

Agenda

-  1 CIMB's Transformation Journey
-  2 **Promoting ASEAN Agenda**
-  3 Key Elements of Our Transformation Strategy
-  4 Mobile Banking in Indonesia

ASEAN: Scale, Network, Synergies

Malaysia
28 million people

Indonesia
230 million people

Singapore
5 million people

Thailand
68 million people

Cambodia
15 million people

ASEAN

600 million
people

Combined GDP
among the
world's top 10



We believe that ASEAN will truly prosper when it embraces diversity and leverages cross border synergies

• **ASEAN is poised for robust economic growth**

• **CIMB Group reaches at least 81% of the ASEAN population, representing 89% of the region's GDP**

• **Through our comprehensive regional network and local expertise, we are able to offer seamless banking services and privileges to our customers, so they are able to do business, shop and dine with ease all over ASEAN**

CIMB as ASEAN's Universal Bank

Customer Need

My turf has grown. It spans ASEAN.



What our vision is enabling for Customers

Cross border seamlessness

- Operate Bank Accounts
- Manage investments
- Issue and accept payments
- Financing

Consistent experience across borders

Pricing, rates and service levels based on aggregate ASEAN customer relationship

Customer Need

Does CIMB know what I am worth as a customer?



I need a one-stop shop.



- Single View of CIMB Bank across ASEAN
- Innovative products, available across the footprint
- Financing based on regional collateral and limits
- Solutions to meet needs from effective product bundles
- Tailor products to in-country conditions and customer needs

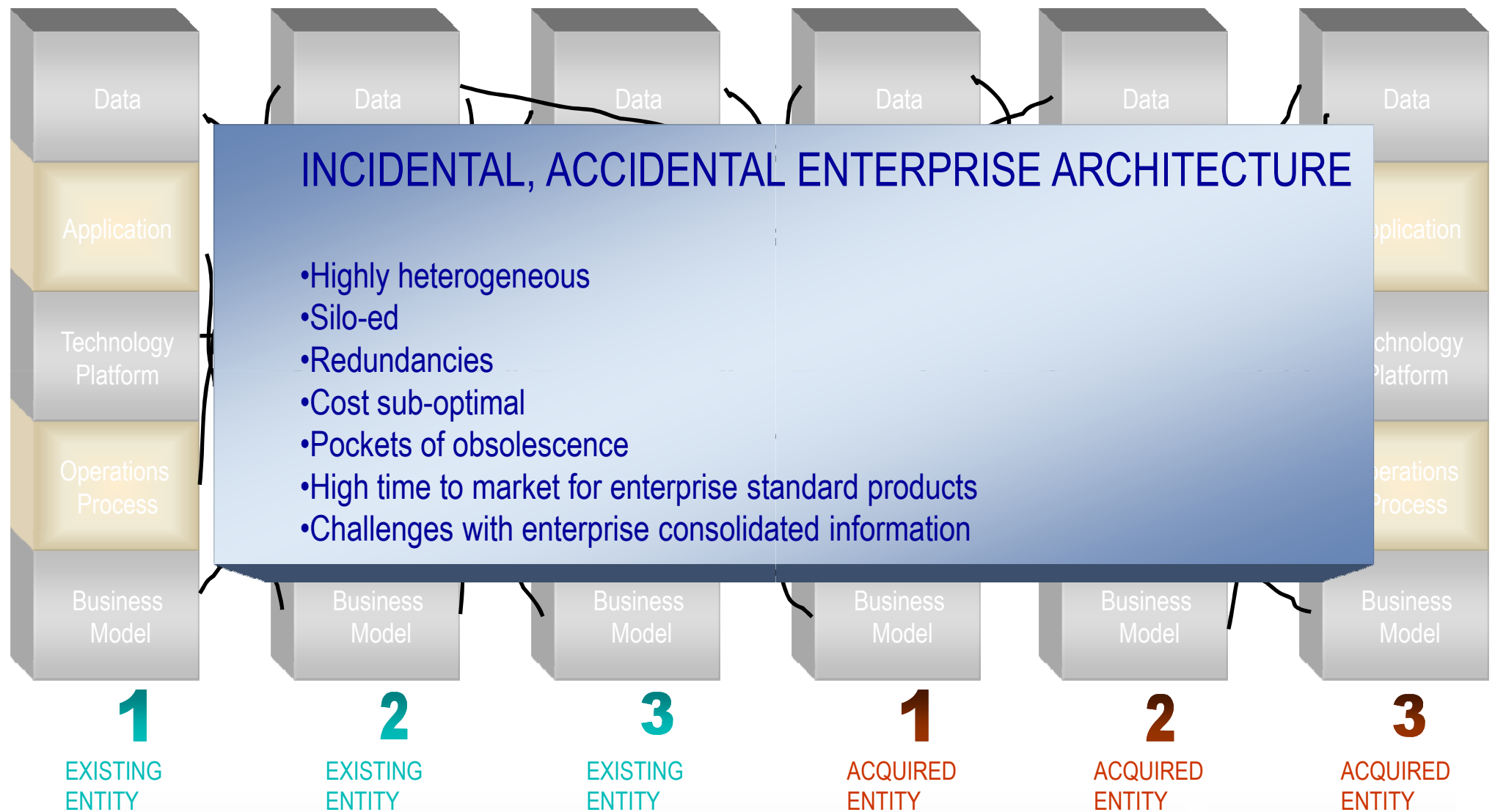
I need flexibility.



