



FOR IMMEDIATE RELEASE

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Record RM2.8 billion Net Profit for CIMB Group in 2009

1) Summary

CIMB Group Holdings Berhad ("CIMB Group") today reported a full-year net profit of RM2.807 billion for 2009, a 43.8% year-on-year ("Y-o-Y") growth and equivalent to net earnings per share ("EPS") of 79.5 sen. The FY09 net return on equity ("ROE") of 15.0% was above the original target of 12.5% and in line with the revised 14-15% target for the year. The Group declared a dividend of 18.5 sen (single tier) amounting to a total net payment of RM653 million and a 1-for-1 bonus issue of new shares.

For 4Q09 alone, the Group's net profit of RM803 million was 10.5% higher than 3Q09. On a Y-o-Y basis, this represented a 151.7% growth over the 4Q08 net profit of RM319 million.

"The 2009 operating environment turned out much better than anticipated and our people excelled, posting our best ever financial performance and met or exceeded all our key targets set for the year," said Dato' Sri Nazir Razak, Group Chief Executive, CIMB Group. "Investors who rode the year with us enjoyed a 123% total shareholder return, 74% higher than the KLCI benchmark."

2) CIMB Group Y-o-Y Results

CIMB Group's FY09 revenues increased by 37.8% Y-o-Y to RM10.67 billion while profit before tax ("PBT") grew by 40.4% to RM3.812 billion.

In 2009, the Group's Malaysian consumer "good" bank PBT grew 46.1% Y-o-Y on the back of an 8.9% growth in revenues and a 30.9% Y-o-Y drop in net loan loss provisions. As expected, the lower recoveries at Group Special Assets Management (or "bad" bank) brought about the relatively flat 1% Y-o-Y growth in PBT at the overall Malaysian consumer bank.

PBT contribution from Treasury & Investments increased 54.9% Y-o-Y to RM1.475 billion but the comparatively slower capital markets and higher international portfolio provisioning brought about a 20.3% Y-o-Y decline in Corporate & Investment Banking PBT to RM691 million. CIMB Niaga's contribution surged 160.6% Y-o-Y to RM787 million from RM302 million last year due to the addition of the ex-Lippo Bank franchise and favourable operating environment in Indonesia. Asset Management and Insurance PBT jumped to RM120 million in 2009 from a RM50 million loss last year due to the better performance of its fund management companies and a turnaround in CIMB-Aviva's operations. CIMB Thai continued to operate in the black for the second

consecutive quarter, bringing about the full-year PBT contribution of RM47 million compared to the RM41 million loss in 2008.

The Malaysian Consumer Bank's contribution to Group PBT has declined to 18% compared to 25% in 2008. Treasury and Investments was the largest contributor with 39% from 35% previously. Corporate & Investment Banking contribution was lower at 18% from 32% previously. CIMB Niaga's contribution surged to 21% versus 11% in 2008. Group Asset Management (GAM) and Insurance rose to 3% from a loss last year, while CIMB Thai made a maiden 1% contribution.

Total non-Malaysian PBT contribution to the Group jumped to 26% in 2009 from 11% in 2008.

The Group's total gross loans expanded 21.5% Y-o-Y, due to the inclusion of CIMB Thai's loans in 2009. Excluding this, CIMB Group's gross loans grew by 14.2% Y-o-Y (versus 8% target) anchored by the Malaysian consumer loans which grew 13.2%. Mortgages, credit cards and the Group's micro credit lending grew by 20.1%, 13.7% and 83.2% respectively Y-o-Y. Hire purchase loans began making some headway again with a 3.4% Y-o-Y growth but business banking loans continued to decline by 6.5% Y-o-Y. Corporate loans grew by 5.5% Y-o-Y. CIMB Niaga's loans grew 29.4% (in RM terms).

Total Group deposits grew Y-o-Y by 21.8% and 15.6% excluding CIMB Thai. CIMB Bank's retail deposits grew 18.3% Y-o-Y, but this was largely attributed to the success of the new Singapore retail operations. Excluding Singapore, the 2009 retail deposits were 9.7% higher Y-o-Y.

Loan loss provisions for the Group increased 28.7% Y-o-Y to RM1.023 billion due to the inclusion of CIMB Thai and higher provisioning from the international portfolio and CIMB Niaga. The Group's total credit charge was 0.69%, lower than the 0.8-0.9% full year target. The Group's net non-performing loans ("NPL") ratio hit an all-time low of 2.0% compared to 2.3% as at 31 December 2008. Following the corporatisation of Southeast Asia Special Asset Management Bhd ("SEASAM"), CIMB Bank's net NPL ratio has dropped to only 1.2%. Group loan loss coverage improved to 90.8% compared to 86.7% as at end-3Q09. The Group's cost to income ratio was relatively flat at 53.6% versus 53.2% in 2008.

