

# CIMB GROUP HOLDINGS BERHAD FIRST HALF 2010 RESULTS

Analyst Presentation

26 August 2010

# Highlights

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- Good first half performance with rebound in CIBD, a surge in contribution from CIMB Niaga, drop in loan loss provisions and higher NIMs
- 1H10 PAT up 35.2% Y-o-Y, ROE of 17%
- Record net earnings in 2Q10 at RM889 mil
- Interim single tier dividend of 4.625 sen (50% of FY10 target)
- Basel II effective 1 July 2010. Framework remains WIP but worst case drop in CIMB Bank RWCR <100 bps
- With Basel II, will not proceed with divestment of SEASAM
- Positive outlook for 2H10 as pipeline of corporate activity is good while our consumer assets and liability base is growing well
- FY10 ROE expected at 16.5% (excluding 20% CIMB Niaga acquisition) vs. 16% target

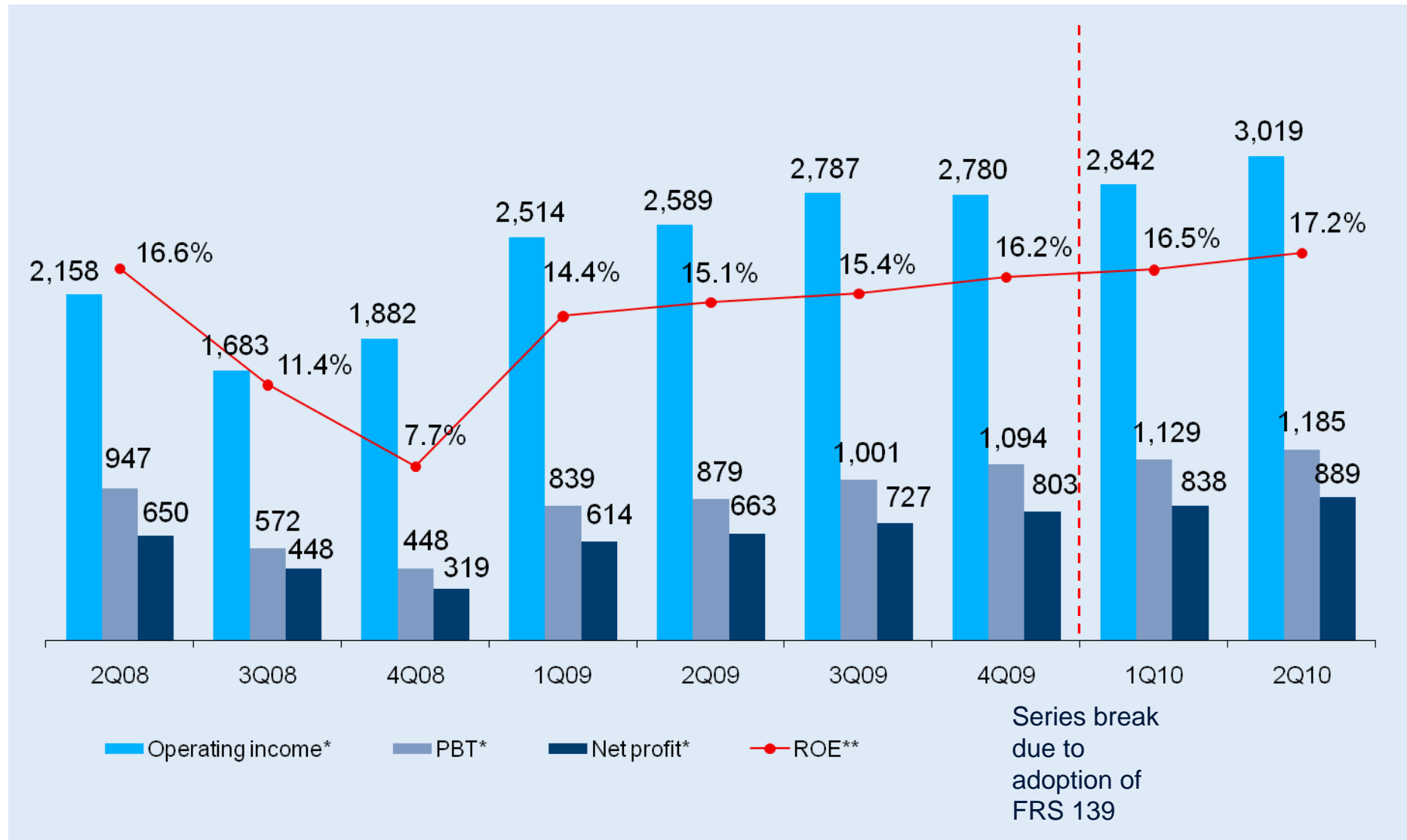
CIMB GROUP : 1H10 RESULTS  
CIMB GROUP 1H10 FINANCIALS

# Earnings Summary

(RM 'mil)	2Q10 (FRS 139)	1Q10 (FRS 139)	Q-o-Q	1H10 (FRS 139)	1H09 (GP3)	Y-o-Y
Net interest income	1,933	1,830	5.6%	3,763	3,202	17.5%
Non interest income	1,086	1,012	7.3%	2,098	1,901	10.4%
<b>Operating income</b>	<b>3,019</b>	<b>2,842</b>	<b>6.2%</b>	<b>5,861</b>	<b>5,103</b>	<b>14.9%</b>
Loan impairment	(122)	(150)	(18.7)%	(272)	(574)	(52.6%)
- Individual impairment	61	29	110.3%	90	-	n.a.
- Portfolio impairment	(183)	(179)	2.2%	(362)	-	n.a.
- Specific allowance	-	-	-	-	(481)	n.a.
- General allowance	-	-	-	-	(93)	n.a.
Other provisions	(93)	(24)	287.5%	(117)	(77)	51.9%
Overhead expenses	(1,635)	(1,563)	4.6%	(3,198)	(2,741)	16.7%
Share of JV / Associates	16	24	(33.3%)	40	6	566.7%
<b>PBT</b>	<b>1,185</b>	<b>1,129</b>	<b>5.0%</b>	<b>2,314</b>	<b>1,717</b>	<b>34.8%</b>
<b>Net profit</b>	<b>889</b>	<b>838</b>	<b>6.1%</b>	<b>1,727</b>	<b>1,277</b>	<b>35.2%</b>
<b>EPS (sen)</b>	<b>12.6</b>	<b>11.9</b>	<b>5.9%</b>	<b>24.5</b>	<b>18.1</b>	<b>35.1%</b>
<b>ROE</b>	<b>17.2%</b>	<b>16.5%</b>	<b>4.4%</b>	<b>17.0%</b>	<b>14.4%</b>	<b>17.7%</b>

Note: FRS 139 only applies for 2010. Retrospective financials remain GP3

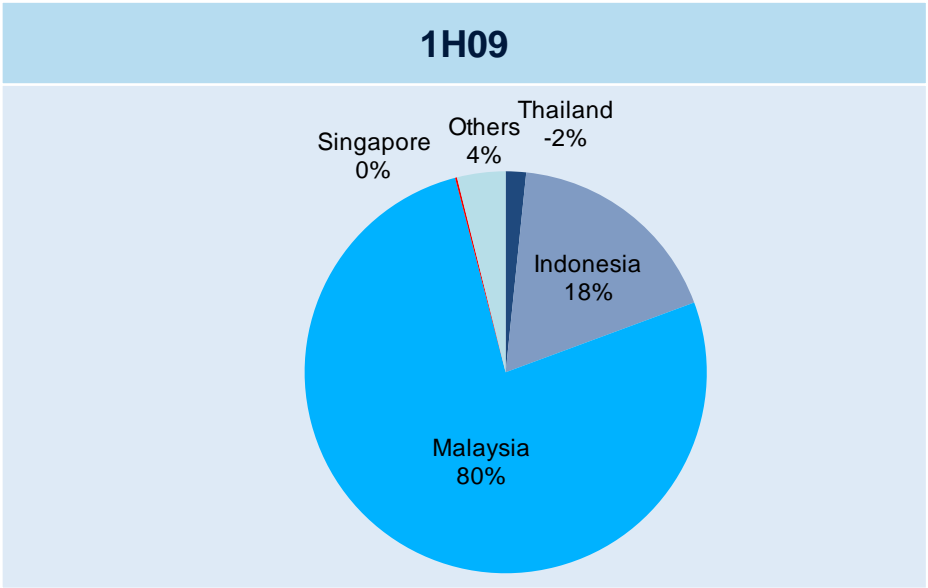
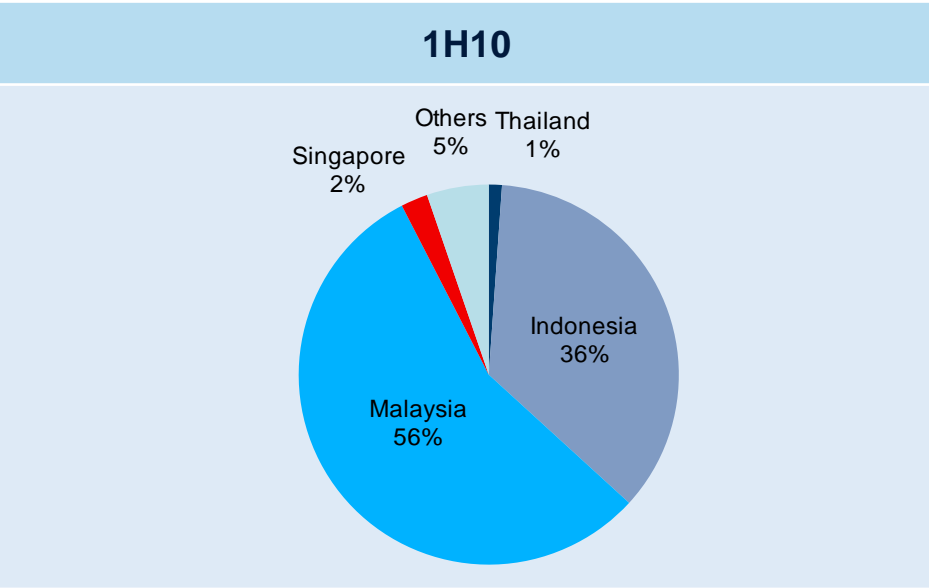
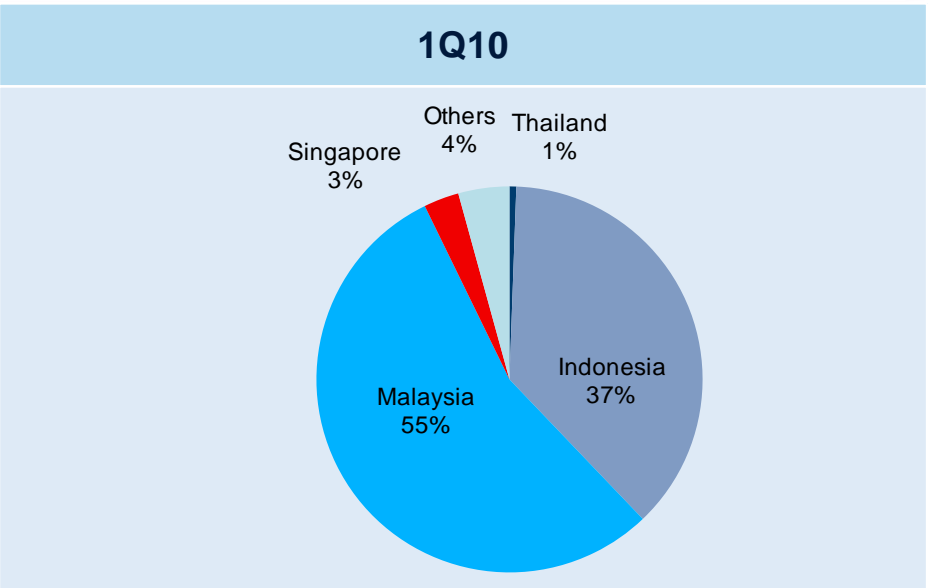
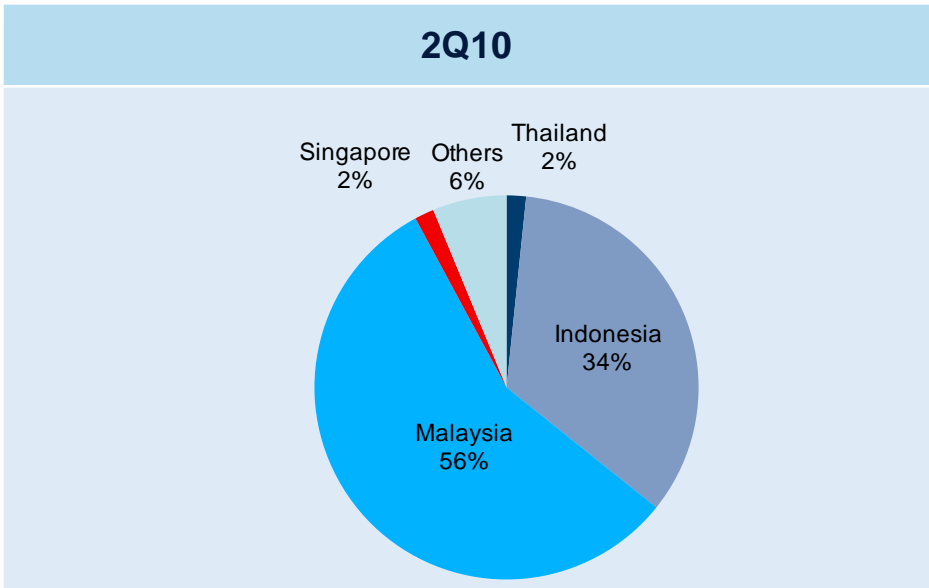
# Quarterly Earnings Trend



## Contribution by Entity

Legal Entity	2Q10		1Q10		1H10		1H09	
	RM 'mil	% of PBT	RM 'mil	% of PBT	RM 'mil	% of PBT	RM 'mil	% of PBT
CIMB Bank	675	57%	567	50%	1,242	54%	1,231	71%
CIMB Niaga	405	34%	423	37%	828	36%	305	18%
CIMB Thai	20	2%	6	1%	26	1%	(29)	(2%)
CIMB Labuan	46	4%	42	4%	88	4%	119	7%
CIMB Islamic	78	7%	81	7%	159	7%	65	4%
CIMB Investment Bank	22	2%	12	1%	34	1%	45	3%
CIMB Securities Singapore	16	1%	18	2%	34	1%	(25)	(1%)
Others *	(77)	(7%)	(20)	(2%)	(97)	(4%)	6	-
<b>PBT</b>	<b>1,185</b>	<b>100%</b>	<b>1,129</b>	<b>100%</b>	<b>2,314</b>	<b>100%</b>	<b>1,717</b>	<b>100%</b>

