

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Note	The Group	
		31 Dec 2010 RM'000	31 Dec 2009 RM'000
ASSETS			
Cash and short-term funds		27,185,260	28,274,687
Reverse repurchase agreements		3,804,662	4,544,873
Deposits and placements with banks and other financial institutions		11,745,823	2,383,055
Financial investments at fair value through profit or loss	A7(a),(b)	17,082,596	14,999,302
Financial investments available-for-sale	A8	11,658,702	11,027,053
Financial investments held-to-maturity	A9	14,120,263	14,266,710
Derivative financial instruments	A20 (i)	3,577,155	3,689,831
Loans, advances and financing	A10	159,181,385	142,191,673
Other assets	A11	7,353,522	5,221,796
Deferred tax assets		15,269	293,708
Tax recoverable		98,358	110,416
Statutory deposits with central banks		1,410,436	843,757
Investment in associates and jointly controlled entities		680,293	649,138
Property, plant and equipment		1,442,948	1,531,816
Investment properties		61,216	120,349
Prepaid lease payments		185,542	247,174
Goodwill		8,159,469	7,694,653
Intangible assets		1,543,295	1,667,784
		269,306,194	239,757,775
Non-current assets held for sale		59,050	226,224
TOTAL ASSETS		269,365,244	239,983,999
LIABILITIES AND EQUITY			
Deposits from customers	A12	199,845,664	178,882,336
Deposits and placements of banks and other financial institutions	A13	13,092,157	10,131,582
Repurchase agreements		33,087	565,097
Derivative financial instruments	A20 (i)	3,748,516	3,492,587
Bills and acceptances payable		4,831,366	4,494,794
Other liabilities	A14	8,624,668	8,100,760
Deferred tax liabilities		12,124	13,247
Current tax liabilities		322,789	428,565
Amount due to Cagamas Berhad		107,523	335,612
Bonds	B7	423,982	443,051
Other borrowings	B7	3,484,667	3,202,196
Subordinated notes	B7	9,675,340	6,342,738
Non-cumulative guaranteed and redeemable preference shares		860,162	904,720
TOTAL LIABILITIES		245,062,045	217,337,285
Ordinary share capital		7,432,775	3,531,766
Reserves		15,797,775	16,813,811
Less: Shares held under trust		(563)	(563)
Treasury shares, at cost		(21)	-
		23,229,966	20,345,014
Perpetual preference shares		200,000	200,000
Minority interests		873,233	2,101,700
TOTAL EQUITY		24,303,199	22,646,714
TOTAL LIABILITIES AND EQUITY		269,365,244	239,983,999
COMMITMENTS AND CONTINGENCIES	A20 (ii)	366,669,257	322,892,443
Net assets per share attributable to ordinary equity holders of the Company (RM)		3.13	2.88*

* The net assets per share for the comparative period has been restated to reflect the bonus issue completed on 24 May 2010.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009.

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	The Group			
		4th quarter ended		Twelve months ended	
		31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
		RM'000	RM'000	RM'000	RM'000
Interest income	A15	2,950,527	2,583,286	11,168,858	10,539,770
Interest expense	A16	(1,320,597)	(1,014,511)	(4,631,581)	(4,470,864)
Net interest income		1,629,930	1,568,775	6,537,277	6,068,906
Income from Islamic Banking operations	A23(b)	462,952	260,129	1,330,036	806,424
Net non-interest income (excluding gain on disposal of net assets and interest in subsidiaries)	A17	1,055,956	902,351	3,916,174	3,508,021
		3,148,838	2,731,255	11,783,487	10,383,351
Gain on disposal of net assets and interest in subsidiaries		20,142	-	27,218	99,800
		3,168,980	2,731,255	11,810,705	10,483,151
Overheads	A18	(1,877,706)	(1,489,298)	(6,525,773)	(5,531,263)
Profit before allowances		1,291,274	1,241,957	5,284,932	4,951,888
Allowance for impairment losses on loans, advances and financing	A19	(167,627)	(203,148)	(607,176)	(1,022,605)
Allowance written back/(made) for losses on other receivables		16,405	88,213	(8,085)	(56,569)
Allowance written back/(made) for commitments and contingencies		32,637	26,727	(20,900)	(18,088)
Losses from asset management and securities services		(50,000)	-	(50,000)	-
Allowance made for other impairment losses		(11,655)	(67,297)	(48,189)	(76,779)
		1,111,034	1,086,452	4,550,582	3,777,847
Share of results of jointly controlled entities		2,530	1,012	9,548	7,755
Share of results of associates		34,491	6,159	86,620	26,275
Profit before taxation and zakat		1,148,055	1,093,623	4,646,750	3,811,877
Taxation and zakat	B4	(267,065)	(200,012)	(956,830)	(764,810)
Profit for the period/year		880,990	893,611	3,689,920	3,047,067
Other comprehensive income:					
Revaluation reserve-financial investments available-for-sale		(60,728)	4,456	(289,426)	226,191
- Net gain from change in fair value		38,366	88,670	421,912	528,722
- Realised gain transferred to comprehensive income on disposal and impairment		(178,370)	(111,793)	(716,693)	(282,924)
- Income tax effects		83,120	29,793	18,449	11,471
- Currency translation difference		(3,844)	(2,214)	(13,094)	(31,078)
Net investment hedge		(1,640)	32,423	253,643	30,366
Hedging reserve- cash flow hedge		-	(1,998)	-	(3,021)
- Net (gain)/loss from change in fair value		-	(2,250)	-	(4,028)
- Income tax effects		-	252	-	1,007
Exchange fluctuation reserve		(75,140)	(5,092)	(721,438)	812,597
Other comprehensive income for the period/year, net of tax		(137,508)	29,789	(757,221)	1,066,133
Total comprehensive income for the period/year		743,482	923,400	2,932,699	4,113,200

CIMB GROUP HOLDINGS BERHAD*(Company Number 50841-W)***CONDENSED INTERIM FINANCIAL STATEMENTS****UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010**

(Continued)

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year attributable to :				
Equity holders of the Company	877,623	802,893	3,520,836	2,806,816
Minority interests	3,367	90,718	169,084	240,251
	880,990	893,611	3,689,920	3,047,067
Total comprehensive income for the period/year attributable to:				
Equity holders of the Company	743,063	812,475	2,773,644	3,717,013
Minority interests	419	110,925	159,055	396,187
	743,482	923,400	2,932,699	4,113,200
Earnings per share (sen):				
- Basic *	B9(a) 11.8	11.4	49.0	39.8

* Basic earnings per share for the comparative period have been restated to reflect the bonus issue completed on 24 May 2010.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

The Group
31 December 2010

	Attributable to equity holders of the Company														
	Share capital RM'000	Share premium- ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available- for-sale RM'000	Other reserves RM'000	Regulatory reserve* RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Minority interests RM'000	Total RM'000
At 1 January 2010	3,531,766	5,586,751	3,415,780	136,954	361,780	(563)	-	545,121	(64,386)	-	6,831,811	20,345,014	200,000	2,101,700	22,646,714
Effects of adopting FRS 139 on 1 January 2010 and change in comparative	-	-	-	-	-	-	-	221,379	-	-	(566,024)	(344,645)	-	(22,665)	(367,310)
Adjusted 1 January 2010	3,531,766	5,586,751	3,415,780	136,954	361,780	(563)	-	766,500	(64,386)	-	6,265,787	20,000,369	200,000	2,079,035	22,279,404
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	3,520,836	3,520,836	-	169,084	3,689,920
Other comprehensive income (net of tax)	-	-	-	-	(709,117)	-	-	(291,827)	253,752	-	-	(747,192)	-	(10,029)	(757,221)
- Financial investments available-for-sales	-	-	-	-	-	-	-	(291,827)	-	-	-	(291,827)	-	2,401	(289,426)
- net investment hedge	-	-	-	-	-	-	-	-	253,752	-	-	253,752	-	(109)	253,643
- currency translation difference	-	-	-	-	(709,117)	-	-	-	-	-	-	(709,117)	-	(12,321)	(721,438)
Total comprehensive income for the year	-	-	-	-	(709,117)	-	-	(291,827)	253,752	-	3,520,836	2,773,644	-	159,055	2,932,699
Dividend for the financial year ended 31 December 2009	-	-	-	-	-	-	-	-	-	-	(653,376)	(653,376)	-	(4,314)	(657,690)
Dividends for the financial year ended 31 December 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Interim dividend	-	-	-	-	-	-	-	-	-	-	(339,083)	(339,083)	-	-	(339,083)
- Special dividend	-	-	-	-	-	-	-	-	-	-	(999,708)	(999,708)	-	(11)	(999,719)
Transfer to statutory reserve	-	-	519,528	-	-	-	-	-	-	-	(519,528)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	117,595	(117,595)	-	-	-	-
Arising from (dilution)/accretion of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,083)	(1,083)	-	(1,361,067)	(1,362,150)
Rights issue of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	20,535	20,535
Capital repayment of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Purchase of treasury shares	-	-	-	-	-	-	(21)	-	-	-	-	(21)	-	-	(21)
Issuance of bonus shares	3,531,764	(3,531,764)	-	-	-	-	-	-	-	-	-	-	-	-	-
Share exchange for acquisition of a subsidiary	268,000	1,675,000	-	-	-	-	-	-	-	-	1,943,000	-	-	-	1,943,000
Exercise of warrant	101,245	462,609	-	-	-	-	-	-	(57,630)	-	506,224	-	-	-	506,224
At 31 December 2010	7,432,775	4,192,596	3,935,308	136,954	(347,337)	(563)	(21)	474,673	131,736	117,595	7,156,250	23,229,966	200,000	873,233	24,303,199

* Regulatory reserve is maintained as an additional credit risk absorbent to ensure robustness on the loan impairment assessment methodology with the adoption of FRS 139 beginning 1 January 2010

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

Attributable to equity holders of the Company

The Group 31 December 2009	Share capital RM'000	Share premium- ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available- for-sale RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Minority interests RM'000	Total RM'000
At 1 January 2009	3,578,078	6,027,864	2,841,540	89,387	(413,908)	(74,190)	(461,702)	369,951	(113,582)	5,255,765	17,099,203	200,000	1,513,390	18,812,593
Profit for the financial year	-	-	-	-	-	-	-	-	-	2,806,816	2,806,816	-	240,251	3,047,067
Other comprehensive income (net of tax)	-	-	-	-	707,682	-	-	175,170	27,345	-	910,197	-	155,936	1,066,133
- Financial investments available-for-sales	-	-	-	-	-	-	-	175,170	-	-	175,170	-	51,021	226,191
- net investment hedge	-	-	-	-	-	-	-	-	30,366	-	30,366	-	-	30,366
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(3,021)	-	(3,021)	-	-	(3,021)
- currency translation difference	-	-	-	-	707,682	-	-	-	-	-	707,682	-	104,915	812,597
Total comprehensive income for the year	-	-	-	-	707,682	-	-	175,170	27,345	2,806,816	3,717,013	-	396,187	4,113,200
Dividend for the financial year ended 31 December 2008	-	-	-	-	-	-	-	-	-	(699,387)	(699,387)	-	(33,921)	(733,308)
Transfer to statutory reserve	-	-	574,240	-	-	-	-	-	-	(574,240)	-	-	-	-
Issue of share capital arising from:														
- conversion of USD Zero Coupon guaranteed convertible bonds 2004/2009	4,317	20,763	-	-	-	-	-	-	-	-	25,080	-	-	25,080
Option reserves arising from share option schemes of subsidiaries	-	-	-	(3,062)	-	-	-	-	(35,779)	37,357	(1,484)	-	2,503	1,019
Net reversal of shares held under trust	-	-	-	-	-	73,627	-	-	-	-	73,627	-	-	73,627
Arising from accretion/dilution of equity interest in subsidiary	-	-	-	-	68,006	-	-	-	-	5,500	73,506	-	223,541	297,047
Cancellation of treasury shares	(50,629)	(461,876)	-	50,629	-	-	461,876	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	(174)	-	-	-	(174)	-	-	(174)
Arising from issuance of warrants	-	-	-	-	-	-	-	-	57,630	-	57,630	-	-	57,630
At 31 December 2009	3,531,766	5,586,751	3,415,780	136,954	361,780	(563)	-	545,121	(64,386)	6,831,811	20,345,014	200,000	2,101,700	22,646,714

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Profit before taxation and zakat	4,646,750	3,811,877
Adjustments for non-operating and non-cash items	178,625	794,595
Operating profit before changes in working capital	4,825,375	4,606,472
Net changes in operating assets	(30,335,390)	(13,255,918)
Net changes in operating liabilities	23,778,729	10,519,419
	(6,556,661)	(2,736,499)
Cash flows used in operations	(1,731,286)	1,869,973
Taxation paid	(944,772)	(339,125)
Net cash flows (used in)/generated from operating activities	(2,676,058)	1,530,848
Net cash flows generated from investing activities	451,069	2,612,161
Net cash flows generated from/(used in) financing activities	2,263,367	(653,919)
Net (decrease)/increase in cash and cash equivalents during the financial year	38,378	3,489,090
Effects of exchange rate changes	(1,127,805)	376,886
Cash and short-term funds at beginning of the financial year	28,274,687	24,408,711
Cash and short-term funds at end of the financial year	27,185,260	28,274,687
Statutory deposits with Bank Indonesia*	(2,985,829)	(1,419,190)
Cash and cash equivalents at end of the financial year	24,199,431	26,855,497

