 2016 based on the industry sectors of the counterparty are as follows:

	Financial investments held-to-maturity RM	Cash and short-term funds RM	Deposits placed with a licensed bank RM	Total credit exposure RM
<b>2017</b>				
Finance, insurance and business services	–	3,467,117	14,061,868	17,528,985
Government & government agencies	9,673,913	–	–	9,673,913
	<b>9,673,913</b>	<b>3,467,117</b>	<b>14,061,868</b>	<b>27,202,898</b>
<b>2016</b>				
Finance, insurance and business services	–	13,405,628	10,048,904	23,454,532
Government & government agencies	7,656,092	–	–	7,656,092
	<b>7,656,092</b>	<b>13,405,628</b>	<b>10,048,904</b>	<b>31,110,624</b>

## 11.1.3 Credit quality of financial assets

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

Financial investments held-to-maturity, cash and short-term funds, and deposits placed with a licensed bank of the Foundation as at 31 December 2017 and 31 December 2016 are categorised as “neither past due nor impaired”. There is a high likelihood of these assets being recovered in full and therefore, of no cause for concern to the Foundation.

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

	Sovereign RM	Investment grade (AAA) RM	Total RM
<b>2017</b>			
Financial investments held-to-maturity	9,673,913	–	9,673,913
Cash and short-term funds	–	3,467,117	3,467,117
Deposits placed with a licensed bank	–	14,061,868	14,061,868
	<b>9,673,913</b>	<b>17,528,985</b>	<b>27,202,898</b>
<b>2016</b>			
Financial investments held-to-maturity	7,656,092	–	7,656,092
Cash and short-term funds	–	13,405,628	13,405,628
Deposits placed with a licensed bank	–	10,048,904	10,048,904
	<b>7,656,092</b>	<b>23,454,532</b>	<b>31,110,624</b>

## Notes to the Financial Statements

### 11 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 11.2 Market risk

Market risk is defined as any fluctuations in the market value of a trading position arising from changes to market risk factors such as interest rates, credit spreads, currency exchange rates, equity prices, commodity prices and their associated volatilities.

##### 11.2.1 Interest rate risk

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

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

2017	Non-trading book						Total RM
	Up to 1 month RM	> 1-3 months RM	> 3-6 months RM	> 1-5 years RM	Over 5 years RM	Non-interest sensitive RM	
<b>Financial assets</b>							
Financial investments held-to maturity	-	-	-	7,500,000	2,000,000	173,913	9,673,913
Cash and short-term funds	3,467,117	-	-	-	-	-	3,467,117
Deposits placed with a licensed bank	-	11,000,000	3,000,000	-	-	61,868	14,061,868
<b>Total assets</b>	<b>3,467,117</b>	<b>11,000,000</b>	<b>3,000,000</b>	<b>7,500,000</b>	<b>2,000,000</b>	<b>235,781</b>	<b>27,202,898</b>
<b>Financial liabilities</b>							
Payables and accruals	-	-	-	-	-	4,928,465*	4,928,465
Amount due to a related company	-	-	-	-	-	117,194	117,194
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,045,659</b>	<b>5,045,659</b>
<b>Net interest sensitivity gap</b>	<b>3,467,117</b>	<b>11,000,000</b>	<b>3,000,000</b>	<b>7,500,000</b>	<b>2,000,000</b>		

\* Excluded interest income received in advance of RM30,648.

2016	Non-trading book					Total RM
	Up to 1 month RM	> 6-12 months RM	> 1-5 years RM	Over 5 years RM	Non-interest sensitive RM	
<b>Financial assets</b>						
Financial investments held-to maturity	-	-	5,000,000	2,500,000	156,092	7,656,092
Cash and short-term funds	13,405,628	-	-	-	-	13,405,628
Deposits placed with a licensed bank	-	10,000,000	-	-	48,904	10,048,904
<b>Total assets</b>	<b>13,405,628</b>	<b>10,000,000</b>	<b>5,000,000</b>	<b>2,500,000</b>	<b>204,996</b>	<b>31,110,624</b>
<b>Financial liabilities</b>						
Payables and accruals	-	-	-	-	4,762,190*	4,762,190
Amount due to a related company	-	-	-	-	63,563	63,563
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,825,753</b>	<b>4,825,753</b>
<b>Net interest sensitivity gap</b>	<b>13,405,628</b>	<b>10,000,000</b>	<b>5,000,000</b>	<b>2,500,000</b>		

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



**11 FINANCIAL RISK MANAGEMENT (CONTINUED)****11.2 Market risk (Continued)****11.2.2 Foreign exchange risk**

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

**11.3 Liquidity risk**

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

**11.3.1 Contractual maturity of financial liabilities on an undiscounted basis**

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

2017	Up to 1 month RM	Total RM
<b>Financial liabilities</b>		
Payables and accruals	4,928,465*	4,928,465
Amount due to a related company	117,194	117,194
<b>Total liabilities</b>	<b>5,045,659</b>	<b>5,045,659</b>

\* Excluded interest income received in advance of RM30,648.

