



“Most Innovative in Islamic finance (2009)” – The Banker, FT

“Best Islamic Bank in Asia (2009)” – Euromoney

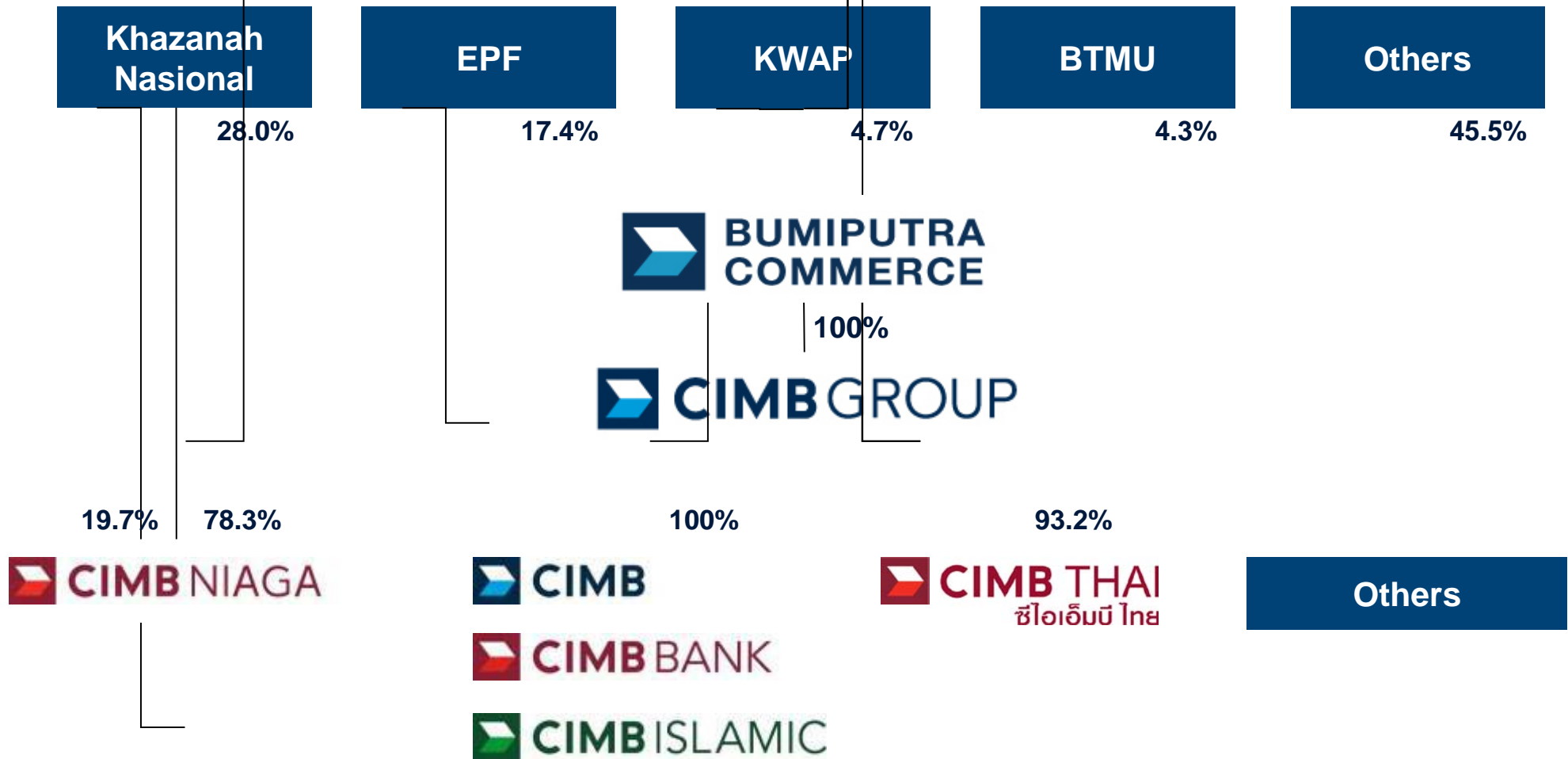
“Best Islamic Investment Bank (2009)” – Asia Pacific