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Banking Transformation is Complex

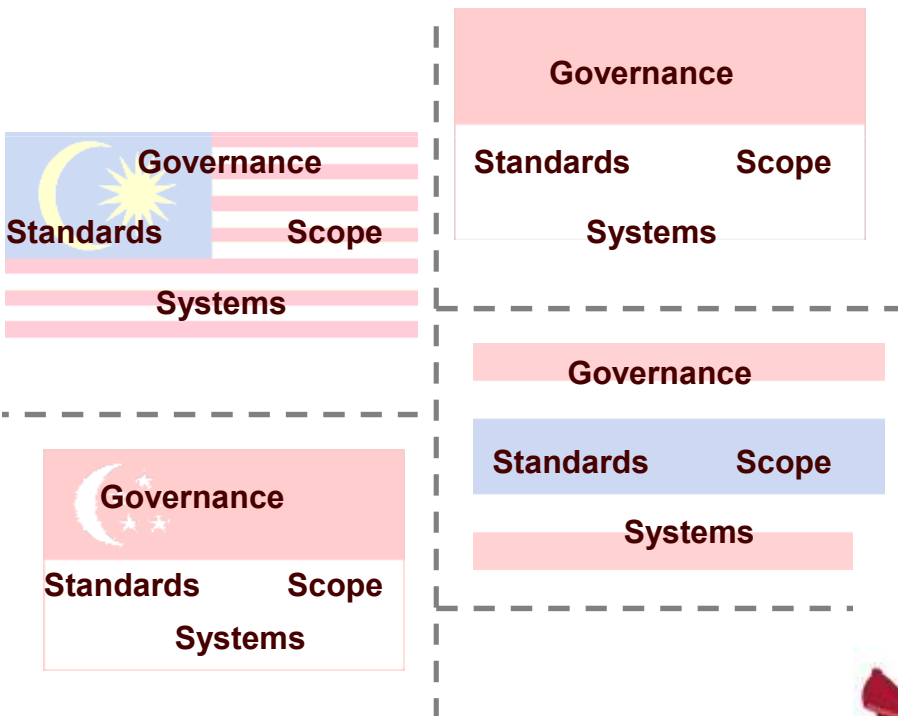


Our Banking Transformation Roadmap is based on following 4 Pillars

A technology-based, phased, incremental transformation

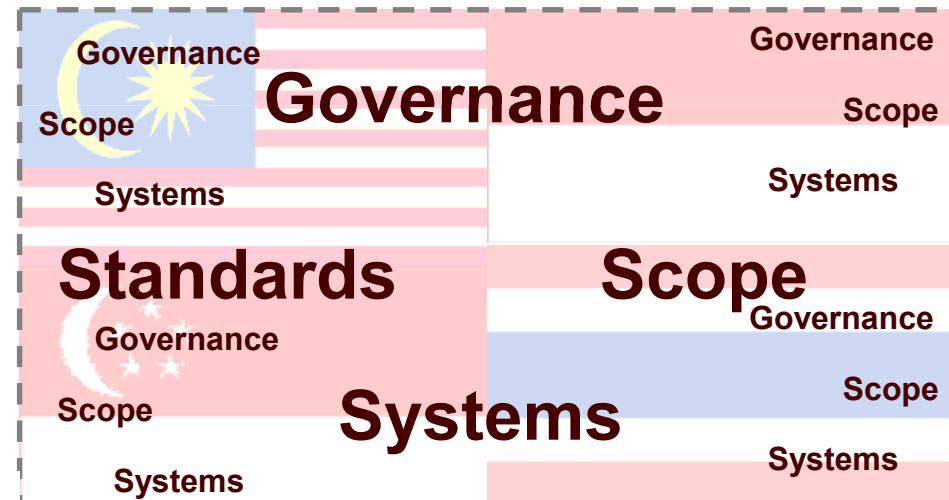
Start State

- Each country had different systems, standards, governance models, scope of services and processes



