



CIMB Group, RHB Capital and MBSB Cease Discussions on Proposed Merger

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for immediate release

Kuala Lumpur: CIMB Group Holdings Berhad (“CIMB Group”), RHB Capital Berhad (“RHB Capital”) and Malaysia Building Society Berhad (“MBSB”) announced today that they have ceased discussions on a proposed merger and creation of a mega Islamic bank in light of current economic conditions.

“We had thoroughly deliberated the merger, and whilst we remain convinced that the combination of our 3 franchises follows sound strategic logic, we ultimately were not able to arrive at a value creating transaction for all stakeholders. The decision to cease discussions was arrived at after a detailed review of potential synergies that could be realistically delivered, especially in the current economic environment,” said Tengku Dato’ Zafrul Tengku Abdul Aziz, Acting Group Chief Executive, CIMB Group. “We would like to put on record our sincere appreciation to the Board of Directors and management of RHB Capital and MBSB for their full cooperation during our discussions,” he added.

“We undertook the discussions of the proposed merger on the premise that we would be able to arrive at a value enhancing proposal for our stakeholders and bring it to our respective shareholders. Protecting and creating stakeholder value is paramount to all parties and given the changes in environment we could not conclude a case to proceed further. Nonetheless, we would like to thank all the parties involved in the discussions for the time and effort spent. We wish CIMB and MBSB well in all their future endeavours,” said Kellee Kam, Group Managing Director, RHB Capital.

Dato’ Ahmad Zaini bin Othman, President and Chief Executive Officer of MBSB said, “The opportunity to be a part of a mega Islamic bank was an exciting one for us. Given that the discussions have ceased, we can now continue to focus on the strength of our franchise and achieving the goals that we have originally set for ourselves. We thank everyone involved for their hard work.”



CIMB Group and RHB Capital have withdrawn their application to Bank Negara Malaysia, and the exclusivity agreement entered into by the parties has been terminated with the cessation of talks.

About CIMB Group

CIMB Group is Malaysia's second largest financial services provider and one of ASEAN's leading universal banking groups. It offers consumer banking, investment banking, Islamic banking, asset management and insurance products and services. Headquartered in Kuala Lumpur, the Group is now present in nine out of 10 ASEAN nations (Malaysia, Indonesia, Singapore, Thailand, Cambodia, Brunei, Vietnam, Myanmar and Laos). Beyond ASEAN, the Group has market presence in China, Hong Kong, Bahrain, India, Sri Lanka, Australia, Taiwan, Korea, the US and UK.

CIMB Group has the most extensive retail branch network in ASEAN of more than 1,000 branches as at 30 September 2014. CIMB Group's investment banking arm is also one of the largest Asia Pacific-based investment banks, offering amongst the most comprehensive research coverage of more than 1,000 stocks in the region.

CIMB Group operates its business through three main brand entities, CIMB Bank, CIMB Investment Bank and CIMB Islamic. CIMB Group is also the 97.9% shareholder of Bank CIMB Niaga in Indonesia, and 93.7% shareholder of CIMB Thai in Thailand.

CIMB Group is listed on Bursa Malaysia via CIMB Group Holdings Berhad. It had a market capitalisation of approximately RM58.6 billion as at 30 September 2014. The Group has over 40,000 employees located in 18 countries.

About the RHB Banking Group

The RHB Banking Group is the fourth largest fully integrated financial services group in Malaysia. The Group's core businesses are streamlined into three main business pillars, namely Group Retail and Commercial Banking, Group International Business and Group Corporate and Investment Banking. These businesses are offered through its main subsidiaries - RHB Bank Berhad, RHB Investment Bank Berhad, RHB Insurance Berhad and RHB Islamic Bank Berhad, while its asset management and unit trust businesses are undertaken by RHB Asset Management Sdn. Bhd. and RHB Islamic International Asset Management Berhad. The Group's regional presence now spans nine countries including Malaysia, Singapore, Indonesia, Thailand, Brunei, Cambodia, Hong Kong, Vietnam and Lao PDR. It is RHB Banking Group's aspiration to continue to deliver superior customer experience and shareholder value; and to be recognised as a Leading Multinational Financial Services Group.



About Malaysia Building Society Berhad (MBSB)

The origin of Malaysia Building Society Berhad (MBSB) can be traced back to the Federal and Colonial Building Society Limited incorporated in 1950. In 1956, it changed its name to Malaya Borneo Building Society Limited (MBBS), with the Malaysian government as its major shareholder. MBBS was then listed on the Stock Exchange of Malaysia and Singapore in August 1963. The company became an incorporation in Malaysia under the Companies Act 1965 on 17 March 1970, before it was listed on the Kuala Lumpur Stock Exchange now Bursa Malaysia on 14 March 1972.

The Employees Provident Fund (EPF) is currently the financial holding company of MBSB. MBSB was defined as a Scheduled Institution under the repealed Banking and Financial Institution Act 1989 (BAFIA). The status of an Exempt Finance Company was granted to MBSB on 1 March 1972 by the Ministry of Finance and the status has remained since. This allows MBSB to undertake a financing business in the absence of a banking license. Under Section 272 (a) of the Financial Services Act 2013, exemptions granted under the BAFIA is deemed to have been granted under the corresponding provision of the Financial Services Act 2013 and shall remain in full force and effect until amended or revoked. As a financial provider, MBSB offers a spectrum of innovative financial products and services for both individuals and corporates throughout its branches nationwide.

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