



Bank Niaga – Bank Lippo Merger

Analysts Briefing

17 July 2008, Kuala Lumpur

Agenda

Recap

Progress Update

Refined Synergies and Integration Costs

Key Strategic Imperatives and Outline of Business Plan

Update on Indonesian Economy / Market Conditions

Final Remarks

Bank Niaga – Bank Lippo Merger

RECAP

An SPP-Driven Merger

- Merger driven by Bank Indonesia's Single Presence Policy (SPP)
- No change in ultimate dominant shareholder – Khazanah Nasional
- Compliance via Government's preferred route, consistent with our investment track record and long-term commitment to Indonesia
- Aided through by a strong business case and enabling regulatory environment
- A complementary tri-partite merger for growth – scale, limited duplication and significant synergies
- Strengthens CIMB Group's proposition as a leading South East Asian franchise

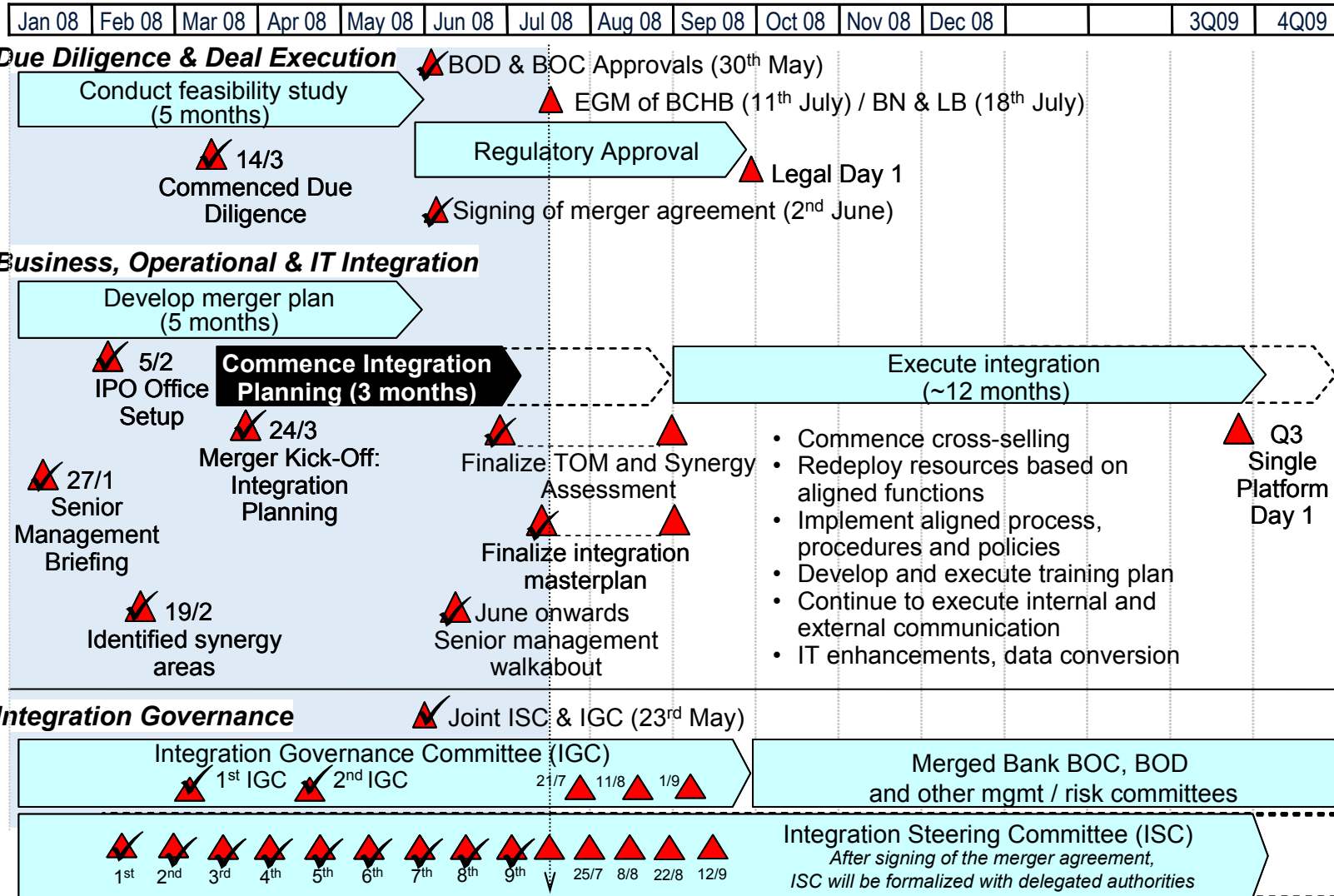
Key Merger Highlights

- An Rp24.6 trillion / RM8.6 billion merger
- Share swap ratio using P/Bv'07 of 3.0x for Bank Lippo and 2.5x for Bank Niaga
- Innovative “standby buyer” scheme for CIMB Group to provide cash alternative to all minorities of Bank Niaga and Bank Lippo
- New bank to be named “PT Bank CIMB Niaga Tbk”
- Legal merger targeted for 1st October 2008. Business integration and brand transformation will continue until end 2009.
- Bank Niaga and Bank Lippo signed and submitted the merger plan to regulators on 2nd June 2008

Bank Niaga – Bank Lippo Merger

PROGRESS UPDATE

Where Are We Today



★ We are here

Key Progress Highlights

- Received approval from Bapepam-LK for registration statement on 30th June 2008
- Received approval from shareholders of BCHB on 11th July 2008
- Received approval from Securities Commission on 14th July 2008
- Management team completed nationwide HR roadshow to explain merger rationale to staff and encourage their continued participation and support for new bank
- Announced target macro organisation structure effective Legal Day 1
- Of a total combined staff strength of approximately 11,000, 96% has opted to join the new bank – remaining 4% not joining mainly consists of officer and clerical levels
- Bottom-up validation of integration cost and synergy completed
 - Estimated run rate synergy per annum uplift by 47% from USD58.4 million (RM188million) to USD86 million (RM 277 million) in 2011
 - Integration costs down by 26% from USD120.5 million (RM388 million) to USD90 million (RM286 million)
 - Included are costs of USD17.6 million (RM56.7 million) for staff signing fees and severance payments
- Business integration planning for critical areas has been completed – Sales & Distribution, Retail Banking, Business Banking, Corporate Banking and Treasury & FI. Rest on target to complete by August 2008.