# Contribution by Geography



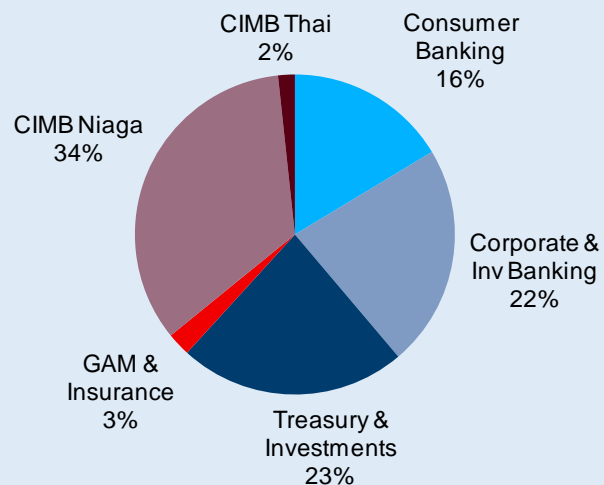
## Estimated PBT By Segment

PBT (after Head Office cost allocation)	2Q10 (FRS 139)	1Q10 (FRS 139)	Q-o-Q	1H10 (FRS 139)	1H09 (GP3)	Y-o-Y
	RM 'mil	RM 'mil	%	RM 'mil	RM 'mil	%
Consumer Banking						
- Good Bank	144	136	5.9%	280	246	13.8%
- Bad Bank	50	(9)	n.a.	41	14	192.9%
	<b>194</b>	<b>127</b>	<b>52.8%</b>	<b>321</b>	<b>260</b>	<b>23.5%</b>
Corporate & Investment Banking	266	232	14.7%	498	288	72.9%
Treasury & Investments	272	333	(18.3%)	605	810	(25.3%)
GAM & Insurance	28	8	262.5%	36	83	(55.4%)
CIMB Niaga	405	423	(4.5%)	828	305	171.1%
CIMB Thai (after GAAP adjustments)	20	6	233.3%	26	(29)	n.a.
<b>PBT *</b>	<b>1,185</b>	<b>1,129</b>	<b>5.0%</b>	<b>2,314</b>	<b>1,717</b>	<b>34.8%</b>
<b>Net profit</b>	<b>889</b>	<b>838</b>	<b>6.1%</b>	<b>1,727</b>	<b>1,277</b>	<b>35.2%</b>

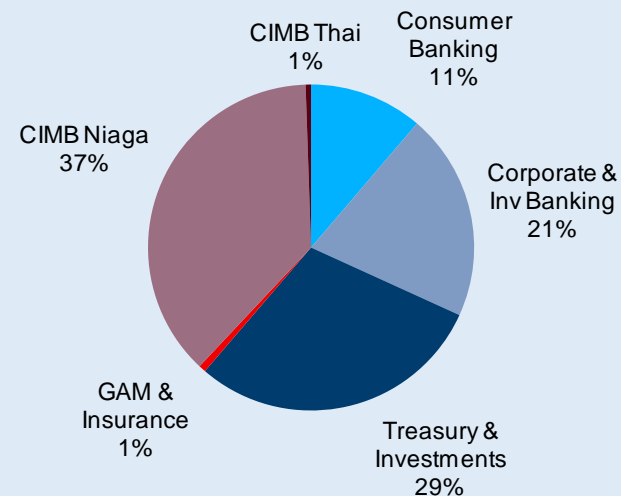


# Estimated PBT By Segment

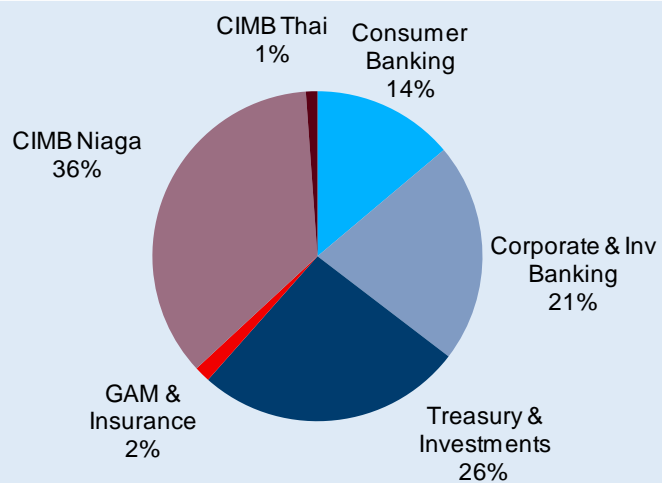
## 2Q10



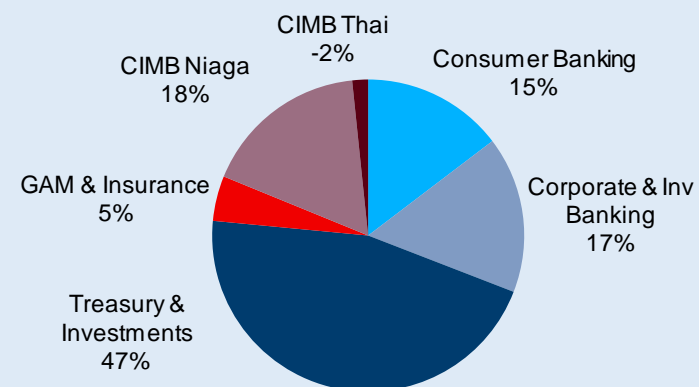
## 1Q10



## 1H10



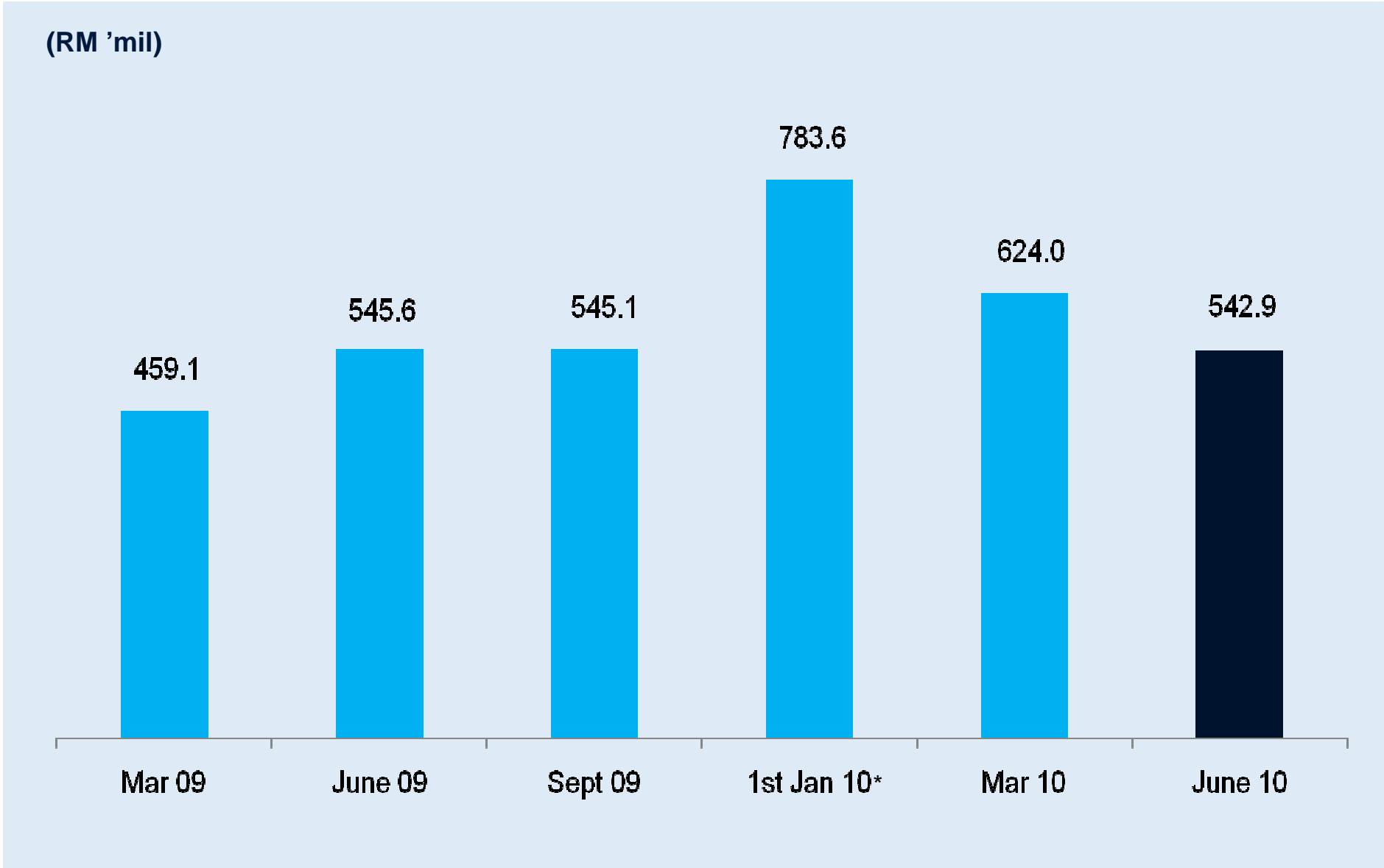
## 1H09



# Consolidated Balance Sheet Changes

(RM 'mil)	30th Jun 10	31st Mar 10	Q-o-Q	30th Jun 09	Y-o-Y
Cash & short term funds	22,701	25,852	(12%)	21,286	7%
Securities purchased under resale agreements	4,120	3,980	4%	5,481	(25%)
Deposits & placements with financial institutions	13,580	11,784	15%	7,200	89%
Financial investments at fair value through profit or loss	14,246	11,099	28%	11,584	23%
- Money Market	10,003	7,422	35%	8,113	23%
- Corporate Bonds	3,497	2,874	22%	2,989	17%
- Equity	746	803	(7%)	482	55%
Financial investments available for sale	10,653	10,484	2%	12,669	(16%)
Financial investments held to maturity	15,558	14,147	10%	13,777	13%
Loans, advances & financing	152,130	144,074	6%	130,051	17%
Other assets	22,910	24,436	(6%)	22,629	1%
<b>Total assets</b>	<b>255,898</b>	<b>245,856</b>	<b>4%</b>	<b>224,677</b>	<b>14%</b>
Deposits from customers	193,487	178,731	8%	163,847	18%
Deposits & placements of banks and other FI	10,179	13,878	(27%)	14,056	(28%)
Other borrowings	11,584	10,907	6%	10,898	6%
Other liabilities	17,545	19,402	(10%)	16,012	10%
<b>Total liabilities</b>	<b>232,795</b>	<b>222,918</b>	<b>4%</b>	<b>204,813</b>	<b>14%</b>
<b>Shareholders' funds</b>	<b>20,686</b>	<b>20,573</b>	<b>1%</b>	<b>19,864</b>	<b>4%</b>
<b>Total liabilities &amp; equity</b>	<b>255,898</b>	<b>245,856</b>	<b>4%</b>	<b>224,677</b>	<b>14%</b>

# AFS MTM Position



# Key Ratios

(%)	2Q10	1Q10	Q-o-Q	1H10	1H09	Y-o-Y
ROE *	17.2	16.5	4.4%	17.0	14.4	18.1%
NIM *	3.47	3.33	5.0%	3.41	3.14	8.6%
Non-interest income/ total income	44.8	43.6	2.8%	44.2	43.0	2.8%
Cost / income	54.2	55.0	(1.5%)	54.6	53.7	1.7%
Allowance coverage / Loan loss coverage	78.4	80.5	(2.6%)	78.4	86.8	(9.7%)
Allowance coverage after regulatory reserve #	79.3	-	n.a	79.3	-	n.a
Loan loss charge *	0.30	0.39	(23.1%)	0.34	0.84	(59.5%)
Gross impaired loans ratio / Gross NPL ratio	7.2	7.5	(3.9%)	7.2	5.6	29.3%
Gross impaired loans ratio / Gross NPL ratio excl. SEASAM	5.5	5.7	(3.5%)	5.5	3.4	61.8%
ROA *	1.4	1.4	2.8%	1.4	1.2	17.7%
Book value per share (RM) **	2.93	2.91	0.7%	2.93	2.59	13.1%

Notes: FRS 139 only applies for 2010. Retrospective financials remain GP3 unless otherwise stated.

\* Annualised

\*\* Adjusted for bonus issue

# Regulatory reserve maintained in equity as an additional credit risk absorbent in accordance with BNM requirement. This is to ensure robustness on the loan/financing loss estimates methodology with the adoption of FRS 139 beginning 1 January 2010

## Gross Loans Growth

Products / Divisions	30th Jun 10 (RM 'bil)	31st Mar 10 (RM 'bil)	Q-o-Q	30th Jun 09 (RM 'bil)*	Y-o-Y
<b>Consumer Banking</b>	<b>76.3</b>	<b>73.8</b>	<b>3.4%</b>	<b>66.2</b>	<b>15.2%</b>
Mortgages	32.4	31.0	4.5%	26.4	22.9%
HP	11.8	11.5	3.0%	11.2	5.7%
OD and TL	13.0	12.4	4.7%	10.3	26.7%
Credit cards	3.7	3.4	8.0%	2.7	38.3%
CIMB Xpress	1.6	1.6	3.0%	1.2	38.7%
Business	13.2	13.4	(1.3%)	13.8	(4.5%)
Others	0.6	0.5	6.4%	0.6	-
<b>Corporate &amp; Investment</b>	<b>41.6</b>	<b>39.3</b>	<b>5.9%</b>	<b>38.3</b>	<b>8.7%</b>
<b>CIMB Niaga</b>	<b>33.4</b>	<b>30.7</b>	<b>8.9%</b>	<b>25.5</b>	<b>30.7%</b>
<b>CIMB Thai</b>	<b>9.7</b>	<b>9.4</b>	<b>3.2%</b>	<b>8.6</b>	<b>12.4%</b>
<b>Total</b>	<b>161.0</b>	<b>153.2</b>	<b>5.1%</b>	<b>138.6</b>	<b>16.1%</b>

Note:  
\* FRS 139 adjusted – Gross up IIS

# Deposits Growth

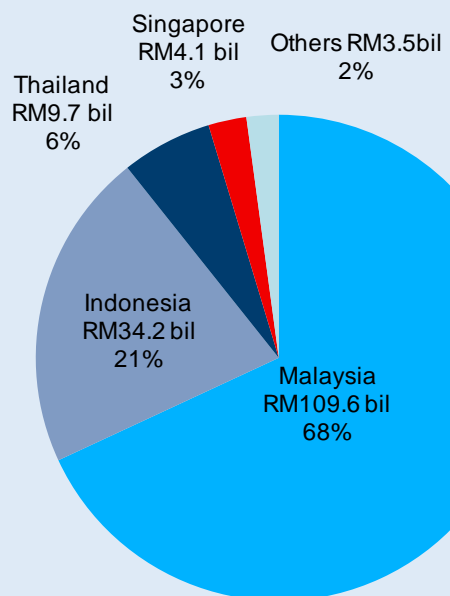
Divisions / Products	30th Jun 10 (RM 'bil)	31st Mar 10 (RM 'bil)	Q-o-Q	30th Jun 09 (RM 'bil)	Y-o-Y
<b>Retail</b>	<b>45.9</b>	<b>44.5</b>	<b>3.1%</b>	<b>38.1</b>	<b>20.5%</b>
- Current	8.4	7.9	6.3%	4.5	86.7%
- Savings	10.6	10.6	-	9.6	10.4%
- Fixed & structured deposits	26.9	26.0	3.5%	24.0	12.1%
<b>Business</b>	<b>21.6</b>	<b>20.5</b>	<b>5.3%</b>	<b>18.4</b>	<b>17.1%</b>
<b>Corporate &amp; Treasury</b>	<b>78.8</b>	<b>71.9</b>	<b>9.7%</b>	<b>67.5</b>	<b>16.9%</b>
<b>CIMB Niaga</b>	<b>37.8</b>	<b>33.5</b>	<b>12.8%</b>	<b>28.4</b>	<b>33.1%</b>
<b>CIMB Thai</b>	<b>9.4</b>	<b>8.3</b>	<b>12.1%</b>	<b>11.4</b>	<b>(17.5%)</b>
<b>Total</b>	<b>193.5</b>	<b>178.7</b>	<b>8.3%</b>	<b>163.8</b>	<b>18.1%</b>