End State

- Shared / standardised operations and systems, governance and quality management mechanisms



- New, regional, technology-enabled business and operations capabilities to strengthen our ASEAN universal bank proposition

In order to strategize and execute such huge transformation programs CIMB Transformation Office (TO) has evolved with the following functions

Project Management Centre Of Excellence

Ensuring CIMB Group has access to skilled project resources with the appropriate methods and deployment of the appropriate standard documentation and tools

Transformation Programme Delivery

Managing the CIMB Group's critical change programmed to quality, budget and schedule and delivering the anticipated business benefits

Demand Management & Benefits Tracking

Provide process and standards regionally and across the group to enable effective prioritization of resources. Also provide on going benefits tracking for three years from delivery of the project

Innovation 'Inno Labs'

Work closely with business, vendors, CoP to identify, pilot and implement the innovative projects across the group in quest to stay ahead of the competition

Enterprise Architecture and Solutioning

Maintain the Regional business capability model, provide optimal solutioning and technical architecture, develop regional enterprise architecture standards

People Change Management

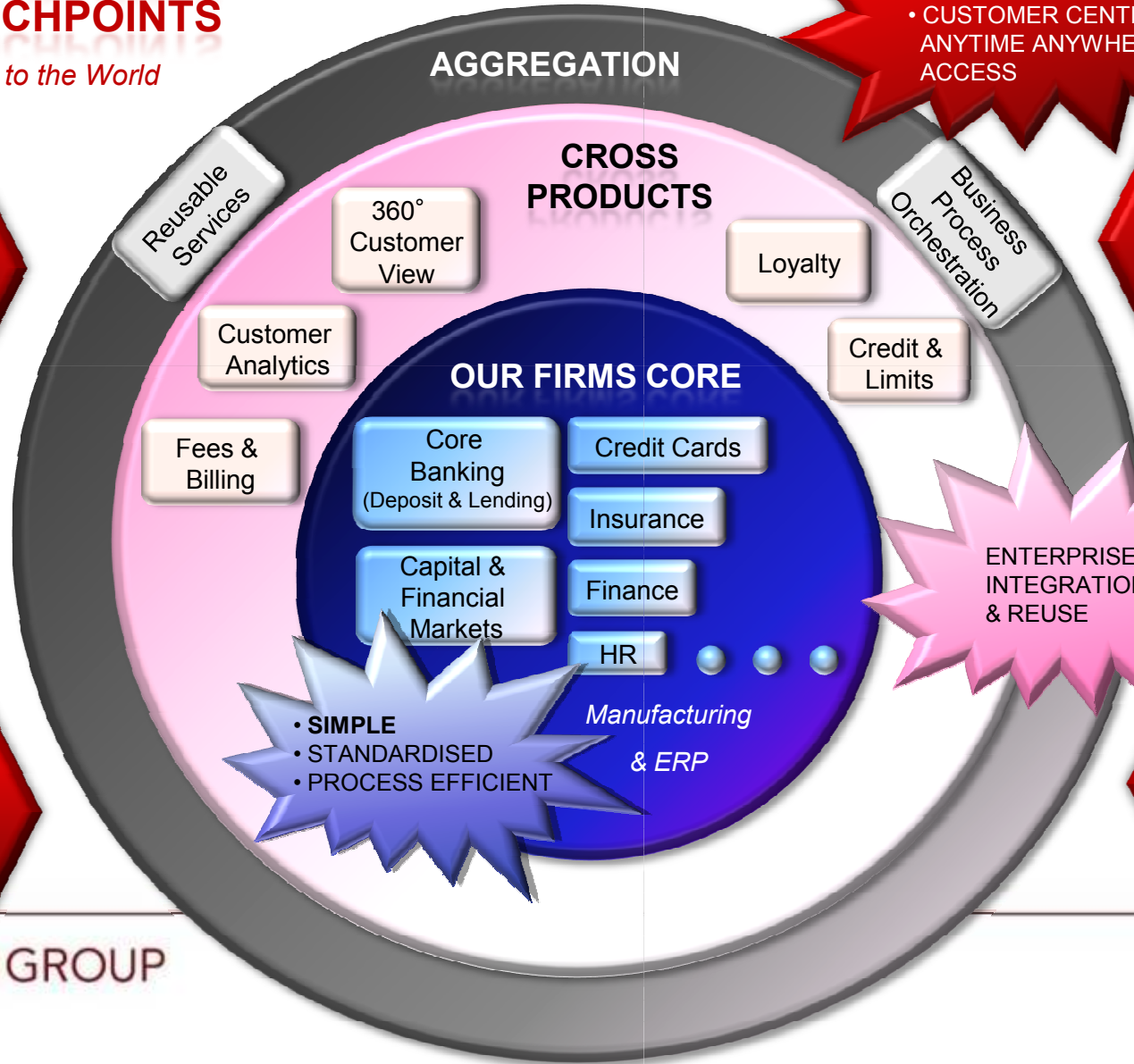
Develop and provide people change management capability to manage user training and change due to large scale transformation and ensure user adoption