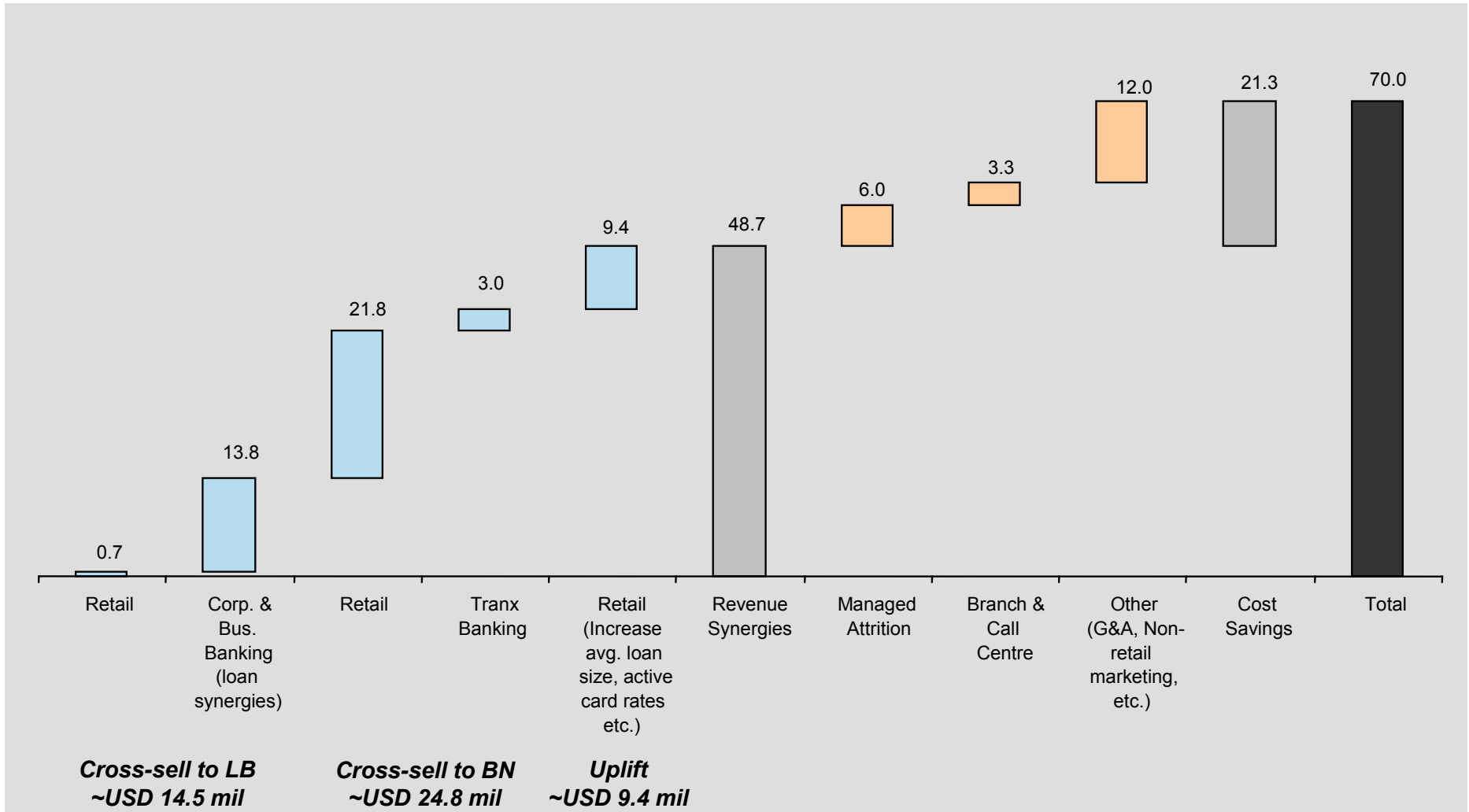
Approvals Required

- Indonesian approvals required:
 - ✓ Bapepam-LK (30 June 2008)
 - Shareholders at EGM (18 July 2008, by July 2008 cash outlay will be firmed)
 - Bank Indonesia
 - Minister of Law
 - Director General of Tax
- Malaysian approvals required:
 - ✓ Shareholders at EGM (11 July 2008)
 - ✓ Securities Commission (14 July 2008)
 - Bursa Malaysia Securities Berhad
 - Bank Negara Malaysia