* This represent non-interest bearing statutory deposits of a foreign subsidiary maintained with Bank Indonesia in compliance with their applicable legislation which is not readily available for use by the Group.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited condensed interim financial statements for the financial year ended 31 December 2010 have been prepared under the historical cost convention, except for financial assets held for trading, financial assets designated at fair value through profit or loss, financial investments available-for-sale, derivative financial instruments, investment properties and non-current assets/disposal groups held for sale, that have been measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements. These financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2009. The explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2009, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2010:

- Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate"
- Amendments to FRS 2 "Share-based Payment Vesting Conditions and Cancellations"
- FRS 4 "Insurance Contracts"
- Amendment to FRS 5 - "Non-current Assets Held for Sale and Discontinued Operations" (effective 1 January 2010)
- FRS 7 "Financial Instruments: Disclosures"
- FRS 8 "Operating Segments"
- Amendment to FRS 8 "Operating Segments"
- FRS 101 "Presentation of Financial Statements"
- FRS 139 "Financial Instruments: Recognition and Measurement"
- Amendments to FRS 7 "Financial Instruments: Disclosure"
- Amendment to FRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors"
- Amendment to FRS 117 "Leases"
- Amendment to FRS 119 "Employee Benefits"
- Amendment to FRS 127 "Consolidated and Separate Financial Statements"
- Amendment to FRS 128 "Investments in Associates"
- Amendment to FRS 131 "Interests in Joint Ventures"
- Amendments to FRS 132 "Financial Instruments: Presentation"
- Amendment to FRS 134 "Interim Financial Reporting"
- Amendment to FRS 138 "Intangible Assets" (effective 1 January 2010)
- Amendment to FRS 140 "Investment Property"
- IC Interpretation 9 "Reassessment of Embedded Derivatives"
- IC Interpretation 10 "Interim Financial Reporting and Impairment"
- IC Interpretation 11 "FRS 2 Group and Treasury Share Transactions"
- IC Interpretation 13 "Customers Loyalty Programmes"
- IC Interpretation 14 "FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"
- Amendments to IC Interpretation 9 "Reassessment of Embedded Derivatives" (effective 1 January 2010)
- TR i-3 "Presentation of Financial Statements of Islamic Financial Institutions"

A1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

The following revised FRSs, new IC Interpretations and Amendments to FRSs have been issued by the MASB and are effective for annual periods commencing on or after 1 July 2010, and have yet to be adopted by the Group and the Company:

- FRS 1 "First-time Adoption of Financial Reporting Standards"
- Amendment to FRS 1 "Limited Exemption from Comparative FRS 7 "Disclosures for First-time Adopters"
- Amendment to FRS 1 "Additional Exemptions for First-time Adopters"
- Amendments to FRS 2 "Share-based Payment"
- Amendments to FRS 2 "Group Cash-settled Share-based Payment Transactions"
- FRS 3 "Business Combinations"
- Amendments to FRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (effective 1 July 2010)
- Amendments to FRS 7 "Improving Disclosures about Financial Instruments"
- FRS 127 "Consolidated and Separate Financial Statements"
- Amendments to FRS 132 "Financial Instruments: Presentation" (effective 1 March 2010)
- Amendments to FRS 138 "Intangible Assets" (effective 1 July 2010)
- Amendments to IC Interpretation 9 "Reassessment of Embedded Derivatives" (effective 1 July 2010)
- Amendments to IC Interpretation 14 "Prepayments of a Minimum Funding Requirements"
- IC Interpretation 4 "Determining Whether an Arrangement contains a Lease"
- IC Interpretation 12 "Service Concession Arrangements"
- IC Interpretation 15 "Agreements for the Construction of Real Estate"
- IC Interpretation 16 "Hedges of a Net Investment in a Foreign Operation"
- IC Interpretation 17 "Distributions of Non-cash Assets to Owners"
- IC Interpretation 18 "Transfers of Assets from Customers"
- TR i-4 "Shariah Compliant Sale Contract"
- IC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments"
- FRS 124 "Related Party Transactions"

The unaudited condensed interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Group. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles.

The preparation of unaudited condensed interim financial statements in conformity with the Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and Company's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

A2. CHANGES IN ESTIMATES

There were no material changes to financial estimates made in respect of the current financial period that had previously been announced or disclosed.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Save as detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the financial year ended 31 December 2010:-

a) On 24 February 2010 to 31 December 2010, the Company purchased 2,000 of its own shares from the open market at an average market price of RM10.41 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM20.98 thousand.

Subsequent to the financial year from 1 January 2011 up to 10 February 2011, the Company purchased 235 of its own shares from the open market at an average market price of RM8.91 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM2.09 thousand.

The shares purchased were held as treasury shares in accordance with Section 67A subsection 3(A)(b) of the Companies Act, 1965.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES (CONTINUED)

b) On 23 February 2010, the Company proposed 1-for-1 bonus issue which would increase its number of shares in issue from 3,531.76 million to 7,063.53 million. The objectives of the bonus issue are to improve tradability of CIMB Group shares ("CIMB Shares") and to align its quoted share price with pricing conventions on the Stock Exchange of Thailand ("SET") ahead of the Company's proposed listing later this year. Bank Negara Malaysia ("BNM") has granted approval pursuant to the Proposed bonus issue on 31 March 2010.

Subsequent to this, on 7 May 2010, the Company announced a 1-for-1 bonus issue of up to 3,582.39 million new ordinary shares which is inclusive of the potential exercise of the 50,622,413 warrants outstanding as at 31 March 2010, to be credited to eligible shareholders on 21 May 2010. The Company has also proposed to increase its authorised share capital from RM5,000 million comprising 5,000 million CIMB Shares to RM10,000 million comprising 10,000 million CIMB Shares to facilitate the issuance of new CIMB Shares pursuant to the Proposed Bonus Issue, as well as to cater for any future issuance of new CIMB Shares (collectively referred to as the "Proposals".) The Proposals have been completed on 24 May 2010 following the listing and quotation of 3,531,764,410 new CIMB shares on Bursa Malaysia Securities Berhad ("Bursa Securities").

The warrants of 101,244,826 units were subsequently exercised at an issue price of RM5 each, and listed on 18 October 2010.

c) On 2 April 2010, the Company announced that in relation to the Proposed SET Listing, the offering size pursuant to the IPO Offering has been revised from up to 35 million CIMB Shares to up to 50 million CIMB Shares (100 million after completion of the bonus issue). The offering shall only be made via the Proposed Public Issue. The revised number of shares is to facilitate the eligibility of CIMB Thai to perform the role of a selling agent for the Proposed SET Listing which is in accordance with the relevant regulations in Thailand on the minimum size of offerings for distribution via bank branches, enable wider participation from investors in Thailand and improve liquidity in the secondary market.

Bank Negara Malaysia ("BNM") and Securities Commission ("SC") have vide their letters dated 5 April 2010 and 7 April 2010 respectively, granted approval to CIMB on the proposed dual listing.

On 21 September 2010, the Company has submitted to the SC an application for an extension of six months up to 6 April 2011 for the Company to complete the Proposed SET Listing ("Proposed Extension of Time"). The SC has vide its letter dated 12 October 2010, approved the Proposed Extension of Time of six months up to 6 April 2011.

d) On 2 April 2010, the Company announced that it will be seeking its shareholders' approval at its 53rd Annual General Meeting ("AGM") to be convened on a later announced date for the proposed renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up capital of the Company. Shareholders' approval was subsequently obtained at the AGM which was held on 7 May 2010.

e) On 5 April 2010, the Company completed the issuance of RM750 million Cumulative Subordinated Fixed Rate Notes. The Subordinated Notes were part of the RM3.0 billion Issuance Programme approved by the Securities Commission on 12 June 2009.

The RM750 million Subordinated Notes comprises a callable 5 year tranche and 10 year tranche, amounting to RM150 million and RM600 million respectively. Both tranches have a maturity of 50 years, with call option for the Issuer to redeem at year 5 and on each subsequent coupon payment date, and year 10 and on each subsequent coupon payment date respectively.

The 5 year Tranche pays a semi annual coupon rate of 5.3% p.a whilst the 10 year Tranche pays a coupon of 6.35% p.a. Should the Issuer does not redeem the Subordinated Notes on the respective first call date, the coupon will be stepped up by 2.0%.

f) On 9 July 2010, CIMB Niaga completed the issuance of a 7-year Rp1.38 trillion sub-debt.

g) On 3 September 2010, the Company had fully settled its USD100 million Syndicated Term Loan, and on the same date issued a RM350 million nominal value Conventional Commercial Paper. The Conventional Commercial Paper carries an interest rate of 3% per annum payable quarterly and was fully settled by the Company on 3 December 2010.

h) On 2 December 2010, the Company issued a USD100 million Syndicated Term Loan. The Syndicated Term Loan carries an interest rate of 3-month Libor + 0.80% per annum, payable quarterly and will mature on 2 December 2013.

i) On 25 August 2010, CIMB Islamic Bank, a subsidiary of the Company issued 200 million additional new ordinary shares of RM1 each (at par value) amounting to RM200 million.

j) CIMB Thai Bank Public Company Limited ("CIMB Thai"), a subsidiary of CIMB Bank had on 21 October 2010 completed the rights issues of 2,966,533,592 new ordinary shares to its existing shareholders in proportion to their shareholding at the ratio of two new ordinary shares for every nine existing shares held at an issue price of THB1.00 per share ("Rights Issue"). The Bank had subscribed for its share entitlement in the Rights Issue of 2,763,348,835 units Rights Shares for THB2,763,348,835.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES (CONTINUED)

k) On 15 November 2010, CIMB Niaga announced a 1-for-20 rights issue of up to 1,196,743,183 new CIMB Niaga shares at IDR1,250 each. The rights issue was completed and the new CIMB Niaga shares were listed on 12 January 2011.

l) On 23 December 2010, CIMB Bank had completed the issuance of RM2.0 billion Subordinated Debt. The RM2.0 billion Subordinated Debt issuance was issued under the RM5.0 billion Subordinated Debt Programme which was approved by the Securities Commission on 2 March 2009 and 24 September 2010 (for certain variation of terms).

The Subordinated Debt, rated AA+ by Malaysian Rating Corporation Berhad ("MARC"), was issued in 2 separate tranches, a RM1.0 billion tranche with a maturity of 10 years callable at the end of year 5 and on each subsequent coupon payment dates thereafter ("10 years tranche"), and another RM1.0 billion tranche with a maturity of 15 years callable at the end of year 10 and on each subsequent coupon payment dates thereafter ("15 years tranche"). Redemption of the Subordinated Debt on the call dates shall be subject to Bank Negara Malaysia's approval. The coupon rate for the Subordinated Debt is 4.3% and 4.8% for the 10 years tranche and the 15 years tranche respectively. There is no step up coupon after call dates. Proceeds from the issue will be used for CIMB Bank's working capital purposes.

m) On 23 December 2010, CIMB Niaga completed the issuance of a 10-year Rp1.60 trillion sub-debt.

n) On 28 January 2011, CIMB Bank has received approval from the Securities Commission for a Multi-Currency Euro Medium Term Note Programme of up to USD1.0 billion or its equivalent ("EMTN Programme"). The EMTN Programme is approved by the Securities Commission under its deemed approval process. BNM's approval for the establishment of the EMTN Programme was obtained on 7 September 2010. The net proceeds from the EMTN Programme will be used for the repayment, refinancing and prepayment of offshore credit facilities, refinancing of onshore credit facilities, general corporate purposes, working capital requirements and/or investments of CIMB Bank and its subsidiaries and associates.

A4. DIVIDENDS PAID AND PROPOSED

An interim single tier dividend of 18.5 sen per ordinary share on 3,531,765,410 ordinary shares amounting to RM653,376,601 in respect of the financial year ended 31 December 2009, which was approved by the Board of Directors in a resolution dated 18 February 2010 was paid on 12 April 2010.

A single tier interim dividend of 4.625 sen per ordinary share on 7,331,529,820 ordinary shares amounting to RM339,083,254 in respect of the financial year ended 31 December 2010, which was approved by the Board of Directors on 23 August 2010 was paid on 30 September 2010.

A single tier special dividend of 13.45 sen per ordinary share, on 7,432,774,646 ordinary shares amounting to RM999,708,190 in respect of the financial year ended 31 December 2010, which was approved by the Board of Directors on 22 November 2010 was paid on 24 December 2010.

The Directors have proposed a second single tier interim dividend of 8 sen per ordinary share, on 7,432,772,646 ordinary shares amounting to RM594,621,812 in respect of the financial year ended 31 December 2010, to be paid on 31 March 2011. The second interim single tier dividend was approved by the Board of Directors on 22 February 2011.

A5. STATUS OF CORPORATE PROPOSALS

a) Divestment of BT Insurance Company Limited ("BTI")

CIMB Thai Bank Public Company Limited ("CIMB Thai"), a subsidiary of CIMB Bank, had on 15 March 2010 entered into a sale and purchase agreement ("SPA") with Ayudhya Insurance Public Company Limited for the divestment of CIMB Thai's entire holding of 29,999,910 ordinary shares in BTI ("Divestment of BTI"), representing 99.99% of BTI's issued and paid-up share capital for a total cash consideration of THB392 million (equivalent to RM40.68 million, based on exchange rate of RM1.00:THB9.6354), subject to adjustment clauses as stipulated in the SPA.

