

Acquisition of RBS's APAC ECM, CF and Cash Equities Businesses

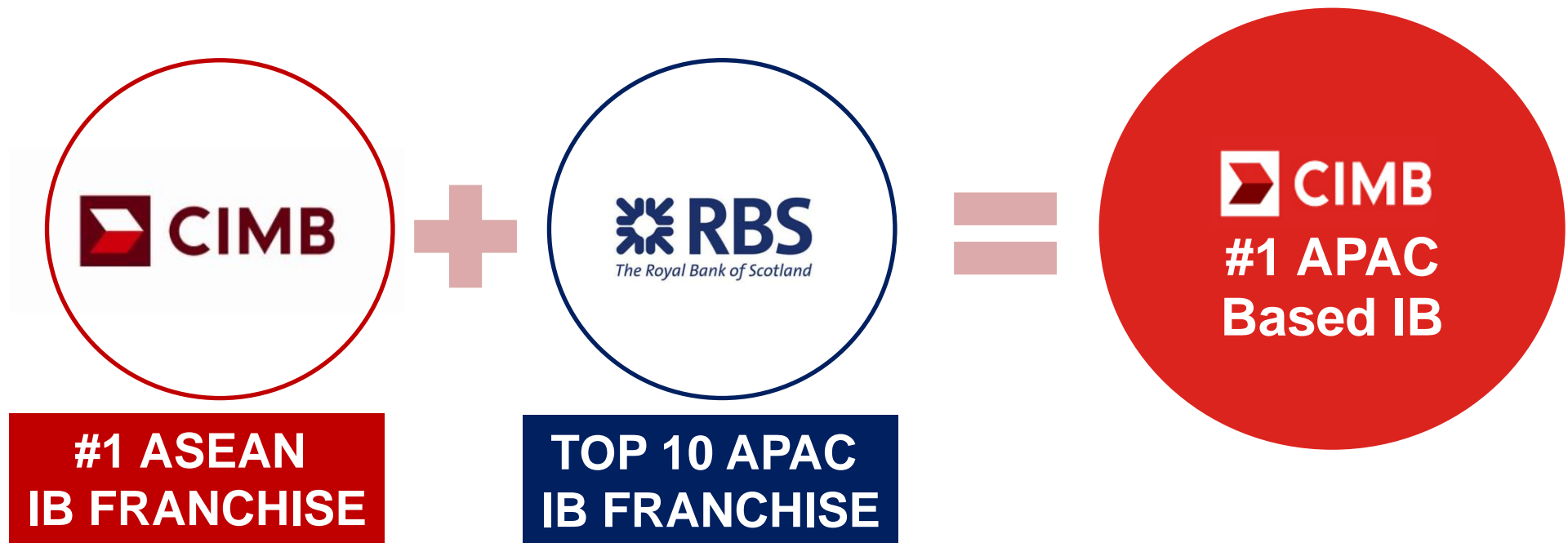
2 April 2012

Agenda

1. Summary
2. RBS's APAC ECM, CF and Cash Equities
3. CIMB's IB and Securities
4. Deal Structure
5. Risks and Challenges
6. Strategic Rationale
7. Effects of Proposal
8. Timeline
9. Final Remarks

SUMMARY

The Deal Formula

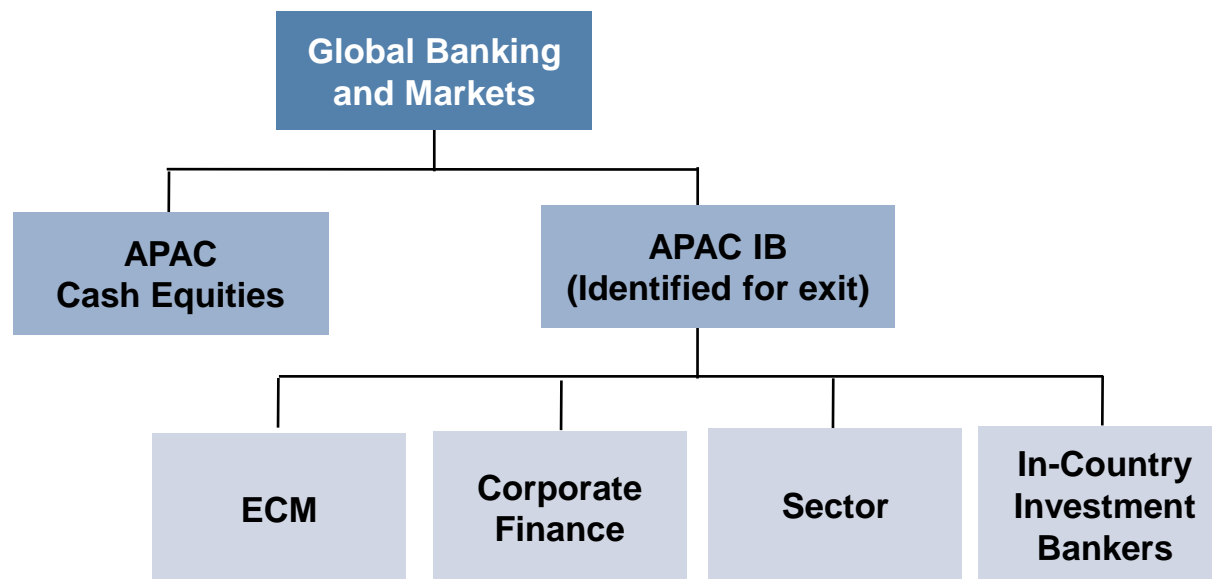


CIMB GROUP
Anchored by a leading ASEAN Universal Bank

RBS's APAC ECM, CF AND CASH EQUITIES

About RBS

- RBS Group has decided to exit some of its APAC (ex-Japan) investment banking and cash equities business. These comprise:
 - IB: ECM, CF (M&A, Sector Advisory and In-Country Investment Bankers)
 - Cash Equities: Equities sales, execution and research
- The business comprises equities licenses in 8 markets, an additional 2 markets via strategic partners, sales forces in UK & US and IB capabilities in 10 markets