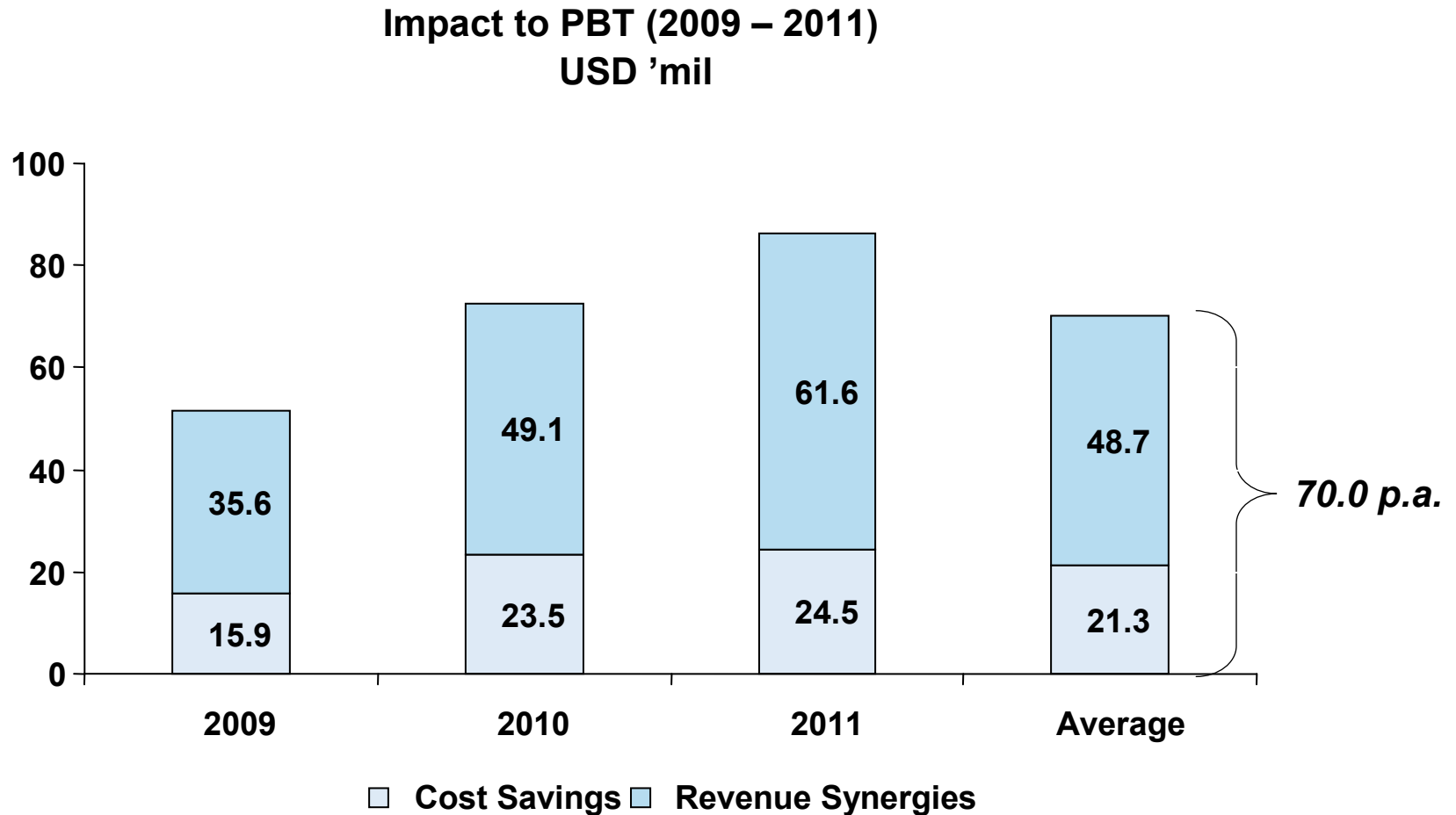
Bank Niaga – Bank Lippo Merger

REFINE SYNERGIES AND INTEGRATION COSTS

Bottom-up validation: Pre-tax run-rate synergies of US\$70m



Bottom-up validation: Average Run Rate Synergies of USD70.0M p.a



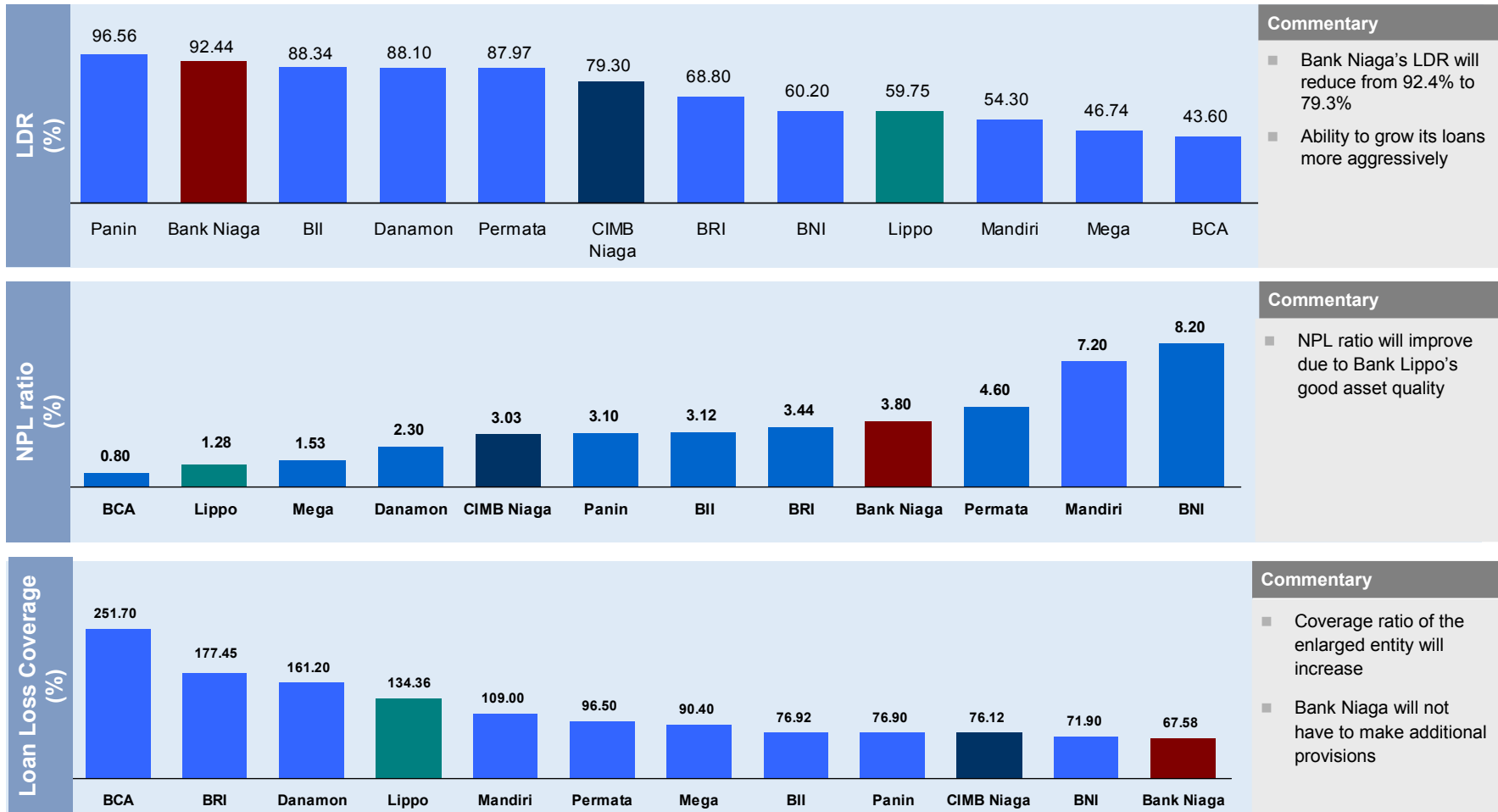
Note:
Averages shown may not be reconcile due to rounding