26 & 27 MAY 2010 - MOSCOW

ISLAMIC ASSET MANAGEMENT - Challenges & Opportunities

Overview of CIMB Group



Our SEA Universal Bank Platform

Thailand

147 branches
1,054 ATMs
3,041 staff
0.9 mil customers

Malaysia

361 branches
1,749 ATMs
19,384 staff
5.3 mil customers

Singapore

2 branches
643 staff
4.7k customers

Indonesia

665 branches
1,274 ATMs
11,835 staff
3.3 mil customers



Arguably the best universal banking platform in SEA... full suite of domestic licenses and effective scale



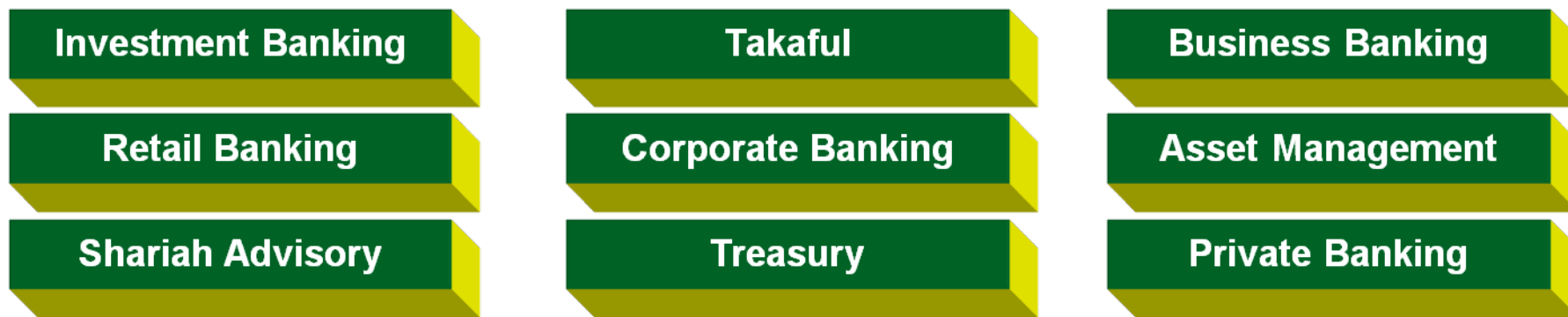
CIMB Islamic Bank Berhad

CIMB Islamic Bank Berhad (CIMB Islamic) is the global Islamic banking and finance arm of CIMB Group. We offer innovative and comprehensive Shariah-compliant financial solutions in the spheres of investment banking, consumer banking, asset management, takaful, private banking and wealth management.

CIMB Islamic's products and operations are managed in strict compliance with Shariah principles under the guidance of the CIMB Islamic Shariah Committee, which comprises the world's leading Islamic scholars.

With the 250 branches that are ready in Indonesia together with our 350 branches in Malaysia, that effectively makes CIMB Islamic the biggest Islamic bank by network in Southeast Asia. CIMB Islamic is now the third largest Islamic bank in Southeast Asia in terms of total assets and deposits.

Our key activities include:-



Our Sukuk Capabilities

2009 Malaysian (RM) Islamic League Table

Rank	Company	Market Share
1	CIMB	35.5%
2	AmlInvestment	18.7%
3	RHB	13.2%
4	Maybank	12.4%
5	HSBC	6.5%
	Others	20.20%
Total		100%

2009 Global (All Currencies) Islamic League Table

Rank	Company	Market Share
1	CIMB	21.7%
2	HSBC	13.0%
3	AmlInvestment	10.8%
4	Maybank	7.6%
5	Standard Chartered	7.4%
	Others	39.5%
Total		100%

Source: Bloomberg League Tables as of 31 December 2009.