- Excludes RBS IB's DCM and FI businesses

APAC (on-Ground) Presence (Businesses Identified For Exit)

KEY APAC	Cash Equities		IB			
	Stock Exchange License	Research	M&A	ECM	Sectors	IB
Hong Kong	✓	✓	✓	✓	✓	✓
Australia	✓	✓	✓	✓	✓	✓
India	✓	✓	✓	✓		✓
Korea	✓	✓	✓			✓
Singapore	✓	✓	✓	✓		✓
Taiwan	✓	✓				✓
Indonesia	✓	✓				✓
China	✓	✓				✓
Thailand	(✓)	(✓)				✓
Malaysia	(✓)	(✓)				✓
Total number of staff as at 1/1/2012 circa 600						

League Table and Accolades

League Table Rankings 2011						
RBS	M&A		ECM		IPO	
	Rank	Market Share	Rank	Market Share	Rank	Market Share
APAC	10	5.5%	12	2.1%	17	1.4%
ASEAN	8	8.1%	20	1.2%	-	-




Best M&A House 2011
Best M&A Deal – Rachaburi
Electricity Generating Holding




Best Deal 2011 –
Hong Leong Bank Berhad




IPO of The Year 2010 –
QR National





Best Cross Border M&A 2010 –
Cheung Kong Infrastructure and
Hongkong Electric Holdings (UK)

Best M&A Deal 2011 –
SABMiller (Aus & NZ)