Estimated integration cost is US\$90mil

	US\$ million
IT	54.8
Branch Remodeling	26.4
Professional fees	7.6
Other costs*	37.0
	<hr/>
	125.80
Less FY2008 BAU Budget released	35.50
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	90.30
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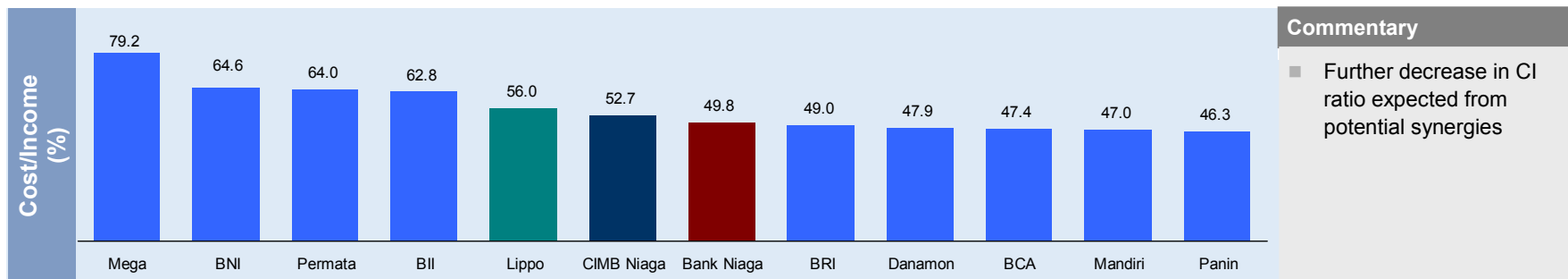
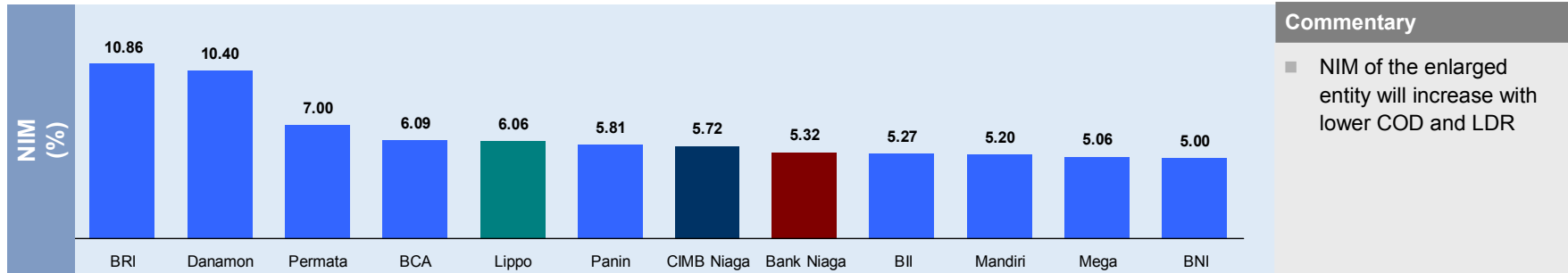
**Include communication, HR, relocation costs*