2016	Up to 1 month RM	Total RM
<b>Financial liabilities</b>		
Payables and accruals	4,762,190*	4,762,190
Amount due to a related company	63,563	63,563
<b>Total liabilities</b>	<b>4,825,753</b>	<b>4,825,753</b>

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

**11.4 Fair value estimation**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

**12 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS**

The Financial Statements have been authorised for issue by the Board of Trustees in accordance with a resolution dated 6 March 2018.

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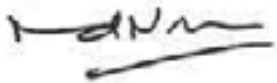
# STATEMENT BY TRUSTEES

Pursuant to Section 251(2) of the Companies Act, 2016

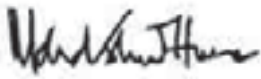
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We, Tan Sri Dato' Md Nor Md Yusof and Dato' Mohd Shukri bin Hussin being two of the Members of the Board of Trustees of CIMB Foundation, hereby state that, in the opinion of the Trustees, the Financial Statements set out on pages 85 to 99 are drawn up so as to give a true and fair view of the financial position of the Foundation as at 31 December 2017 and financial performance of the Foundation for the financial year ended 31 December 2017, in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

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



**Tan Sri Dato' Md Nor Md Yusof**  
Trustee



**Dato' Mohd Shukri bin Hussin**  
Trustee

Kuala Lumpur  
6 March 2018

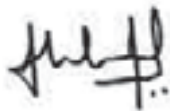
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# STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act, 2016

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I, Shahnaz Farouque bin Jammal Ahmad, the Officer primarily responsible for the financial management of CIMB Foundation, do solemnly and sincerely declare that the Financial Statements set out on pages 85 to 99 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



**Shahnaz Farouque bin Jammal Ahmad**

Subscribed and solemnly declared by the abovenamed Shahnaz Farouque bin Jammal Ahmad at Kuala Lumpur before me, on 6 March 2018.

Commissioner for Oath



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

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# INDEPENDENT AUDITORS' REPORT

to the Members of CIMB Foundation  
(Incorporated in Malaysia as a company limited by guarantee and not having a share capital)  
(Company No. 795634-H)

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## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the Financial Statements of CIMB Foundation (“the Foundation”) give a true and fair view of the financial position of the Foundation as at 31 December 2017, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

### What we have audited

We have audited the Financial Statements of the Foundation, which comprise the statement of assets and liabilities as at 31 December 2017 of the Foundation, and the statement of income and expenditure, statement of changes in accumulated funds and statement of cash flows of the Foundation for the financial year then ended, and notes to the Financial Statements, including a summary of significant accounting policies, as set out on pages 85 to 99.

### Basis for opinion

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

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

### Independence and other ethical responsibilities

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

### Information other than the Financial Statements and auditors’ report thereon

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

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

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

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

### Responsibilities of the Trustees for the Financial Statements

The Trustees of the Foundation are responsible for the preparation of the Financial Statements of the Foundation that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Trustees are also responsible for such internal control as the directors determine is necessary to enable the preparation of Financial Statements of the Foundation that are free from material misstatement, whether due to fraud or error.

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

## Independent Auditors' Report

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Auditors' responsibilities for the audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the Financial Statements of the Foundation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- (d) Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements of the Foundation or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the Financial Statements of the Foundation, including the disclosures, and whether the Financial Statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that, in our opinion, the accounting and other records and the registers required by the Act to be kept by the Foundation have been properly kept in accordance with the provisions of the Act.

### OTHER MATTERS

This report is made solely to the members of the Foundation, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**PRICEWATERHOUSECOOPERS PLT**  
LLP0014401-LCA & AF1146  
Chartered Accountants

**ONG CHING CHUAN**  
02907/11/2019 (J)  
Chartered Accountant

Kuala Lumpur  
6 March 2018

# APPENDICES

## GRI Content Index

CIMB's sustainability reporting has been prepared "In Accordance" with GRI Standards: Core Option. Our aim has been to provide a reasonable and true representation of our economic, environmental and social contributions, in keeping with the UN Sustainable Development Goals / Agenda. The following pages serve as the GRI Content Index and 'refer to' information disclosed in mainly two key documents - CIMB Citizenship Report 2017 and CIMB Annual Report 2017.