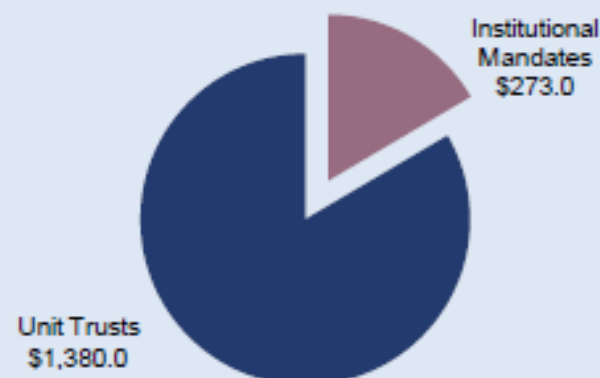
Our Islamic Asset Management Capabilities

- A joint venture between CIMB Group and Principal Global Investors, the asset management arm of the Principal Financial Group®
- Offers holistic and pure management of Islamic assets with end-to-end processes in accordance with Islamic principles
- \$1.6 billion in Shariah compliant assets under management

CIMB-Principal Islamic Asset Management



Assets Under Management* (U.S. millions)



As of 30 September 2009

* Assets represented reflect institutional mandates and unit trusts from Principal Global Investors, CIMB-Principal Asset Management and CIMB-Principal Islamic Asset Management. Principal Global Investors, LLC is in compliance with the Global Investment Performance Standards (GIPS®). Please refer to the Annual Disclosure Presentation within the Notes to Performance section for additional information. CIMB-Principal Asset Management and CIMB-Principal Islamic Asset Management are not currently in compliance with the Global Investment Performance Standards (GIPS®). Due to rounding, figures and percentages shown may not add to the totals or equal 100%.

What's the difference with conventional asset management?

- Islamic asset management takes into account ethical considerations. Funds will not be invested in companies that are involved in the production of alcohol, tobacco, weapons and arms, pornography etc. Financial institutions (interest bearing) and casino's are excluded from the portfolio as well.
- Not only does Islamic asset management involve ethical screening, but there is financial screening as well so that companies that are excessively leveraged are excluded. What is important to the investor is how his or her returns are generated. Investments are in line with social good.

Below is FTSE's financial ratio screening criteria for Islamic stocks:-

i) Debt is less than 33% of total assets

ii) Cash and interest bearing items are less than 33% of total assets

iii) Accounts receivable and cash are less than 50% of total assets

iv) Total interest and non compliant activities income should not exceed 5% of total revenue

Islamic Asset Management Industry

Today, there are 750 Islamic funds with approximately USD70 billion of assets under management

Saudi Arabia and Malaysia are the largest Islamic asset management markets

The number of Islamic funds that invest in the CIS region is limited.

Funds by Fund Manager Countries (as at April 2008)		
Fund Manager Country	Number of Funds	Fund Size (US\$) mil
Saudi Arabia	130	20,360
Malaysia	126	4,141
Kuwait	76	3,437
UAE	39	2,002
Indonesia	25	253
Singapore	21	559
Bahrain	14	368
Pakistan	13	240
Others	57	2,547
Total	504	33,907

Funds by Investment Geography (as at April 2008)		
Investment Geography	Number of Funds	Fund Size (US\$) mil
Asia-Pacific	184	5,012
Middle East/Africa	155	21,966
Global	117	4,979
North America	32	1,547
Europe	11	143
Emerging Markets	5	260
Total	504	33,907

Source: EurekaHedge

Two Most Popular Asset Classes in Islamic Asset Management

Portfolio management requires a certain portion of the fund invested into Debt and equity depending on the risk tolerance of their clients.

Islamic equities are readily available:

- ✓ As at 29 May 2009 – there are 88% are Shariah compliant securities representing 64.3% of the market capitalisation on Bursa Malaysia.
- ✓ Dow Jones Islamic Market Index, consists of 2,500 stocks from 50 countries, has outperformed Dow Jones world stock index over the past 5 years.
- ✓ Tenets of Islamic Investing – lower leverage, transparency, no speculation – are particularly attractive in the wake of the global meltdown.

Islamic debt however are not readily available:

- ✓ In the GCC, Islamic debt is so scarce that most Sukuk are held to maturity.
- ✓ In Malaysia, corporate bonds are more easily traded but still limited availability.