Best Cross Border M&A 2010 –
Fortis Healthcare Limited




ASIA 

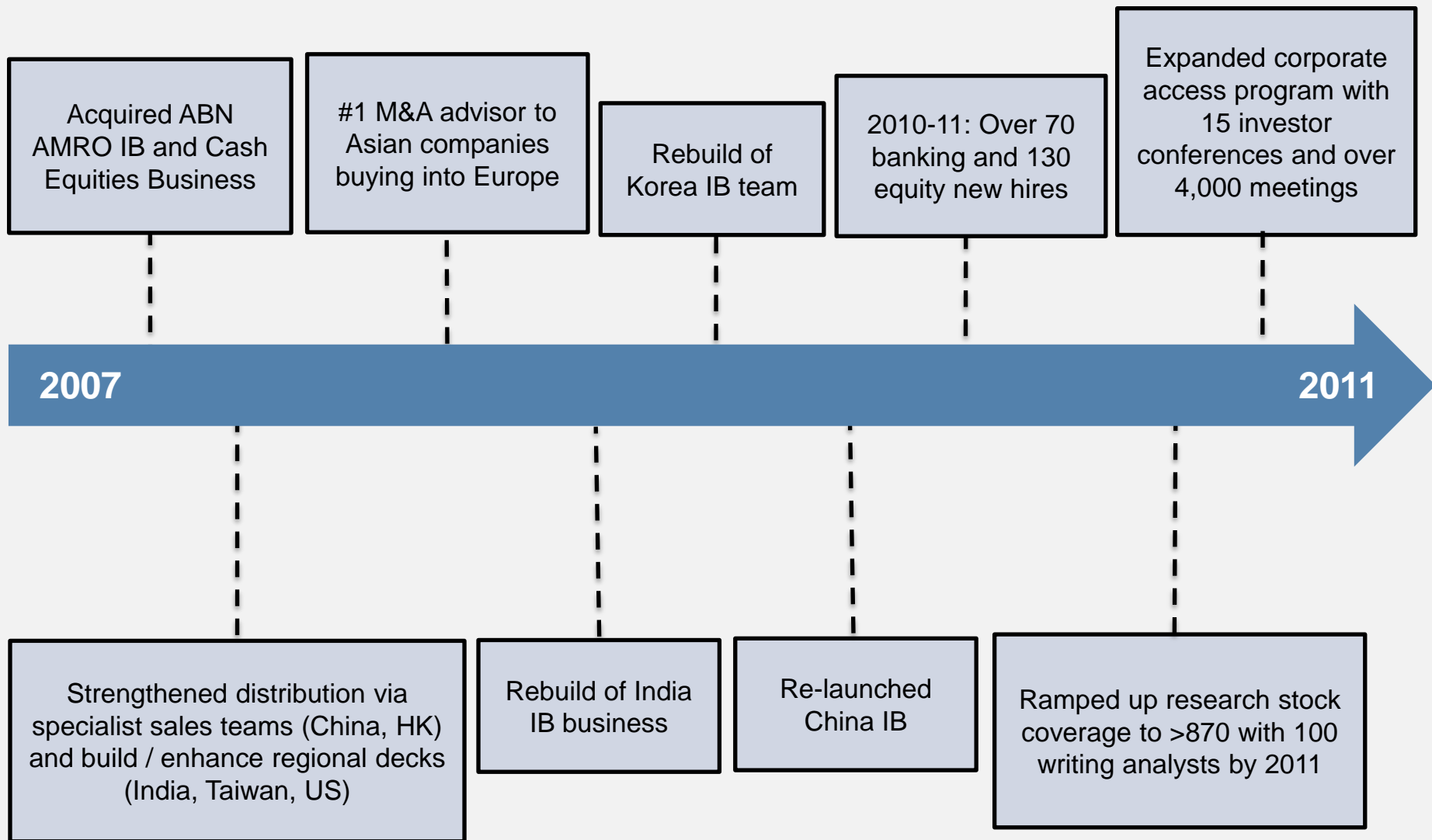
Best M&A Deal 2010 –
Dana Petroleum Plc




Best Equity-Linked Deal 2011 –
ANZ Convertible Preference Shares

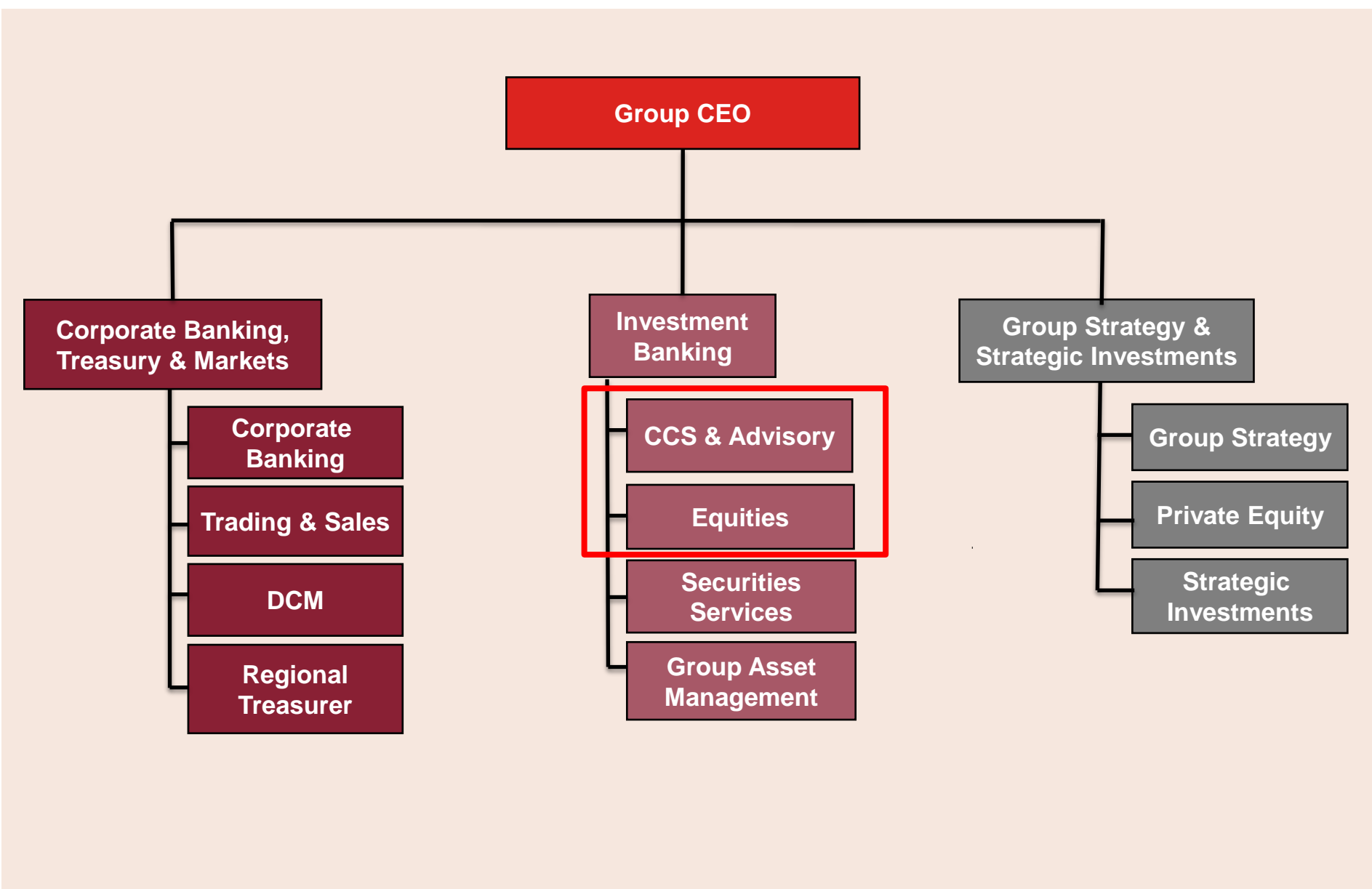


RBS's Recent APAC ECM, CF and Cash Equities History



CIMB's IB and SECURITIES





CIMB's Wholesale Banking



Regional Investment Banking and Brokerage Leadership

ECM	2011		2010		IPO	2011		2010	
	Market Share	Rank	Market Share	Rank		Market Share	Rank	Market Share	Rank
Malaysia	35.5%	1	28.4%	1	Malaysia	31.7%	1	30.1%	1
Indonesia	4.7%	9	5.2%	8	Indonesia	-	-	8.6%	4
Singapore	3.7%	7	2.0%	10	Singapore	3.0%	5	1.4%	16
Thailand	3.1%	8	2.8%	8	Thailand	19.4%	3	19.7%	2
Hong Kong	>0.1%	88	-	-	Hong Kong	>0.1%	51	-	-
ASEAN	8.7%	4	10.9%	1	ASEAN	7.8%	4	14.7%	1
M&A	2011		2010		Brokerage	2011		2010	
	Market Share	Rank	Market Share	Rank		Market Share	Rank	Market Share	Rank
Malaysia	36.7%	1	43.3%	1	Malaysia	10.4%	1	9.8%	1
Indonesia	1.0%	14	19.7%	2	Indonesia	6.0%	2	6.0%	2
Singapore *	1.3%	18	7.9%	3	Singapore	9.9%	2	9.2%	3
Thailand	1.8%	20	8.5%	12	Thailand	3.1% ^	13 ^	0.9%	35
Hong Kong *	1.5%	23	1.9%	14	Hong Kong	0.1%	107	0.1%	108
ASEAN	10.8%	2	15.1%	2					

