

**SPEECH BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE OFFICIAL LAUNCH OF C.I.M.B. GROUP AND THE FIRST C.I.M.B. BANK
BRANCH AT J.W.MARRIOTT, KUALA LUMPUR
7 SEPTEMBER 2006**

BISMILLAHIR RAHMANIR RAHIM

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH DAN SALAM SEJAHTERA

YBHG. TAN SRI MD. NOR YUSOF
PENGERUSI, C.I.M.B. GROUP

YBHG. TAN SRI HAIDAR MOHAMED NOR
PENGERUSI, C.I.M.B. BANK

YBHG. DATO' HAMZAH BAKAR
PENGERUSI, C.I.M.B. INVESTMENT BANK

YBHG. DATO' DR. SYED MUHAMAD SYED ABDUL KADIR
PENGERUSI, C.I.M.B. ISLAMIC

YBHG. DATO' NAZIR RAZAK
KETUA EKSEKUTIF KUMPULAN, C.I.M.B. GROUP

DIF-DIF JEMPUTAN

SAUDARA-SAUDARI YANG SAYA HORMATI SEKALIAN

1. ALHAMDULILLAH, SAYA BERSYUKUR KEHADRAT ALLAH S.W.T. KERANA DENGAN LIMPAH, KURNIA DAN IZIN-NYA MAKA DAPAT KITA BERSAMA DI MAJLIS PADA PETANG INI. SAYA INGIN MENGUCAPKAN TERIMA KASIH KEPADA SELURUH WARGA KUMPULAN C.I.M.B. KERANA SUDI MENJEMPUT SAYA UNTUK MERASMIKAN PELANCARAN KUMPULAN C.I.M.B. SERTA PEMBUKAAN CAWANGAN C.I.M.B. BANK YANG PERTAMA.

2. SAYA GEMBIRA KUMPULAN C.I.M.B. TELAH BERKEMBANG DENGAN BEGITU PESAT SEKALI SEJAK IANYA DIWUJUDKAN TIDAK BERAPA LAMA DAHULU. SAYA DIFAHAMKAN SAIZ ASET KUMPULAN C.I.M.B. KINI BERADA PADA TAHAP 155 BILION RINGGIT, IAITU LEBIH SEPULUH KALI GANDA DARI 14.7 BILION RINGGIT SEMASA KUMPULAN C.I.M.B. MULA DITUBUHKAN PADA TAHUN 2004. SETELAH MELALUI PROSES PENGGABUNGAN, C.I.M.B. BANK TELAH MUNCUL SEBAGAI INSTITUSI PERBANKAN YANG KEDUA TERBESAR DI MALAYSIA. BAGI C.I.M.B. INVESTMENT BANK PULA, IA KINI MERUPAKAN BANK SAUDAGAR YANG TERBESAR DI MALAYSIA YANG JUGA BERCITA-CITA UNTUK MENJADI SALAH SEBUAH BANK PELABURAN YANG ULUNG DI RANTAU INI. DENGAN ITU, SAYA INGIN MENGAMBIL KESEMPATAN INI UNTUK MENGUCAPKAN SYABAS KEPADA SEMUA ANGGOTA KUMPULAN C.I.M.B. YANG TELAH BERUSAHA GIGIH UNTUK MENJADIKANNYA SEBUAH JENAMA

MALAYSIA, YANG JUGA TERKENAL SEBAGAI SALAH SEBUAH INSTITUSI KEWANGAN YANG UNGGUL DALAM SEKTOR PERBANKAN SERANTAU.

3. JUSTERU ITU, PELANCARAN KUMPULAN C.I.M.B. SERTA PEMBUKAAN CAWANGAN C.I.M.B. BANK YANG PERTAMA INI MERUPAKAN SATU PERISTIWA YANG AMAT BERMAKNA, KERANA IANYA MERUPAKAN SALAH SATU MERCU TANDA PENCAPAIAN DALAM RANCANGAN STRATEGIK KUMPULAN C.I.M.B.. SAYA DIFAHAMKAN "C.I.M.B. BANK" BUKAN HANYA MERUPAKAN PERTUKARAN NAMA BAGI BAHAGIAN PERBANKAN KUMPULAN C.I.M.B. SEMATA-MATA, TETAPI JUGA MERUPAKAN USAHA UNTUK MEMPERTINGKATKAN LAGI MUTU PERKHIDMATAN PELANGGAN SECARA KESELURUHANNYA.