The Divestment of BTI was completed on 4 November 2010.

b) Restructuring of the Non-Performing Asset Division of CIMB Thai ("Restructuring")

The Restructuring of Good Bank-Bad Bank of CIMB Thai entailed the following transactions:

Transfer of CIMB Thai's 2,499,993 ordinary shares held in Sathorn Asset Management Company Limited ("STAMC"), representing 99.99% of the registered capital of STAMC, for a total cash consideration of THB229,149,954 (approximately RM23,465,184 based on exchange rate of RM10.2401:THB100 as at 28 December 2010), equivalent to 1x net book value of STAMC as at 31 December 2009, to Mutiara Makmur Ventures Sdn Bhd ("Mutiara Makmur"), a wholly-owned subsidiary of CIMB Private Equity Sdn Bhd (wholly-owned subsidiary of CIMB Group Sdn Bhd) ("Transfer of STAMC"); and

Transfer of a non-performing loan ("NPL") portfolio encompassing corporate, SME and retail secured NPLs with a net book value of THB2,908,734,150 as at 31 December 2009 ("NPL Portfolio") from CIMB Thai to STAMC for a total cash consideration of THB2,908,734,150 (approximately RM297,857,286 based on exchange rate of RM10.2401:THB100 as at 28 December 2010) ("Transfer of NPLs").

The above restructuring was completed on 28 December 2010.

A6. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

There were no significant events other than those disclosed under issuance and repayment of debts and equity securities that had occurred between 31 December 2010 and the date of this announcement.

PART A - EXPLANATORY NOTES

A7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

A7(a). FINANCIAL ASSETS HELD FOR TRADING

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	360,214	1,212,901
Cagamas bonds	13,186	28,283
Khazanah bonds	-	27,438
Malaysian Government treasury bills	57,779	185,033
Bank Negara Malaysia bills	2,597,966	2,779,851
Bank Negara Malaysia negotiable notes	2,226,623	1,887,613
Negotiable instruments of deposit	1,778,088	3,002,701
Bankers' acceptances and Islamic accepted bills	740,811	696,623
Credit-linked notes	123,158	158,604
Other Government's securities	2,053,218	862,061
Commercial papers	163,033	29,982
Government investment issues	320,534	693,563
	10,434,610	11,564,653
Quoted securities:		
<i><u>In Malaysia:</u></i>		
Warrants	5	5
Shares	1,210,166	553,599
Unit trusts	-	9,720
<i><u>Outside Malaysia:</u></i>		
Shares	26,102	14,969
Private and Islamic debt securities	57,525	50,144
Other Government bonds	79,143	123,884
Bank Indonesia certificates	1,478,043	-
Investment linked funds	54,017	-
	2,905,001	752,321
Unquoted securities:		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	1,628,798	1,983,862
Shares	5,948	7,323
Investment linked funds	-	45,893
<i><u>Outside Malaysia:</u></i>		
Private and Islamic debt securities	1,246,789	645,250
	2,881,535	2,682,328
Total financial assets held-for-trading	16,221,146	14,999,302

A7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

A7(b). FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	223,810	-
Cagamas bonds	22,536	-
Khazanah bonds	8,012	-
Government investment issues	195,523	-
	449,881	-
Quoted securities:		
<i>In Malaysia:</i>		
Shares	81,637	-
Unit trusts	10,797	-
	92,434	-
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	265,410	-
Shares	2,334	-
Investment linked fund	51,391	-
	319,135	-
Total financial assets designated at fair value through profit or loss	861,450	-
TOTAL FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	17,082,596	14,999,302

Financial assets designated at fair value through profit or loss arises from securities held by an insurance subsidiary which has been reclassified from financial assets held for trading as a result of the adoption of FRS 139 as at 1 January 2010. These securities eliminate or significantly reduce a measurement or recognition inconsistency ('accounting mismatch') that would otherwise have arisen from measuring the assets at a basis different from the liabilities of the insurance subsidiary.

A8. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	346,720	314,155
Cagamas bonds	184,494	275,157
Khazanah bonds	-	34,975
Other Government treasury bills	-	410
Government investment issues	282,022	360,354
Commercial papers	-	19,539
	813,236	1,004,590
Quoted securities:		
<i><u>In Malaysia:</u></i>		
Shares	115,676	230,379
Unit trusts	240,949	149,026
Floating rate notes	-	9,413
<i><u>Outside Malaysia:</u></i>		
Shares	12,074	24,614
Private and Islamic debt securities	24,582	14,152
Other Government bonds	2,635,564	2,642,690
Unit trusts	318,435	266,525
	3,347,280	3,336,799
Unquoted securities:		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	6,477,787	5,963,757
Shares	905,404	534,736
Loan stocks	26,624	19,437
Property funds	175	165
Investment-linked funds	6,947	9,730
Bond funds	12,380	4,111
<i><u>Outside Malaysia:</u></i>		
Shares	80,480	60,487
Private equity and unit trust funds	224,453	316,663
Private and Islamic debt securities	176,323	133,367
Loan stocks	1,531	497
	7,912,104	7,042,950
	12,072,620	11,384,339
<u>Allowance for impairment loss:</u>		
Private debt securities	(240,661)	(253,442)
Quoted shares	(27,413)	(10,980)
Unquoted shares	(109,860)	(64,175)
Unit trusts	(21,892)	(21,784)
Loan stocks	(14,092)	(6,905)
	(413,918)	(357,286)
Total financial investments available-for-sale	11,658,702	11,027,053

A9. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	1,123,977	1,123,977
Cagamas bonds	254,817	294,817
Bank Negara bills	9,948	-
Malaysian Government investment issues	600,245	-
	1,988,987	1,418,794
Quoted securities		
<i>Outside Malaysia</i>		
Private debt securities	1,411,355	1,191,909
Islamic bonds	23,983	25,485
Medium term notes - Islamic	8,565	9,102
Other Government bonds	116,807	153,214
Bank Indonesia certificates	127,309	837,362
Structured notes	154,859	342,847
	1,842,878	2,559,919
Unquoted securities		
<i>In Malaysia</i>		
Shares	-	270
Private debt securities	7,190,838	7,618,001
Islamic commercial paper	-	6,775
Loan stocks	31,814	31,814
Danaharta Urus Sdn Bhd ("DUSB") bonds	795,335	929,639
	2,036,903	1,499,518
<i>Outside Malaysia</i>		
Private debt securities	10,054,890	10,086,017
	13,886,755	14,064,730
Accretion of discount net of amortisation of premium	279,020	242,894
Less : Allowance for impairment losses	(45,512)	(40,914)
Total financial investments held-to-maturity	14,120,263	14,266,710

Also included in the financial investments held-to-maturity of the Group as at 31 December 2010 are 10-year promissory notes of THB746 million (2009: THB746 million) maturing in 2011, which were received from Thai Asset Management Corporation ("TAMC") for settlement of impaired loans transferred by CIMB Thai Bank Public Company Limited ("CIMB Thai Bank") to TAMC. Such promissory notes are non-transferable, bear interest at the average deposit rate of 5 major banks in Thailand and availed by the Financial Institutions Development Fund. As part of the agreement to transfer impaired loans to TAMC, CIMB Thai Bank has a gain and loss sharing arrangement with TAMC arising from the recovery of the impaired loans. The sharing of gain or losses will be calculated at the end of the agreement.

A10. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
At amortised cost		
Overdrafts	9,383,540	8,247,311
Term loans/financing		
- Housing loans/financing	42,496,812	41,684,502
- Syndicated term loans	6,996,472	8,225,404
- Hire purchase receivables	11,384,643	14,276,219
- Lease receivables	32,087	65,600
- Factoring receivables	23,655	61,393
- Other term loans/financing	57,522,906	53,669,357
Bills receivable	2,636,548	1,919,643
Trust receipts	1,145,109	878,866
Claims on customers under acceptance credits	4,548,433	5,004,962
Staff loans *	728,594	763,386
Credit card receivables	4,981,667	3,551,451
Revolving credits	24,289,359	23,337,966
Share margin financing	1,299,816	1,015,067
Other loans	9,730	9,744
	167,479,371	162,710,871
Less: Unearned interest	-	(13,832,357)
Gross loans, advances and financing	167,479,371	148,878,514
Fair value changes arising from fair value hedge	44,340	45,028
	167,523,711	148,923,542
Less: Allowance for impairment losses		
- Individual impairment allowance	(4,079,367)	-
- Portfolio impairment allowance	(4,262,959)	-
- Specific allowance	-	(4,905,276)
- General allowance	-	(1,826,593)
	(8,342,326)	(6,731,869)
Total net loans, advances and financing	159,181,385	142,191,673

* Included in staff loans of the Group are loans to Directors amounting to RM6,473,245 (31 December 2009: RM4,690,160).

Included in the Group's loans, advances and financing balances are RM75,347,000 (31 December 2009: RM80,235,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

The Group has undertaken fair value hedge on the interest rate risk of RM7,613,277,000 (31 December 2009: RM5,468,179,000) of its loan exposure using interest rate swaps.

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Gross loan hedged	7,613,277	5,468,179
Fair value changes arising from fair value hedges	44,340	45,028
	7,657,617	5,513,207

The fair value loss of interest rate swaps as at 31 December 2010 were RM127,755,094 (2009: fair value gain of RM104,052,171).

A10. LOANS, ADVANCES AND FINANCING (Continued)
(ii) By type of customers

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Domestic banking financial institutions	65,091	418,909
Domestic non-bank financial institutions		
- others	2,645,801	3,698,917
Domestic business enterprises		
- small medium enterprises	25,456,138	22,874,067
- others	36,564,980	34,977,110
Government and statutory bodies	10,666,029	7,680,833
Individuals	80,444,833	68,079,927
Other domestic entities	3,878,422	4,675,844
Foreign entities	7,758,077	6,472,907
Gross loans, advances and financing	167,479,371	148,878,514

(iii) By interest/profit rate sensitivity

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Fixed rate		
- Housing loans	3,655,433	2,392,693
- Hire-purchase receivables	11,403,949	11,873,291
- Other fixed rate loans	29,866,224	21,823,919
Variable rate		
- BLR plus	82,325,009	74,379,700
- Cost plus	20,198,388	20,948,288
- Other variable rates	20,030,368	17,460,623
Gross loans, advances and financing	167,479,371	148,878,514

(iv) By economic purpose

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Personal use	5,161,725	4,669,215
Credit card	4,975,702	3,551,889
Purchase of consumer durables	1,216	4,076
Construction	4,360,535	4,651,539
Residential property (Housing)	43,056,292	35,658,935
Non-residential property	11,671,665	9,788,024
Purchase of fixed assets other than land and building	10,175,685	5,443,961
Mergers and acquisitions	2,620,451	1,737,598
Purchase of securities	7,372,586	9,645,409
Purchase of transport vehicles	15,780,118	14,964,275
Working capital	47,636,675	43,956,121
Other purpose	14,666,721	14,807,472
Gross loans, advances and financing	167,479,371	148,878,514

(v) By geographical distribution

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Malaysia	111,065,224	102,964,218
Indonesia	37,428,349	31,774,188
Thailand	9,906,698	8,880,434
Singapore	6,666,705	2,943,577
United Kingdom	597,461	444,415
Hong Kong	552,120	808,003
Other countries	1,262,814	1,063,679
Gross loans, advances and financing	167,479,371	148,878,514

A10. LOANS, ADVANCES AND FINANCING (Continued)
(vi) By residual contractual maturity

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Within one year	35,403,191	29,704,720
One year to less than three years	38,204,037	37,976,800
Three years to less than five years	22,449,382	13,821,790
Five years and more	71,422,761	67,375,204
Gross loans, advances and financing	167,479,371	148,878,514

(vii) Impaired loans/non-performing loans by economic purpose

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Personal use	399,960	273,975
Credit card	98,523	82,008
Purchase of consumer durables	251	611
Construction	1,380,526	417,527
Residential property (Housing)	1,909,586	1,687,729
Non-residential property	491,942	373,205
Purchase of fixed assets other than land and building	365,872	139,361
Purchase of securities	101,641	63,485
Purchase of transport vehicles	322,967	371,491
Working capital	4,061,647	3,123,027
Other purpose	1,151,464	884,430
Gross impaired loan/non-performing loan	10,284,379	7,416,849

(viii) Impaired loans/non-performing loans by geographical distribution

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Malaysia	6,781,354	4,814,294
Indonesia	1,687,775	943,530
Thailand	1,466,154	1,312,163
Singapore	116,176	21,534
United Kingdom	48,095	33,884
Hong Kong	-	90,142
Other countries	184,825	201,302
Gross impaired loan/non-performing loan	10,284,379	7,416,849

(ix) Movements in impaired loans/non-performing loans

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
At 1 January		
- as previously reported	7,416,849	6,056,461
- classified as impaired* net of PCSB's loans derecognised due to adoption of FRS 139	4,074,041	-
As adjusted	11,490,890	6,056,461
Classified as impaired/non-performing during the period / year	5,433,418	4,411,728
Reclassified as not impaired/performing during the period / year	(3,346,847)	(2,241,616)
Amount written back in respect of recoveries	(1,446,918)	(1,029,647)
Arising from acquisition of a subsidiary	-	1,398,003
Amount written off	(1,500,162)	(1,293,983)
Purchase of impaired loans/non-performing loans from third party	294	3,852
Sale of impaired loans	(145,981)	-
Exchange fluctuation	(200,315)	112,051
At 31 December	10,284,379	7,416,849
Ratio of gross impaired / non-performing loans to gross loans, advances and financing	6.14%	4.98%

* Represents restatement of interest-in-suspense and loans previously classified as performing under GP3 but considered impaired under FRS 139.