### Organisational Profile

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References, and Page Numbers	Full or Partial Disclosure
102-1	Name of the organisation	<b>Citizenship Report: p.6</b> CIMB Group	Full
102-2	Activities, brands, products, and services	<b>Citizenship Report: p.5-6</b> CIMB is a leading ASEAN universal bank. The Group is one of the largest investment bank in Asia and the largest Islamic bank globally. Our 100+ key products and solutions are designed to meet specific needs and challenges of our retail and institutional customers. Our core solutions include, Consumer banking; Commercial banking; Wholesale banking; Transaction banking; Islamic banking; and Asset Management.	Full
102-3	Location of headquarters	<b>Citizenship Report: p.5</b> Kuala Lumpur, Malaysia	Full
102-4	Location of operations	<b>Citizenship Report: p.5-6</b> CIMB Group operates a retail banking network of around 851 branches in 15 countries.	Full
102-5	Ownership and legal form	<b>Citizenship Report: p.5-6</b> CIMB Bank Malaysia Berhad	Full
102-6	Markets served	<b>Citizenship Report: p.5-6</b> CIMB serves over 13.5 million customers in key markets of ASEAN, China & Hong Kong, India, Sri Lanka, Korea, U.S and U.K.	Full
102-7	Scale of the organisation	<b>Citizenship Report: p.5</b> <ul style="list-style-type: none"> <li>• RM60.3 billion market capitalisation</li> <li>• RM506.5 billion asset value</li> <li>• RM6.1 billion (Profit Before Tax) for FY2017</li> </ul>	Full
102-8	Information on employees and other workers	<b>Citizenship Report: p.5</b> Around 38,000 strong workforce.	Partial
102-9	Supply Chain	<b>Citizenship Report: p.25 &amp; Annual Report: p.118-119 (Corporate Governance Overview Statement)</b> We have a Group Procurement Policy and Vendor Code of Conduct, which provides and regulates all supplier agreements for some goods and services.	Partial
102-10	Significant changes to the organisation and its supply chain	<b>Citizenship Report: p.17</b> In 2017, there were no significant changes to the organisation's size, structure, ownership, or supply chain. The scope and boundary of this report mainly covers CIMB Bank in Malaysia.	Full
102-11	Precautionary Principle or approach	<b>Citizenship Report: p.48</b> We are guided by our Group Credit Risk Policy, which stipulates that companies with high exposure to environmental or social risks are subject to higher credit approving authority and/or extra due diligence. In addition, our Energy Management Statement articulates our purpose and objectives of minimising our direct environmental impact from our operations.	Partial

## Appendices

### Organisational Profile (continued)

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References, and Page Numbers	Full or Partial Disclosure
102-12	External initiatives	<b>Citizenship Report: p.16</b> In 2017, we have become a signatory to the UN Global Compact (UNGC) Local Network (LN) Malaysia and assumed a Chair on its Advisory Board. The objectives of our initiatives and programmes are also guided by the UN Sustainable Development Goals (SDGs).	Full
102-13	Membership of associations	<b>Citizenship Report: p.33</b> Our contributions go beyond the applicable annual fee commitments, to include sharing industry insights; participating in roundtable discussions and sectoral studies; and demonstrating our leadership by sharing best practices.	Full

### Strategy

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References, and Page Numbers	Full or Partial Disclosure
102-14	Statement from senior decision-maker	<b>Citizenship Report: p.13, p.15</b> “We also institutionalised the CIMB sustainability framework, taking our commitment a step further by raising awareness and educating our senior management on sustainable finance.” <b>Chairman</b>  “We target to integrate economic, social, and governance (ESG) considerations into our risk assessment and operational strategies to ensure that our business journey would have a net positive impact on all our existing and future stakeholders over the long term.” <b>Group CEO/Executive Director</b>	Full

### Ethics and Integrity

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References, and Page Numbers	Full or Partial Disclosure
102-16	Values, principles, standards, and norms of behaviour	<b>Citizenship Report: p.4, p.26 &amp; Annual Report: p.131, p.134-135</b> CIMB Group’s core values: Enabling People; Customer-Centric; Integrity; Strength in Diversity; and High Performance. Our business conduct and behaviour is guided by our internal policies, procedures and guidelines.	Full