LADIES AND GENTLEMEN

4. AS ALL OF YOU ARE AWARE, THE FINANCIAL SERVICES SECTOR IS WIDELY REGARDED AS A CRITICAL COMPONENT OF ANY ECONOMY. INDEED, MY GOVERNMENT VIEWS THE SECTOR TO BE A KEY DRIVER OF ECONOMIC GROWTH FOR TWO REASONS, NAMELY BECAUSE OF ITS SIZE, AND ALSO DUE TO ITS FUNCTION. IN 2005, THE MALAYSIAN FINANCIAL SERVICES SECTOR'S SHARE OF GROSS DOMESTIC PRODUCT (G.D.P.) STOOD AT 15.1 PERCENT. OVER THE SAME PERIOD, THE SECTOR ALSO EMPLOYED 6.8 PERCENT OF MALAYSIA'S TOTAL WORKFORCE. IN TERMS OF ITS FUNCTION IN SUPPORTING OVERALL ECONOMIC GROWTH, THE FINANCIAL SERVICES SECTOR HELPS CHANNEL FUNDS TO OTHER SECTORS OF THE ECONOMY FOR DEVELOPMENT PURPOSES.

5. IN VIEW OF THIS, THE NINTH MALAYSIA PLAN HAS IDENTIFIED THE FINANCIAL SERVICES SECTOR AS A KEY DRIVER OF FUTURE ECONOMIC GROWTH. IN THIS CONTEXT, I BELIEVE THAT THE FIRST THRUST OF THE NATIONAL MISSION – WHICH IS TO MOVE THE MALAYSIAN ECONOMY UP THE VALUE CHAIN – CAN ONLY BE ACHIEVED WITH THE PRESENCE OF A VIBRANT AND RESILIENT FINANCIAL SERVICES SECTOR.

6. IN ORDER TO DEVELOP THE FINANCIAL SERVICES SECTOR FURTHER, THE GOVERNMENT HAD EARLIER LAUNCHED SEVERAL INDUSTRY-WIDE INITIATIVES TO STRENGTHEN THE CAPABILITY AND CAPACITY OF DOMESTIC FINANCIAL INSTITUTIONS. AS YOU MAY BE AWARE, THESE INITIATIVES ARE ENCAPSULATED IN THE FINANCIAL SECTOR MASTER PLAN AND THE CAPITAL MARKETS MASTER PLAN.

7. ALHAMDULILLAH, A LARGE PART OF THESE PLANS HAVE BEEN IMPLEMENTED, AND WE ARE NOW MOVING INTO THE SECOND PHASE OF IMPLEMENTATION. THE SECOND PHASE OF THESE PLANS IS INTENDED TO ADDRESS AN INDUSTRY LANDSCAPE THAT IS RAPIDLY CHANGING, AS BANKS ARE CONSTANTLY FACED WITH NEW CUSTOMER DEMANDS, NEW PRODUCTS AND SERVICES, AND NEW COMPETITORS FROM BOTH LOCAL AND FOREIGN SHORES. GOING FORWARD, WE SHOULD BE ACUTELY AWARE THAT THE LEVEL OF COMPETITION WITHIN THE

FINANCIAL SERVICES SECTOR WILL ONLY INCREASE OVER TIME, AS FURTHER LIBERALISATION AND DEREGULATION OF THE SECTOR TAKES PLACE.