Notable IB and Securities Awards

Best IB	Best ECM & IPO	Best M&A	Best Broker & Research
   <p>Best Investment Bank in ASEAN Best Investment Bank (Msia)</p>	   <p>Best Equity House Bumi Armada's USD888 mil IPO Best Equity/IPO Deal of the year in Southeast Asia</p>	 <p>Asia </p> <p>SapuraCrest Petroleum-Kencana Petroleum's RM11.9 bil M&A Best Deal/Most Innovative Deal of the Year in Southeast Asia 2011</p>	  <p>Best Institutional Broker</p>
  <p>Best Investment Bank (5th time)</p>	  <p>Best Domestic Equity House</p>	  <p>M&A Advisor of the Year - CIMB Investment Bank Berhad 2009 Deal maker of the Year 2009 Cross Border Deal of the Year 2009</p>	  <p>Best Broker Best Overall Country Research Best Strategy Research Best Sector Coverage – Banks, Consumer, Telecommunications, Capital Goods and Utilities Best Local Brokerage Best Overall Sales Service4s Best Execution Best Sales Trading</p>
  <p>Best Investment Bank (9th time)</p>	  <p>Best Equity House AIA IPO – Deal of the Year Pet Chem IPO – Best Malaysia Deal</p>		
  <p>Best Domestic Investment Bank</p>	   <p>Best Equity House Khazanah-Parkway – Best Deal Singapore</p>	    <p>Best M&A House Best Cross Border M&A Deal of the Year in Southeast Asia 2009 CVC-Matahari – Best Deal Indonesia</p>	 <p>Most award winning broker in Asia</p>

DEAL STRUCTURE

Scope of Acquisition

1. APAC businesses
 - Cash Equities (excluding South East Asia and South Korea)
 - Investment Banking (excluding South Korea)
2. Legal entities – Only 3 in Australia
3. Customer accounts and executed / secured mandates (subject to clients' consent)
4. Selected employees - Approximately 60% of total employees as at 1st January 2012
 - 82 key employees have signed-on as at 31 March 2012, equivalent to 87% of those offered so far
 - Offer letters for remaining employees to be sent this week
5. IT software and hardware
6. Selected assets and property leases

To be reviewed at a later date - Joint Ventures

- RBS Morgans (50%)
- Hua Ying Securities (33.3%)

