



CIMB Group, RHB Capital and MBSB Exploring a Merger

Proposed merger plan includes the creation of a mega Islamic bank

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for immediate release

Kuala Lumpur: CIMB Group, RHB Capital and Malaysia Building Society (MBSB) announced today the approval from Bank Negara Malaysia to commence discussions with the aim of merging the businesses of both RHB and CIMB as well as creating an enlarged Islamic Banking franchise with MBSB.

Following this, the three parties have entered into a 90-day exclusivity agreement to negotiate and finalise pricing, structure, and other relevant terms and conditions for a proposed merger of the three entities and the creation of a mega Islamic bank. The exclusivity agreement comes with an automatic extension provision upon submission to Bank Negara Malaysia on the proposal.

"We believe that there is inherent value and that there will be many opportunities which will arise from this proposed merger. We hope to explore this further through our discussions," said Kellee Kam, Group Managing Director, RHB Capital.

"There is a prima facie case for a value-creating merger between the three entities and we want to get into detailed discussions to validate it," added Dato' Sri Nazir Razak, Group Chief Executive, CIMB Group.

On the prospects of the creation of a mega Islamic bank, Dato' Ahmad Zaini bin Othman, President and Chief Executive Officer of MBSB said, "The opportunity to be a part of a mega Islamic bank is exciting for us and we want to take this forward."

CIMB Group, RHB Capital and MBSB shares will resume trading on Bursa Malaysia on 11 July 2014.



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 eight out of 10 ASEAN nations (Malaysia, Indonesia, Singapore, Thailand, Cambodia, Brunei, Vietnam and Myanmar). 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 June 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 RM61.0 billion as at 30 June 2014. The Group has about 40,000 employees located in 17 countries.

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.



About 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.

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