8. IN ORDER TO EFFECTIVELY FACE THESE CHALLENGES, I STRONGLY BELIEVE THAT SEVERAL CHANGES ARE REQUIRED FOR THE DOMESTIC FINANCIAL SERVICES SECTOR. FIRSTLY, THE SECTOR REQUIRES TANGIBLE CHANGES IN THE FORM OF BETTER INFRASTRUCTURE AND FACILITIES TO SERVE ITS CUSTOMERS. BY THESE CHANGES I NOT ONLY MEAN A MERE BEAUTIFICATION OF OPERATING PREMISES, BUT ALSO CHANGES TO THE MINDSET OF INDUSTRY PLAYERS AND THEIR EMPLOYEES. IN MY VIEW, THERE MUST BE A CONSCIOUS EFFORT TO ADOPT A FIRST CLASS MENTALITY AND A SENSE OF URGENCY IN THE FACE OF INCREASED COMPETITION. WITHOUT THIS CRITICAL CHANGE, THE FINANCIAL SERVICES INDUSTRY WILL CONTINUE TO BE HAMPERED BY FIRST CLASS INFRASTRUCTURE, BUT THIRD CLASS MENTALITY. INDEED, WE NEED TO CREATE GLOBAL FINANCIAL CHAMPIONS WHO WILL BE CAPABLE OF COMPETING AGAINST THE BEST FOREIGN PLAYERS, AND THERE MUST A STRONG WILL TO DO SO NOW.

9. SECONDLY, THE SECTOR REQUIRES MORE INNOVATIVE PRODUCTS AND SERVICES THAT ARE ABLE TO MEET CUSTOMERS' INCREASINGLY DEMANDING NEEDS. IN THIS REGARD, IT IS IMPERATIVE THAT FINANCIAL INTERMEDIARIES ACT LESS AS MERE SAVINGS AND DEPOSITS OUTLETS, BUT RATHER AS FACILITATORS FOR THE PUBLIC'S FINANCIAL REQUIREMENTS. IN MY VIEW, FINANCIAL INSTITUTIONS MUST BE ABLE TO CATER TO A WIDE-RANGE OF FINANCING NEEDS FOR BOTH INDIVIDUALS AND BUSINESSES .

LADIES AND GENTLEMEN

10. WHILE THE GOVERNMENT'S VISION FOR THE FINANCIAL SERVICES SECTOR IS, IN LARGE PART, ENCAPSULATED IN THE FINANCIAL SECTOR MASTER PLAN AND THE CAPITAL MARKETS MASTER PLAN, THE PLANS THEMSELVES ARE BY NO MEANS PRESCRIPTIVE OF THE SOLUTIONS THAT WILL SERVE THE NEEDS OF ALL INDUSTRY PLAYERS. ALTHOUGH THE PLANS CLEARLY STIPULATE THE TYPES OF ENDEAVOURS THAT THE GOVERNMENT WILL SUPPORT, I BELIEVE THAT IT IS UP TO THE FINANCIAL INSTITUTIONS THEMSELVES TO CHART THEIR OWN DESTINIES. IN THIS RESPECT, I WOULD LIKE TO HIGHLIGHT THAT WHERE THE VALUE PROPOSITION FOR THE SECTOR IS CLEAR, THE GOVERNMENT HAS BEEN, AND WILL CONTINUE TO BE, HIGHLY SUPPORTIVE.

11. FOR EXAMPLE, IN THE CASE OF THE C.I.M.B. GROUP ITSELF, THE GOVERNMENT'S OWN INVESTMENT HOLDING ARM KHAZANAH NASIONAL IS A MAJOR SHAREHOLDER IN BUMIPUTRA-COMMERCE HOLDINGS, AND HAS BEEN VERY SUPPORTIVE OF THE RESTRUCTURING AS WELL AS ACQUISITION PLANS OF THE C.I.M.B. GROUP. THIS IS MAINLY BECAUSE THE GROUP HAS DEMONSTRATED THAT ITS PROPOSITIONS ARE AIMED AT CREATING VALUE FOR SHAREHOLDERS AND CUSTOMERS.