# CASA Growth

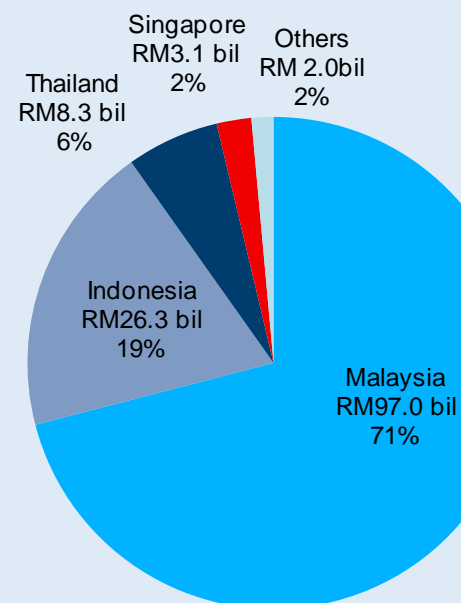
Divisions / Products	30th Jun 10 (RM 'bil)	31st Mar 10 (RM 'bil)	Q-o-Q	30th Jun 09 (RM 'bil)	Y-o-Y
<b>Current Deposits</b>	<b>38.6</b>	<b>37.7</b>	<b>2.4%</b>	<b>31.3</b>	<b>23.3%</b>
- Malaysia & Singapore	29.6	28.5	3.9%	23.4	26.5%
- Thailand	0.1	0.2	(50.0%)	0.1	-
- Indonesia	8.9	8.9	-	7.8	14.1%
<b>Savings Deposits</b>	<b>20.4</b>	<b>19.9</b>	<b>2.5%</b>	<b>18.2</b>	<b>12.1%</b>
- Malaysia & Singapore	10.6	10.5	1.0%	9.6	10.4%
- Thailand	2.3	2.3	-	2.5	(8.0%)
- Indonesia	7.5	7.1	5.6%	6.1	23.0%
<b>Total</b>	<b>59.0</b>	<b>57.6</b>	<b>2.4%</b>	<b>49.5</b>	<b>19.2%</b>

# Loan Assets by Geography

Jun 2010

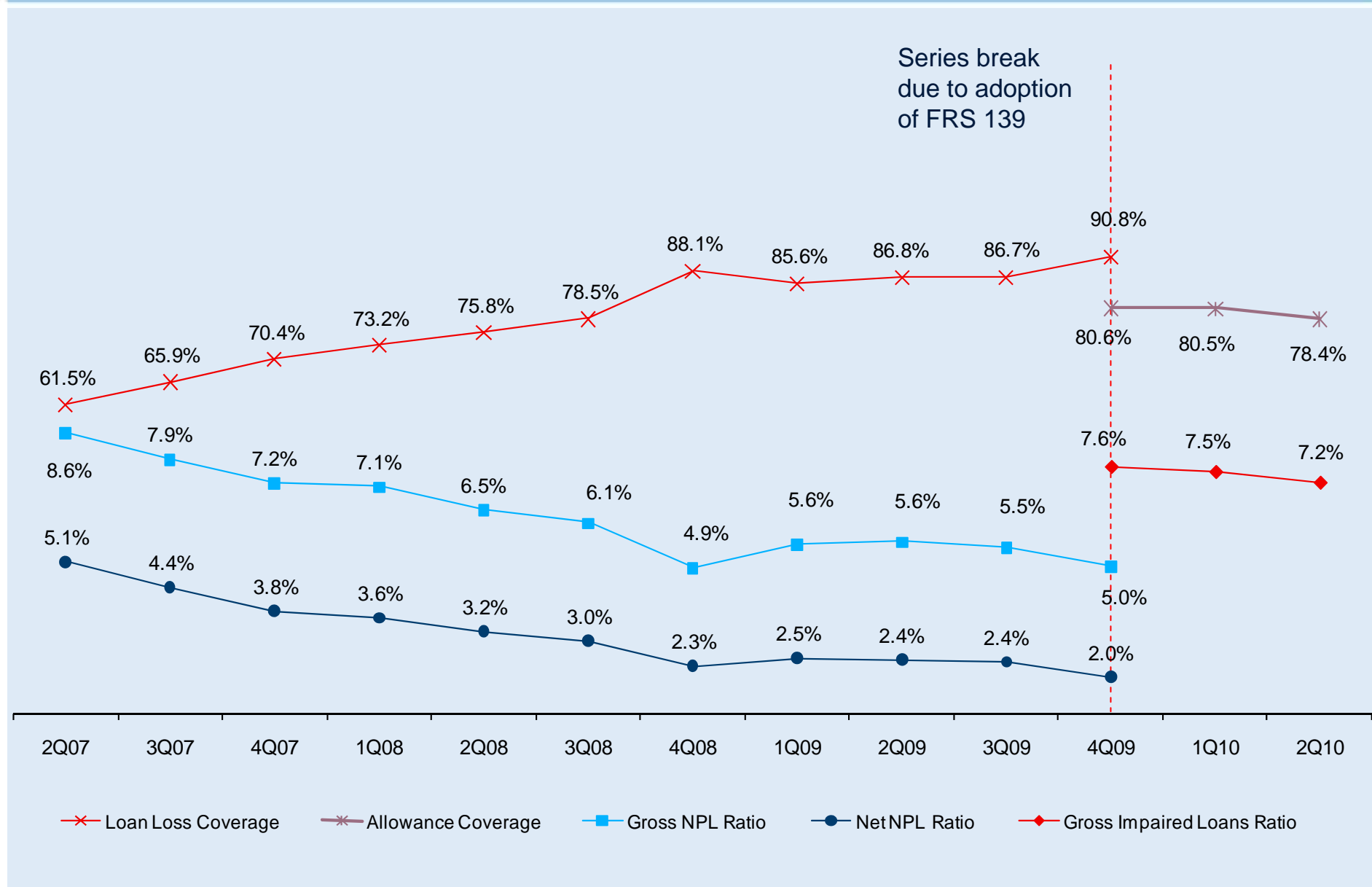


June 2009

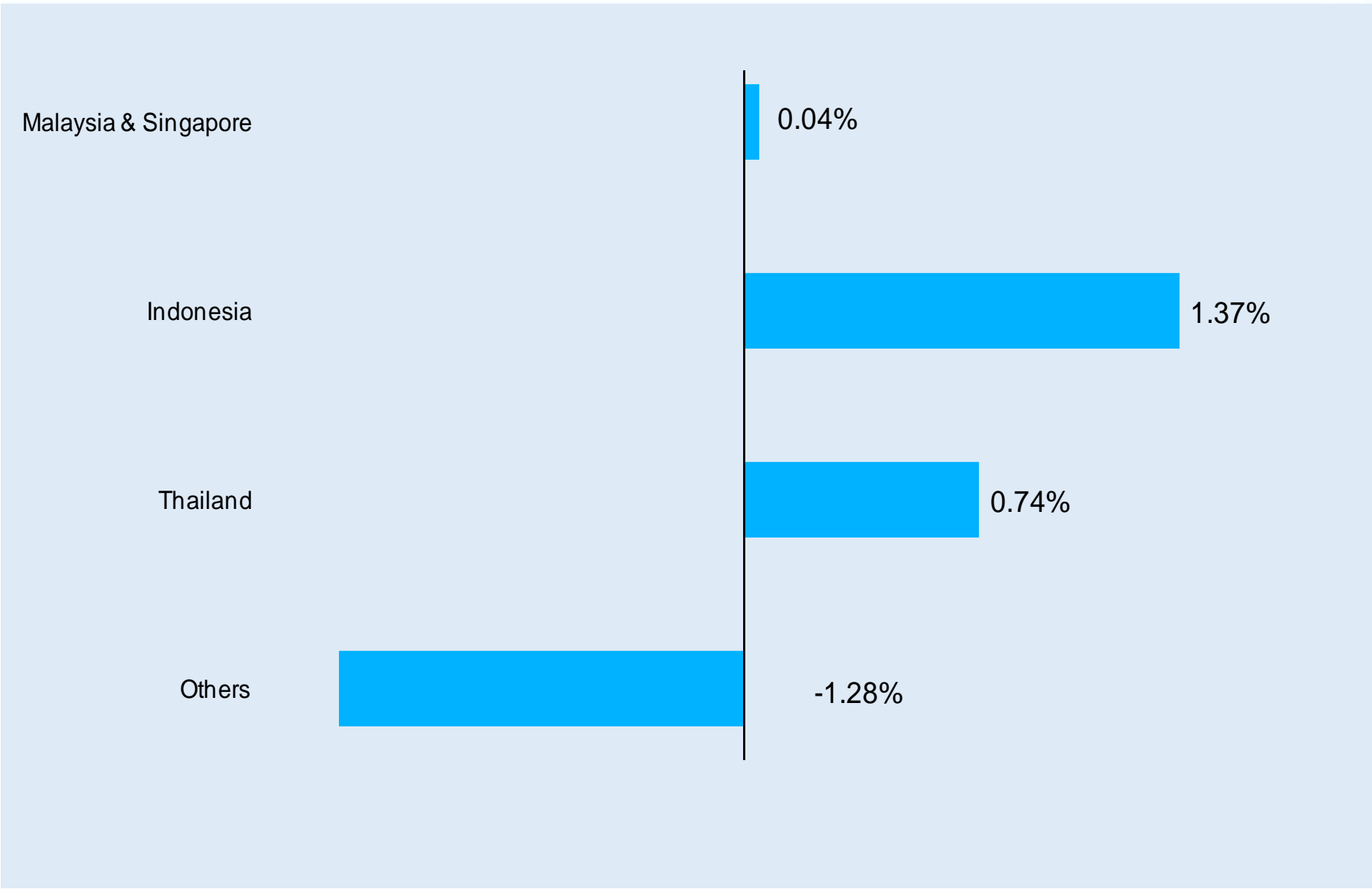




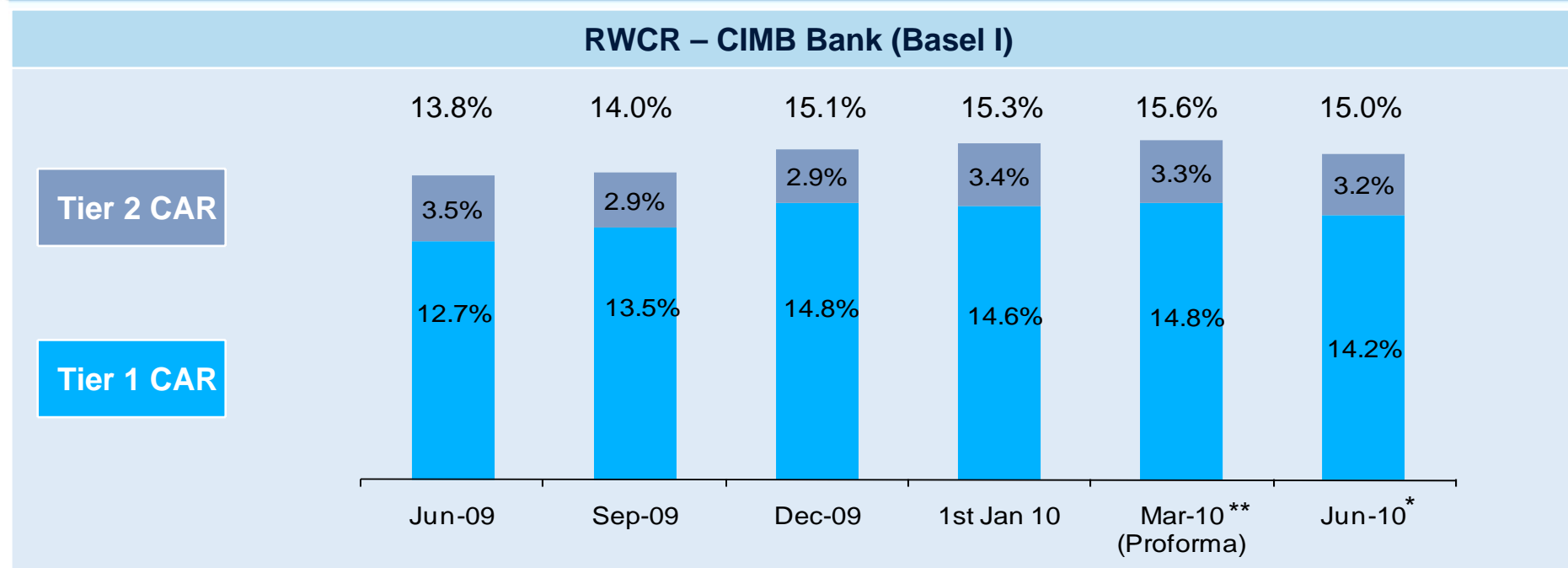
# Asset Quality Ratios – CIMBG



# 1H10 Annualised Credit Charge by Country



# Capital Management



CIMB Group	Jun 10	Mar 10	RWCR (Basel I)	Jun 10 (with 1H10 PAT)	Jun 10 (Proforma*)	Mar 10 (Reported)
Gearing ratio	25.3%	26.9%				
Double leverage ratio	118.3%	119.8%				
			– CIMB Bank	15.3%	15.0%	14.9%
			– CIMB Investment Bank	18.8%	-	15.9%
			– CIMB Niaga #	12.1%	-	12.8%
			– CIMB Thai ^	12.4%	-	12.1%
			– CIMB Islamic	16.4%	-	10.9%

Notes: After FRS139 adjustments

\* After deducting proposed dividends

# Currently credit risk RWA based on Basel I but RWA includes operational Risk (usually under Basel II)

^ Currently under Basel II Standardised Approach, computed under BOT regulations

## CIMBG : Operating Expenses

(RM 'mil)	2Q10	1Q10	Q-o-Q	1H10	1H09	Y-o-Y
Personnel	784	783	0.1%	1,567	1,322	18.9%
Establishment	357	360	(0.8%)	717	598	19.9%
Marketing	113	90	25.6%	203	165	23.0%
Admin & General	381	330	15.5%	711	656	8.4%
<b>Total</b>	<b>1,635</b>	<b>1,563</b>	<b>4.6%</b>	<b>3,198</b>	<b>2,741</b>	<b>16.7%</b>