Apart from equity and debt, Islamic asset management companies invest in Shariah compliant private equity and real estate as well.

Mitigating Misconceptions

Misconception

The Truth is...

Products only relevant to Muslims

Available to both Muslims and Non-Muslims

Products are too complicated

Only difference is the Islamic screening process

Restricted Universe

Dow Jones Islamic Market World Index* -
2,407 stocks US\$12.31 trillion market cap
Low Debt + Limited Downside

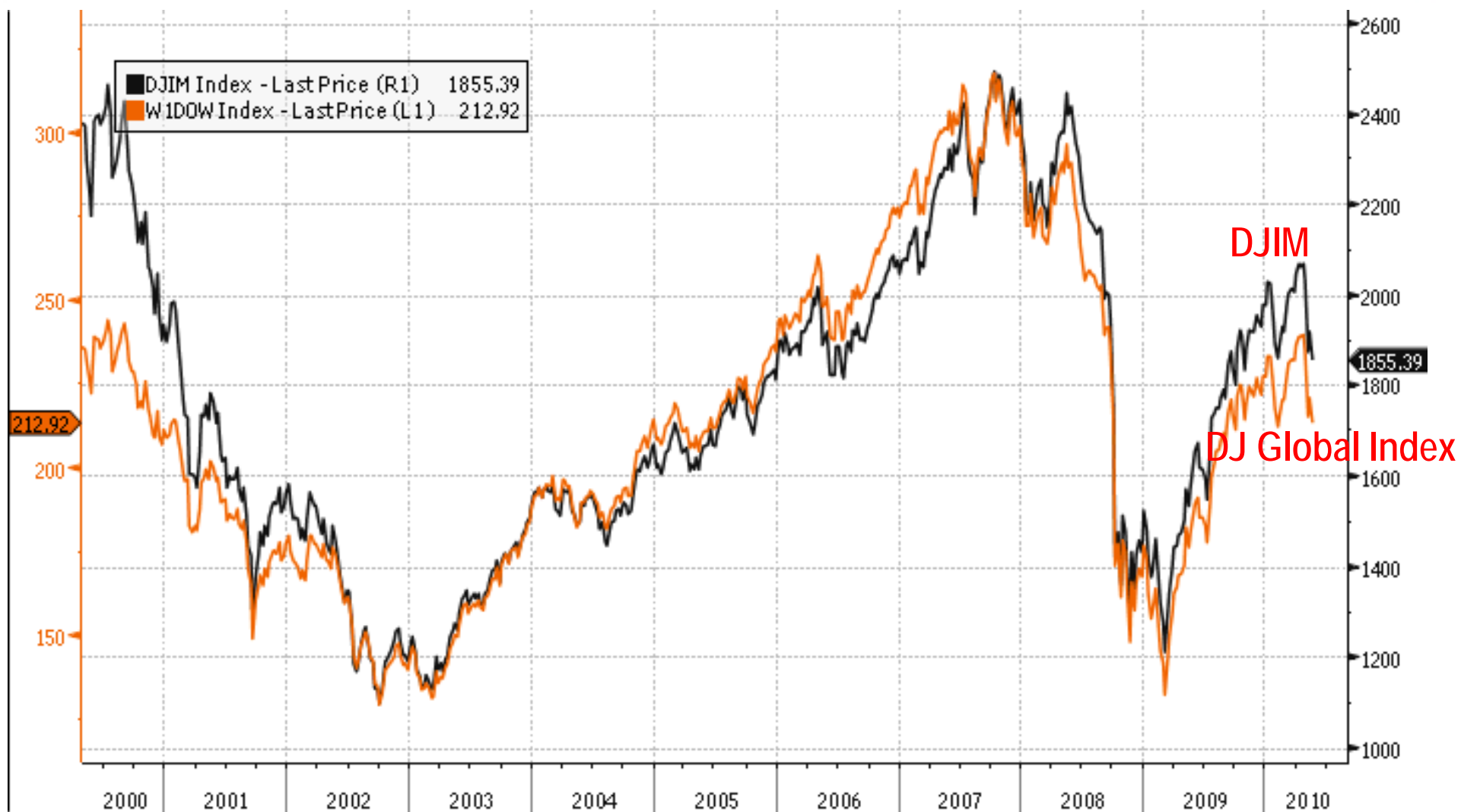
Performance Drag

Not Inferior to Conventional Performance:
Return, Volatility, Risk-Return Profile