CIMB Bank's risk weighted capital ratio improved further to 15.1% as at 31 December 2009 against 14.0% as at 30 September 2009. CIMB Group's double leverage and gearing stood at 119.4% and 27.0% respectively as at end-2009.

3) CIMB Group Q-on-Q Results

The Group's 4Q09 revenues of RM2.780 billion was flat compared to 3Q09, but Group net profits of RM803 million grew 10.5% from RM727 million in 3Q09 as loan loss provisions dropped sharply by 17.5%.

4) CIMB Niaga Results

On 16 February 2009, Bank CIMB Niaga reported a FY09 net profit of IDR1,568 billion, a 131.2% Y-o-Y growth with a 2009 net ROE of 15.0%. The stronger performance was attributed to a combination of loans growth, higher Net Interest Margins (“NIMs”) and better treasury income. Sequentially, the 4Q09 net profit of IDR416 million was 8.7% lower than 3Q09 due to higher loan loss charges.

CIMB Niaga’s gross loans grew 11.3% Y-o-Y in 2009 predominantly driven by the corporate and auto loans segments. Gross NPL increased to 3.0% at end-December 2009 from 2.5% as at the corresponding period last year, while net NPL ratio decreased to 1.0% from 1.4% previously. CIMB Niaga continues to retain the 2nd lowest position in net NPL ratios amongst Indonesian banks while loan loss coverage was increased to 108.5% as at end-2009 compared to 87.6% as at end-2008.

CIMB Niaga’s Tier 1 capital and risk weighted capital ratios stood at 11.3% and 13.6% respectively as at 31 December 2009.

5) CIMB Thai Results

On 21 January 2009, CIMB Thai announced a 4Q09 net profit of THB42 million, bringing about a total full-year net profit of THB2 million, in line with the Group’s breakeven target for 2009. For the 12-month period, CIMB Thai chalked a revenue of THB6.898 billion, up 5.6% Y-o-Y. As a result of GAAP adjustments, CIMB Thai’s contribution to the Group’s 2009 earnings was RM47 million, compared to a negative RM41 million in 2008.

CIMB Thai’s Tier 1 capital and risk weighted capital ratios (based on Basel II framework) were at 6.0% and 12.0% as at 31 December 2009.

6) CIMB Islamic

CIMB Islamic’s Y-o-Y PBT jumped 74.5% to RM171 million as the Group continued the dramatic growth of its Syariah-compliant banking products. CIMB Islamic’s total loans grew 166.4% Y-o-Y and now accounts for 11% of total Group loans. Total deposits grew by 28.1% Y-o-Y to RM17.5 billion. With its total assets at RM27.7 billion as at 31 December 2009, CIMB Islamic has emerged as the country’s second largest Islamic bank with a 12% market share in less than 5 years.

7) Market Shares

CIMB Investment Bank remained the leading stockbroker in Malaysia and extended its number one position in primary bonds, Initial Public Offering (“IPO”) and Equity Capital Market (“ECM”) advisory for 2009. It maintained its second spot on the M&A league tables. CIMB Islamic stretched its position at the top of the domestic and global Islamic investment banking league tables. CIMB Bank is the second largest mortgage lender in Malaysia and expanded its share of retail deposits and credit cards. In Singapore, CIMB-GK was the 5th largest in stockbroking market share and number 1 in mid-sized corporate advisory. CIMB Niaga remains the second largest mortgage lender in

Indonesia while PT CIMB Securities has moved up to 4th in stockbroking market share. Despite its small market share of brokerage, CIMB Securities Thailand emerged as no.2 in ECM. CIMB Principal Asset Management remains the second largest asset manager in Malaysia.

8) Bonus Issue

CIMB Group is proposing a 1-for-1 bonus issue which would increase its number of shares in issue from 3,531.76 million to 7,063.53 million. The objectives of the bonus issue are to improve tradability of CIMB Group shares and to align its quoted share price with pricing conventions on the Stock Exchange of Thailand (“SET”) ahead of the Group’s proposed listing later this year.

9) Outlook

“We had a very good 2009, financially as well as in the overall development of our regional franchise. Our regional model remains “work-in-progress” and we are determined to realise its full potential over the next few years. In 2010, we anticipate navigating a quite different set of challenges – in particular, margin compression from more intense competition, turn in the interest rate cycle and new rules and conventions arising from global banking reform. The improved economic environment will nevertheless translate to higher demand for banking and capital market solutions and lower credit defaults. Therefore we are setting higher financial targets for this year,” said Dato’ Sri Nazir.