# CIMB GROUP : 1H10 RESULTS CONSUMER BANK

# Consumer Bank Financials

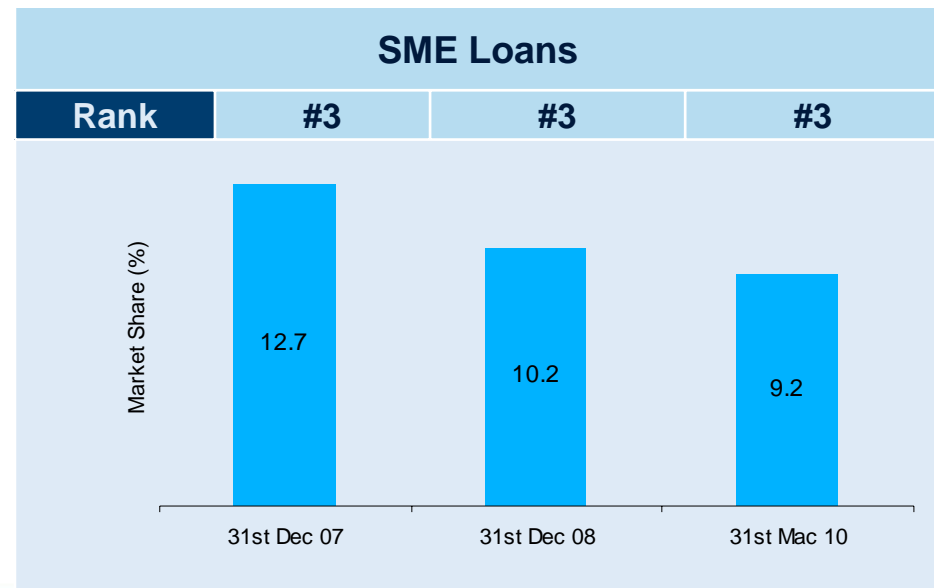
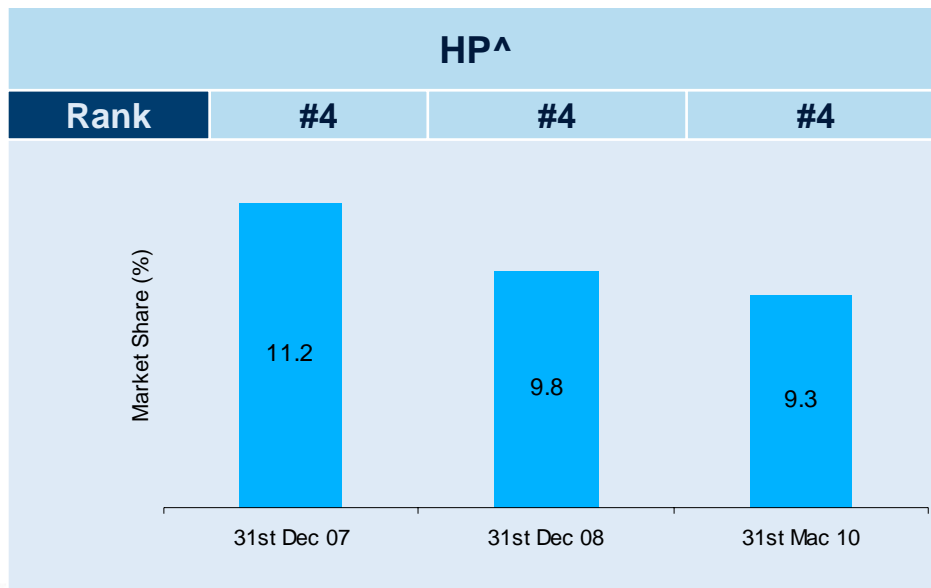
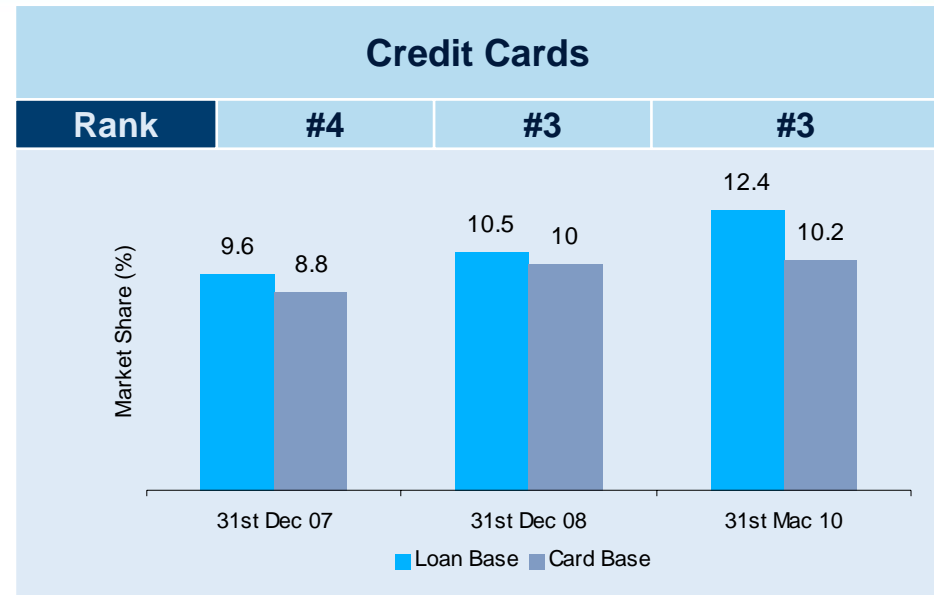
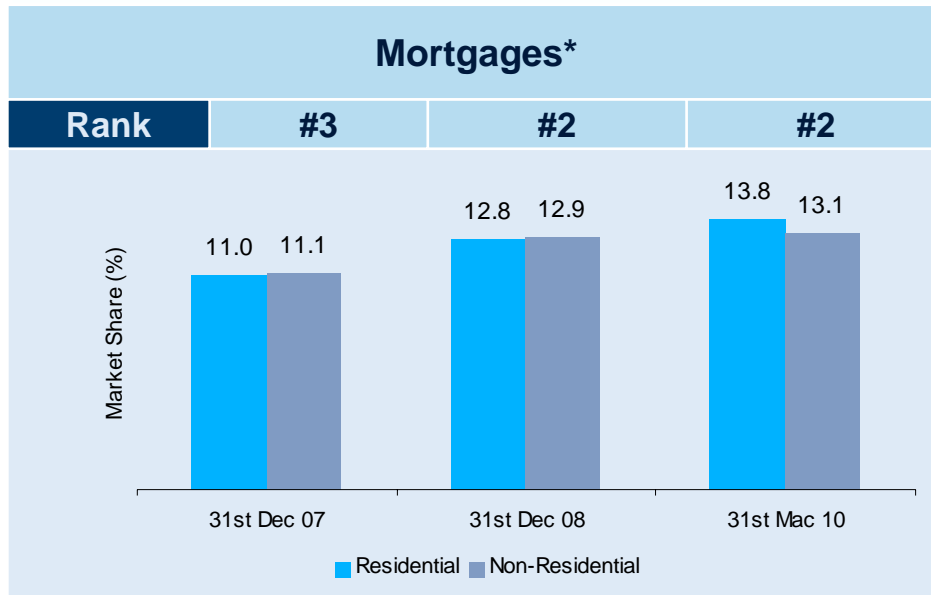
(RM 'mil)	2Q10 (FRS 139)	1Q10 (FRS 139)	Q-o-Q	1H10 (FRS 139)	1H09 (GP3)	Y-o-Y
Net interest / financing income	732	671	9.1%	1,403	1,391	0.9%
Non interest income	235	206	14.6%	441	367	20.4%
<b>Total income</b>	<b>967</b>	<b>877</b>	<b>10.3%</b>	<b>1,844</b>	<b>1,758</b>	<b>4.9%</b>
Overheads (direct + head office allocation)	(731)	(691)	5.9%	(1,422)	(1,262)	12.8%
Loan impairment	(44)	(61)	(27.9%)	(105)	(240)	(56.3%)
Share of JV	2	2	-	4	4	-
<b>PBT</b>	<b>194</b>	<b>127</b>	<b>52.8%</b>	<b>321</b>	<b>260</b>	<b>23.0%</b>
<b>Loan loss charge</b>	<b>0.06%</b>	<b>0.08%</b>	<b>(30.2%)</b>	<b>0.14%</b>	<b>0.37%</b>	<b>(62.6%)</b>

# Consumer Good Bank Financials

(RM 'mil)	2Q10 (FRS 139)	1Q10 (FRS 139)	Q-o-Q	1H10 (FRS 139)	1H09 (GP3)	Y-o-Y
Net interest / financing income	712	665	7.1%	1,377	1,352	1.8%
Non interest income	236	206	14.6%	442	365	21.1%
<b>Total income</b>	<b>948</b>	<b>871</b>	<b>8.8%</b>	<b>1,819</b>	<b>1,717</b>	<b>5.9%</b>
Overheads (direct + head office allocation)	(693)	(646)	7.3%	(1,339)	(1,198)	11.8%
Loan impairment	(113)	(91)	(24.2%)	(204)	(277)	(26.4%)
Share of JV	2	2	-	4	4	-
<b>PBT</b>	<b>144</b>	<b>136</b>	<b>5.9%</b>	<b>280</b>	<b>246</b>	<b>13.8%</b>
<b>Loan loss charge</b>	<b>0.16%</b>	<b>0.13%</b>	<b>19.6%</b>	<b>0.28%</b>	<b>0.45%</b>	<b>(37.3%)</b>

Note: FRS 139 only applies for 2010. Retrospective financials remain GP3

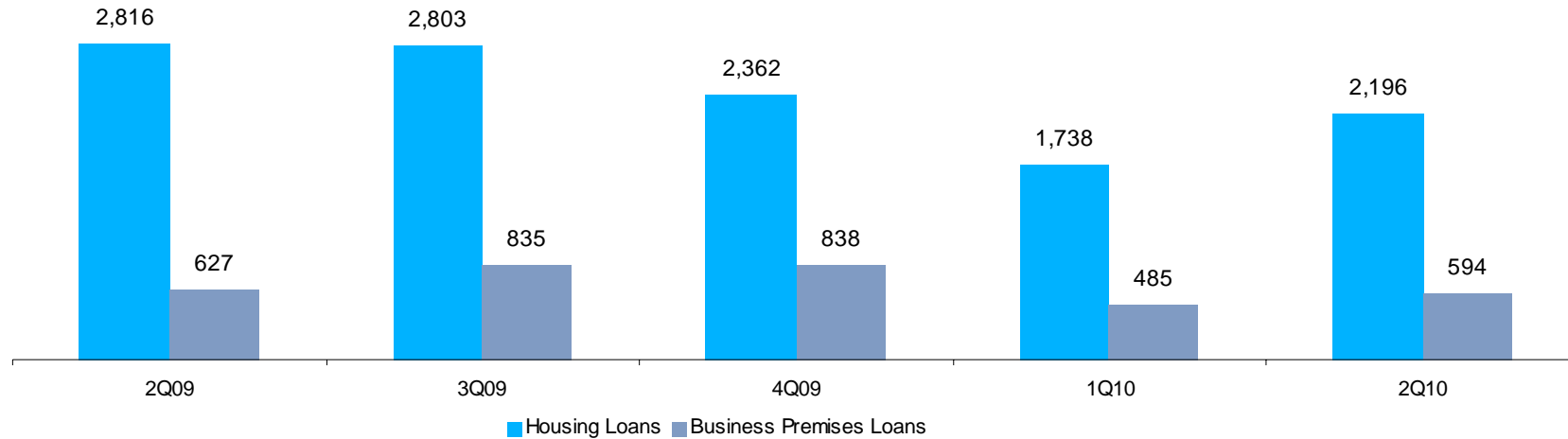
# Malaysian Consumer Market Shares



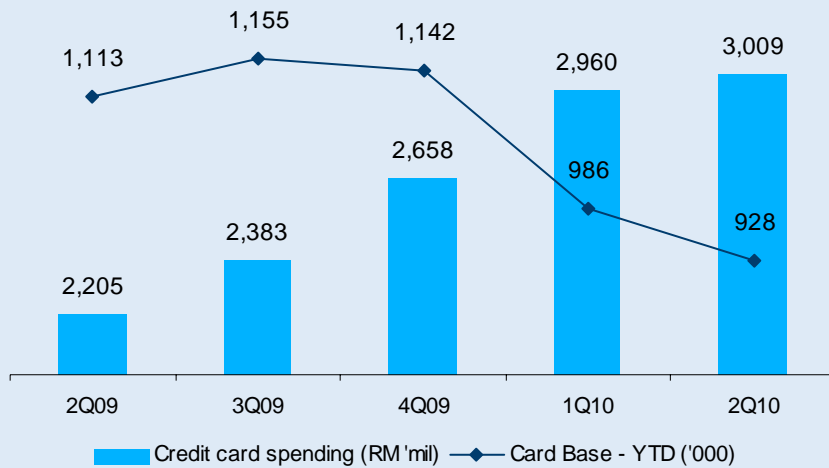


# Malaysian Consumer Banking Indicators

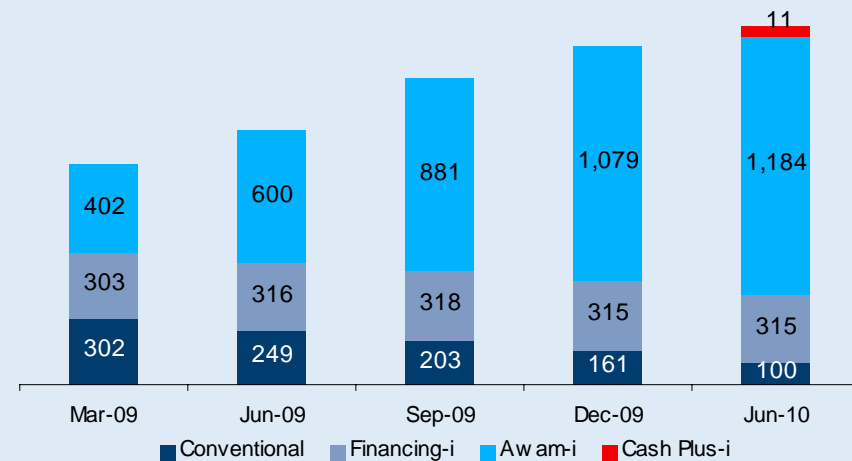
## Retail Loans – Housing Loans and Business Premises Loans (RM 'mil)