12. GOING FORWARD, IT IS MY FERVENT HOPE THAT THE C.I.M.B. GROUP WILL STRONGLY SUPPORT THE GOVERNMENT'S COMMITMENT TO FURTHER DEVELOP THE FINANCIAL SERVICES SECTOR. FOR INSTANCE, I TAKE NOTE THAT THE C.I.M.B. GROUP OPERATES ON A DUAL OR PARALLEL BANKING SYSTEM, WHICH GIVES CUSTOMERS THE CHOICE OF EITHER CONVENTIONAL OR ISLAMIC BANKING AT ALL LEVELS – BE IT IN CONSUMER BANKING, INVESTMENT BANKING OR EVEN FUND MANAGEMENT. IN THIS REGARD, THE GOVERNMENT LOOKS FORWARD TO THE C.I.M.B. GROUP'S SIGNIFICANT CONTRIBUTION TO THE COUNTRY'S PLANS TO BECOME A MAJOR CENTRE FOR INTERNATIONAL ISLAMIC FINANCE.

13. EVEN MORE PERTINENT IS PERHAPS THE FACT THAT GIVEN THE SIZE OF THE BANKING SECTOR IN MALAYSIA, I SINCERELY BELIEVE THAT IT IS ABLE TO PLAY A MAJOR ROLE IN LEADING THE MOVE TO BETTER CORPORATE RESPONSIBILITY AND GOVERNANCE. FOR EXAMPLE, GIVEN THAT TRUST AND INTEGRITY ARE CENTRAL TO BANKING, BANKS ARE EMINENTLY WELL PLACED TO PAVE THE WAY TOWARDS ENHANCING CORPORATE GOVERNANCE AND FINANCIAL DISCLOSURE IN MALAYSIA, TO BE IN LINE WITH INTERNATIONAL STANDARDS.

14. HOWEVER, CORPORATE RESPONSIBILITY GOES BEYOND THE FINANCIAL REALM, AND ALSO ENCOMPASSES SOCIAL RESPONSIBILITIES, TOO. IN THIS REGARD, I WOULD LIKE TO REMIND BANKS THAT THEIR ROLE IS SO MUCH AN INTEGRAL PART OF SOCIETY, THAT THEIR AIMS AND OBJECTIVES OUGHT TO GO BEYOND THE ASPECTS OF MONEY OR PROFITABILITY ALONE. A GOOD BANK MUST ALSO PLAY A SOCIAL ROLE TO ENSURE THAT QUALITY BANKING SERVICES ARE MADE AVAILABLE TO ALL FACETS OF MALAYSIAN SOCIETY, WHICH INCLUDES THE RURAL AND LESS AFFLUENT POPULATIONS. A BANK'S WORTH MUST BE MEASURED NOT ONLY IN TERMS OF PROFITS, BUT ALSO IN TERMS OF HOW MUCH IT CONTRIBUTES BACK TO SOCIETY.

LADIES AND GENTLEMEN

15. I WOULD LIKE TO CONGRATULATE THE C.I.M.B. GROUP FOR ITS ACHIEVEMENTS TO DATE. INDEED, THE C.I.M.B. GROUP'S CHALLENGES FORM A MICROCOSM OF THE LARGER SET OF CHALLENGES THAT THE COUNTRY FACES IN ITS GOAL OF ACHIEVING DEVELOPED-NATION STATUS, AS OUTLINED IN VISION 2020.

16. ALREADY, THE C.I.M.B. GROUP IS READY TO SPREAD ITS WINGS TO THE REGION. LET ME SAY THAT AS YOU EMBARK ON YOUR QUEST "TO BE SOUTH EAST ASIA'S MOST VALUED UNIVERSAL BANK", YOUR FELLOW MALAYSIANS ARE READY TO STAND BY YOU, AND TO WISH YOU EVERY SUCCESS IN YOUR JOURNEY. INSYA-ALLAH, C.I.M.B. GROUP WILL CONTINUE TO GO FROM STRENGTH TO STRENGTH. ON THAT NOTE, AND WITH THE RECITATION OF BISMILLAHIR RAHMANIR RAHIM, IT IS NOW MY PLEASURE TO OFFICIALLY LAUNCH THE C.I.M.B. GROUP AND TO DECLARE OPEN THE FIRST C.I.M.B. BANK BRANCH.

THANK YOU.