CIMB Niaga Proforma Ratios – LDR, NPL & Loan Loss Coverage



Note:
Company reports as at 31 December 2007

CIMB Niaga Proforma Ratios – NIM & Cost/Income



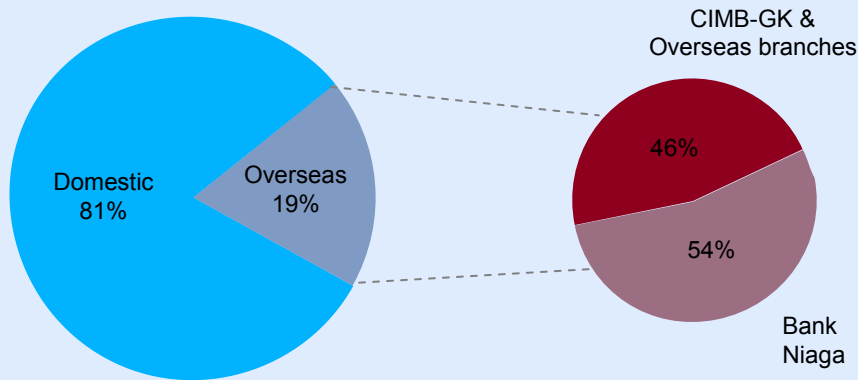
Niaga-Lippo Diversifies BCHB Earnings

Geographic

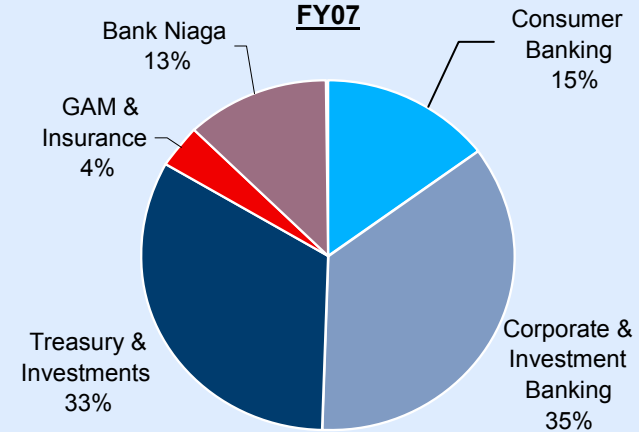
Segmental

Before Niaga- Lippo

BCHB Group FY07 contibution by PBT

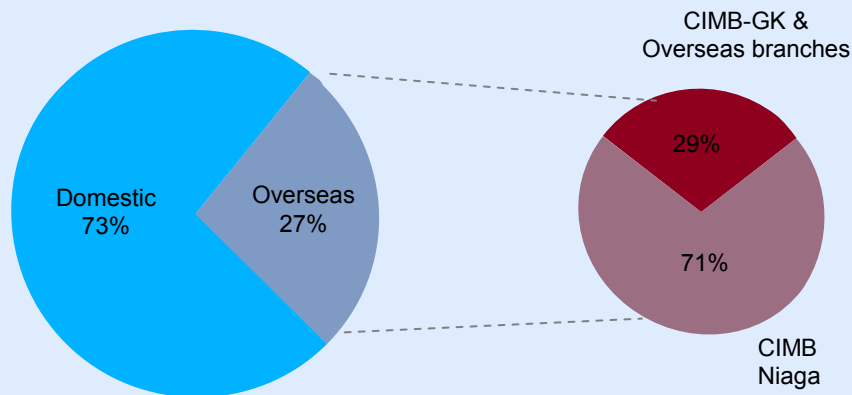


FY07

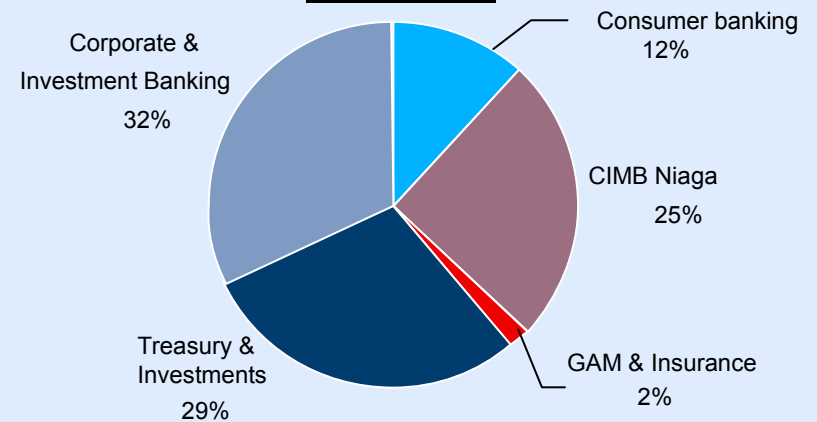


After Niaga- Lippo

BCHB Group FY07 contibution by PBT



FY07 Proforma

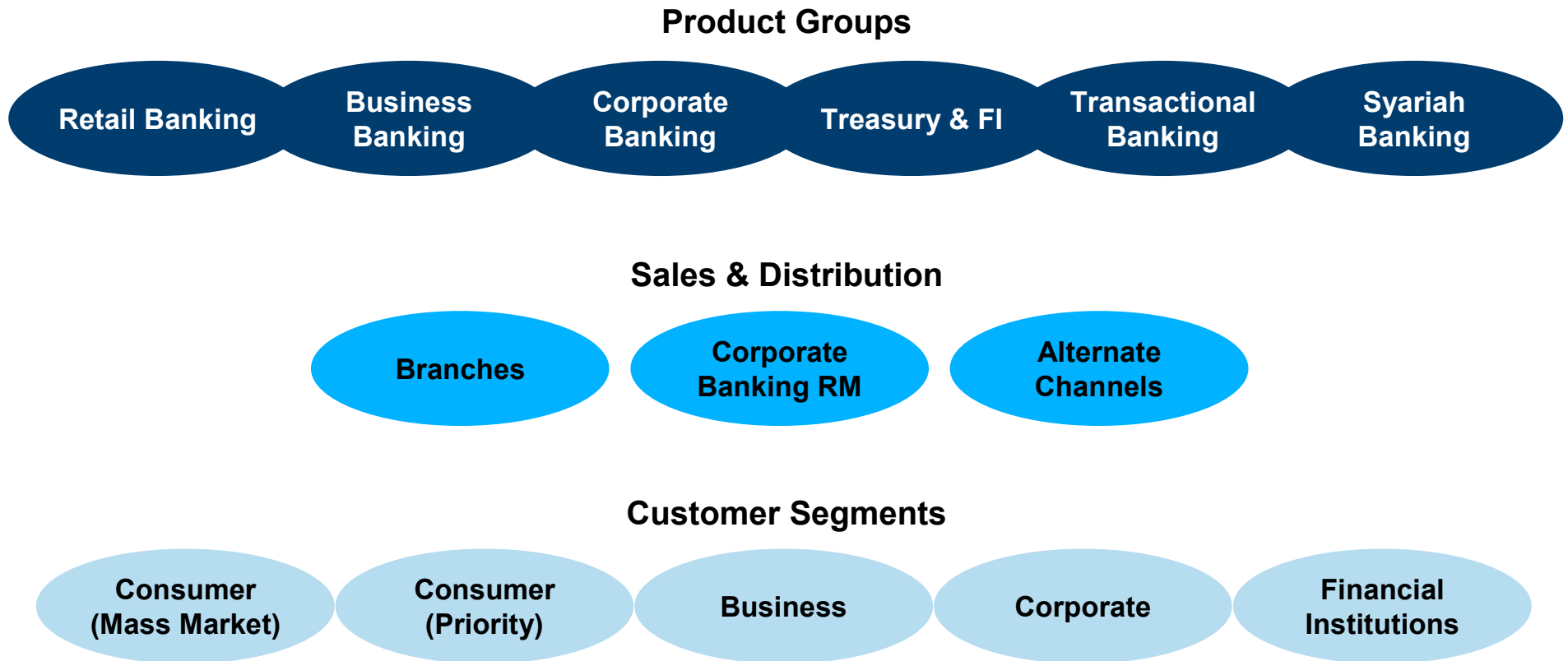


Bank Niaga – Bank Lippo Merger

KEY STRATEGIC IMPERATIVES AND OUTLINE OF BUSINESS PLAN

Key Strategic Imperatives for CIMB Niaga

Segregation of Product Groups from Sales & Distribution to drive customer centricity, enhance cross-sell to all customer segments and improve utilisation and efficiency of sales force



Key Strategic Imperatives for CIMB Niaga

Retail Banking

- Focus on product innovation & bundling for consumer segment – consumer finance, cards & personal loans (monoline), consumer liability & wealth management; direct & tele-sales
- Leverage on branch network for distribution

Business Banking

- Focus on product innovation & bundling for SME and programmed lending
- Enhance distribution reach by leveraging on branch network

Corporate Banking

- Focus on product innovation, bundling and distribution for loan syndication, project financing, bilateral and structured lending
- Drive “universal banking” proposition through collaboration with CIMB GK and CIMB Group
- Relationship Managers tailor and cross-sell full suite of products

Key Strategic Imperatives for CIMB Niaga

Treasury & FI

- Treasury will play an active role in debt capital markets & syndication, cross market trading, FX sales, derivatives, structured products and balance sheet management – leverage on CIMB’s pioneering track record to develop IDR bond market
- Financial Institution (FI) focuses on international banking (including structured trade), clearing & settlement, securities services & clearing and FI domestic network services

Transactional Banking

- Focus on product innovation & bundling for cash management and trade covering end-to-end value chain
- Leverage on branch network, Corporate Banking RMs, FI and alternate channels for distribution