A10. LOANS, ADVANCES AND FINANCING (Continued)

(x) Movements in the allowance for impaired loans/ bad and doubtful debts and financing are as follows:

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
<u>Individual impairment allowance</u>		
At 1 January	-	-
Adoption of FRS 139	4,988,992	-
As restated	4,988,992	-
Net allowance made during the financial year	157,058	-
Amount written off	(873,331)	-
Allowance made and charged to deferred assets	2,431	-
Amount transferred to portfolio impairment allowance	(5,795)	-
Unwinding income	(110,843)	-
Exchange fluctuation	(79,145)	-
At 31 December	4,079,367	-
<u>Portfolio impairment allowance</u>		
At 1 January	-	-
Adoption of FRS 139	4,252,946	-
As restated	4,252,946	-
Net allowance made during the financial year	816,418	-
Amount transferred from individual impairment allowance	5,795	-
Amount written off	(702,457)	-
Allowance written back and charged to deferred assets	(3,352)	-
Unwinding income	(89,698)	-
Exchange fluctuation	(16,693)	-
At 31 December	4,262,959	-
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing less individual impairment allowance	2.87%	-
<u>Specific allowance</u>		
At 1 January	4,905,276	3,524,361
Adoption of FRS 139	(4,905,276)	-
As restated	-	3,524,361
Allowance made during the period / year	-	1,872,694
Amount written back in respect of recoveries	-	(502,027)
Amount written off	-	(1,117,850)
Arising from acquisition of subsidiaries	-	886,203
Allowance written back and charged to deferred assets	-	(2,880)
Amount transferred from general allowance	-	214,526
Allowance made in relation to jointly controlled entity	-	3,009
Allowance for non-performing loans purchased from third party	-	3,440
Exchange fluctuation	-	23,800
At 31 December	-	4,905,276
<u>General allowance</u>		
At 1 January	1,826,593	1,808,539
Adoption of FRS 139	(1,826,593)	-
As restated	-	1,808,539
Net allowance made during the period / year	-	107,478
Amount transferred to specific allowance	-	(214,526)
Allowance for loans arising from acquisition of subsidiaries	-	88,309
Exchange fluctuation	-	36,793
At 31 December	-	1,826,593
General allowance as % of gross loans, advances and financing less loans exempted from general allowance by BNM and specific allowance	-	1.34%

A11. OTHER ASSETS

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Interest receivable	-	495,892
Due from brokers and clients net of allowance for doubtful debts	1,250,003	1,337,154
Other debtors, deposits and prepayments net of allowance for doubtful debts	3,196,836	1,880,145
Due from jointly controlled entity	1,671,488	105,471
Due from insurers, brokers and reinsurers	25,476	26,033
Option financing	278,032	238,224
Deferred assets	170,961	198,610
Foreclosed properties net of allowance for impairment losses	228,785	610,944
Credit Support Annex for derivative transactions	531,941	210,761
Amounts receivable from sale of impaired loans/non-performing loans	-	118,562
	7,353,522	5,221,796

A12. DEPOSITS FROM CUSTOMERS

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	43,982,722	36,950,453
Savings deposits	22,242,066	19,695,207
Fixed deposits	90,291,236	83,570,321
Negotiable instruments of deposit	1,545,997	2,081,384
Others	41,783,643	36,584,971
	199,845,664	178,882,336
<u>By type of customer</u>		
Government and statutory bodies	14,123,891	20,363,828
Business enterprises	95,496,601	77,199,262
Individuals	70,213,582	61,552,720
Others	20,011,590	19,766,526
	199,845,664	178,882,336
<u>Maturity structure of fixed deposits and negotiable instruments of deposit</u>		
One year or less (short term)	88,610,603	81,838,705
More than one year (medium/long term)	3,226,630	3,813,000
	91,837,233	85,651,705

A13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Licensed banks	7,241,711	6,280,414
Licensed finance companies	145,025	101,307
Licensed investment banks	529,845	193,070
Bank Negara Malaysia	1,598,400	365,000
Other financial institutions	3,577,176	3,191,791
	13,092,157	10,131,582

A14. OTHER LIABILITIES

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Interest payable	-	568,278
Due to brokers and clients	1,317,617	1,578,692
Amount due to special purpose vehicle of jointly controlled entity	-	314,360
Expenditure payable	1,155,029	568,462
Provision for legal claims	193,234	290,336
Sundry creditors	941,930	554,379
Insurance fund - life and takaful insurance business	998,019	1,738,626
Insurance fund - general insurance business	486,147	18,098
Allowance for commitments and contingencies	88,631	72,716
Post employment benefit obligations	230,256	275,848
Credit card expenditure payable	221,237	119,757
Call deposit borrowing	281,833	210,761
Others	2,710,735	1,790,447
	8,624,668	8,100,760

A15. INTEREST INCOME

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries	2,371,764	2,080,694	8,919,848	8,372,559
- Recoveries from impaired loans/non-performing loans	2,390	64,084	13,543	253,786
- Unwinding income [^]	19,060	-	190,871	-
Money at call and deposit placements with financial institutions	105,391	73,338	359,571	283,182
Reverse repurchase agreements	22,879	19,731	79,410	115,693
Financial assets held for trading	46,393	32,509	298,284	165,861
Financial assets designated at fair value through profit or loss	872	-	3,442	-
Financial investments available-for-sale	159,171	101,427	500,869	556,611
Financial investments held-to-maturity	168,157	203,679	600,357	768,857
Others	3,820	11,226	10,001	37,011
	2,899,897	2,586,688	10,976,196	10,553,560
Accretion of discounts less amortisation of premiums	50,630	28,014	192,662	134,530
Net interest suspended	-	(31,416)	-	(148,320)
	2,950,527	2,583,286	11,168,858	10,539,770

[^] Unwinding income is interest income earned on impaired financial assets

A16. INTEREST EXPENSE

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	14,169	21,398	55,279	96,959
Deposits from other customers	1,094,421	854,696	3,817,391	3,674,484
Repurchase agreements	457	908	569	947
Subordinated notes	83,244	63,393	386,559	301,694
Loans sold to Cagamas	1,583	4,009	8,974	26,575
Negotiable certificates of deposits	55,945	26,627	152,066	133,498
Other borrowings	25,413	17,154	81,518	127,468
Others	45,365	26,326	129,225	109,239
	1,320,597	1,014,511	4,631,581	4,470,864

A17. NET NON-INTEREST INCOME

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
(a) Net fee income and commission income:				
Commissions	57,341	60,814	277,522	224,892
Fee on loans, advances and financing	90,817	191,042	329,266	526,500
Portfolio management fees	8,314	12,295	24,308	27,386
Service charges and fees	95,295	52,984	369,141	332,412
Corporate advisory fees	51,756	16,775	121,355	70,028
Guarantee fees	9,250	12,529	48,624	56,775
Other fee income	146,457	39,199	412,696	264,196
Placement fees	10,455	127,862	53,819	145,432
Underwriting commission	113,950	25,535	143,267	32,289
Al-Wakalah fee	9,426	8,160	29,738	29,466
Fee and commission income	593,061	547,195	1,809,736	1,709,376
Fee and commission expense	(85,452)	(50,840)	(264,171)	(198,633)
Net fee and commission income	507,609	496,355	1,545,565	1,510,743
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	3,878	1,411	16,857	16,398
- Financial investments available-for-sale	7,591	9,397	21,861	22,100
- Held-to-maturity securities	77	-	77	-
<i>Outside Malaysia</i>				
- Financial assets held for trading	338	126	980	798
- Financial investments available-for-sale	1,240	679	20,547	16,177
	13,124	11,613	60,322	55,473
(c) Net gain arising from financial assets held for trading	218	67,015	52,087	330,036
- realised	46,277	31,208	84,963	177,244
- unrealised	(46,059)	35,807	(32,876)	152,792
(d) Net (loss)/gain arising from derivative financial instruments	91,898	(49,821)	(203,075)	139,568
- realised	197,888	47,198	(181,881)	493,842
- unrealised	(105,990)	(97,019)	(21,194)	(354,274)
(e) Net loss arising from hedging derivatives	(20,270)	9,077	(60,234)	(3,965)
(f) Net gain from sale of financial investments available-for-sale	162,139	74,333	707,041	257,769
(g) Net gain from redemption / maturity of financial investment held-to-maturity	2,117	5,436	104,278	24,505
(h) Net (loss)/gain from financial assets designated at fair value through profit or loss	(644)	-	6,988	-
(i) Income from assets management and securities services	48,491	62,575	175,170	162,272
(j) Brokerage income	118,269	74,971	372,433	281,778
(k) Other non-interest income:				
Foreign exchange gain	10,251	78,871	682,127	381,232
Rental income	3,455	3,917	17,947	19,538
Gain on disposal of property, plant and equipment	12,790	13,236	170,669	97,960
Gain on disposal of leased assets	511	250	511	250
Net gain from insurance business	13,891	2,286	38,845	105,438
Underwriting surplus before management expenses	1,660	-	6,748	-
Other non-operating income	90,447	52,237	238,752	145,424
	133,005	150,797	1,155,599	749,842
Total other operating income	1,055,956	902,351	3,916,174	3,508,021

A18. OVERHEADS

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	738,565	588,459	2,574,840	2,175,025
- Pension cost	45,576	65,910	212,753	234,269
- Overtime	7,823	8,366	31,931	34,812
- Staff incentives and other staff payments	23,799	53,767	128,032	130,616
- Medical expenses	25,838	27,425	76,700	72,223
- Others	76,558	69,144	245,239	226,464
	918,159	813,071	3,269,495	2,873,409
Establishment costs				
- Depreciation of property, plant and equipment	94,589	81,615	345,395	311,177
- Amortisation of prepaid lease payments	15,735	446	60,483	459
- Rental	68,525	66,689	273,309	244,267
- Repair and maintenance	87,258	39,614	297,264	215,706
- Outsourced services	55,215	40,729	238,102	214,241
- Security expenses	21,390	23,788	91,191	78,626
- Others	50,412	65,457	174,541	186,583
	393,124	318,338	1,480,285	1,251,059
Marketing expenses				
- Sales commission	3,143	31,640	41,824	67,684
- Advertisement	70,199	54,201	261,666	158,432
- Others	25,550	(39,116)	68,459	33,504
	98,892	46,725	371,949	259,620
Administration and general expenses				
- Amortisation of intangible assets	77,434	44,359	271,508	180,193
- Impairment of intangible assets	-	1,955	1,302	1,955
- Legal and professional fees	69,619	68,370	206,164	182,866
- Stationery	26,427	35,568	91,543	102,905
- Communication	40,023	54,913	145,585	146,573
- Incidental expenses on banking operations	28,742	50,624	59,239	72,439
- Insurance	13,124	17,376	71,398	74,153
- Others	212,162	37,999	557,305	386,091
	467,531	311,164	1,404,044	1,147,175
	1,877,706	1,489,298	6,525,773	5,531,263

A19. ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans and financing :				
Individual impairment allowance				
- made during the period/year	111,752	-	157,058	-
Specific allowance				
- made during the period/year	-	599,000	-	1,872,694
- written back	-	(165,495)	-	(502,027)
Portfolio impairment allowance				
- made during the period/year	121,325	-	816,418	-
General allowance				
- (written back)/made during the period/year	-	(41,077)	-	107,478
Bad debts on loans and financing :				
- recovered	(93,024)	(202,911)	(396,983)	(471,141)
- written off	27,574	13,631	30,683	15,601
	167,627	203,148	607,176	1,022,605

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES
(i) DERIVATIVE FINANCIAL INSTRUMENTS

The following tables summarise the contractual or underlying principal amounts of trading derivatives and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at balance sheet date, and do not represent amounts at risk.

Trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Derivative Financial Instruments" Assets and Liabilities respectively.