*Source: *Dow Jones, 1Q10*

ISLAMIC ASSET MANAGEMENT - PERFORMANCE

10 Years Dow Jones Islamic World vs Conventional World



Source: Bloomberg, 30 April 2010

Relative Performance of Islamic Equities

Diversification – While they are highly correlated, Shariah-compliant investments limit the downside slightly better than conventional investments do. During the recent bear market, Islamic funds fared better period than conventional portfolios did, declining less, experiencing lower volatility and recovering nearly as much ground lost as the markets have recovered.

18-month bear market (Oct. 2007 – March 2009)

	DJ World	DJIM World	Difference
Total Return	-50.48%	-43.21%	7.27%
Annualized Total Return	-37.87%	-31.83%	6.04%
Annualized Volatility	34.08%	32.47%	-1.62%

Five years (Oct. 2004 – Sept. 2009)

	DJ World	DJIM World	Difference
Total Return	11.48%	19.11%	7.63%
Annualized Total Return	2.20%	3.57%	1.37%
Annualized Volatility	21.92%	21.06%	-0.86%

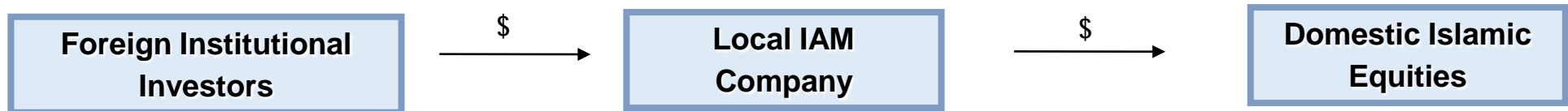
Source: CIMB Islamic Economics Research 1Q2010

What's the relevance of Islamic Asset Management in the CIS?

Option 1



Option 2



Option 3



IDB-ADB Islamic Infrastructure Fund - Indicative Terms

Target Size	US\$500 million								
First Closing	<p>July 2, 2009, with commitments as follows:</p> <table> <tr> <td>Islamic Development Bank:</td> <td>US\$150,000,000</td> </tr> <tr> <td>Asian Development Bank:</td> <td>100,000,000</td> </tr> <tr> <td>CIMB</td> <td>7,000,000</td> </tr> <tr> <td>Standard Bank plc</td> <td>5,000,000</td> </tr> </table>	Islamic Development Bank:	US\$150,000,000	Asian Development Bank:	100,000,000	CIMB	7,000,000	Standard Bank plc	5,000,000
Islamic Development Bank:	US\$150,000,000								
Asian Development Bank:	100,000,000								
CIMB	7,000,000								
Standard Bank plc	5,000,000								
Commitment Period	Up to 5 years								
Term	10 years								
Leverage	Shari'ah-Compliant leverage used to fund the investment may not exceed 75% of the acquisition cost of the investment								
Target Investor Return	15% pre-tax IRR (net of fees and carry)								
Preferred Return	7%								
Carried Interest:	20% (pooled basis)								
Management Fee	1.75%								
Country Exposure	At least 60% invested in Indonesia, Malaysia, Kazakhstan , and Pakistan, but no more than one-third in any of the preceding four countries. No more than 40% invested in Afghanistan, Azerbaijan , Bangladesh, the Kyrgyz Republic , the Maldives, Tajikistan , Turkmenistan and Uzbekistan								
Sector Exposure	Up to 35% each in any of the following sectors: (i) transport, (ii) communications, (iii) power generation, (iv) water; up to 15% each in either education or healthcare and other public services. No more than 20% in any one investee company.								
Investment Type	Full range of ordinary or preferred equity shares, quasi-equity, convertibles or any other securities or instruments, all of which must be Shari'ah Compliant								
Legal Structure	Limited Partnership domiciled in Labuan								

Contact Details

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