- Key to sustaining low cost of funds and funding customers “stickiness”

Syariah Banking

- Adopt “full leveraged” model – leveraging on capabilities of conventional bank to accelerate product innovation & bundling and minimise duplication
- Leverage on branch network for distribution – “dual banking” concept
- Leverage on CIMB Islamic’s capabilities as a global leading Islamic investment bank

Key Strategic Imperatives for CIMB Niaga

Branches

- Over 650 branches with good coverage nationwide – from Sumatera to Irian Jaya (5th largest in Indonesia)
- Serves consumer (mass market & priority) and business customer segments
- Supports “dual banking” concept to accelerate Syariah Banking growth

Corporate Banking RM

- Single point to offer complete “universal banking” solutions to corporate customers – tapping on CIMB Niaga, CIMB GK and CIMB Group offerings

Alternate Channels

- Over 1,400 ATMs (4th largest in Indonesia) and 7,500 EDCs
- Award-winning call center
- Consumer and corporate internet banking portals
- SST and mobile banking

Combined strengths – CIMB Group, Bank Niaga, Bank Lippo

IDR-denominated Market-Linked Deposit (MLD) marks a true manifestation of the combined strengths of CIMB Group, Bank Niaga and Bank Lippo

STAR CHOICE *Best of Market Linked Deposit*
100% Capital Guaranteed

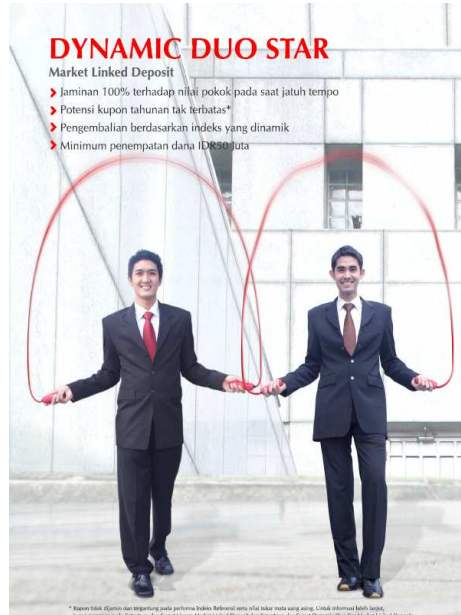
Langkah menuju potensi keuntungan tak terbatas!



November 2007
IDR241bn sold

DYNAMIC DUO STAR
Market Linked Deposit

- ▶ Jaminan 100% terhadap nilai pokok pada saat jatuh tempo
- ▶ Potensi kupon tahunan tak terbatas*
- ▶ Pengembalian berdasarkan indeks yang dinamik
- ▶ Minimum penempatan dana IDR30 juta



* Berdasarkan Nilai Pokok dan tergantung pada performansi Indeks Referensi yang tidak akan jatuh tempo. Untuk informasi lebih lanjut, harap kunjungi website dan Surat Usulan Market Linked Deposit dan Kelembagaan Star Choice Duo Star Market Linked Deposit.

March 2008
IDR294bn sold

X-TRA RANGE ACCRUAL
Market Linked Deposit

- Jaminan pokok 100% pada saat jatuh tempo
- Potensi pengembalian sampai 17% p.a. (denominasi Rupiah) atau 8% p.a. (denominasi US Dollar)**
- Pembayaran pengembalian secara kuartal



** Weighted average per annum yang disesuaikan nilai diskontokan oleh Bank pada Tanggal Penyerahan. Sesuai dengan ketentuan dan syarat yang berlaku.