	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
At 31 Dec 2010			
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	10,895,870	160,377	(155,349)
- Less than 1 year	8,620,215	52,888	(127,990)
- 1 year to 3 years	423,654	13,602	(4,281)
- More than 3 years	1,852,001	93,887	(23,078)
Currency swaps	34,993,961	515,653	(489,576)
- Less than 1 year	34,684,832	507,854	(486,527)
- 1 year to 3 years	49,362	2,018	-
- More than 3 years	259,767	5,781	(3,049)
Currency options	3,405,312	16,694	(20,901)
- Less than 1 year	3,405,312	16,694	(20,901)
Cross currency interest rate swap	15,962,201	626,336	(746,157)
- Less than 1 year	4,521,983	145,670	(239,900)
- 1 year to 3 years	6,239,274	266,962	(294,195)
- More than 3 years	5,200,944	213,704	(212,062)
	65,257,344	1,319,060	(1,411,983)
<u>Interest rate derivative</u>			
Interest rate swaps	183,586,844	1,797,307	(1,344,587)
- Less than 1 year	54,389,510	339,772	(308,923)
- 1 year to 3 years	63,760,038	447,603	(357,772)
- More than 3 years	65,437,296	1,009,932	(677,892)
Interest rate futures	13,746,090	18,185	(15,428)
- Less than 1 year	7,276,246	8,610	(13,457)
- 1 year to 3 years	5,273,591	6,772	(1,971)
- More than 3 years	1,196,253	2,803	-
Interest rate options	750,000	7,179	(3,602)
- Less than 1 year	600,000	-	-
- 1 year to 3 years	100,000	5,314	(2,818)
- More than 3 years	50,000	1,865	(784)
	198,082,934	1,822,671	(1,363,617)
<u>Equity related derivatives</u>			
Index futures	10,845	-	(145)
- Less than 1 year	10,845	-	(145)
Equity options	10,545,680	223,081	(606,369)
- Less than 1 year	3,593,370	168,358	(571,441)
- 1 year to 3 years	3,606,018	3,849	(3,849)
- More than 3 years	3,346,292	50,874	(31,079)
Equity swaps	273,717	1,777	(51,329)
- Less than 1 year	272,086	1,433	(51,023)
- More than 3 years	1,631	344	(306)
	10,830,242	224,858	(657,843)
<u>Commodity related derivatives</u>			
Commodity swaps	60,480	4,085	-
- Less than 1 year	20,400	1,624	-
- 1 year to 3 years	40,080	2,461	-
Commodity futures	60,553	1	(3,653)
- Less than 1 year	60,553	1	(3,653)
Commodity options	104,840	15,028	(15,028)
- Less than 1 year	70,921	12,068	(12,068)
- 1 year to 3 years	33,919	2,960	(2,960)
	225,873	19,114	(18,681)
<u>Credit related contract</u>			
Credit default swaps	1,397,612	31,585	(37,674)
- Less than 1 year	580,483	2,805	(175)
- 1 year to 3 years	169,593	143	(2,386)
- More than 3 years	647,536	28,637	(35,113)
<u>Hedging derivatives</u>			
Interest rate swaps	30,876,998	159,867	(215,376)
- Less than 1 year	1,428,650	31,058	-
- 1 year to 3 years	1,030,155	24,970	(6,211)
- More than 3 years	28,418,193	103,839	(209,165)
Cross currency interest rate swaps	218,378	-	(43,342)
- More than 3 years	218,378	-	(43,342)
	31,095,376	159,867	(258,718)
Total derivative assets/(liabilities)	306,889,381	3,577,155	(3,748,516)

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (continued)

(i) **DERIVATIVE FINANCIAL INSTRUMENTS (continued)**

	The Group		
	Principal amount	Fair values	
		RM'000	Assets
	RM'000	RM'000	RM'000
At 31 December 2009			
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	10,632,964	64,014	(116,727)
Currency swaps	33,091,814	168,613	(239,294)
Currency options	2,696,630	29,974	(29,606)
Cross currency interest rate swaps	16,891,042	485,894	(346,313)
	63,312,450	748,495	(731,940)
<u>Interest rate derivatives</u>			
Interest rate swaps	150,661,679	2,111,139	(1,614,648)
Interest rate futures	16,702,600	30,334	(25,774)
Interest rate options	3,130,000	11,854	(4,920)
	170,494,279	2,153,327	(1,645,342)
<u>Equity related derivatives</u>			
Index futures	4,505	-	(4)
Equity options	11,975,449	528,843	(856,920)
	11,979,954	528,843	(856,924)
<u>Commodity related derivatives</u>			
Commodity futures	31,672	842	(13)
Commodity options	690,261	70,562	(66,429)
	721,933	71,404	(66,442)
<u>Credit related contract</u>			
Credit default swaps	825,435	2,062	(2,363)
<u>Hedging derivatives</u>			
Interest rate swaps	9,262,051	185,700	(176,843)
Cross currency interest rate swaps	350,000	-	(12,733)
	9,612,051	185,700	(189,576)
Total derivative assets/(liabilities)	256,946,102	3,689,831	(3,492,587)

The Group's derivative financial instruments are subject to market and credit risk, as follows:

Market Risk

Market risk is defined as any fluctuation in the value arising from changes in value of market risk factors such as interest rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. The Group's risk management department monitors and manages market risk exposure via stress testing of the Group's Capital-at-Risk (CaR) model, in addition to reviewing and analysing its treasury trading strategy, positions and activities vis-à-vis changes in the financial market, monitoring limit usage, assessing limit adequacy, and verifying transaction prices.

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 December 2010, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM3,577,155,000(31 December 2009: RM3,689,831,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

There have been no changes since the end of the previous financial year in respect of the following:

- a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- c) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group are discussed in the audited annual financial statements for the financial year ended 31 December 2009 and the Risk Management section of the 2009 Annual Report.

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (continued)**(ii) COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Group enter into various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured over the Group's assets except for certain financial assets held for trading being pledged as credit support assets for certain over-the-counter derivative contracts.

	31 Dec 2010	31 Dec 2009
	Principal	Principal
	Amount	Amount
<u>The Group</u>	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	4,929,234	5,325,347
Certain transaction-related contingent items	5,468,256	5,761,442
Short-term self-liquidating trade-related contingencies	3,511,093	3,761,011
Obligations under underwriting agreement	235,000	250,000
Irrevocable commitments to extend credit		
- maturity not exceeding one year	33,812,453	40,252,165
- maturity exceeding one year	6,778,430	5,948,537
Forward assets purchases	303,084	52,478
Miscellaneous commitments and contingencies	5,609,923	6,108,479
Total credit-related commitments and contingencies	60,647,473	67,459,459
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	47,207,625	55,031,218
- one year to less than five years	10,641,952	3,876,156
- five years and above	3,353,629	1,333,036
	61,203,206	60,240,410
<u>Interest rate related contracts</u>		
- less than one year	55,274,126	91,152,067
- one year to less than five years	105,603,758	65,680,137
- five years and above	41,825,221	10,340,564
	202,703,105	167,172,768
<u>Equity related contracts</u>		
- less than one year	3,616,346	4,946,183
- one year to less than five years	5,121,018	6,163,740
- five years and above	2,092,883	870,031
	10,830,247	11,979,954
Other treasury related contracts	31,285,226	16,039,852
Total treasury-related commitments and contingencies	306,021,784	255,432,984
	366,669,257	322,892,443

Disclosure of the credit equivalent amount and risk-weighted asset amount of the commitments and contingencies above, as required by Bank Negara Malaysia's Risk-Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3), will be presented in the Pillar 3 disclosures section of the 2010 Annual Report.

A21. CAPITAL ADEQUACY
31 December 2010

With effect from 1 July 2010, the capital adequacy ratios of the banking subsidiaries of the Group are computed as follows:

- The capital adequacy ratios of the CIMB Bank Group (other than CIMB Thai Bank and CIMB Bank PLC), CIMB Bank and CIMB Islamic Bank are computed in accordance with Internal Rating-Based approach (IRB approach) for Credit Risk, where Advanced Internal Rating-Based (AIRB) is used for retail exposure and Foundation IRB for Non-Retail exposure while Operational Risk is based on Basic Indicator Approach. Market Risk remained unchanged under Standardised Approach.

- The capital adequacy ratios of the Investment Bank Group and Investment Bank are computed in accordance with Internal Rating-Based approach (IRB approach) for Credit Risk and Basic Indicator Approach for Operational Risk. Market Risk remained unchanged under Standardised Approach.

- The capital adequacy ratios of Bank CIMB Niaga and CIMB Thai Bank remained unchanged based on Bank Indonesia and Bank of Thailand requirements respectively. The approach for Credit Risk and Market Risk is Standardised Approach (SA). Operational Risk is based on Basic Indicator Approach. The capital adequacy ratio of CIMB Bank PLC is completed based on National Bank of Cambodia's requirements.

The comparative capital adequacy ratios for CIMB Bank, CIMB Investment Bank and CIMB Islamic Bank for 31 December 2009 have not been restated based on IRB approach, as they represent actual amounts reported for regulatory compliance purposes as of that date.

	CIMB Bank	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC *
Before deducting proposed dividend							
Core capital ratio	14.47%	13.24%	9.04%	11.87%	18.83%	9.53%	N/A
Risk-weighted capital ratio	15.36%	17.21%	14.69%	15.34%	18.87%	13.24%	636.20%
After deducting proposed dividend							
Core capital ratio	13.90% +	13.24%	9.04%	11.40%	16.14% @	9.53%	N/A
Risk-weighted capital ratio	14.80% +	17.21%	14.69%	14.86%	16.18% @	13.24%	636.20%

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
--	---------------------	-----------------------------	--------------------------	---------------------------	--------------------------------------	---------------------------	-------------------------

Components of Tier I and Tier II capitals are as follows:

Tier I capital							
Paid-up capital	3,764,469	750,000	837,999	3,764,469	100,000	531,876	114,090
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier 1 Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier 1 capital	1,616,700	-	-	1,616,700	-	-	-
Share premium	5,033,633	-	152,364	5,033,633	-	2,283,429	-
Other reserves	7,351,412	506,180	95,115	8,051,484	318,364	1,053,455	(1,395)
Minority interest	-	-	-	260,586	-	-	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(56,634)	-
Deferred tax assets	(22,096)	(5,589)	-	-	(44,329)	-	-
Intangible assets	-	-	-	-	-	-	(3,374)
Goodwill	(3,555,075)	(136,000)	-	(4,923,428)	-	-	-
Total Tier I capital	15,389,043	1,184,591	1,085,478	15,003,444	374,035	3,812,126	109,321
Tier II capital							
Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	3,500,000	300,000	342,732	3,936,919	-	-	-
Subordinated loans	-	-	-	-	-	1,108,000	-
Revaluation reserve	-	-	38,336	-	-	-	-
Regulatory reserve	110,190	7,405	-	117,595	-	-	-
Portfolio impairment allowance [√]	221,940	30,892	30,840	381,847	650	391,631	-
Surplus of total eligible provision over expected loss	404,989	17,577	-	409,229	209	-	-
Others	-	-	265,240	-	-	39,333	-
Total Tier II capital	4,266,859	355,874	677,148	4,875,330	869	1,538,964	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	(3,000,892)	-	-	(178,194)	(50)	(56,634)	-
Securitisation exposures subject to deductions**	(70,116)	-	-	(70,116)	-	-	-
Investment in associates	(245,134)	-	-	(245,134)	-	-	-
Total Eligible Tier II capital	950,717	355,874	677,148	4,381,886	819	1,482,330	-
Total capital base	16,339,760	1,540,465	1,762,626	19,385,330	374,854	5,294,456	109,321
Less :							
Proposed dividends	(600,903)	-	-	(600,903)	(53,500)	-	-
Total capital base (net of dividend)	15,738,857	1,540,465	1,762,626	18,784,427	321,354	5,294,456	109,321

Breakdown of risk-weighted assets ("RWA") by each major risk category:

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	87,236,173	7,623,657	10,911,021	104,888,845	1,028,430	36,364,455	17,184
Market risk	9,176,183	285,115	313,670	9,896,208	192,321	394,887	-
Operational risk	9,604,531	1,041,278	-	11,242,737	765,308	3,230,655	-
Large exposure risk	360,424	-	777,097	360,424	-	-	-
	106,377,311	8,950,050	12,001,788	126,388,214	1,986,059	39,989,997	17,184

+ Second interim dividend for financial year ended 31 December 2010 to be paid before 31 March 2011

@ Final dividend for financial year ended 31 December 2010 to be paid before 30 April 2011

** In the previous financial year, CIMB Bank was required to deduct 50% of its investment in its jointly controlled entity, PCSB, from the capital base for purposes of computing the capital adequacy ratio in accordance with a circular by Bank Negara Malaysia ("BNM") dated 25 April 2006.

As at 31 December 2010, the following has been applied in computing the capital adequacy ratio:

- financing of hire purchase under PCSB (excluding those securitised) is included in the computation of RWA under the AIRB approach;

- the investment in owner's note is accounted in accordance with Securitisation Framework under Risk Weighted Capital Adequacy Framework (Basel II - Risk Weighted Assets Computation) Guideline dated 31 December 2009.

[√] The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 December 2010 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM495,950,492, RM476,240,986 and RM19,709,506 respectively.

* The amount presented here is the Solvency Ratio of CIMB Bank Plc, which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived at CIMB Bank Plc's net worth divided by its risk-weighted assets.

A21. CAPITAL ADEQUACY (continued)
31 December 2009

	CIMB Bank RM '000	CIMB Investment Bank RM '000	CIMB Islamic Bank RM '000	Bank CIMB Niaga* RM '000	CIMB Thai Bank # RM '000
The capital adequacy ratios are as follows:					
Tier I capital	14,874,153	396,707	690,239	3,520,387	640,167
Eligible Tier II capital	2,868,642	928	458,004	760,031	640,167
	17,742,795	397,635	1,148,243	4,280,418	1,280,334
Less:					
Investment in subsidiaries and holding of other banking institutions' capital	(2,618,131)	(9,050)	-	(43,351)	-
Capital base before proposed dividend	15,124,664	388,585	1,148,243	4,237,067	1,280,334
Before deducting proposed dividend					
Core capital ratio	14.81%	19.77%	6.82%	11.29%	6.00%
Risk-weighted capital ratio	15.06%	19.77%	11.34%	13.59%	11.99%
After deducting proposed dividend					
Core capital ratio	14.81%	17.11%	6.82%	11.29%	6.00%
Risk-weighted capital ratio	15.06%	17.11%	11.34%	13.59%	11.99%

	CIMB Bank RM '000	CIMB Investment Bank RM '000	CIMB Islamic Bank RM '000	Bank CIMB Niaga* RM '000	CIMB Thai Bank # RM '000
Components of Tier I and Tier II capitals are as follows:					
Tier I capital					
Paid-up capital	3,764,467	100,000	550,000	565,191	685,791
Perpetual preference shares	200,000	-	70,000	-	-
Non-innovative Tier I Capital	1,000,000	-	-	-	-
Innovative Tier I capital	1,685,000	-	-	-	-
Share premium	5,033,622	-	-	2,426,456	-
Other reserves	7,028,019	301,726	250,864	572,091	(45,624)
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	(43,351)	-
Deferred tax assets	(281,880)	(5,019)	(44,625)	-	-
Goodwill	(3,555,075)	-	(136,000)	-	-
Total Tier I capital	14,874,153	396,707	690,239	3,520,387	640,167
Tier II capital					
Redeemable preference shares	29,740	10	-	-	1,693
Subordinated notes	1,500,000	-	300,000	-	568,134
Subordinated loans	-	-	-	329,739	-
Revaluation reserve	-	-	-	-	47,118
General allowance for bad and doubtful debts and financing	1,338,902	918	158,004	388,496	23,222
Others	-	-	-	41,796	-
Total Eligible Tier II capital	2,868,642	928	458,004	760,031	640,167
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	(2,300,489)	(9,050)	-	(43,351)	-
Investment in joint venture	(72,608)	-	-	-	-
Investment in associates	(245,034)	-	-	-	-
Total capital base	15,124,664	388,585	1,148,243	4,237,067	1,280,334
Less :					
Proposed 2009 final dividend	-	(52,300)	-	-	-
Total capital base (net of proposed dividend)	15,124,664	336,285	1,148,243	4,237,067	1,280,334