## Credit Cards

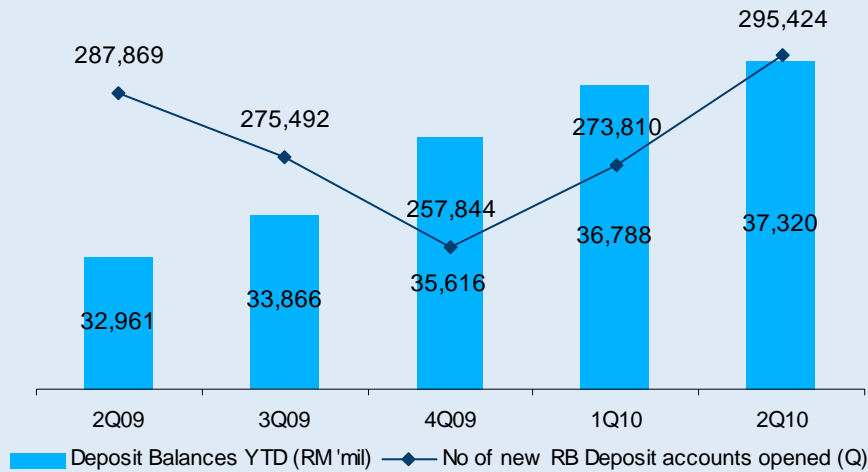


## CIMB Express–Gross Loan Base (RM 'mil)

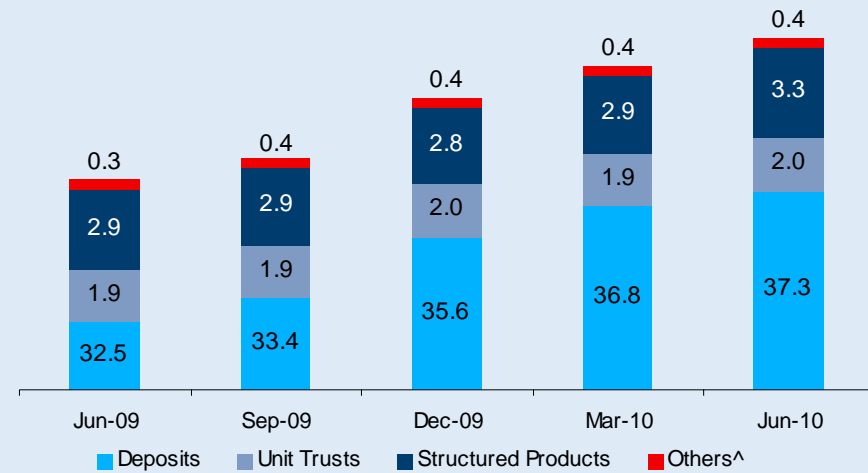


# Malaysian Consumer Banking Indicators

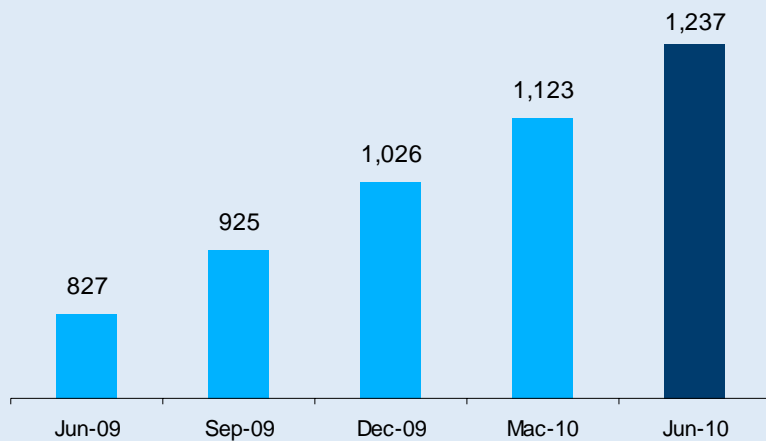
## Retail Banking Deposits



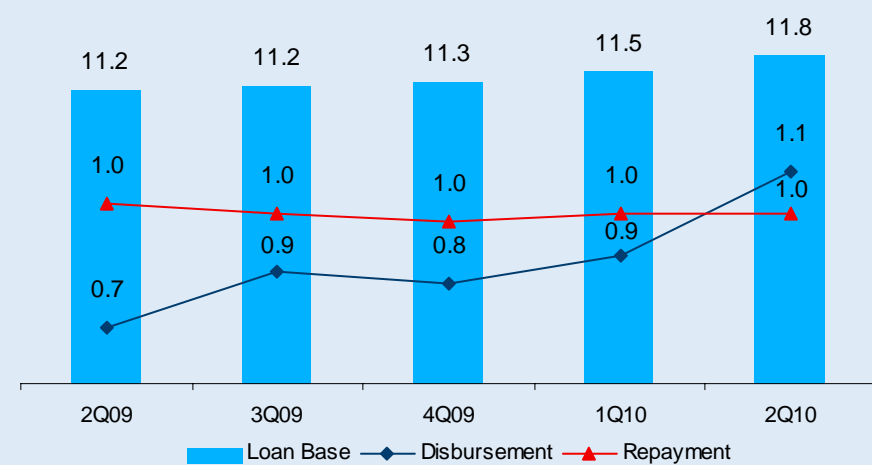
## Retail Banking AUM (RM 'mil)



## Total CIMB Clicks Customers ('000)

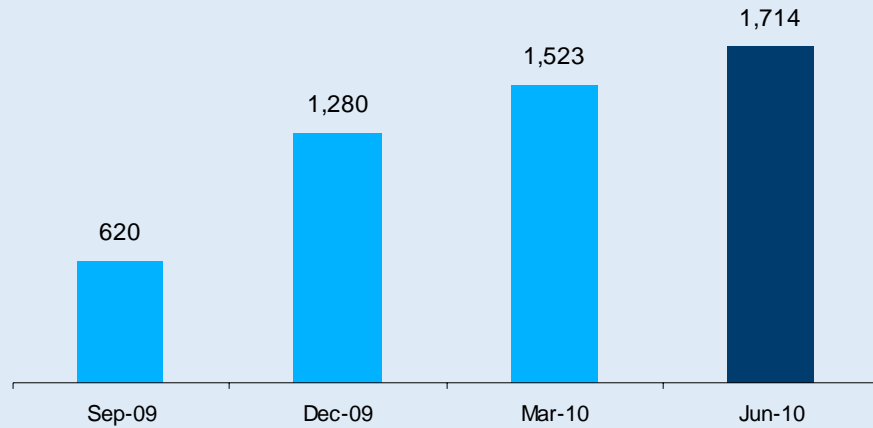


## HP - Loan Base, Disbursement & Repayment (RM 'bil)

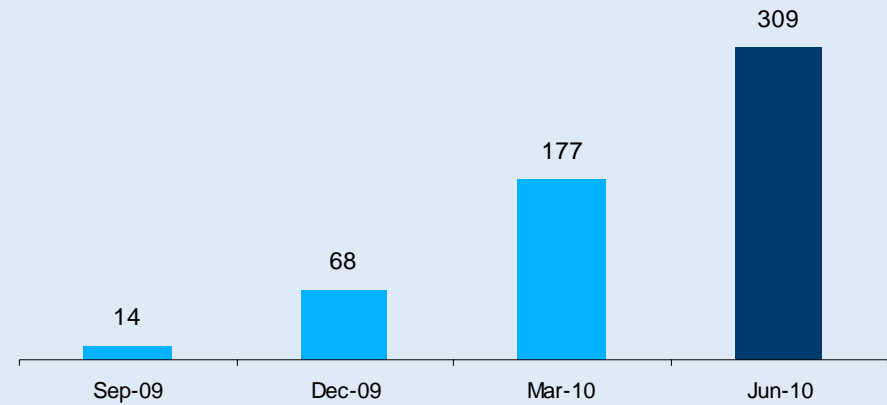


# Singapore Retail Banking Indicators

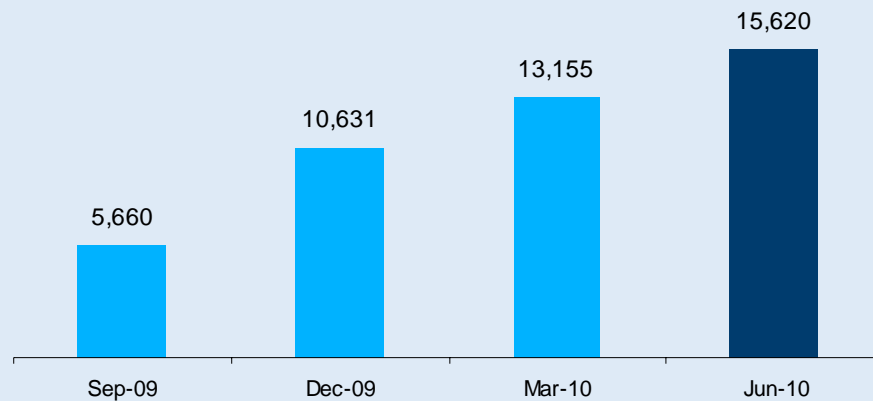
## Retail Deposits (SGD 'mil)



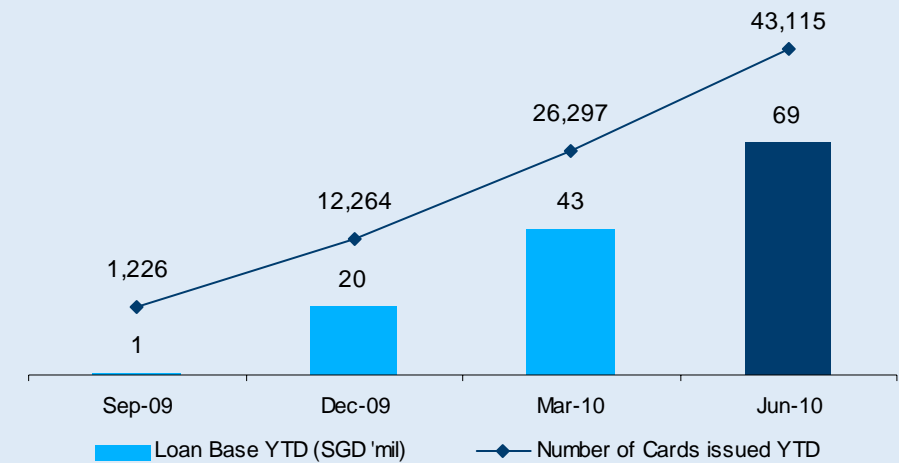
## Home Loan Outstanding (SGD 'mil)



## Retail Customer Base\*



## Credit Cards



CIMB GROUP : 1H10 RESULTS  
TREASURY & INVESTMENT BANKING

## Treasury and Investment Financials

(RM 'mil)	2Q10 (FRS 139)	1Q10 (FRS 139)	Q-o-Q	1H10 (FRS 139)	1H09 (GP3)	Y-o-Y
Net interest / financing income	174	193	(9.8%)	367	368	(0.3%)
Fee income	2	5	(60.0%)	7	3	133.3%
Net trading income	146	170	(14.1%)	316	368	(14.1%)
<b>Total income</b>	<b>322</b>	<b>368</b>	<b>(12.5%)</b>	<b>690</b>	<b>739</b>	<b>(6.6%)</b>
Provision	13	3	333.3%	16	2	700.0%
Overheads	(88)	(69)	27.5%	(157)	(114)	37.7%
<b>Treasury PBT</b>	<b>247</b>	<b>302</b>	<b>(18.2%)</b>	<b>549</b>	<b>627</b>	<b>(12.4%)</b>
<b>Investment PBT</b>	<b>25</b>	<b>31</b>	<b>(19.4%)</b>	<b>56</b>	<b>183</b>	<b>(69.4%)</b>
<b>Total</b>	<b>272</b>	<b>333</b>	<b>(18.3%)</b>	<b>605</b>	<b>810</b>	<b>(25.3%)</b>

Note: FRS 139 only applies for 2010. Retrospective financials remain GP3

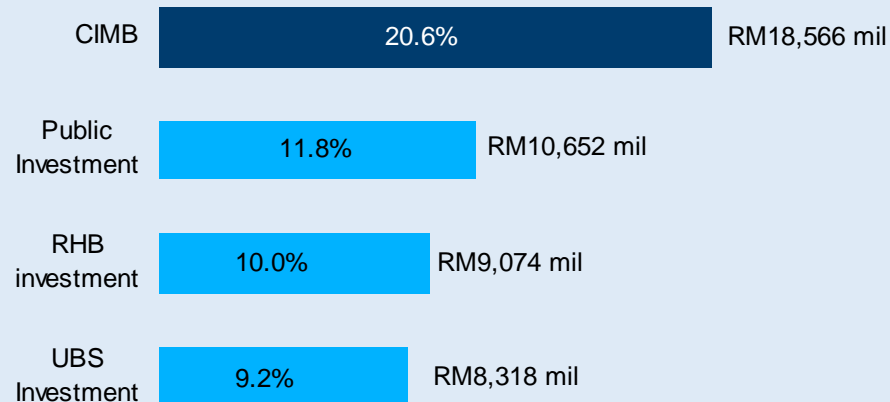
# Corporate & Investment Banking Financials

(RM 'mil)	2Q10 (FRS 139)	1Q10 (FRS 139)	Q-o-Q	1H10 (FRS 139)	1H09 (GP3)	Y-o-Y
Net interest / financing income	189	221	(14.5%)	410	356	15.4%
Fee & commission income	105	108	(2.8%)	213	210	1.3%
Net trading income	25	20	25.0%	45	53	(15.1%)
Brokerage income	80	78	2.6%	158	114	38.0%
<b>Total income</b>	<b>399</b>	<b>427</b>	<b>(6.6%)</b>	<b>826</b>	<b>733</b>	<b>12.7%</b>
Provision	108	15	635.5%	123	(98)	n.a.
Overheads	(241)	(210)	14.8%	(451)	(347)	30.0%
<b>PBT</b>	<b>266</b>	<b>232</b>	<b>14.9%</b>	<b>498</b>	<b>288</b>	<b>72.8%</b>

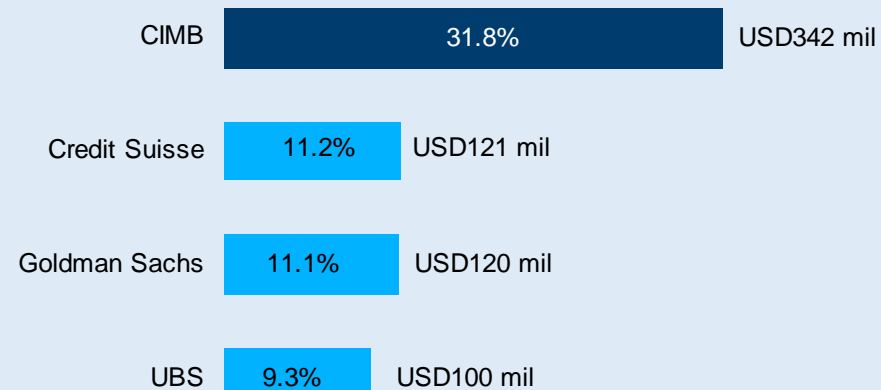
Note: FRS 139 only applies for 2010. Retrospective financials remain GP3