### Governance

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References, and Page Numbers	Full or Partial Disclosure
102-18	Governance structure	<b>Citizenship Report: p.18-25</b> We have a sustainability-focused function which is spearheaded by the CEO of Group Islamic Banking, with oversight from the Group CEO’s Office. The financial contributions in partial are disbursed by CIMB Group to CIMB Foundation for the sole purpose of implementing their corporate social responsibility initiatives and philanthropic activities. The Board of Trustees ensures that funds are properly administered and disbursed according to the Foundation’s vision, objectives and areas of focus. Where as at Group level, we have the Board, Audit Committee, Corporate Governance Committee and Executive Committee which oversee all strategic matters of the company as well as the sustainability agenda.	Full

### Stakeholder Engagement

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References, and Page Numbers	Full or Partial Disclosure
102-40	List of stakeholder groups	<b>Citizenship Report: p.8-10</b> Our contributions go beyond the applicable annual fee commitments, to include sharing industry insights; participating in roundtable discussions and sectoral studies; and demonstrating our leadership by sharing best practices.	Full
102-41	Collective bargaining agreements	<b>Citizenship Report p.64</b> We recognise eight Unions and 51.2% of 16,699 employees in Malaysia are unionised.	Full
102-42	Identifying and selecting stakeholders	<b>Citizenship Report: p.9-10</b> Customers, Employees, Suppliers, Government and Regulators, Community, NGOs, Civil Society.	Full
102-43	Approach to stakeholder engagement	<b>Citizenship Report: p.7-8</b> We rely on both formal and informal platforms and channels to not only educate, but also interact and have dialogue with relevant stakeholders.	Full
102-44	Key topics and concerns raised	<b>Citizenship Report: p.9-10</b> <ul style="list-style-type: none"> <li>• Customer Experience (CX): Access to financial solutions, financial knowledge, digital security</li> <li>• People Diversity, Welfare, Growth: Policies promoting work-life balance, opportunities for learning and growth, equal and fair remuneration</li> <li>• Compliance &amp; risk management: Leading by example, furthering industry and national agenda, and highest standards of compliance</li> <li>• Corporate citizenship: Sustainable finance practices, inclusive growth, and community development</li> </ul>	Full

### Reporting Practice

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References, and Page Numbers	Full or Partial Disclosure
102-45	Entities included in the consolidated financial statements	<b>Citizenship Report: p.80-102</b> Board of Trustees Report	Full
102-46	Defining report content and topic boundaries	<b>Citizenship Report: p.7-8</b> The scope of this report is limited to various strategies, initiatives and programmes that have been implemented mainly in our biggest market, Malaysia.	Partial
102-47	List of material topics	<b>Citizenship Report: p.9-10</b> A list of 28 material topics have been identified across various stakeholder groups, and sustainability context has been included.	Full
102-48	Restatements of information	<b>Citizenship Report: p.7</b> There were no significant changes from previous reporting periods in the list of material topics and topic boundaries that would require any restatement.	Full
102-49	Changes in reporting	<b>Citizenship Report: p.7</b> This is the first year for us to use GRI Standards as our reporting framework. Our transition from GRI G4 guidelines (applied in our Citizenship Report 2016) to GRI Standards will be progressive.	Full
102-50	Reporting period	<b>Citizenship Report: p.7</b> The scope for CIMB Citizenship Report 2017 and the GRI Index includes information for the period 1 January 2017 to 31 December 2017, unless specified otherwise.	Full
102-51	Date of most recent report	<b>Citizenship Report: p.7</b> The last edition of Citizenship Report was released in March 2016.	Full
102-52	Reporting cycle	Annual	Full

## Appendices

### Reporting Practice (continued)

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References, and Page Numbers	Full or Partial Disclosure
102-53	Contact point for questions regarding the report	<b>Citizenship Report: p.11</b> sustainability@cimb.com	Full
102-54	Claims of reporting in accordance with the GRI Standards	<b>Citizenship Report: p.7, p.103</b> This report has been prepared "In Accordance" with GRI Standards: Core option. Our sustainability report refers to information disclosed in several corporate documents, mainly our Citizenship Report 2017, Annual Report 2017.	Full
102-55	GRI content index	<b>Citizenship Report: p.103-107</b> It is this document.	Full
102-56	External assurance	<b>Citizenship Report: p.11</b> The report content has been independently reviewed by the UN Global Compact Network Malaysia to review the alignment of our sustainability objectives with the UN Sustainable Development Goals. We have not submitted the report for External Assurance this year.	Partial