Breakdown of risk-weighted assets in the various categories of risk-weights are as follows:

	RM'000	RM'000	Risk Weighted RM'000	RM'000	RM'000
0%	30,359,481	427,170	6,100,082	7,041,820	5,174,033
10%	24,173	-	-	123,192	-
20%	21,909,123	5,949,667	2,070,774	1,816,284	822,660
35%	-	-	-	-	1,064,206
50%	22,437,082	66,764	3,068,223	9,992,852	358,716
75%	-	-	-	-	1,690,677
100%	79,804,879	417,380	7,628,648	25,707,687	7,181,200
150%	-	-	-	-	360,587
	95,407,662	1,640,695	9,576,915	31,079,689	9,706,451
Counterparty risk requirement	-	1	-	-	-
Total risk-weighted assets equivalent for credit risk	95,407,662	1,640,696	9,576,915	31,079,689	9,706,451
Total risk-weighted assets equivalent for market risk	4,834,636	324,340	548,828	97,253	123,231
Total risk-weighted assets equivalent for large exposure risk requirements	193,983	-	-	-	848,117
Total risk-weighted assets	100,436,281	1,965,036	10,125,743	31,176,942	10,677,799

* Computation is based on Bank Indonesia requirements

Computation is based on Bank of Thailand requirements

A22. SEGMENTAL REPORT

In the financial year 2010, segment reporting by the Group was prepared for the first time in accordance with FRS 8 'Operating Segment'. Segment information for 2009, that is reported as comparative information for 2010 has been re-presented to conform with the requirements of FRS 8. Following the management approach of FRS 8, operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group Management Committee as its chief operating decision-maker.

Segment information is presented in respect of the Group's business segment and geographical segment.

All inter-segment transactions are conducted on an arm's length basis and on normal commercial terms not more favourable than those generally available to the public.

The business segment results are prepared based on the Group's internal management reporting, which reflect the organisation's management reporting structure.

Business segment reporting

Definition of segments:

For management purposes, the Group is organised into six major operating divisions. The divisions form the basis on which the Group reports its primary segment information.

Consumer Banking comprises of Retail Banking, Business Banking and Direct Banking, Cards and CIMB Express.

Retail Banking focuses on introducing innovative products and services to individual customers. It offers products such as credit facilities (residential mortgages, personal loans, share financing and hire purchase financing), private client services, remittance services and deposit acceptance.

Business Banking is responsible for the development of products and services for customer segments comprising micro-enterprises, small and medium-scale enterprises (SMEs) and mid-sized corporations, as well as the management of business loan portfolios of these customer segments.

Direct Banking & Cards focuses on mass affluent customers and credit card business while CIMB Express caters to lower income customers offering product such as microcredit loan.

Corporate and Investment Banking comprise Investment Banking, Corporate Finance, Corporate Banking, Regional Banking, Equity Capital Markets, Retail and Institutional Equities, Equity Derivatives, and Equity Investment and Trading.

Investment Banking and Corporate Finance offers financial advisory services to corporations, advising issuance of equity and equity-linked products, debt restructuring, mergers and acquisitions, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking provides a broad spectrum of financial and Ringgit lending services for domestic and multinational corporations as well as institutional and public sector clients.

Regional Banking oversees the activities of the Group's overseas branches in London, Singapore and Hong Kong and provides conventional and customised financial packages in order to meet customers' needs, with products including non-Ringgit corporate lending, nominee services and cash management services.

Equity Capital Markets provides services including acting as underwriter, global co-ordinator, book runner or lead manager for equity and equity-linked transactions, originating, structuring, pricing and executing equity and equity-linked issues and executing program trades, block trades and market making. Equity Derivatives Group develops and issues new equity derivative instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues. Equity Investment and Trading is the Group's Proprietary Equity Trading Unit. Retail and Institutional Equities provide stock broking services to retail and corporate clients.

Treasury and Investment focuses on treasury activities and services which include foreign exchange, money market, derivatives and trading of capital market instruments. It also invests the Group's proprietary capital.

Asset Management and Insurance comprises wholesale fund management, unit trust, securities services, private equity and venture capital activities. It includes the Group's life and takaful activities.

Foreign Banking Operation comprise of PT Bank CIMB Niaga Tbk, CIMB Thai Bank Public Company Limited, CIMB Bank PLC and Bank of Yingkou Co Ltd, which are involved in the provision in the commercial banking and related services.

Support and others comprise unallocated middle and back-office processes, cost centres and non-profit generating divisions of companies in the Group. It also include other business segments in the Group like investment holding, property management and other related services, whose results are not material to the Group.

A22. SEGMENTAL REPORT (continued)

	Consumer Banking RM'000	Corporate and Investment Banking RM'000	Treasury and Investment RM'000	Asset Management and Insurance RM'000	Foreign Banking Operations RM'000	Support and others RM'000	Total RM'000
31 December 2010							
Net interest income							
-external income / (expense)	2,601,577	1,212,813	(132,066)	17,192	2,988,008	(150,247)	6,537,277
-inter-segment income	(150,417)	(505,062)	675,879	(6)	(7)	(20,387)	-
	2,451,160	707,751	543,813	17,186	2,988,001	(170,634)	6,537,277
Income from Islamic Banking operations	552,332	220,930	493,944	-	62,091	739	1,330,036
Net non-interest income (excluding gain on disposal of interest in a subsidiary)	622,919	994,978	822,210	297,392	1,119,182	59,493	3,916,174
Gain on disposal of interest in subsidiaries	-	-	27,218	-	-	-	27,218
Net income/(expense)	3,626,411	1,923,659	1,887,185	314,578	4,169,274	(110,402)	11,810,705
Overheads	(1,918,936)	(487,303)	(392,801)	(223,511)	(2,010,934)	(1,492,288)	(6,525,773)
of which:							
- Depreciation of property, plant and equipment	(29,282)	(19,123)	(5,921)	(9,907)	(123,907)	(157,255)	(345,395)
- Amortisation of prepaid lease payments	-	-	-	-	(60,461)	(22)	(60,483)
- Amortisation of intangible assets	(19,248)	(2,968)	(3,046)	(4,568)	(143,462)	(98,216)	(271,508)
Profit/(loss) before allowances	1,707,475	1,436,356	1,494,384	91,067	2,158,340	(1,602,690)	5,284,932
Allowance (made)/written back for impairment losses on loans, advances and financing	(250,963)	226,871	(35,051)	-	(546,679)	(1,354)	(607,176)
Allowance for losses on other receivables	-	2,731	(16,330)	(813)	6,642	(315)	(8,085)
Allowance made for commitments and contingencies	(12,601)	-	-	-	(8,567)	268	(20,900)
Losses from asset management and securities services	-	-	(50,000)	-	-	-	(50,000)
Allowance written back/(made) for other impairment losses	-	835	(46,630)	-	(3,513)	1,119	(48,189)
Segment results	1,443,911	1,666,793	1,346,373	90,254	1,606,223	(1,602,972)	4,550,582
Share of results of jointly controlled entities	10,449	-	299	(1,200)	-	-	9,548
Share of results of associates	-	-	31,222	-	54,586	812	86,620
Profit/(loss) before taxation and zakat	1,454,360	1,666,793	1,377,894	89,054	1,660,809	(1,602,160)	4,646,750
% of profit before taxation and zakat	31.3	35.9	29.7	1.9	35.7	(34.5)	100.0
Taxation and zakat							(956,830)
Profit after taxation before minority interests							<u>3,689,920</u>

A22. SEGMENTAL REPORT (continued)

	Consumer Banking RM'000	Corporate and Investment Banking RM'000	Treasury and Investment RM'000	Asset Management and Insurance RM'000	Foreign Banking Operations RM'000	Support and others RM'000	Total RM'000
31 December 2009							
Net interest income							
-external income / (expense)	2,653,455	1,368,579	(255,111)	16,315	2,363,193	(77,525)	6,068,906
-inter-segment income	(172,427)	(651,248)	842,224	-	-	(18,549)	-
	2,481,028	717,331	587,113	16,315	2,363,193	(96,074)	6,068,906
Income from Islamic Banking operations	377,288	100,914	268,812	-	41,113	18,297	806,424
Net non-interest income (excluding gain on disposal of interest in subsidiaries)	545,286	845,276	814,872	327,970	988,029	(13,412)	3,508,021
Gain on disposal of interest in subsidiaries	-	-	99,800	-	-	-	99,800
Net income/(expense)	3,403,602	1,663,521	1,770,597	344,285	3,392,335	(91,189)	10,483,151
Overheads	(2,407,687)	(727,761)	(355,608)	(199,511)	(1,845,895)	5,199	(5,531,263)
of which:							
- Depreciation of property, plant and equipment	(22,870)	(18,484)	(4,869)	(10,464)	(103,648)	(150,842)	(311,177)
- Amortisation of prepaid lease payments	-	-	-	-	(332)	(127)	(459)
- Amortisation of intangible assets	(10,550)	(2,814)	(3,004)	(4,373)	(64,435)	(95,017)	(180,193)
Profit/(loss) before allowances	995,915	935,760	1,414,989	144,774	1,546,440	(85,990)	4,951,888
Allowance (made)/written back for losses on loans, advances and financing	(295,551)	(261,685)	83,315	-	(548,189)	(495)	(1,022,605)
Allowance (made)/written back for losses on other receivables	(731)	(167)	66,561	(383)	(121,360)	(489)	(56,569)
Allowance (made)/written back for commitments and contingencies	-	(21,000)	47,473	(3,000)	(41,561)	-	(18,088)
Allowance written back/(made) for impairment losses	-	22,766	(88,532)	-	(5,153)	(5,860)	(76,779)
Segment results	699,633	675,674	1,523,806	141,391	830,177	(92,834)	3,777,847
Share of results of jointly controlled entities	6,858	-	897	-	-	-	7,755
Share of results of associates	-	-	(4,575)	-	27,667	3,183	26,275
Profit/(loss) before taxation and zakat	706,491	675,674	1,520,128	141,391	857,844	(89,651)	3,811,877
% of profit before taxation and zakat	18.5	17.7	39.9	3.7	22.5	(2.4)	100.0
Taxation and zakat							(764,810)
Profit after taxation before minority interests							3,047,067

A23. OPERATIONS OF ISLAMIC BANKING

A23a. UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Note	The Group	
		31 Dec 2010 RM'000	31 Dec 2009 RM'000
Assets			
Cash and short-term funds		7,934,045	5,943,123
Deposits and placements with banks and other financial institutions		1,340,924	2,409,258
Financial assets held for trading		2,549,533	3,491,709
Financial investments available-for-sale		459,123	589,242
Financial investments held-to-maturity		1,425,372	1,045,721
Derivative financial instruments		284,789	459,659
Financing, advances and other loans	A23c(i)	23,368,509	16,859,101
Deferred tax assets		5,589	44,625
Tax recoverable		1,761	-
Amount due from related companies		48,835	1,547
Amount due from bank holding company		601,344	-
Statutory deposits with Bank Negara Malaysia		143,406	172,806
Property, plant and equipment		7,314	6,613
Other assets		764,109	642,696
Goodwill		136,000	136,000
Intangible assets		4,287	3,676
TOTAL ASSETS		39,074,940	31,805,776
Liabilities and Islamic banking capital funds			
Deposits from customers	A23(d)	24,923,994	20,180,319
Deposits and placements of banks and other financial institutions		10,244,515	9,120,340
Derivative financial instruments		265,725	248,478
Amount due to bank holding company		184,519	13,523
Amount due to related companies		247	8,111
Provision for taxation and zakat		88,045	70,711
Other liabilities		853,473	552,803
Subordinated Sukuk		300,000	300,000
TOTAL LIABILITIES		36,860,518	30,494,285
Equity			
Ordinary share capital		750,000	550,000
Islamic banking funds		91,693	91,693
Perpetual preference shares		70,000	70,000
Reserves		1,263,284	558,625
		2,174,977	1,270,318
Minority interests		39,445	41,173
TOTAL EQUITY		2,214,422	1,311,491
TOTAL LIABILITIES AND EQUITY		39,074,940	31,805,776