# Malaysian Market Shares (1H10)

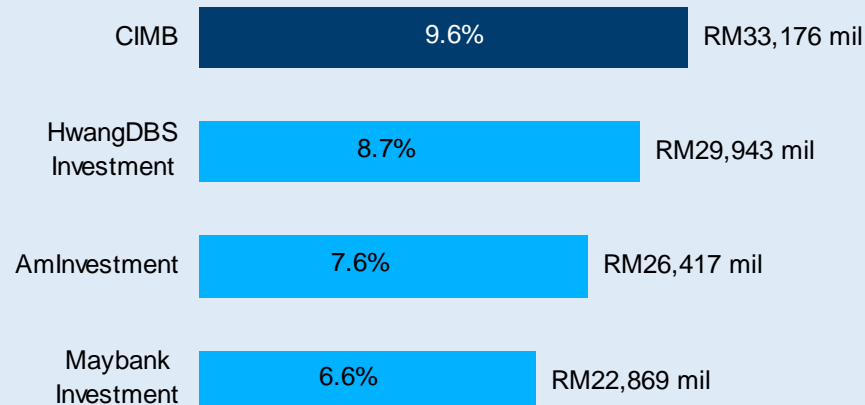
## M&A Advisory\*\*



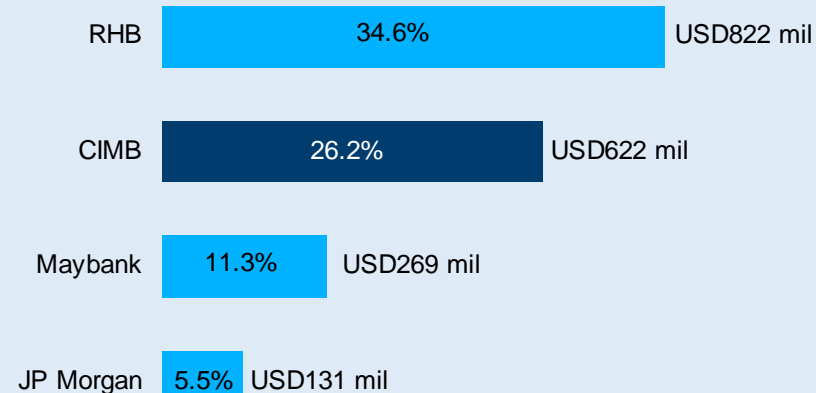
## IPO Advisory#



## Brokerage

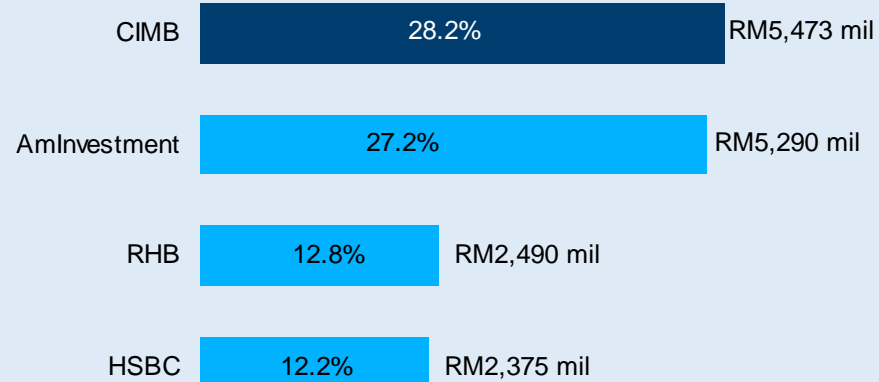


## ECM Deals#

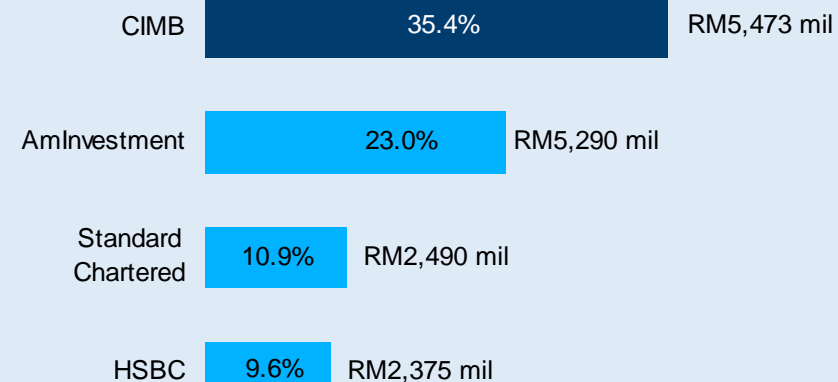


# Malaysian Market Shares (1H10)

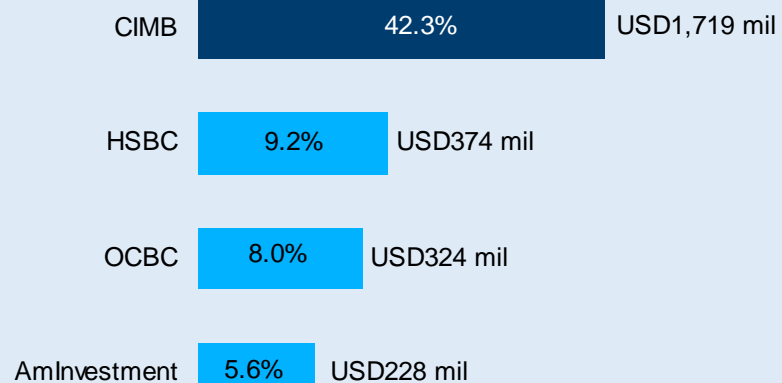
## Domestic Bonds (RM)



## Domestic Sukuk (RM)

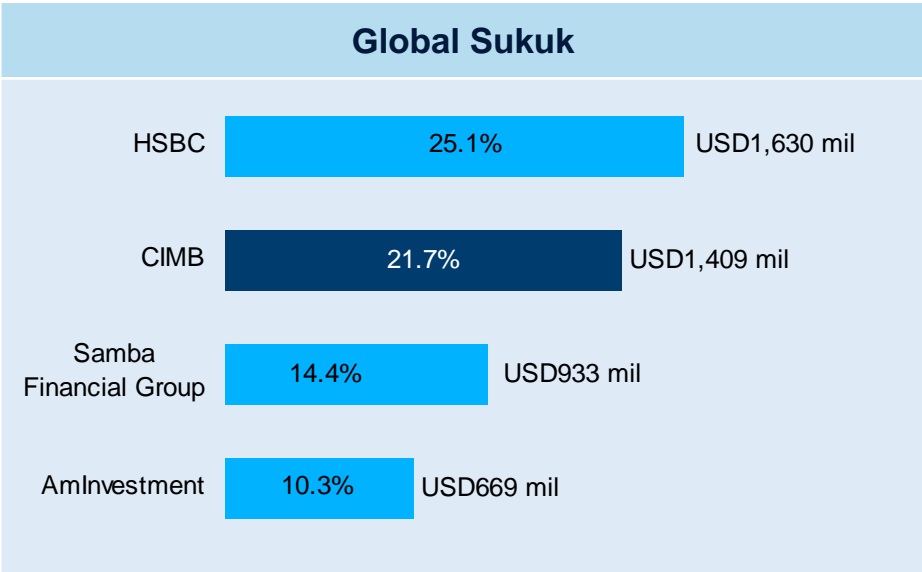
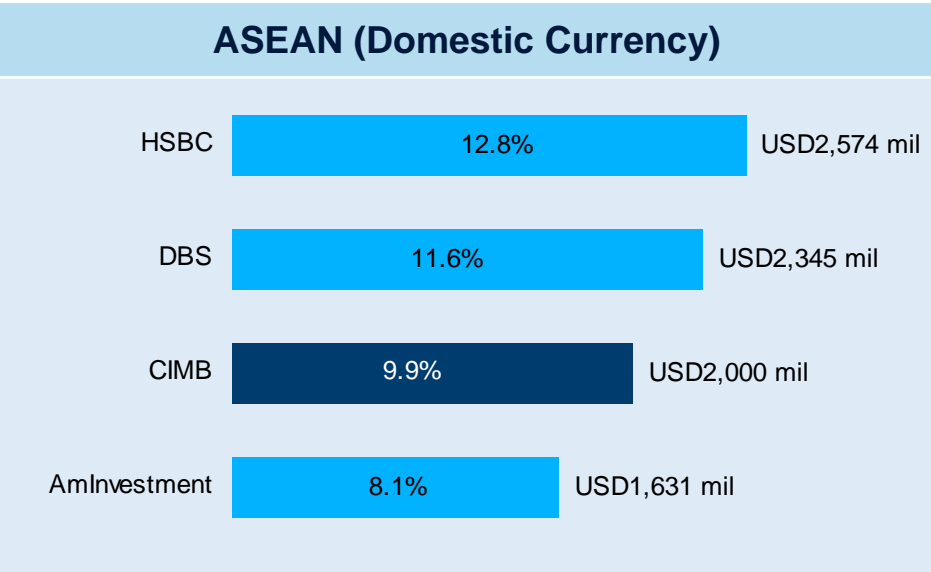


## Syndication














# International Market Shares (1H10)





# Regional Market Share

Singapore	1H09		1H10	
	Market Share	Rank	Market Share	Rank
Stock Broking 	8.3%	5	8.8%	3
IPO 	15.9%	3	8.2%	7
ECM 	1.7%	12	5.7%	7
M&A* 	3.0%	8	7.5%	3
SGD Bonds 	3.7%	5	2.3%	6

Indonesia	1H09		1H10	
	Market Share	Rank	Market Share	Rank
Stock Broking 	4.2%	4	6.3%	3
IPO 	23.6%	1	16.7%	2
ECM 	0.6%	7	8.5%	3
M&A	-	-	-	-
IDR Bonds 	1.3%	14	4.9%	8

Thailand	1H09		1H10	
	Market Share	Rank	Market Share	Rank
Stock Broking 	0.4%	35	0.9%	29
IPO & ECM 	32.4%	1	-	-
THB Bonds 	3.4%	11	2.6%	9

Hong Kong	1H09		1H10	
	Market Share	Rank	Market Share	Rank
Stock Broking 	0.1%	99/452	0.1%	108/461
M&A* 	4.1%	4	1.3%	27

# Notable Deals 2Q10

## M&A



**Fraser & Neave Holdings Bhd**  
Proposed disposal of 100% stake in Malaya Glass Products Sdn Bhd  
USD222 mil



**PT Meadow Indonesia (Ultimate parent - CVC Capital Partners)**  
Mandatory Tender Offer (MTO) of PT Matahari Department Store Tbk  
IDR158.3 bil

## ECM



**UEM Land Holdings Berhad**  
RM970 mil Rights Issue

## IPO



**Masterskill Education Group Berhad**  
RM771 mil offering



**Cache Logistics Trust**  
SGD417 mil offering

## DCM



**PT Bank Tabungan Pensiunan Nasional**  
IDR1.3 tril bonds



**Government of Malaysia**  
USD1.25 bil Trust Certificates  
*Largest global sovereign Sukuk issuance to-date, when issued*



**Axiata Group Berhad**  
USD300.0 mil Guaranteed Notes



**EuNetworks Group Limited**  
SGD86.0 mil Zero Coupon Convertible Bonds



**Pruksa Real Estate Plc.**  
THB2.5 bil Senior Unsecured Debentures

# Notable Deals launched in 3Q10

## M&A / Loans



**Khazanah Nasional Berhad**  
VGO of Parkway Holdings Limited  
SGD3.5 bil



**Measat Global Network Systems Sdn Bhd**  
VGO of MEASAT Global Berhad  
RM662 mil



**Tanjong Capital Sdn Bhd**  
VGO of Tanjong public limited company  
RM4.7 bil

## New Products



### Listed callable bull certificates

- Air Asia Berhad
- Gamuda Berhad
- Genting Berhad
- Berjaya Corporation Berhad



### Offshore invested ETFs

- ASEAN 40
- FTSE Xinhua China 25

## IPO



**PT Bank Jabar Banten**  
IDR1,452 tril offering



**Sunway REIT**  
RM1,500 mil



**CapitaMalls Malaysia Trust**  
RM785 mil

## Bonds



**Khazanah Nasional Berhad**  
SGD1.5 bil Sukuk  
*Singapore's largest SGD-denominated Islamic bond to-date*



**Malaysia Airports Holdings Berhad**  
RM3.1 bil Sukuk



**Celcom Transmission (M) Sdn Bhd**  
RM4.2 bil Sukuk

## ECM

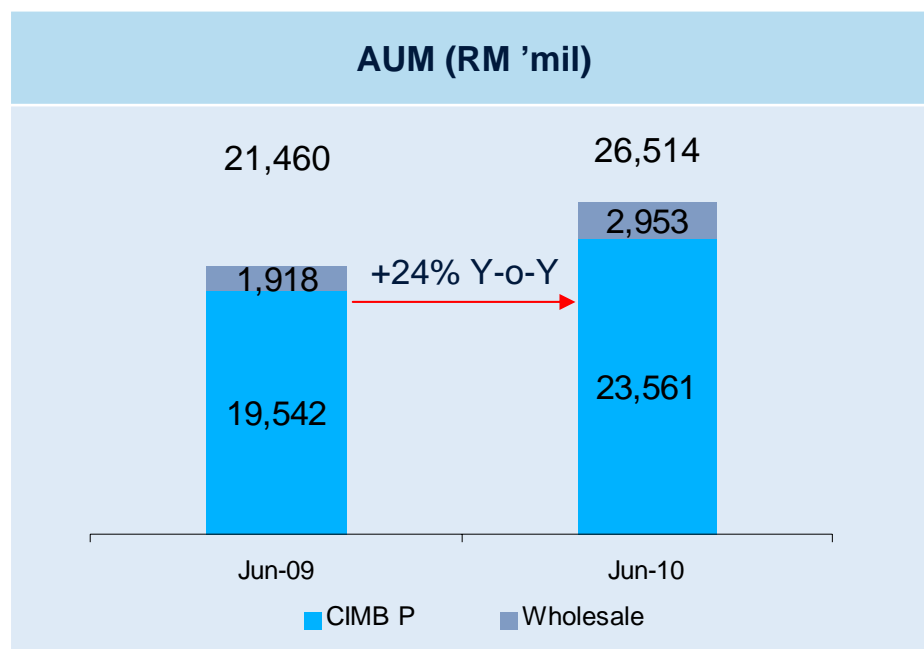


**Berjaya Sports Toto Berhad**  
RM126 mil placement

CIMB GROUP : 1H10 RESULTS  
ASSET MANAGEMENT & INSURANCE

# Group Asset Management & Insurance

PBT (after HOCA) (RM 'mil)	2Q10 (FRS 139)	1Q10 (FRS 139)	Q-o-Q	1H10 (FRS 139)	1H09 (GP3)	Y-o-Y
CIMB-P Group	11	13	(15.4%)	24	14	71.4%
Wholesale	2	3	(33.3%)	5	7	(28.6%)
Insurance	10	(12)	n.a.	(2)	53	n.a.
Securities Services	5	4	18.3%	9	9	-
<b>Total</b>	<b>28</b>	<b>8</b>	<b>250.0%</b>	<b>36</b>	<b>83</b>	<b>(56.6%)</b>



- Securities Services new entrant in this segment. Total AUM of RM46.0 bil for custodian and trustee services
- Insurance dropped Y-o-Y mainly due to one time opening adjustment for RBC framework in Jan 2009
- Strong Q-o-Q recovery in CIMB Aviva due primarily to good credit life business as well as investment performance
- CIMB Sun Life start-up losses but ahead of schedule