Scope of Acquisition by Country

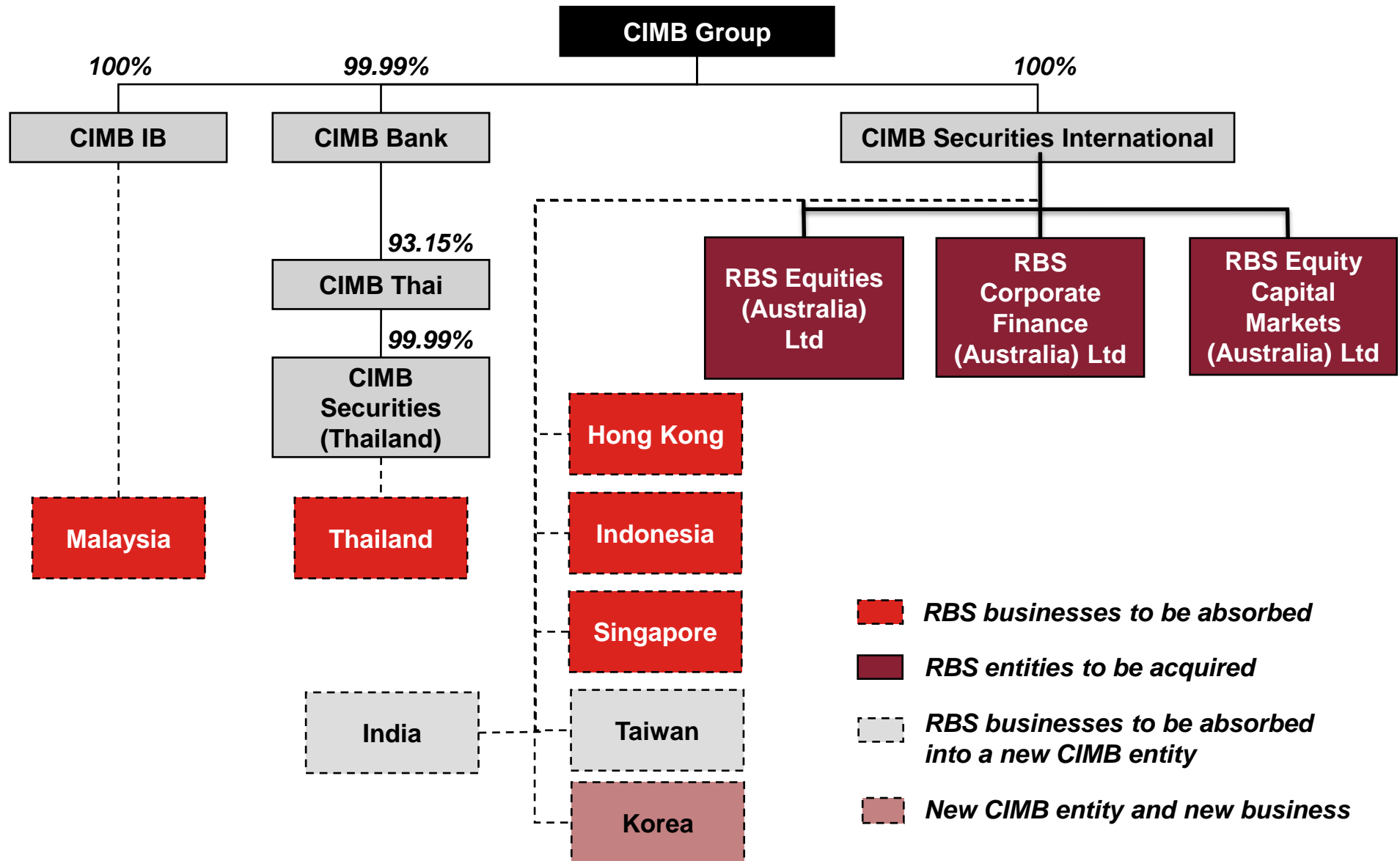
APAC Businesses			
Jurisdiction	CE	IB	Details
Hong Kong / China	✓	✓	<ul style="list-style-type: none"> Transfer employees / mandates to CIMB Securities (HK) Ltd / CIMB Shanghai Representative Office
Australia	✓	✓	<ul style="list-style-type: none"> To acquire: <ul style="list-style-type: none"> RBS Equities (Australia) Ltd RBS Corporate Finance (Australia) Ltd RBS Equity Capital Markets (Australia) Ltd
India	✓	✓	<ul style="list-style-type: none"> Apply for new licence for cash equities and IB business (6 months), after which the business (employees, mandates, etc) shall be transferred to the operating entity To continue IB business in current construct until new licences awarded
Taiwan	✓	✓	<ul style="list-style-type: none"> CIMB to apply for new licence to undertake businesses (6-8 months), after which the business (employees, mandates, etc) shall be transferred to the operating entity
ASEAN	✗	✓	<ul style="list-style-type: none"> Transfer mandates /employees to CIMB entity
United Kingdom	✓	✗	<ul style="list-style-type: none"> Transfer employees supporting APAC Business to CIMB entity (cash equities business)
USA	✓	✗	<ul style="list-style-type: none"> Transfer employees supporting APAC Business to CIMB entity (cash equities business)
Korea	✗	✗	<ul style="list-style-type: none"> Recently closed by RBS. CIMB to explore obtaining new licence and rebuilding

Investment Cost

	GBP 'mil	Breakdown of Assets (Post Acquisition)	GBP 'mil
Gross Payment to RBS	88.4	Cash & Receivables	113.1
Other consideration*	1.7	Fixed assets (including CAPEX)	49.7
Capital Injection	43.0	Goodwill	11.1
Additional CAPEX	40.8	Total Book value (Post Acquisition)	173.9
Total Investment	173.9	Payment from RBS	13.8
Price/NTA	1.07x		
Payment from RBS	(13.8)	New employees	350 - 400
Total Investment – Payment from RBS	160.1	New stock exchange seats	3-4 ^
Effective P/NTA	0.98 x	Clients and Mandates	Subject to consent
Net Tangible Assets**	162.8	Next generation system Investment	To be further developed



The Merged Entity



Regulatory Approvals Required

Country	Entities	License/Membership	Regulator
Australia	<ul style="list-style-type: none"> ▪ RBS Equities (Australia) Ltd ▪ RBS Corporate Finance (Australia) Ltd ▪ RBS Equity Capital Markets (Australia) Ltd 	<ul style="list-style-type: none"> ▪ Australian Financial services license ▪ Exchange membership ▪ Chi-X participant 	<ul style="list-style-type: none"> ▪ Australian Securities and Investments Commission ▪ Australian Stock Exchange
Taiwan	<ul style="list-style-type: none"> ▪ CIMB to apply for new brokerage licence 	<ul style="list-style-type: none"> ▪ Brokerage ▪ Proprietary trading ▪ Underwriting ▪ Exchange membership 	<ul style="list-style-type: none"> ▪ Financial Supervisory Commission
India	<ul style="list-style-type: none"> ▪ CIMB to apply for new brokerage and merchant banking licence or purchase an existing licence 	<ul style="list-style-type: none"> ▪ Exchange membership – National Stock Exchange ▪ Exchange membership – Bombay Stock Exchange ▪ Merchant banking and underwriting license 	<ul style="list-style-type: none"> ▪ Securities and Exchange Board of India
Korea	<ul style="list-style-type: none"> ▪ CIMB to apply for new brokerage and advisory licence 	<ul style="list-style-type: none"> ▪ Securities brokerage and dealing ▪ Securities underwriting ▪ M&A advisory ▪ Exchange membership 	<ul style="list-style-type: none"> ▪ Financial Supervisory Services ▪ Financial Services Commission ▪ Korea Exchange ▪ Korea Financial Investment Association
Hong Kong/China, Indonesia, Singapore, Thailand	<ul style="list-style-type: none"> ▪ Transfer of staff 		<ul style="list-style-type: none"> ▪ Accreditation for transfer of staff by local regulators, where required