...and supported by a clear End State Architecture

CUSTOMER TOUCHPOINTS

Our "Face" to the World

- DIFFERENTIATED
- REGIONALLY CONSISTENT + LOCALISED
- CUSTOMER CENTRIC + ANYTIME ANYWHERE ACCESS



- SIMPLE
- STANDARDISED
- PROCESS EFFICIENT

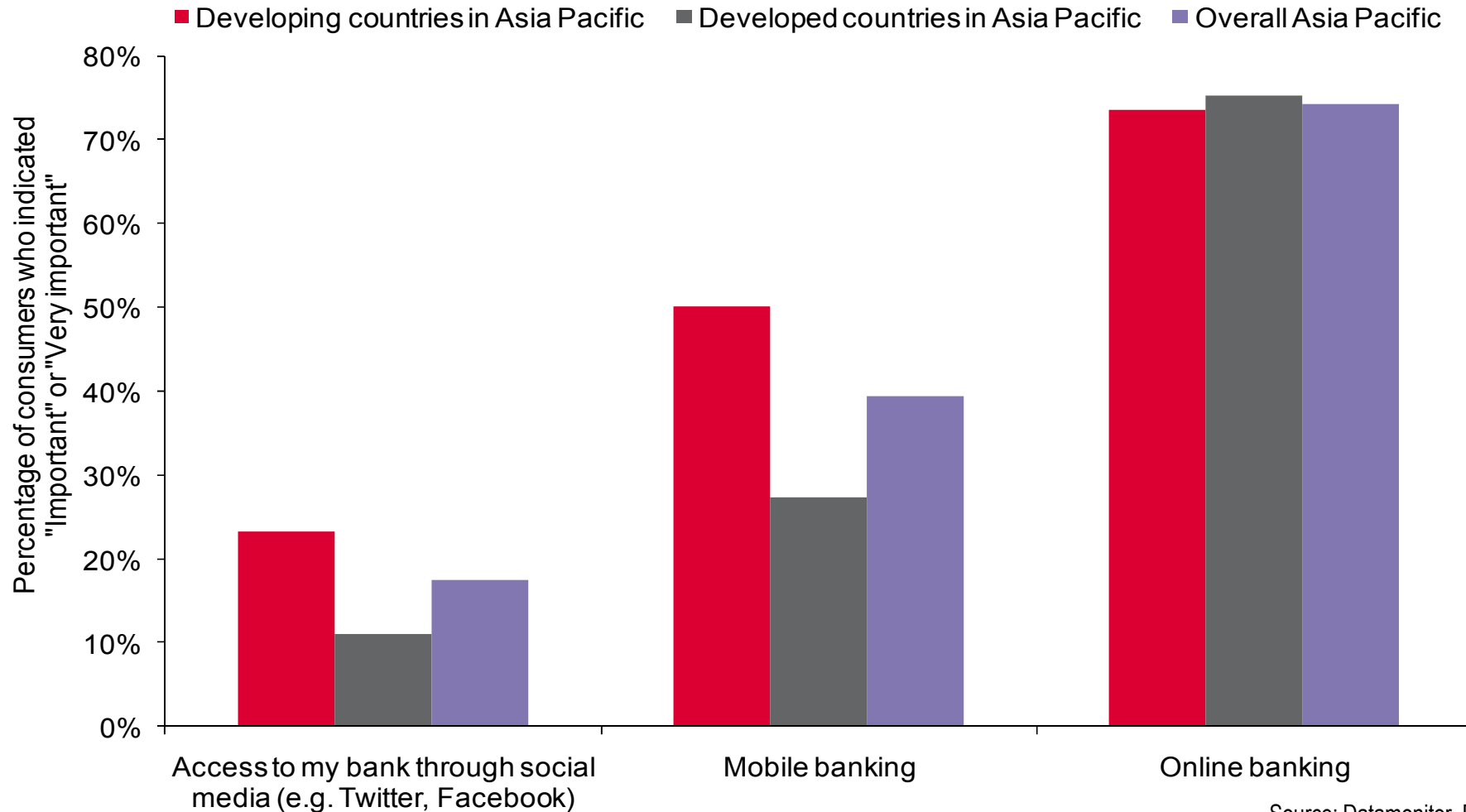
- ENTERPRISE INTEGRATION & REUSE

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Online banking is a necessity across Asia Pacific, with mobile banking increasingly so in developing Asia-Pacific

How important are the following to you in financial services?



Source: Datamonitor, FSCI

The Indonesian market is diversified macro-economically, but boasts a fairly mature mobile environment

Macro-economic landscape

- 60% of Indonesia's population is situated in the Java island where most banks have their networks
- Only about half of the population is urban, making mobile a platform with much wider reach than traditional channels