# CIMB GROUP : 1H10 RESULTS

## CIMB NIAGA

# CIMB Niaga: Earnings Summary

(IDR 'bil)	2Q10 (FRS 139)	1Q10 (FRS 139)	Q-o-Q	1H10 (FRS 139)	1H09 (GP3)	Y-o-Y
Net Interest Income	1,865	1,665	12.0%	3,531	3,044	16.0%
Non Interest Income	385	299	28.8%	683	636	7.4%
<b>Operating Income</b>	<b>2,250</b>	<b>1,964</b>	<b>14.6%</b>	<b>4,214</b>	<b>3,680</b>	<b>14.5%</b>
Overhead Expenses	(981)	(1,033)	(5.0%)	(2,014)	(1,841)	9.4%
<b>Pre Provision Operating Profit</b>	<b>1,269</b>	<b>931</b>	<b>36.3%</b>	<b>2,200</b>	<b>1,840</b>	<b>19.6%</b>
Provisions Expense	(454)	(243)	86.8%	(697)	(704)	(1.0%)
<b>Operating Profit</b>	<b>815</b>	<b>688</b>	<b>18.5%</b>	<b>1,503</b>	<b>1,136</b>	<b>32.3%</b>
Non Operating Income	1	16	(91.8%)	17	(157)	(111.0%)
<b>PBT</b>	<b>816</b>	<b>704</b>	<b>16.0%</b>	<b>1,520</b>	<b>979</b>	<b>55.3%</b>
<b>Net Profit #</b>	<b>605</b>	<b>524</b>	<b>15.5%</b>	<b>1,129</b>	<b>696</b>	<b>62.2%</b>
<b>Net Profit (RM 'mil) #</b>	<b>215</b>	<b>191</b>	<b>12.6%</b>	<b>406</b>	<b>226</b>	<b>79.6%</b>
<b>EPS (sen) #</b>	<b>25.3</b>	<b>21.9</b>	<b>15.5%</b>	<b>47.2</b>	<b>29.1</b>	<b>62.2%</b>



## CIMB Niaga : Balance Sheet Changes

(IDR 'bil)	30th Jun 10	31st Mar 10	Q-o-Q	30th Jun 09	Y-o-Y
Placements & Other MS	25,242	20,361	24.0%	13,188	91.4%
Government Bonds	4,712	5,031	(6.3%)	9,505	(50.4%)
Loans	88,388	80,732	9.5%	71,210	24.1%
Other Assets	7,990	8,465	(5.6%)	8,243	(3.1%)
<b>Total Assets</b>	<b>126,332</b>	<b>114,589</b>	<b>10.2%</b>	<b>102,146</b>	<b>23.7%</b>
Low Cost Fund (CASA)	46,517	44,838	3.7%	40,298	15.4%
Time Deposits & CD	59,662	48,832	22.2%	42,290	41.1%
<b>Total Customer Deposits</b>	<b>106,179</b>	<b>93,670</b>	<b>13.4%</b>	<b>82,588</b>	<b>28.6%</b>
Other Liabilities	7,848	9,244	(15.1%)	9,371	(16.3%)
<b>Total liabilities</b>	<b>114,027</b>	<b>102,914</b>	<b>10.8%</b>	<b>91,959</b>	<b>24.0%</b>
<b>Equity</b>	<b>12,305</b>	<b>11,675</b>	<b>5.4%</b>	<b>10,187</b>	<b>20.8%</b>

## Gross Loans Growth by Segment

Products / Divisions	30th Jun 10 (IDR 'bil)	31st Mar 10 (IDR 'bil)	Q-o-Q	30th Jun 09 (IDR 'bil)*	Y-o-Y
<b>Retail Banking</b>	<b>28,334</b>	<b>25,918</b>	<b>9.3%</b>	<b>23,196</b>	<b>22.2%</b>
Credit Cards	1,578	1,405	12.3%	1,341	17.7%
Auto Loans	11,526	10,073	14.4%	7,734	49.0%
Mortgage	13,765	12,993	5.9%	12,485	10.3%
Personal / Others	1,465	1,447	1.2%	1,636	(10.4%)
<b>Corporate Banking</b>	<b>29,398</b>	<b>26,089</b>	<b>12.7%</b>	<b>21,990</b>	<b>33.7%</b>
<b>Business Banking</b>	<b>32,434</b>	<b>30,290</b>	<b>7.1%</b>	<b>26,872</b>	<b>21.1%</b>
<b>Mikro Laju &amp; Rahn</b>	<b>113</b>	<b>65</b>	<b>73.8%</b>	<b>-</b>	<b>-</b>
<b>Syariah Banking</b>	<b>1,485</b>	<b>1,310</b>	<b>13.4%</b>	<b>1,024</b>	<b>45.4%</b>
<b>Total</b>	<b>91,764</b>	<b>83,672</b>	<b>9.7%</b>	<b>73,082</b>	<b>25.6%</b>

## CIMB Niaga : Key Ratios

(Consolidated, %)	2Q10	1Q10	Q-o-Q	1H10	1H09	Y-o-Y
ROE	20.2	18.3	10.1%	19.2	14.3	34.5%
NIM	6.6	6.7	(1.0%)	6.7	6.5	2.7%
Cost to Income	43.6	52.6	(17.2%)	47.8	50.0	(4.4%)
Loan Loss Coverage**	140.0	116.1	20.6%	140.0	96.3	45.3%
Allowance Coverage*	85.5	82.0	4.1%	85.5	n/a	n/a
Loan Loss Charge*	2.4	0.9	152.4%	1.6	1.6	-
Gross Impaired Loans Ratio*	4.3	4.3	0.8%	4.3	-	-
Gross NPL (BI Definition)**	2.7	3.1	(12.8%)	2.7	2.7	-
Loan to Deposit	85.5	88.5	(2.4%)	85.5	87.2	(2.5%)
CAR*	12.1	12.8	(5.2%)	12.1	12.4	(2.4%)
CASA ratio	43.8	47.9	(8.5%)	43.8	48.8	(10.2%)

- CIMB Group completed acquisition of 19.67% of CIMB Niaga from Khazanah on 19 August with new issuance of 268,000,000 new CIMB Group shares
- Completed issuance of IDR1.38 tril subdebt on 9 July 2010
- 4.09% of Saseka Gelora Finance acquired from Indover Bank, rebranded to CIMB Niaga Auto Finance

- Launched CIMB Preferred Rahn (Pawn)



CIMB GROUP : 1H10 RESULTS  
CIMB Thai

# CIMB Thai : Earnings Summary

(Baht 'mil) (Before GAAP Adjustments)	2Q10	1Q10	Q-o-Q	1H10	1H09	Y-o-Y
Net Interest Income	1,229	1,245	(1.3%)	2,474	2,251	9.9%
Non Interest Income	573	560	2.3%	1,133	1,163	(2.6%)
<b>Operating Income</b>	<b>1,802</b>	<b>1,805</b>	<b>(0.2%)</b>	<b>3,607</b>	<b>3,414</b>	<b>5.6%</b>
Overhead Expenses	(1,316)	(1,317)	(0.1%)	(2,633)	(2,942)	(10.5%)
<b>Pre Provision Operating Profit</b>	<b>486</b>	<b>488</b>	<b>(0.4%)</b>	<b>974</b>	<b>472</b>	<b>106.4%</b>
Provisions Expense	(173)	(161)	7.8%	(334)	(945)	(64.7%)
<b>Profit / (Loss) Before Tax</b>	<b>313</b>	<b>327</b>	<b>(4.3%)</b>	<b>640</b>	<b>(473)</b>	<b>n.a.</b>
<b>Net Profit / (Loss)</b>	<b>366</b>	<b>348</b>	<b>5.1%</b>	<b>714</b>	<b>(502)</b>	<b>n.a.</b>
<b>Net Profit / (Loss) (RM 'mil)</b>	<b>37</b>	<b>36</b>	<b>5.0%</b>	<b>72</b>	<b>(52)</b>	<b>n.a.</b>
<b>EPS (sen)</b>	<b>0.11</b>	<b>0.10</b>	<b>5.1%</b>	<b>0.11</b>	<b>(0.10)</b>	<b>n.a.</b>
<b>Profit / (Loss) Before Tax (RM 'mil) *</b>	<b>20</b>	<b>6</b>	<b>233.3%</b>	<b>26</b>	<b>(9)</b>	<b>n.a.</b>
<b>Net Profit / (Loss) (RM 'mil) *</b>	<b>20</b>	<b>3</b>	<b>566.7%</b>	<b>23</b>	<b>(10)</b>	<b>n.a.</b>

## CIMB Thai : Balance Sheet Changes

(Baht 'mil) (Before GAAP Adjustments)	30th Jun 10	31st Mar 10	Q-o-Q	30th Jun 09	Y-o-Y
Placements & Other MS	20,225	12,953	56.8%	40,683	(50.3%)
Government Bonds (Net)	13,942	13,231	5.4%	11,758	18.6%
Loans (Net)	83,835	79,915	4.9%	75,532	11.0%
Other Assets	12,219	11,802	3.1%	22,744	(46.3%)
<b>Total Assets</b>	<b>130,221</b>	<b>117,901</b>	<b>10.4%</b>	<b>150,717</b>	<b>(13.6%)</b>
Low Cost Funds (CASA)	24,556	24,441	0.5%	27,278	(10.0%)
Time Deposits & CD	68,547	57,989	18.2%	89,785	(23.7%)
Total Customer Deposits	93,103	82,430	12.9%	117,063	(20.5%)
Other Liabilities	28,378	27,176	4.4%	26,282	8.0%
<b>Total Liabilities</b>	<b>121,481</b>	<b>109,606</b>	<b>10.8%</b>	<b>143,345</b>	<b>(15.3%)</b>
<b>Equity</b>	<b>8,740</b>	<b>8,295</b>	<b>5.4%</b>	<b>7,372</b>	<b>18.6%</b>

## Loans Growth by Segment

Products / Divisions	30th Jun 10 (THB 'bil)	31st Mar 10 (THB 'bil)	Q-o-Q	30th Jun 09 (THB 'bil)	Y-o-Y
<b>Retail Banking</b>	<b>29.0</b>	<b>27.2</b>	<b>6.8%</b>	<b>26.3</b>	<b>10.3%</b>
Auto Loans	4.6	4.2	9.8%	3.8	23.4%
Mortgage	18.4	16.6	10.9%	13.2	38.7%
Personal / Others	6.0	6.4	(5.9%)	9.3	(35.3%)
Corporate & Investment Banking	37.5	36.3	3.4%	36.1	4.0%
Business Banking	13.9	12.6	10.3%	10.8	28.3%
Legal & Recovery Group	8.0	8.4	(5.0%)	10.9*	(26.8%)
<b>Total Gross Loans</b>	<b>88.40</b>	<b>84.5</b>	<b>4.7%</b>	<b>84.1</b>	<b>5.1%</b>



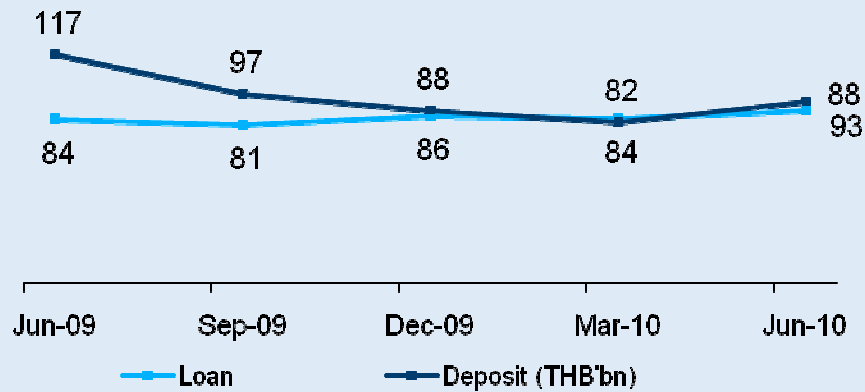
## CIMB Thai : Key Ratios

(Consolidated, %)	2Q10	1Q10	Q-o-Q	1H10	1H09	Y-o-Y
ROE	17.3	17.0	1.8%	17.1	(15.3)	n.a.
NIM	4.53	4.57	(0.9%)	4.53	3.01	50.5%
Cost to Income	73.0	73.0	-	73.0	86.2	(15.3%)
Loan Loss Coverage**	69.6	66.4	4.8%	69.6	64.3	8.2%
Loan Loss Coverage (GP8)**	78.5	79.2	(0.9%)	78.5	64.3	22.1%
Loan Loss Charge	0.8	0.8	-	0.8	2.3	(65.2%)
Gross NPL ratio**	12.5	13.6	(8.1%)	12.5	14.9	(16.1%)
Gross NPL ratio (GP8)**	15.2	16.4	(7.3%)	15.4	16.5	(6.7%)
Loan to Deposit	95.0	102.4	(7.2%)	95.0	71.9	32.1%
CAR*	12.4	12.1	2.5%	12.4	12.1	2.5%
CASA ratio	26.4	29.7	(11.1%)	26.4	23.3	13.3%

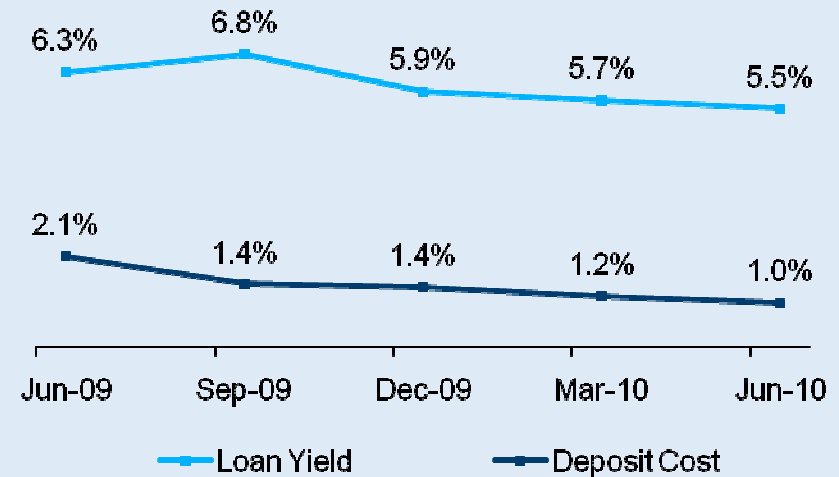
Note: \* Bank Only  
 \*\* Includes STAMC

# CIMB Thai... Heading in the Right Direction

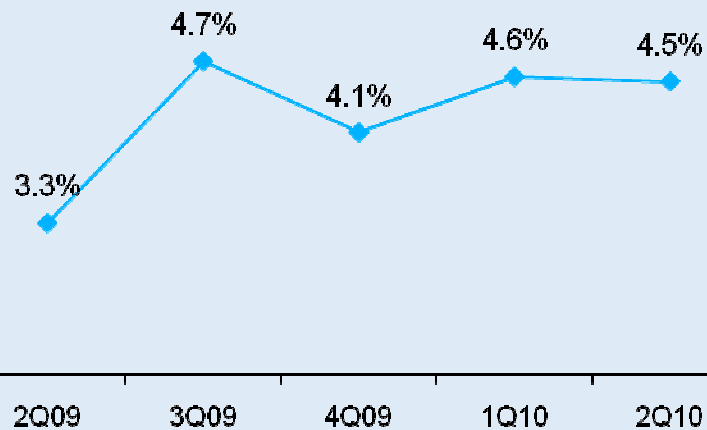
### Loans vs. Deposits (THB 'bil)



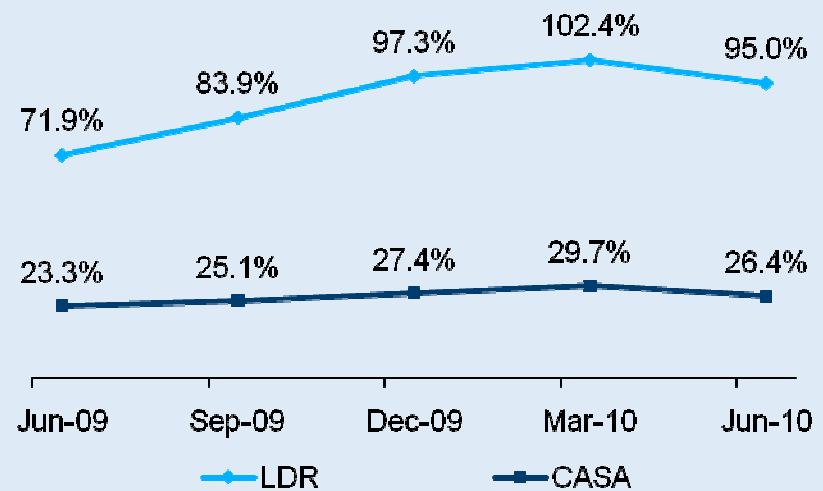
### Loan Yields and Deposit Costs



### Net Interest Margin



### LDR and CASA %



# Corporate Updates

## 1. Status of branches affected by political riots in May 2010:



Lumpini Branch renovation completed with branch reopened on July 19. Siam Square's new branch location determined. Branch renovation to be completed in September.