To be launched on
21st July 2008
Joint distribution by
both Bank Niaga &
Bank Lippo

Combined strengths – Optimising combined branch network

Proper segmentation of the combined branch network will enhance sales & service efficiency

Branch Type	Geographical	Branch Funding & Lending Portfolio (IDR Bio)	Branch Characteristic	Estimated Numbers by SPD1 ⁽¹⁾	Head Of Branch
A	Mostly Located in major cities. (i.e. Jakarta, Surabaya, Bandung, Medan)	≥ 750	Full Fledged Branch <ul style="list-style-type: none"> – Sell all consumer (Mass and Affluent) and commercial products – Service all customer segments – Oversee sales/service of spoke branches 	50	Senior Branch Manager
B	Mostly Located in scattered area. (i.e. Jawa Tengah, Indonesia Timur)	$200 \leq B < 750$	Standalone Branch Full Fledged Branch - for selected areas <ul style="list-style-type: none"> – Focus more on consumer (mass market) and commercial – Service all customer segments 	97	Branch Manager
C	Located across major cities and scattered area	< 200	Spoke Branch <ul style="list-style-type: none"> – Focus more on selling/cross selling funding & simple lending products – Service all customer segments 	500	Service Officer
Total				647⁽¹⁾	

Combined strengths – Optimising combined branch network

Branches will offer full range of products and service offerings targeted at consumer (mass & priority) and business segments

Key Components	Sales Component				Service Component			
	Business Banking: Funding & Lending Transaction Banking	Affluent: Wealth Management & other products	Mass Market Consumer Finance: Mortgage Employee Benefit Program Auto Loan	Mass Market: Funding Bancassurance Mutual Fund Credit Card	Counter transactions & servicing • Preferred Circle • Business Banking • Mass Market	Customer Traffic Management	QMS	EBC
	Placement of Business Banking Manager	Placement of Preferred Circle Manager	Placement of Consumer Finance Manager	Placement of Consumer Liability Manager	Placement of Service Manager	Placement of Navigator in Prime branch	Placement of QMS Machine	3 ATM 1 SST 1 I-banking Kiosk
Attributes	Business Banking Relationship Manager	Preferred Circle Relationship Manager	Consumer Finance Officer	Consumer Liability Officer Credit Card Cross selling by Customer Service	Tellers and CS			
	<ul style="list-style-type: none"> • Sell all consumer (Mass and Affluent) and commercial products • Very aggressive capturing and converting of sales opportunities • Showcases the full range of products and service offerings • Placement of Senior Branch manager as Head of Branch to oversee overall sales and service in branch and related spoke branch • Placement of Business Banking Manager and Consumer Liability Manager to oversee Business Banking RM and Consumer Liability Officer in branch and related spoke branch • Placement of Preferred Circle Manager and Consumer Finance Manager in certain branch to oversee Preferred Circle RM and Consumer Finance Officer in branch 				<ul style="list-style-type: none"> • Execute cross selling and referral by customer service • Showcase EBCs supported by active transaction migration • Features a “meet and greet” area, where customer’s needs are immediately identified and directed accordingly • Placement of Service Manager to supervising branches in compliance with policies and other banking regulation and drive Cross Selling initiative at Branches • Placement of Service Officer to oversee Customer Service in branch 			

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UPDATE ON INDONESIAN ECONOMY / MARKET CONDITIONS

Indonesian Economic Scenario in 2008

2 major risks has emerged

A. Local Risk 1 : The Return of Inflation

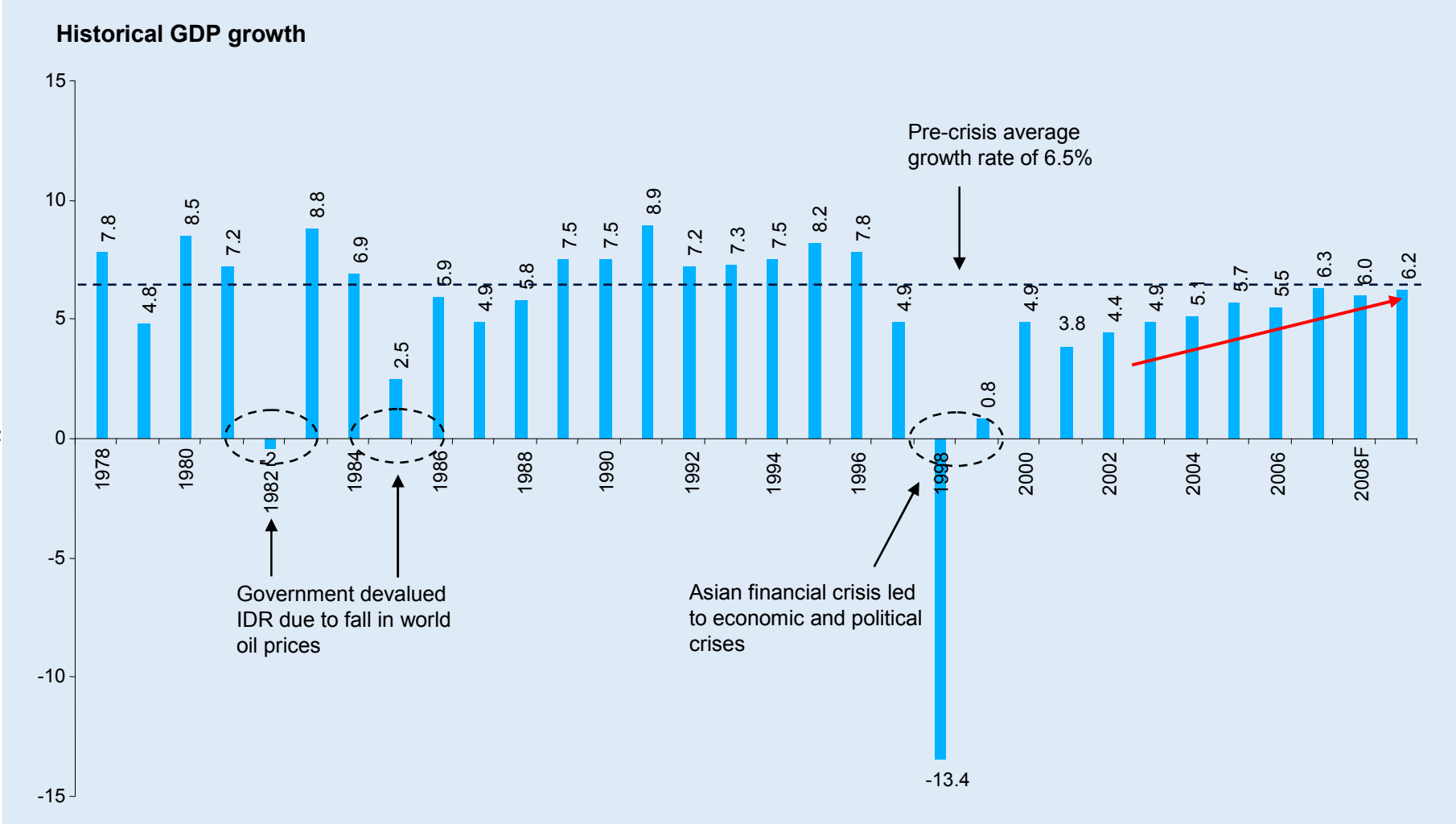
- Higher energy and food prices level accelerate inflation to 11% by year end 2008 from 6.6% at the end of 2007
- GDP growth is forecast to increase to 6.1% for 2008 from a 6.3% increase in 2007
- Inflationary pressures likely to ease in 2009