RISKS & CHALLENGES

Mitigating Key Challenges

	Description	Mitigating Factors
Human Resource	<ul style="list-style-type: none"> Ability to sign-on and retain key personnel 	<ul style="list-style-type: none"> Secured high rate of acceptance by key employees Favourable market conditions
Regulatory Risk	<ul style="list-style-type: none"> Require necessary regulatory approvals for transfer of licenses and application of new licenses, where applicable 	<ul style="list-style-type: none"> In preliminary consultation already
Customer Attrition	<ul style="list-style-type: none"> Will have to novate mandates and client accounts Potential customer attrition due to: <ul style="list-style-type: none"> Change in branding Loss of EMEA platform and value proposition Reduced market presence 	<ul style="list-style-type: none"> Relationship managers will have to actively manage clients and process Customers should be attracted by: <ul style="list-style-type: none"> Committed equities and IB parent Parent with a dominant ASEAN market position
IT	<ul style="list-style-type: none"> Segregation and transfer of IT systems / platforms and requisite associated personnel 	<ul style="list-style-type: none"> RBS's IT team to assist with the physical segregation / relocation of RBS' data centre for the handover of IT systems / platform

STRATEGIC RATIONALE

3 Key Reasons

Description

1

Expand our IB / Cash Equities footprint in APAC

- A major leap, positioning franchise as No.1 APAC-based IB
- Immediate expansion of capabilities in key markets, i.e. China, India, Australia, Taiwan, South Korea (may take 3-5 years to grow organically)
- In line with CIMB Group's V15

2

Strengthen our IB / Cash Equities presence in ASEAN

- Reinforcing IB / Securities as a core part of our UB franchise
- Add more depth to our investment banking / broking platform in ASEAN (eg. Sector advisory / CF infrastructure)
- Strengthened presence Ex-ASEAN to help capture flows between ASEAN and rest of APAC and beyond

3

Secure our future in cash equities

- Enhance CIMB's securities platform in terms of:
 - Improving our scale – reducing cost per trade, investment in systems, research etc
 - Sophistication and market coverage (e.g. direct market access to 12 markets in APAC)
- Assume and develop RBS electronic trading capabilities and next generation systems








“The Leading ASEAN Franchise”

*At the end of 2015, CIMB Group will be recognised as THE leading ASEAN franchise, distinctive in its culture, processes and people. In its business of universal banking it will be strong across the region and **well-connected in key markets beyond**. We will operate as a high performing, institutionalised and integrated ASEAN champion, consistently striving for innovation, customer service excellence and best in class practises. Making ASEAN our home, we champion the advancement and acceleration of the ASEAN integration agenda.*

V15: Broad Objectives & Targets

- ① Market capitalisation > RM100 bil
- ② Top 3 banking group in ASEAN by market capitalisation & asset size
- ③ Top 3 ROE among ASEAN banks
- ④ Diversified revenue / PBT / asset mix by:
 - Geography, where Malaysia will constitute <40%, and
 - Business, where consumer banking will constitute >60%

CIMB IB Beyond ASEAN Before RBS Acquisition

Investment Banking		Strategic Equities collaboration	
 <p>China</p>	<ul style="list-style-type: none"> ▪ CIMB Bank and CIMB Securities Representative Offices in Shanghai. Main activities include market research and facilitating offshore deals for IB ▪ 5 staff 	 <p>Taiwan</p>	<ul style="list-style-type: none"> ▪ Institutional broking partnership with Capital Securities
 <p>India</p>	<ul style="list-style-type: none"> ▪ Strategic partnership with Kotak Mahindra formed in Aug 2011. Scope to cover the following 3 areas: Cross-border M&A, Trade finance and Retail remittance ▪ 2 staff 	 <p>Sri Lanka</p>	<ul style="list-style-type: none"> ▪ Institutional broking partnership with John Keells Stock Brokers
 <p>Sri Lanka</p>	<ul style="list-style-type: none"> ▪ JV with local partners to provide investment banking and capital market advisory services ▪ 4 staff 	 <p>Australia</p>	<ul style="list-style-type: none"> ▪ Institutional broking partnership with BBY
Equity Sales			
		 <p>UK</p>	<ul style="list-style-type: none"> ▪ London institutional equity sales ▪ 6 staff
		 <p>USA</p>	<ul style="list-style-type: none"> ▪ New York institutional equity sales ▪ 10 staff

The Franchise We Are Buying

- An APAC Equities, ECM and CF business with a long history and client goodwill
- A business which was underinvested in the latter days of ABN AMRO and early days of RBS
- In the last 2 years, significant investment has been made on both Equities and Investment Banking in key geographies, products, sectors and technology
- 2010-11: Significant strengthening of Equities and Banking in Australia and India, and rebuilt China and Korea franchises
- An Equities business which is empanelled with practically all major international buy-side clients
- An Investment Banking business which has a track record of transacting with blue-chips and MNCs across APAC, and comes with a pipeline of deals
- A historically strong business, a long way through a significant investment and rebuild programme