## 2. Sale of 3 subsidiary companies, Sathorn Asset Management Co Ltd (STAMC), BT Asset Management Co Ltd (BTAM) and Worldclass Rent A Car Co Ltd to CIMB Group completed

## 3. New innovative retail products launched:

### SME *TraderPack*.

### CIMB Thai Air Asia Account

### 9-Months deposit with interest of 2% pa

# CIMB GROUP : 1H10 RESULTS OTHER HIGHLIGHTS

# CIMB Islamic – No. 2 by Assets in 5 years

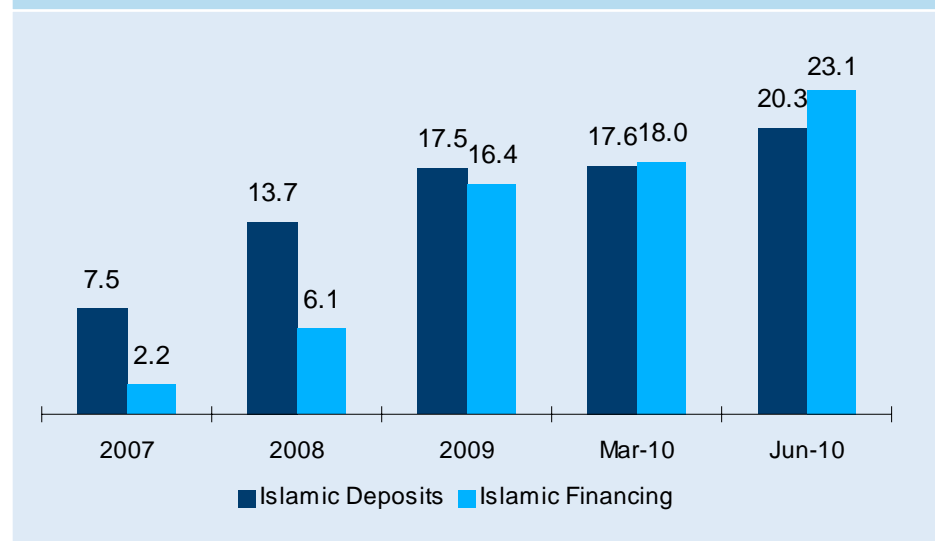
### Ranking of Total Islamic Assets as at 31 Mac 2010

Rank	Company	Total Assets RM 'mil	Market Share %
1	MIBB	40,592	17
<b>2</b>	<b>CIMB Islamic</b>	<b>27,761</b>	<b>12</b>
3	Bank Islam	26,824	11
4	PBB-i	26,198	11
5	Amlslamic	17,264	7

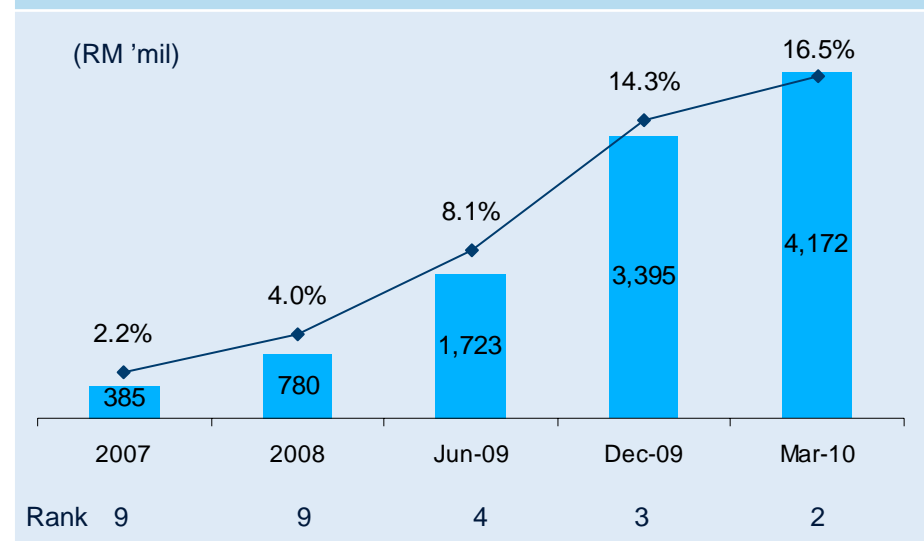
### Ranking of Islamic Net Financing as at 31 Mac 2010

Rank	Company	Net Financing RM 'mil	Market Share %
1	MIBB	31,391	18
<b>2</b>	<b>CIMB Islamic</b>	<b>17,599</b>	<b>10</b>
3	PBB-I	15,154	9
4	Amlslamic	11,992	7
5	Bank Islam	10,722	6

### Islamic Financing/Deposits (RM 'bil)



### Islamic Residential Mortgage & Market Share



	2Q10	1Q10	Q-o-Q	1H10	1H09	Y-o-Y
Operating income (RMB 'mil)	264	232	13.8%	496	386	28.5%
Net profit (RMB 'mil)	117	103	13.6%	220	176	25.0%
ROE	21.7%	19.5%	11.3%	20.4%	29.5%	(30.8%)
PAT to CIMB Group (RM 'mil)	11.2	10.2	9.8%	21.4	5.7	275.4%
Gross NPL ratio	0.7%	0.7%	-	0.7%	0.96%	(27.1%)

Balance Sheet (RMB 'mil)	30th Jun 10	31st Mar 10	31st Dec 09
Total Assets	31,054	26,082	27,359
RWCR	11.1%	12.7%	12.8%

## Termination of Bad Bank Sale

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- SEASAM is the designated “Bad Bank” entity within the Group and had on 1 December 2009 acquired a NPL portfolio with a gross loan amount of RM8.4 billion and net book value of RM925 million from CIMB Bank
- The proposal to divest and deconsolidate SEASAM is aborted due to the following:
  - CIMB Bank benefits from the excess provisions taken on the NPLs housed in SEASAM based on the new Basel II framework
  - SEASAM has made considerable recoveries since acquiring NPLs from CIMB Bank – Net book value of the portfolio has reduced from RM925 mil as at 1 December 2009 to RM715 mil in June 2010

# Key 2010 Priorities Update

Priorities	Updates
Advance regional value proposition	<ul style="list-style-type: none"> <li>Regional ATM Link fully up in June 2010 – over 3,700 ATMs across MIST</li> <li>Cross-border servicing available across all 100 Preferred Centres across MIST</li> </ul>
Advance regional investment banking positioning	<ul style="list-style-type: none"> <li>Increasing traction in cross-border deals and better market shares in Indonesia and Sg</li> <li>Regional corporate banking set-up with new leadership</li> </ul>
CASA accumulation, especially in Malaysia	<ul style="list-style-type: none"> <li>Still below targets in Malaysia</li> <li>1View, TnG, regional ATM, deposit campaigns in 2H10</li> </ul>
Refocus on SME business	<ul style="list-style-type: none"> <li>Malaysia transformation being executed with new leadership</li> </ul>
Regional transaction banking drive	<ul style="list-style-type: none"> <li>New target and KPIs, commenced new regional system, new leadership</li> </ul>
Implementation of 1View and 1Platform	<ul style="list-style-type: none"> <li>Successful pilot release of 1View in August. 1Platform team mobilised</li> </ul>
CIMB Niaga Transformation 2	<ul style="list-style-type: none"> <li>Positive progress. High margin businesses, treasury and CIMB synergies and CASA growing</li> <li>Several key hires</li> </ul>
CIMB Thai transformation	<ul style="list-style-type: none"> <li>5 year business plan and M&amp;A post mortem in progress</li> <li>Several key hires</li> </ul>
Enhance KPI framework	<ul style="list-style-type: none"> <li>Finalisation of KPI scorecards by Sept</li> </ul>



# Touch 'n Go

## Quick-wins and synergy initiatives

- Convenient reloading, proliferate combi cards
- Smart Ticketing – expansion of readers and kiosks for KTM and Rapid buses, secure ERL

Mid-August

Q4 2010



## Long Term Strategy

- Significant investment required for core system replacement, adoption of MLFF at the highways and to drive Smart Ticketing initiatives
- CIMB and TnG to commission development of Integrated E-Payment (IEP) Roadmap – a holistic e-payment roadmap for transportation and opportunistic sectors

<i>Financial Highlights</i>	1H10 (RM'mil)
Revenue	46
Cost	33
PBT	13
PAT	10



# 1View Update

- Implemented in multiple phases of a period of 3-4 years,
- Projected to deliver a **total additional financial benefit of RM301 mil over 5 years** (for Malaysia only),
- **Investment of RM151 mil.**

## With 1View, CIMB aims to:



### Provide a better understanding of the customer

- 360 degree view of the customer
- Consistent customer interaction history and information across multiple channels



### Improve Selling Effectiveness

- Needs based analysis and cross selling
- Quote and illustrate tools to help demonstrate to customers the benefits of our products
- Ability to configure product features, rates and fees



### Improve Efficiency

- Straight through processing
- Electronic pre-populated forms and customer authentication
- Multi-channel sales and service capabilities

## To drive:

### Revenue Growth

- Simpler, faster and more efficient sales processes
- Greater customer share of wallet via product bundling and cross selling capabilities
- Effective leads referral and management
- Proactive customer retention

### Governance

- Control sales process
- Automate compliance oversight

# 1Platform Update

- Implemented in phases across a period of **5** years
- Thailand will be the 1<sup>st</sup> country of implementation, followed by Malaysia, Indonesia and Singapore
- Investment of approximately **RM1.1 bil**

## With 1Platform, CIMB aims to:

### Deliver Common Capabilities Across the Group

- Standardizing processes, governance and regional operating model
- Implementing shared methodologies and approaches

### Improve Agility and Competitive Advantage

- Borderless banking across the region
- Local differentiation in sales and services
- Flexibility to seize local niche business opportunities
- Ability to conduct parameter-driven and flexible fee pricing

### Increase Operational Efficiency

- Changes in front-line businesses and core manufacturing operation
- Greater straight-through processing to harness economies of scale

## To drive:

### Vision of a Unified Multi-Local Bank

- Combining regional strength with local knowledge to provide similar customer experience across the region
- Standardized operations catering to local regulators

### Cost Efficiency

- Combining regional strength with local knowledge to provide seamless customer experience

### Risk Reduction

- Single Customer Limit and Collateral Management

# Other Highlights

- Free Touch 'n Go reload at CIMB ATM
- Cross-border ATM facility linking over 3,700 ATMs across MIST
- Multi-currency ATM's
- Launched CIMB Securities, the new brand for regional private clients and flagship branch at Tropicana City
- CIMB Bank (HK) closed
- CIMB Asia Pacific Classic
- CIMB Bank Knightsbridge, Orchard Road, Singapore - September opening
- CIMB Bank Cambodia - Nov opening



## FOREIGN CASH ATM

**Our money changer never sleeps.**

Introducing the 1st Foreign Cash ATM in Malaysia.

Our Foreign Cash ATM is not only the first in Malaysia, it also offers one of the best rates in town. Now, you can withdraw foreign currency, whether it's USD, Euro, Australian Dollar, Yen, Hong Kong Dollar, Baht, Renminbi or Rupiah, at any hour of the day.

**How to use the Foreign Cash ATM:**

1. Insert your CIMB Bank/CIMB Islamic credit card or ATM card. ATM cards with MERS from selected banks are also accepted. Follow the steps below.

**Free withdrawals at CIMB ATMs across the region.**

Withdrawing money overseas can be expensive and inconvenient. Unless you're a CIMB ATM cardholder, Southeast Asia's most extensive ATM network is now fully integrated and free for all CIMB Group customers\*. No cash makes banking in Southeast Asia easier. For more information please visit [www.cimbthai.com](http://www.cimbthai.com) or call 866 2656 7777.

**Touch 'n Go. Reload 'n No Charge.**

\*You no longer have to pay RM30.00 for Touch 'n Go ATM reload! Our recharge ATM reload service is available for CIMB Bank/CIMB Islamic account holders and is available 24/7. For more information, log on to [www.cimbthai.com/my](http://www.cimbthai.com/my) or [www.cimbislamic.com](http://www.cimbislamic.com) and 1 800 986 888 or call any CIMB Bank and CIMB Islamic bank branches. CIMB Islamic bank branches are not located at CIMB Bank branches nationwide.

**CIMB THAI** **CIMB BANK** **CIMB NIAGA** **CIMB ISLAMIC**

# CIMB GROUP : 1H10 RESULTS OUTLOOK

## Targets for 2010

	1H10 Annualised	2010 Target	On Track
ROE	17.0%	16%	✓
TSR	+12.5% above KLCI	> KLCI	✓
Dividend	9.25 sen	9.25 sen	✓
Gross loans growth	13.6%	12%	✓
Group CASA growth	8.3%	18%	✗
Loan loss charge	0.3%	0.6%	✓
Tier 1 (at bank)*	14.2%	10%	✓
RWCR (at bank)*	15.0%	12%	✓

# Final Remarks

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- 2010 expected to be another good year for us
- Strong capital markets deal pipeline and consumer growth momentum
- ROE 2010 expected at 16.5% (excluding 20% CIMB Niaga acquisition)
- Maintain capital prudence due to Basel II and global banking reform provisioning... for now
- Now focused on planning 2011 and beyond
- Significant emphasis on institutionalisation and sustainability of franchise and long term operational improvements

**THANK YOU**