### Management Approach

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References, and Page Numbers	Full or Partial Disclosure
103-1	Explanation of the material topic and its boundary	<b>Citizenship Report: p.7</b> Our basis for selecting the most critical stakeholders is to consider three factors: influence, dependence and representativeness. Our materiality process takes a long-term approach to aligning the interests of both internal and external stakeholders, by analysing factors that contribute to value creation. In future, we will go a step further to consider various sectoral approaches and partnership strategies, which will help sustain our efforts into the future.	Full
103-2	The management approach and its components	<b>Citizenship Report: p.9-10, p.16-17</b> Business Context: For each stakeholder group and their material topics, we have articulated the sustainability context. Sustainability Context: We have defined the CIMB Sustainability Framework and aligned our overarching strategies with the UN Sustainable Development Goals. Impact Context: Identified areas for establishing long-term sustainability targets to strategise, implement, evaluate and measure the performance of all future sustainability initiatives. We have partially information our grievance mechanisms for managing all our material topics.	Full
103-3	Evaluation of the management approach	In 2017, we have not defined specific metrics/future targets this year.	Partial



Topic-Specific Disclosures

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References, and Page Numbers	Full or Partial Disclosure
203-2	Significant indirect economic impacts	<b>Citizenship Report: p.40-45, p.36-37</b> RM10.1 million in loans approved for SMEs from the National Key Economic Areas (NKEAs); 100% CIMB-registered supplier' awareness on anti-corruption and code of conduct; 53 Lean Six Sigma Workshops 18 Business Process Reengineering initiatives and as a result, 79% positive improvement in service-levels across all our markets.	Full
302-1	Energy consumption within the organisation	<b>Citizenship Report: p.48-50</b> 40% reduction in paper consumption through Managed Print Services (MPS) at Menara CIMB; Fuel consumption reduced by >41%, electricity and water consumption reduced by >5%, and >4% respectively.	Full
401-1	New employee hires and employee turnover	<b>Citizenship Report: p.64</b> The average employee turnover at CIMB Group in 2017 increased marginally, from 17.9% in 2016 to 20.4% in 2017. More male employees resigned (53% of the total).	Full
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<b>Citizenship Report: p.56</b> We strongly believe in creating a nurturing and caring workplace, which will only foster a sense of belonging and a happy, productive workforce. We are guided by this philosophy when reviewing and introducing our human resource policies; training and development needs; and the overall cultural transformation programmes and initiatives.	Full
401-3	Parental leave	<b>Citizenship Report: p.56</b> Our Flex4Parents policy offers reduced workweek or flexible work options for parents with school-going children or those with ailing parents. We also provide one month's paid Paternity Leave for first-time fathers.	Full
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<b>Citizenship Report: p.61</b> We place great emphasis on OSH towards safety, health and welfare of all our employees throughout the Group. The Group's Occupational Safety and Health Administration Unit is responsible for the Group's compliance with the Occupational Safety and Health Act 1994 and other regulations of the Department of Occupational Safety and Health (DOSH) and Ministry of Human Resource, Malaysia.	Partial
404-1	Average hours of training per year per employee	<b>Citizenship Report: p.57</b> We covered 934,511 hours of training to 16,378 employees in Malaysia, with a total investment of RM54.7 million.	Full
404-2	Programmes for upgrading employee skills and transition assistance programmes	<b>Citizenship Report: p.58, p.42</b> To help employees transition to a 'Retirement Life', we also nominate our deserving and loyal CIMB employees for retirement and long-service awards. We encourage our staff to opt for Private Retirement Scheme (PRS), which is a voluntary alternative and complements mandatory Employee Provident Fund contributions, as stipulated by the government. There are currently over 9,000 staff PRS accounts.	Full
404-3	Percentage of employees receiving regular performance and career development reviews	<b>Citizenship Report: p.60</b> As at 31 December 2017, 100% CIMB employees have received their KPI assessments for the 2017 assessment period.	Full
405-1	Diversity of governance bodies and employees	<b>Citizenship Report: p.56</b> In 2017, 55.6% of our total workforce comprised of women, with 41.8% women representation at senior management level. Also, 20% of the Board positions are held by women, which is closer to our target of 30% by 2020.	Full
405-2	Ratio of basic salary and remuneration of women to men	<b>Citizenship Report: p.63</b> CIMB provides equal pay by gender for the same role and responsibility in the same location.	Full
413-1	Operations with local community engagement, impact assessments, and development programmes	<b>Citizenship Report: p.65</b> We contributed RM10.5 million for community development initiatives (social inclusion; entrepreneurship; gender empowerment; environmental stewardship; and financial literacy). Our Impact in 2017: 183,929 community beneficiaries; 378 projects 259 NGO and Civil Society partners across 14 states of Malaysia.	Full

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