Complementary Merger – Broking, ECM & CF Across APAC



■ RBS's core equity markets
■ CIMB's core markets

Comparison of presence						
Markets	Broking		ECM		CF	
	RBS	CIMB	RBS	CIMB	RBS	CIMB
Malaysia	(✓)	✓	✓	✓	✓	✓
Indonesia	✓	✓	✓	✓	✓	✓
Singapore	✓	✓	✓	✓	✓	✓
Thailand	(✓)	✓	✓	✓	✓	✓
Hong Kong	✓	✓	✓	✓	✓	✓
China	○	○	○	○	✓	✓*
Australia	✓	(✓)	✓	○	✓	○
India	✓	○	✓	○	✓	(✓)
Taiwan	✓	(✓)	✓	○	✓	○
Korea	✓	(✓)	✓	(✓)	✓	(✓)
Sri Lanka	○	(✓)	○	✓	○	✓
Philippines	○	(✓)	○	○	○	○

Notes: (✓) Partnership with local brokers
 ✓* Supporting CIMB's HK IB business via its liaison role

APAC Advisory/ECM Leadership

Advisory

- Top 10 M&A advisor in APAC region ⁽¹⁾
- Extensive corporate relationships and industry expertise
- Strong cross-border capabilities

Equity Capital Markets

- Top 10 ECM house in APAC region ⁽¹⁾
- Achieves highly credible presence in Australia, HK / China, India and Korea
- Comprehensive product suite – IPOs, rights issues, block trades, convertibles, exchangeables, etc