- Domestic migrants are present throughout Indonesia, but are concentrated in the areas of Jakarta, Java Barat and Riau which account for 37% of domestic migrants

Developing services for the rural population is difficult because of their geographical dispersion

Banking landscape

- Indonesia's banking network is largely focussed in the urban areas which makes them highly inaccessible to the rural population
- Provinces with a specially low branch and ATM density and yet significant population include Sumatera Barat and Sumatera Utara
- About half of the population is unbanked
- About a half of people save at banks with a third of people not saving at all
- Time and costs are the main deterrents for rural households to access bank services

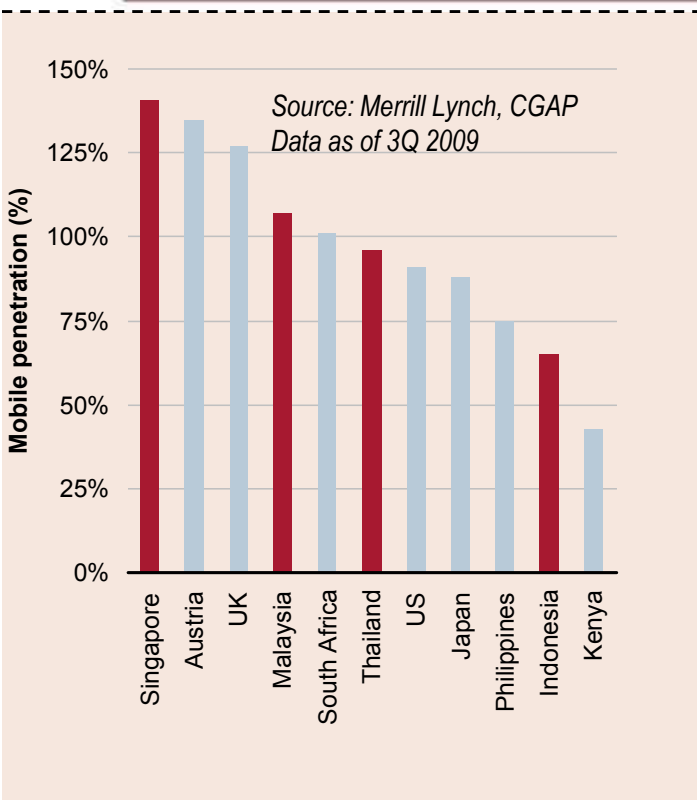
A significant proportion of the population remains unbanked and cannot be served with traditional channels