A23b. UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and	429,643	220,404	1,594,000	990,110
Income derived from investment of shareholders' funds	208,534	87,729	343,851	210,221
Allowances made for impairment losses on	(17,667)	(34,034)	(54,116)	(243,521)
Allowance for losses on other receivables	(14)	(5)	(134)	(35)
Other expenses directly attributable to the investment of the depositors and shareholders' funds	-	(10)	-	(10)
Total distributable income	620,496	274,084	1,883,601	956,765
Income attributable to the depositors	(175,225)	(47,994)	(607,815)	(393,897)
Total net income	445,271	226,090	1,275,786	562,868
Other operating expenses	(82,787)	(70,337)	(282,414)	(245,344)
Profit before allowances	362,484	155,753	993,372	317,524
Writeback for other impairment losses	-	96	-	96
Profit before taxation and zakat	362,484	155,849	993,372	317,620
Taxation and zakat	(58,963)	(30,218)	(132,085)	(63,039)
Profit for the period / year	303,521	125,631	861,287	254,581
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	517	(166)	4,056	2,186
- Net gain from change in fair value	(352)	1,439	6,215	5,364
- Realised gain transferred to comprehensive income on disposal and impairment	1,117	(1,751)	(530)	(2,540)
- Income tax effects	(248)	146	(1,629)	(638)
Exchange fluctuation reserve	(1,439)	4,171	4,565	4,165
Other comprehensive income for the period, net of tax	(922)	4,005	8,621	6,351
Total comprehensive income for the period / year	302,599	129,636	869,908	260,932
Profit for the period attributable to:				
Equity holders of the Company	302,671	120,491	858,991	249,289
Minority interests	850	5,140	2,296	5,292
	303,521	125,631	861,287	254,581
Total comprehensive income for the period attributable to:				
Equity holders of the Company	302,570	129,730	874,051	261,026
Minority interests	29	(94)	(4,143)	(94)
	302,599	129,636	869,908	260,932
Income from Islamic operations (per page 2)				
Total net income	445,271	226,090	1,275,786	562,868
Add: Allowance made for impairment losses on	17,667	34,034	54,116	243,521
Add: Allowance for losses on other receivables	14	5	134	35
	462,952	260,129	1,330,036	806,424

A23c. FINANCING, ADVANCES AND OTHER LOANS

(i) By type

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
At amortised cost		
Cash line	322,529	241,179
Term financing	22,509,814	28,011,302
Bills receivable	2,235	1,625
Trust receipts	59,091	29,827
Claims on customers under acceptance credits	191,657	173,893
Revolving credits	407,330	845,716
Other financing	201,229	49,046
	23,693,885	29,352,588
Less: Unearned income	-	(12,174,821)
Gross financing, advances and other loans	23,693,885	17,177,767
Fair value changes arising from fair value hedge	17,997	26,519
	23,711,882	17,204,286
Less: Allowance for impairment losses		
- Individual impairment allowance	(97,021)	-
- Portfolio impairment allowance	(246,352)	-
- Specific allowance	-	(181,427)
- General allowance	-	(163,758)
	(343,373)	(345,185)
Net financing, advances and other loans	23,368,509	16,859,101

(a) During the financial year, the Group has undertaken fair value hedges on RM4,400 million (31 December 2009: RM1,350 million) financing using profit rate swaps.

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Gross financing hedged	4,400,000	1,350,000
Fair value changes arising from fair value hedges	17,997	26,519
	4,417,997	1,376,519

The fair value loss on profit rate swaps as at 31 December 2010 were RM49.0 million (31 December 2009: RM41.6 million).

(ii) By geographical distribution

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Malaysia	22,861,250	16,590,186
Indonesia	614,211	373,917
Other countries	218,424	213,664
Gross financing, advances and other loans	23,693,885	17,177,767

(iii) Impaired financing/non-performing financing, advances and other loans by geographical distribut

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Malaysia	335,879	357,117
Indonesia	6,294	9,235
Gross impaired/non-performing financing, advances and other loans	342,173	366,352

A23c. FINANCING, ADVANCES AND OTHER LOANS (Continued)

(iv) Movements in impaired financing/non-performing financing, advances and other loans:

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Balance as at 1 January		
- as previously reported	366,352	207,093
- classified as impaired due to adoption of FRS139*	139,996	-
- as adjusted	506,348	207,093
Classified as impaired/non-performing during the year	345,743	384,855
Reclassified as not impaired/performing during the year	(174,234)	(94,443)
Amount recovered	(121,239)	(34,424)
Amount written off	(87,164)	(97,599)
Sale of impaired loans	(105,739)	-
Exchange fluctuation	(21,542)	870
Balance as at 31 December	342,173	366,352
Ratio of gross impaired / non-performing financing, advances and other loans to gross financing, advances and other loans	1.44%	2.13%

* Represents restatement of income-in-suspense and financing previously classified as performing under GP3 but considered impaired under FRS 139.

(v) Movements in the allowance for impaired financing/bad and doubtful financing:

	The Group	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Individual impairment allowance		
At 1 January, as previously stated	-	-
Adoption of FRS 139	272,235	-
At 1 January, as restated	272,235	-
Allowance made during the year	1,125	-
Amount recovered	(94,544)	-
Amount written off	(77,163)	-
Amount transferred from portfolio impairment allowance	2,899	-
Unwinding income	(2,622)	-
Exchange fluctuation	(4,909)	-
Balance as at 31 December	97,021	-
Portfolio impairment allowance		
At 1 January, as previously stated	-	-
Adoption of FRS 139	264,540	-
At 1 January, as restated	264,540	-
Allowance made during the year	168,429	-
Amount transferred to individual impairment allowance	(2,899)	-
Amount written off	(61,605)	-
Allowance transferred to conventional operations	(119,980)	-
Unwinding income	(1,838)	-
Exchange fluctuation	(295)	-
At 31 December	246,352	-
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	2.16%	-

A23c. FINANCING, ADVANCES AND OTHER LOANS (Continued)

(v) Movements in the allowance for impaired financing/bad and doubtful financing: (Continued)

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Specific allowance		
At 1 January, as previously stated	181,427	102,902
Adoption of FRS 139	(181,427)	-
At 1 January, as restated	-	102,902
Allowance made during the period / year	-	202,593
Amount recovered	-	(25,785)
Amount written off	-	(97,356)
Exchange fluctuation	-	(927)
Balance as at 31 December	-	181,427
General allowance		
At 1 January, as previously stated	163,758	83,638
Adoption of FRS 139	(163,758)	-
At 1 January, as restated	-	83,638
Allowance made during the period / year	-	81,309
Allowance transferred to conventional operations	-	(1,181)
Exchange fluctuation	-	(8)
At 31 December	-	163,758
General allowance as % of gross financing, advances and other loans (excluding RPSIA financing and financing exempted from general allowance by BNM) less specific allowances	-	1.45%

A23d. DEPOSITS FROM CUSTOMERS

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
By type of deposits		
Non-Mudharabah		
Demand deposits	3,055,079	1,086,766
Savings deposits	821,968	550,330
General investment deposits	634,517	-
Commodity Murabahah-i	69,379	17,125
Fixed return investment account	5,127,333	2,964,471
Negotiable instruments of deposit	1,033,019	523,089
Variable rate deposits	378,330	1,102,280
Equity Linked Sukuk	219,600	249,250
Others	25,192	7,366
	11,364,417	6,500,677
Mudharabah		
Demand deposits	1,497,380	2,155,363
Savings deposits	328,971	243,458
General investment deposits	1,806,223	2,196,438
Special general investment deposits	7,574,239	7,425,800
Specific investment deposits	2,352,764	1,658,583
	13,559,577	13,679,642
	24,923,994	20,180,319

A24. Credit transactions and exposures with connected parties

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Outstanding credit exposures with connected parties	15,053,906	7,109,618
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	7.35%	4.80%
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	0.14%	0.00%

A25. CHANGE IN ACCOUNTING POLICIES AND COMPARATIVES

(a) CHANGE IN ACCOUNTING POLICIES

During the current reporting period, CIMB Group adopted the following significant standards and amendments to standards:

- i) FRS 139 Financial Instruments : Recognition and Measurement
- ii) IC Interpretation 9 Reassessment of Embedded Derivatives
- iii) FRS 7 Financial Instruments : Disclosures
- iv) Amendments to FRS 7 "Financial Instruments: Disclosure"
- v) Amendments to IC Interpretation 9 "Reassessment of Embedded Derivatives" (effective 1 January 2010)
- vi) Improvement to FRS 117 "Leases"

The implementation of FRS 139 resulted in changes to accounting policies relating to the recognition and measurement of financial assets. FRS 139 also deals with derecognition of financial assets and financial liabilities and hedge accounting. A significant portion of the requirements under FRS 139 had been addressed on 1 January 2005, with the adoption of BNM's revised GP8 : Guidelines on Financial Reporting for Licensed Institutions. These included principles which address the conditions of recognition, derecognition and measurement of financial instruments and hedge accounting. With the full adoption of FRS 139 on 1 January 2010, the additional requirements implemented by the Group are as follows:

Impairment of financial assets

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Loan Impairment

Impairment losses are calculated on individual loans and on loans assessed collectively.

Losses for impaired loans are recognised promptly when there is objective evidence that impairment of a portfolio of loans has occurred. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganisation, default or delinquency in interest or principal payments and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Group assesses individually whether objective evidence of impairment exists for all assets deemed to be individually significant. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the individual impairment allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of interest income.

Loans that have not been individually assessed are grouped together for portfolio impairment assessment. These loans are grouped according to their credit risk characteristics for the purposes of calculating an estimated collective loss. Future cash flows on a group of financial assets that are collectively assessed for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group.

The Group is currently reporting under the BNM's transitional arrangement as prescribed in the guidelines on 'Classification and Impairment Provision for Loans/Financing' issued on 8 January 2010. However, our Group's financial statements are prepared in full compliance with FRS 139 principles.

A25. CHANGE IN ACCOUNTING POLICIES AND COMPARATIVES (CONTINUED)

(a) CHANGE IN ACCOUNTING POLICIES (continued)

Interest Income Recognition

For all financial instruments measured at amortised cost, interest bearing financial assets classified as financial investments available-for-sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the effective interest rate ("EIR"), which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

Interest on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated

In accordance with the transitional arrangement under paragraph 103AA of FRS 139, the changes arising from the implementation of FRS 139 has been accounted for prospectively.

Recognition of Embedded Derivatives

In accordance with FRS 139 and IC Interpretation 9, embedded derivatives are to be separated from the host contract and accounted for as a derivative if the economic characteristics and risks of the embedded derivative are not closely related to that of the host contract and the fair value of the resulting derivative can be reliably measured. This assessment is made when the entity first becomes a party to the contract.

Based on the assessment by the Group upon adoption of FRS 139 on 1 January 2010, there were no material embedded derivatives which were not closely related to the host contracts and which required bifurcation.

In accordance with the transitional arrangement under paragraph 103AA of FRS 139, the changes arising from the implementation of FRS 139 has been accounted for prospectively.

Leases

From the adoption of the improvement to FRS 117 "Leases", leasehold land in which the Group and the Company have substantially all the risks and rewards incidental to ownership has been reclassified retrospectively from operating lease to finance lease. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term.

(b) COMPARATIVE FIGURES

(i) FRS 101 Presentation of Financial Statements

As a result of the adoption of the revised FRS 101, the Group and the Company present in the consolidated statement of changes in equity all owners changes in equity, whereas all non-owner changes in equity are presented in the single statement of total comprehensive income. Comparative information has been re-presented so that it conforms with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact to the results, performance and on earnings per ordinary share of the Group and the Company.

(ii) FRS 7 Financial Instruments: Disclosures

The adoption of FRS 7 during the financial period will result in additional disclosures to be made in the annual accounts of the Group. The standard also requires disclosure of the statement of financial position and statement of total comprehensive income to be made by categories of financial assets and liabilities, which has minimal impact on the comparative disclosures of the Group, as the current presentation is already made by categories of financial assets and liabilities.

A25. CHANGE IN ACCOUNTING POLICIES AND COMPARATIVES (CONTINUED)

(c) ADOPTION OF FRS 139 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT AND CHANGE IN COMPARATIVES

	Audited as at 31 December 2009 RM'000	Effects of adopting FRS 139 and change in comparatives RM'000	Adjusted 1 January 2010 RM'000
ASSETS			
Deferred tax assets	293,708	11,811	305,519
EQUITY			
Retained earnings	6,831,811	(566,024)	6,265,787
Revaluation reserve-financial investments available-for-sale	545,121	221,379	766,500
Minority interests	2,101,700	(22,665)	2,079,035

A25. CHANGE IN ACCOUNTING POLICIES AND COMPARATIVES (CONTINUED)**(d) ADOPTION OF FRS 117 "LEASES"****Statements of financial position
Group**

	Balances as at 31 December 2008		
	As previously reported	Effects of adopting FRS 117	As restated
	RM'000	RM'000	RM'000
Assets			
Prepaid lease payments	256,788	(45,966)	210,822
Property, plant and equipment	1,559,550	45,966	1,605,516

	Balances as at 31 December 2009		
	As previously reported	Effects of adopting FRS 117	As restated
	RM'000	RM'000	RM'000
Assets			
Prepaid lease payments	279,924	(32,750)	247,174
Property, plant and equipment	1,499,066	32,750	1,531,816

	Increase/(decrease) to balances as at 31 December 2010	
	Effects of adopting	
	FRS 117	Total
	RM'000	RM'000
Assets		
Prepaid lease payments	(27,159)	(27,159)
Property, plant and equipment	27,159	27,159

Part B - Explanatory Notes Pursuant to BNM/GP8 Guidelines on Financial Reporting for Licensed Institutions

B1. GROUP PERFORMANCE REVIEW COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

CIMB Group Holdings ("CIMB Group") Results

CIMB Group Holdings Berhad ("CIMB Group") today reported a record net profit of RM3.521 billion for 2010, representing a 25.4% year-on-year ("Y-o-Y") growth and equivalent to net earnings per share ("EPS") of 49.0 sen. The FY10 net return on equity ("ROE") of 16.3% was above the Group's full-year target of 16.0%. The Group declared a second interim dividend of 8.0 sen (single tier) amounting to a total net payment of RM595 million. This brings the total dividends for FY10 to RM1.933 billion or 26.08 sen per share, representing a 55% dividend payout and higher than the target of 9.25 sen per share

For 4Q10 alone, the Group's net profit of RM878 million was 9.3% higher than 4Q09, but was 4.1% lower than the 3Q10 net profit of RM916 million.