Among the various KPI targets for 2010, CIMB Group has set its sights on ROE of 16.0% and total region-wide loan and CASA (“Current Account and Savings Account”) growth of 12% and 18% respectively. Its dividend target remains at 18.5 sen but this will be reviewed after implementation of the FRS139 accounting standard and Basel II later this year.

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APPENDIX

Significant Corporate Developments in 2009

1) Streamlining of business

- (a) On 31 January 2009, CIMB completed the disposal of certain assets, liabilities and fund management business of Southern Investment Bank Berhad to Hong Leong Investment Bank (formerly as HLG Credit).

2) Mergers and Acquisitions

- (b) On 13 January 2009, CIMB Bank increased its shareholding in CIMB Thai to 92.04% upon completion of its Tender Offer exercise. Upon completion of CIMB Thai's rights issue on 19 March 2009, CIMB Bank's shareholding in CIMB Thai was further raised to 93.15%, with CIMB Bank's total investment value amounting to RM1.54 billion.
- (c) On 16 February 2009, CIMB completed the sale and lease back of Menara Bumiputra Commerce to Pelaburan Hartanah Bumiputra Berhad for a cash consideration of RM460 million.
- (d) On 20 April 2009, CIMB Bank completed the acquisition of a 19.99% interest in Bank of Yingkou Co. Ltd. for RMB348.8 million cash (approx. RM186 million). This translated to a price to book ("P/B") valuation of 1.29x as at completion date.
- (e) On 28 July 2009, CIMB completed the disposal of a 49% equity interest in PT CIMB Sun Life to PT Sun Life Indonesia Services for USD22.7 million (approx. RM84.1 million)
- (f) On 7 August 2009, CIMB Investment Bank subscribed for a 10% equity interest in Vinashin Shipbuilding Finance Company Securities LLC ("VFC Securities") in Vietnam for approx. RM6.7 million, with an option to increase its shareholding to 40% for up to RM39.2 million. VFC Securities was granted a securities license by the Vietnam State Securities Commission on 18 December 2008.
- (g) On 20 October 2009, CIMB Thai entered into a sale and purchase agreement for the sale of Sathorn Building in Bangkok, Thailand for approximately THB1 billion (RM100 million).
- (h) On 25 November 2009, CIMB Bank disposed off part of its non-performing loans ("NPL") to a special purpose vehicle, SEASAM.

- (i) On 30 December 2009, CIMB Bank entered into a sale and leaseback agreement for 65 properties with Kumpulan Wang Simpanan Pekerja (KWSP) for RM302.45 million cash.
- (j) On 19 February 2010, CIMB Group entered into an agreement to acquire 32.22% of Touch N' Go Sdn Bhd ("TnG") for RM53.8 million. Upon completion, CIMB Group will increase its existing stake in TnG from 20% to 52.22%.

3) Capital Management

- (a) On 15 April 2009, CIMB Bank fully redeemed its USD100 million 5% subordinated bonds.
- (b) On 30 June 2009, CIMB Bank fully redeemed its USD200 million subordinated bonds.
- (c) On 30 June 2009, CIMB Group injected equity of RM1 billion into CIMB Bank.
- (d) On 10 July 2009, CIMB Bank fully redeemed its RM667 million ICULS via issuance of 667 million new CIMB Bank shares to CIMB Group Sdn Bhd.
- (e) On 28 December 2009, the Group cancelled 50.6291 million treasury shares.

4) Others

- (a) On 17 April 2009, TPG Capital invested USD140 million in CIMB Group by subscribing for USD140 million worth of 2-year senior unsecured bonds of CIMB Bank (L) Limited. TPG will receive 50.6 million warrants to purchase CIMB Group ordinary shares at a strike price of RM10 per share, exercisable over a five year period.
- (b) On 2 July 2009, CIMB Strategic Assets Sdn Bhd entered into a 60:40 joint venture with Standard Bank Group International Limited to jointly manage a USD500 million Islamic Infrastructure Fund. The private equity fund is sponsored by the Asian Development Bank ("ADB") and the Islamic Development Bank ("IDB") with an initial seed capital of USD250 million. CIMB Bank (L) Limited and Standard Bank Plc jointly committed a further USD12 million.
- (c) On 9 September 2009, the Group's name was changed from Bumiputra-Commerce Holdings Berhad to CIMB Group Holdings Berhad, following the shareholder's approval attained at an EGM convened on 4 September 2009.
- (d) On 5 November 2009, RAM Ratings upgraded the long-term ratings for CIMB Bank and CIMB Investment Bank to AAA/P1 (stable) from AA2 previously.
- (e) On 16 November 2009, the Group announced its intention to seek a dual listing on the SET involving an IPO of up to 35 million CIMB shares.