Telecoms landscape

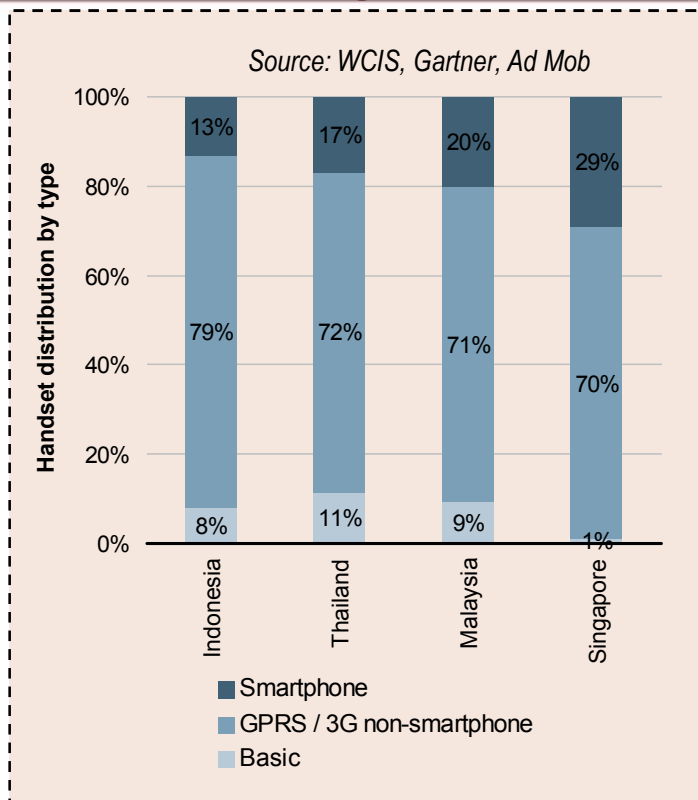
- The Indonesian mobile telecoms market is fairly fragmented and yet has a single dominant operator Telkomsel
- The market is largely prepaid with high churn, with a penetration of 58%
- Telkomsel also has the widest support of mobile devices (smartphones) and platforms (USSD)
- Engaging at least one of the key mobile operators will be key to securing access to a sizable mobile population

The mobile telecoms environment is fairly mature, with Telkomsel holding clear lead in market share and device or platform support

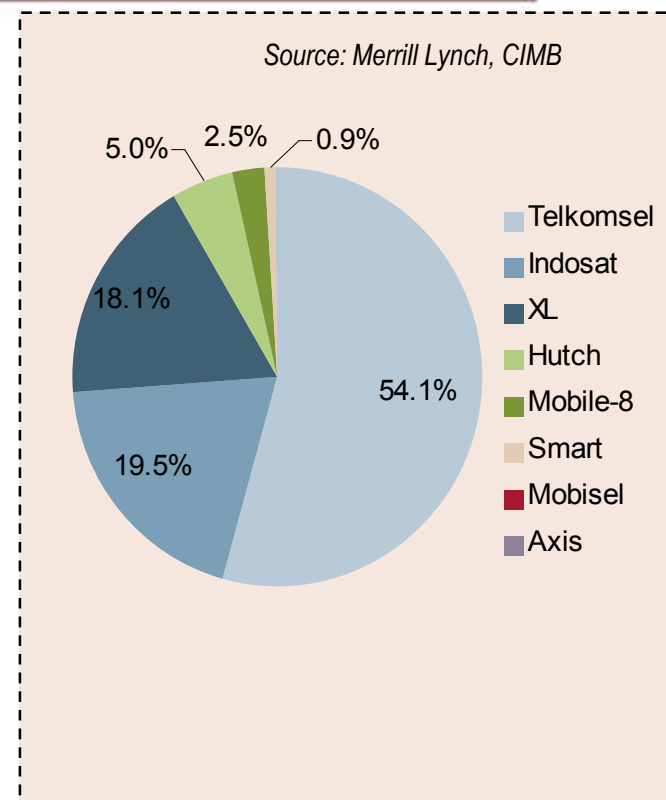
Indonesia's Mobile Market Demographics



- Indonesia is 3rd largest mobile market in Asia
- Mobile ownership is high in Indonesia with penetration rate of 56.8% (internet is only 10.8%)



- 180 mn mobile subscribers growing at ~30-40% over last few years
- Handsets in use tend to be less advanced in Indonesia
- > 1mn are BlackBerry users