M&A League Table Rankings 2011

	CIMB	Combined ⁽¹⁾
APAC ⁽¹⁾	#20	# 7
ASEAN ⁽²⁾	# 2	# 1

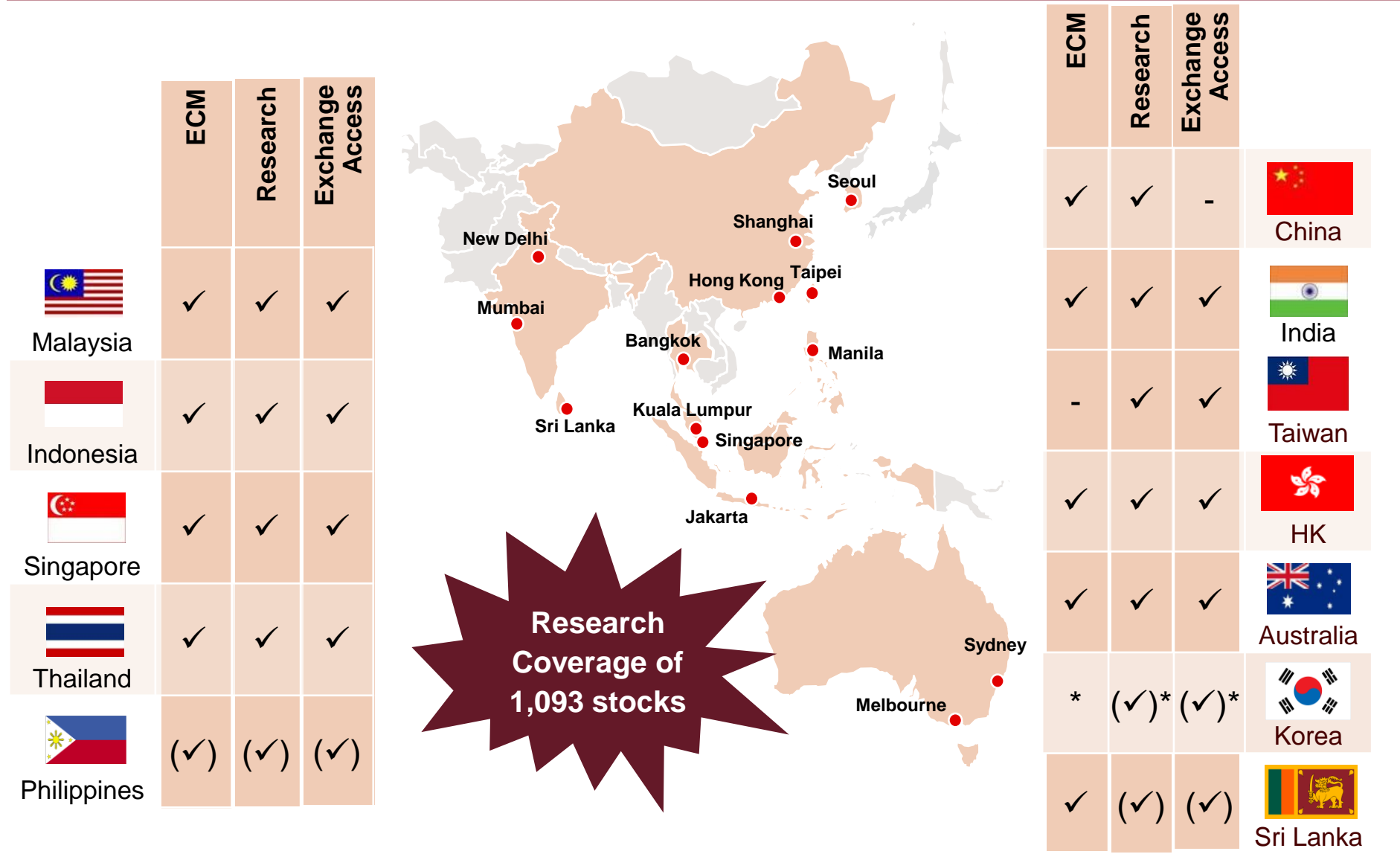
ECM League Table Rankings, 2011

	CIMB	Combined ⁽¹⁾
APAC ⁽¹⁾	# 17	# 9
ASEAN ⁽²⁾	# 4	# 4

IPO League Table Rankings, 2011

	CIMB	Combined ⁽¹⁾
APAC ⁽¹⁾	# 14	# 11
ASEAN ⁽²⁾	# 4	# 4

APAC Securities Leadership



Largest APAC Based Securities Franchise

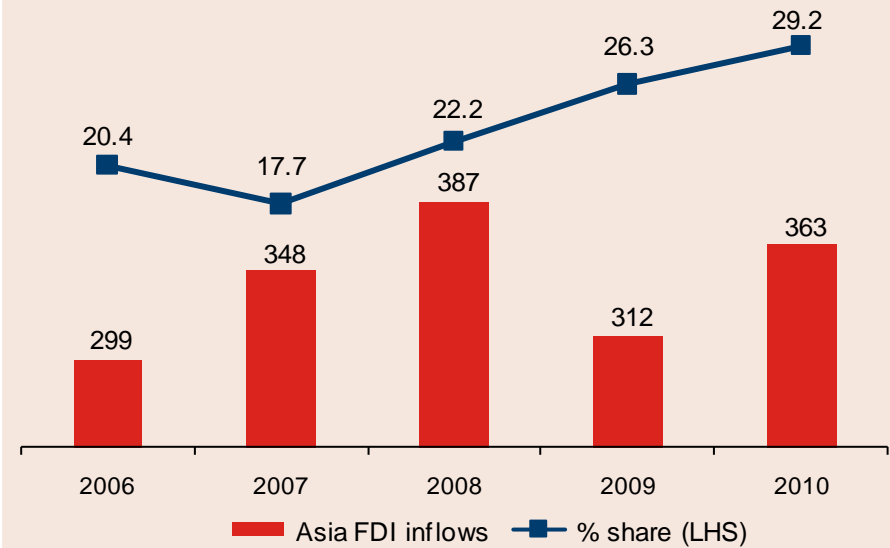
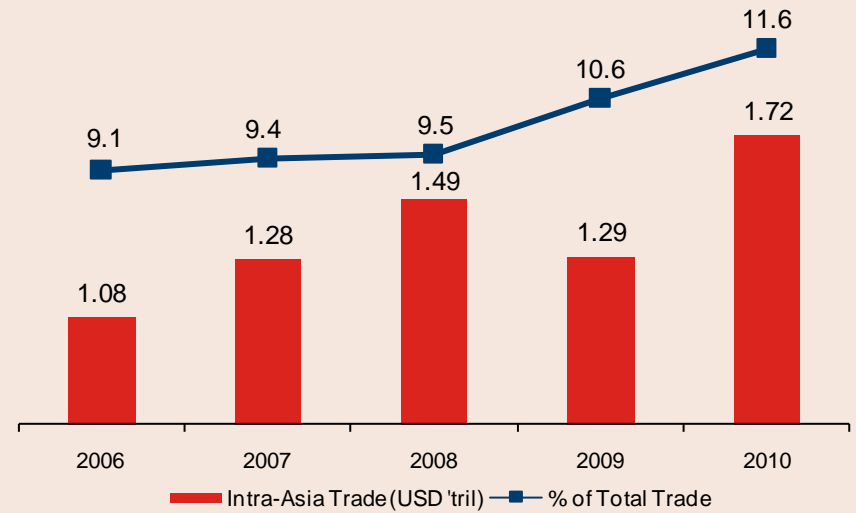
Potential Synergies

	Description
1 Cash Equities	<ol style="list-style-type: none">1. ASEAN equities to RBS' equity clients2. CIMB's strong ASEAN relationships marketed North Asian and Australian products3. Leverage RBS' electronic trading platform and merged entity's pan-Asian research coverage of stocks
2 ECM	<ol style="list-style-type: none">1. Leverage RBS' platform and distribution to enhance ex-Malaysia deal flow in ASEAN2. Leverage CIMB's platform and distribution in ASEAN for deals in Australia, North Asia and India
3 Advisory	<ol style="list-style-type: none">1. Complete CIMB's build-up of sector specialists2. Incremental deals via enhanced Southeast Asia-North Asia, Southeast Asia-India, Southeast Asia-Australia links
4 Cross-Selling	<ol style="list-style-type: none">1. New distribution force for wider wholesale product range (DCM, corporate banking, treasury, derivatives)
5 Cost	<ol style="list-style-type: none">1. Employee optimisation2. Rationalisation of support, operational and systems costs

Intra-Asian Trade and Investment Flows



Riding on Growing Intra-Asia Flows



EFFECTS OF PROPOSAL

Expected Financial Impact

	Projected FY12	Projected FY13
Share capital	No impact	No impact
ROE	Marginally Dilutive	Accretive
EPS	Marginally Dilutive	Accretive
Cost to Income	Increase	Increase
BPS	Marginally Dilutive	Accretive
DL Ratio	Marginally Increase	Marginally Increase
Gearing Ratio	Marginally Increase	Marginally Increase

TIMELINE

Indicative Timeline

Key Milestones	Indicative Timeline
Economic ownership of businesses / Signing of MOU	1 Mar 2012
Signing of SPA and commence transition arrangements	2 Apr 2012
Regulatory approvals from relevant authorities	May 2012 to Sep 2012
Transfer of legal ownership (by jurisdictions)	May 2012 to Nov 2012

FINAL REMARKS

Deal Snapshot

- Favorable timing and deal structure
- A complementary merger
- Significant potential (revenue and cost) synergies to be realised
- Will not have a material impact on CIMB's balance sheet
- CIMB IB becomes the largest Asia-Pacific based IB anchored by CIMB Group, the ASEAN UB
- Unique opportunity to accelerate V15 goals
- New management challenges are well acknowledged

THANK YOU