B. Local Risk 2 : Higher Fiscal Deficit

- Higher global oil prices will sharply increase government's fuel subsidies from USD5 billion original cap to more than USD 10 billion in 2008
- Government wants to increase fiscal deficit from 1.1% of GDP in 2007 to 2.1% in 2008 (before election year) by accelerating infrastructure program but bloating energy and food subsidies could dominate budget

Source: National Statistic Agency

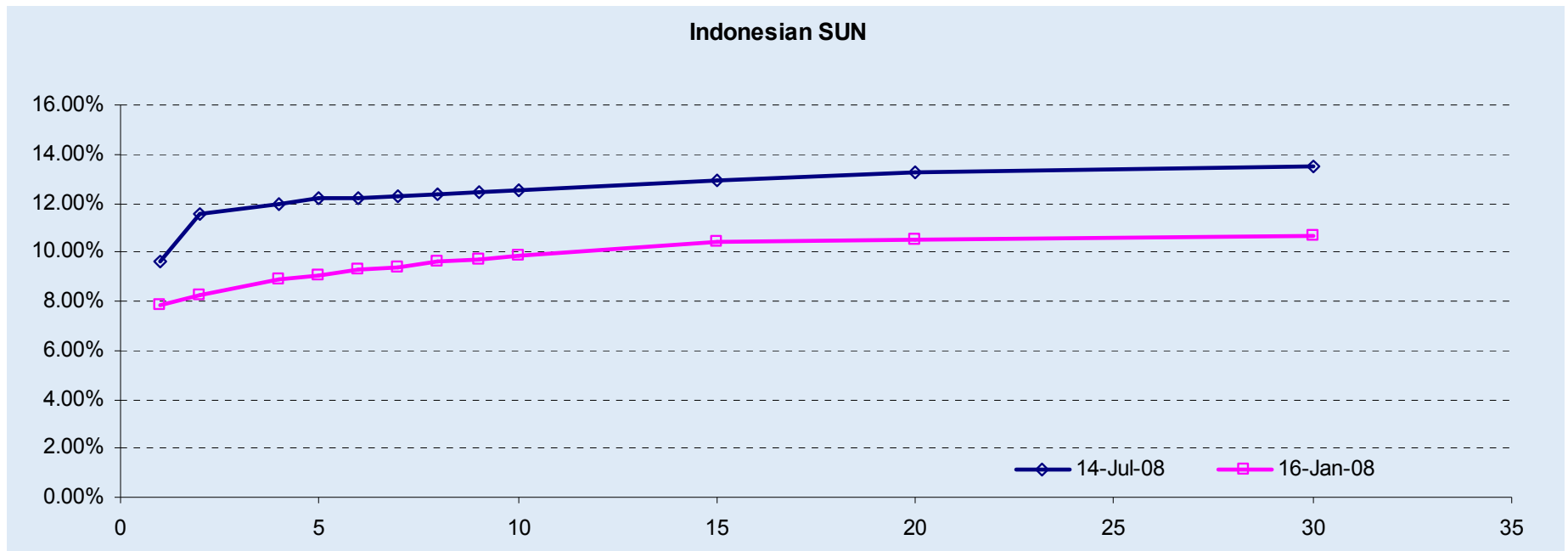
Indonesian Economic Growth Rates – Approaching Pre-Crisis Average



Source: National Statistic Agency, SCB forecasts

Indonesian Bond Yields

- Bond yields have risen considerably during the year
- Inflationary pressures is the underlying factor
- Bank Indonesia has year to date increased the benchmark rate by 75 bps



Conclusion

- 29% fuel price hike will have short term negative economic impact
- Weak investment climate in real economy is Indonesia's major challenge
- Government committed to introduce investor-friendly reforms
- Indonesia has stronger economic fundamentals, now ten years after the Asian financial crisis
- Political stability will ensure that Indonesia's medium term outlook is positive

Bank Niaga – Bank Lippo Merger

FINAL REMARKS

Final Remarks

- Merger is value creating for all stakeholders.
- For BCHB, the merger enhances earnings complexion from a geographical and segmental stand point
- The merger strengthens medium term growth prospect in a core market for the Group
- CIMB Niaga will be Indonesia's 5th largest bank leveraging on the best of Bank Niaga and Bank Lippo as well as CIMB Group's regional platform.
- This deal is an essential and critical building block for our South East Asian Universal Banking Franchise

TERIMA KASIH