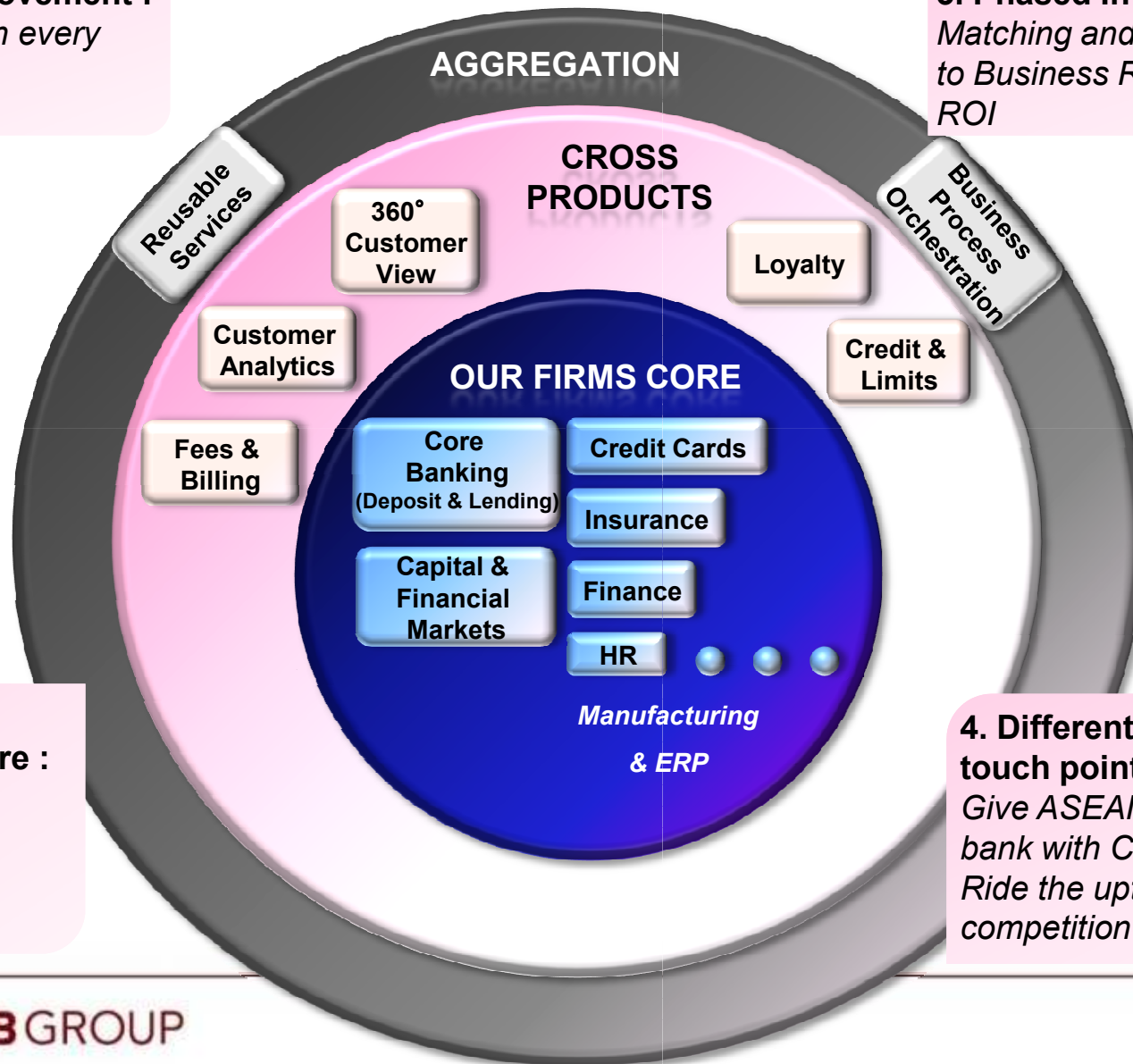


- The mobile market is more fragmented in Indonesia compared to other countries like Singapore, Malaysia, posing a challenge to any bank to cover whole market

Conclusion

Continuous Improvement :
*Maturing execution in every
 sphere of the Bank*

3. Phased Investments :
*Matching and Tweaking Spend
 to Business Results to ensure
 ROI*



No 'one size fits all' solution – the mobile banking offerings will have to be tailored to each market and customer segments

Simplified & Cost Optimised at the Core :
*Withstand and react
 quickly to economic
 volatility*

4. Differentiated and seamless at touch points :
*Give ASEAN stronger reasons to
 bank with CIMB
 Ride the upturns faster than
 competition*