The Group had a very good year and is pleased to be able to reward shareholders with a record dividend pay-out. This is a perfect way to mark the final year of the Group's 5-year transformation from a Malaysian investment bank to an ASEAN universal bank, underpinned by the turnaround in its Malaysian consumer bank, benefits from cross-divisional synergies and surge in contribution from CIMB Niaga.

CIMB Group Y-o-Y Results

CIMB Group's FY10 revenues increased by 12.7% Y-o-Y to RM11.811 billion, while the Group's profit before tax ("PBT") was 21.9% higher at RM4.647 billion.

In 2010, Corporate & Investment Banking ("CIB") PBT jumped 71.2% Y-o-Y at RM1.149 billion in tandem with the more robust regional capital markets and several major transactions over the past 12 months. PBT at Treasury and Investments were 17.5% lower Y-o-Y to RM1.217 billion mainly due to lower investment profits.

The Group's Malaysian consumer bank PBT declined by 16.9% Y-o-Y. However, excluding the one-off General Provision write-back in 4Q09 ahead of FRS139 implementation, the Malaysian consumer bank's FY10 PBT was flat.

CIMB Niaga's contribution surged 99.7% Y-o-Y to RM1.572 billion from RM787 million previously due to operational improvements and favourable operating conditions. CIMB Thai's PBT was flat Y-o-Y at RM47 million as provision coverage was improved. Asset Management and Insurance PBT was 38.3% lower Y-o-Y at RM87 million largely due to the non-recurrence of gains on change in accounting standards at CIMB Aviva in 2009.

CIMB Niaga was the largest contributor to FY10 Group PBT at 34% versus 21% in the previous corresponding period. The Malaysian Consumer Bank's contribution to Group PBT fell to 12% compared to 18% in FY09, while Treasury and Investments declined to 26%. Contribution from CIB rebounded to 25% from 18% previously. Group Asset Management ("GAM") and Insurance fell to 2% from 4% while CIMB Thai's contribution remained at 1%. Total non-Malaysian PBT contribution to the Group jumped to a new high of 48% in 2010 from 25% in 2009.

The Group's total gross loans expanded 12.4% Y-o-Y, largely driven by the 18.0% expansion (in RM terms) of CIMB Niaga's gross loans and the 15.3% growth in Malaysian consumer loans. Mortgages, credit cards and micro credit lending in Malaysia grew by 20.7%, 40.6% and 13.6% respectively Y-o-Y. Hire purchase loans grew by 10.6% Y-o-Y but commercial banking loans continued to decline by 1.1% Y-o-Y. Corporate loans improved by 1.8% Y-o-Y. The Group's overall net interest margins improved to 3.32% from 3.28% last year.

Total Group's deposits grew by 11.6%, underpinned by a 28.5% surge from CIMB Niaga as its deposit accumulation initiatives picked up pace. CIMB Bank's retail account balances grew 17.0% Y-o-Y as both its Malaysian and Singapore current and savings account balances grew strongly. CIMB Thai's deposits grew by 6.0%.

The total loan impairment charge (under FRS139 policies) for the Group was RM607 million for FY10. The Group's total credit charge was 0.36%, lower than the 0.60% full year target. The Group's gross impaired loans ratio was 6.1% for FY10 down from 6.6% as at end-9MFY10 and 7.6% at the beginning of the year, with an impairment allowance coverage of 82.3%. The Group's cost to income ratio rose to 55.3% compared to 52.8% in FY09.

CIMB Bank's risk weighted capital ratio stood at 15.4% while its Core Tier 1 capital ratio was 14.5% as at 31st December 2010, before the proposed second interim dividend. At the same time, CIMB Group's double leverage and gearing stood at 113.8% and 17.8% respectively.

B1. GROUP PERFORMANCE REVIEW COMPARISON WITH THE PRECEDING QUARTER'S RESULTS (CONTINUED)

CIMB Group Q-on-Q Results

The Group's 4Q10 revenues of RM3.169 billion were 10.2% higher versus 3Q10, but net profits were 4.1% lower on a Q-o-Q basis at RM878 million.

The Group's Malaysian Consumer Banking division PBT fell by 47.9% Q-o-Q due to higher provisions for business banking accounts, lower recoveries and higher overhead expenses. CIB surged by 62.5% on stronger deal flow but Treasury and Investments were 29.5% lower. CIMB Niaga's PBT contribution grew 12.6% Q-o-Q to RM394 million. GAM and Insurance PBT contributions declined 3.8% to RM25 million. CIMB Thai's PBT contribution (after GAAP adjustments) was a loss of RM14 million from a profit of RM35 million in 3Q10.

CIMB Niaga Results

On 17 February 2011, CIMB Niaga reported a FY10 net profit of IDR2,548 billion, a 62.5% Y-o-Y growth with a FY10 net ROE of 20.4%. The stronger performance was attributed to the strong loans and deposits growth and lower provisions. On a sequential basis, the 4Q10 net profit of IDR754 billion was 13.1% higher than 3Q10 primarily due to stronger revenue and lower provisions.

CIMB Niaga's gross loans grew 25.8% Y-o-Y in FY10 driven by strong performances from all major retail and corporate segments. Gross NPL of 2.5% as at end-December 2010 was an improvement from the 2.7% as at end-September 2010 and the 3.0% as at the corresponding period last year. CIMB Niaga loan loss coverage stood at 125.6% as at end-December 2010 compared to 108.6% as at end-December 2009.

CIMB Niaga's Tier 1 capital and risk weighted capital ratios stood at 9.5% and 13.2% respectively as at 31 December 2010. Completion of the rights issue in early January 2011 translates to proforma Tier 1 capital and risk weighted capital ratios of 11.8% and 14.8% respectively.

CIMB Thai Results

On 19 January 2011, CIMB Thai announced a FY10 net profit of THB829 million, a significant improvement from the THB2 million profit in FY09. Additional provisions lifted its loan loss coverage ratio from 62.2% at the beginning of the year to 91.3% currently. For the 12-month period, CIMB Thai chalked revenue of THB7.135 billion, a 3.6% improvement Y-o-Y.

As at 31 December 2010, CIMB Thai's Tier 1 capital and risk weighted capital ratios (based on Basel II framework) were at 9.0% and 14.7% respectively. Following various recovery efforts and the sale of Sathorn Asset Management ("STAMC") of its "bad bank" to CIMB Group's South East Asia Special Asset Management ("SEASAM"), CIMB Thai's net NPL ratio has dropped to 2.5% from 7.0% at the start of the year.

CIMB Islamic

CIMB Islamic's Y-o-Y PBT jumped 136.8% to RM404 million as Shariah-compliant banking products continue to gain ground. CIMB Islamic's gross financing assets grew 39.3% Y-o-Y, accounting for 14.1% of total Group loans. Total deposits grew by 29.6% Y-o-Y to RM22.7 billion.

Market Shares

CIMB Group's market shares in key areas remain strong for FY10.

CIMB Investment Bank is the leading stockbroker in Malaysia and top of the league tables for Malaysian M&A's, Debt Capital Markets, Initial Public Offerings ("IPO") and loan syndications.

With its total assets at RM34.8 billion as at 30 September 2010, CIMB Islamic is the second largest Islamic bank in Malaysia with a 13.8% market share and the second largest Islamic mortgage player with a 18.6% market share. CIMB Islamic was no. 2 for Malaysian sukuk and remained the world's leading sukuk player.

CIMB Bank is the second largest mortgage lender in Malaysia, third largest player in other key areas such as retail deposits and credit cards and fourth in SME loans and hire purchase financing.

In Singapore, CIMB Securities has the 3rd largest share of SGX trades and is number 3 in corporate advisory for mid-sized companies.

In Indonesia, CIMB Niaga, the country's 5th largest bank, is the 2nd largest mortgage lender while PT CIMB Securities is now the number 2 stockbroker in Indonesia.

CIMB Principal Asset Management remains the second largest asset manager in Malaysia.

Corporate Social Responsibility

CIMB Group was extremely active with its CSR programmes in 2010. CIMB Foundation disbursed a total of RM18.3 million in 2010 covering all its three pillars of Community Development, Sports and Education. Community Link, the flagship programme of the Foundation undertook 154 projects throughout all states in Malaysia. Community Link also expanded to Indonesia, Singapore and Thailand in 2010 with pilot projects implemented in the three countries. CIMB Group won two awards in the Prime Minister's CSR Awards 2010 for its CSR programmes in Community & Social Welfare as well as Arts & Culture.

B2. CORPORATE DEVELOPMENTS

The significant corporate developments in 2010 were:

(a) Mergers and Acquisitions

- On 26 March 2010, CIMB Group completed the acquisition of the 32.22% interest in Touch N' Go Sdn Bhd ("TnG") for RM53.8 million. CIMB Group now holds a 52.22% equity interest in TnG.
- On 14 May 2010, CIMB Group entered into a conditional share sale and purchase agreement with Khazanah Nasional to acquire up to 19.67% equity interest in CIMB Niaga for RM1.94 billion via the issue of 268 million CIMB Group shares at RM7.25 per share. Upon completion, CIMB Group will hold 97.93% in CIMB Niaga. The exercise received shareholder approval at the EGM on 26 July 2010 and was completed on 19 August 2010.

(b) Capital Management

- On 23 February 2010, CIMB Group proposed a 1-for-1 bonus issue of up to 3,582,387,823 new CIMB shares of RM1.00 each. To facilitate this issue CIMB Group's authorized share capital will be raised from RM5 billion to RM10 billion. The ex-date for the bonus issue was 19 May 2010.
- On 26 March 2010, CIMB Thai announced a 2-for-9 rights issue of up to 2,966,533,592 new CIMB Thai shares at THB1 per share. The rights issue was completed and the new CIMB Thai shares were listed on 27 October 2010.
- On 2 April 2010, CIMB Group increased the offering size of its Proposed listing on the Stock Exchange of Thailand ("SET"), from up to 35 million CIMB Shares to up to 50 million CIMB Shares (100 million after completion of the bonus issue).
- On 5 April 2010, CIMB Group completed the issuance of RM750 million cumulative subordinated fixed rate notes.
- On 9 July 2010, CIMB Niaga completed the issuance of a 7-year Rp1.38 trillion sub-debt.
- On 15 October 2010, CIMB Group issued 101,244,826 net CIMB shares of RM1.00 each arising from the conversion of a similar number of warrants. The new CIMB Group shares were listed on 18 October 2010.
- On 15 November 2010, CIMB Niaga announced a 1-for-20 rights issue of up to 1,196,743,183 new CIMB Niaga shares at IDR1,250 each. The rights issue was completed and the new CIMB Niaga shares were listed on 12 January 2011.
- On 23 December 2010, CIMB Bank completed the issuance of RM2.0 billion of sub-debt.
- On 23 December 2010, CIMB Niaga completed the issuance of a 10-year Rp1.60 trillion sub-debt.

(c) Others

- On 5 April 2010, CIMB Group announced its plans to set-up a research institute dedicated to promoting ASEAN integration, to be named CIMB ASEAN Research Institute ("CARI").
- On 12 April 2010, CIMB Group announced the submission of the application to the SET in respect of the Proposed SET Listing. On 12 October 2010, CIMB Group received the approval from the Securities Commission for the extension of time of 6 months up to 6 April 2011 to complete the Proposed SET Listing.
- On 7 May 2010, MARC upgraded the long-term ratings for CIMB Bank and CIMB Islamic Bank to AAA (stable) from AA+ previously. On 28 June 2010, Fitch Ratings Indonesia upgraded the long term rating for CIMB Niaga to AAA (stable) from AA+ previously.
- On 9 May 2010, CIMB Group obtained an approval-in-principle to offer banking services in Cambodia by the National Bank of Cambodia. On 19 November 2010, CIMB Group officially received the banking licence and commenced operations with the opening of its first branch in Phnom Penh.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

CIMB Group will have to contend with quite different operating conditions in the region for 2011; slower economic growth, rising interest rates and more volatile capital markets. Nevertheless, the Group is setting itself a higher ROE target of 17% for 2011. The Group will look to new areas for strong growth, such as regional transaction banking, CIMB Singapore and CIMB Thai. Meanwhile, after 5 years it is also timely for the Group to refresh its more established franchises in Malaysia and Indonesia to sharpen their competitive edge.

CIMB Group has set targets of total region-wide loan and deposits growth of 18% and 20% respectively. The Group also announced a dividend payout target of between 40%-60% per annum going forwards.

B4. TAXATION

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	133,048	290,493	647,432	871,991
Deferred tax expense	150,280	(43,176)	337,430	(55,313)
Over-accrual in prior years	(16,263)	(47,305)	(28,032)	(51,868)
	267,065	200,012	956,830	764,810

Reconciliation

Profit before taxation and zakat	1,148,055	1,093,623	4,646,750	3,811,877
Tax at statutory income tax rate of 25% (2009: 25%)	287,014	273,406	1,161,688	952,970
Effect of different tax rates in other countries and change in tax rates	(133,306)	(62,824)	(99,531)	(34,304)
Due to income not subject to income tax and expenses not deductible for tax purposes	129,620	36,735	(77,295)	(101,988)
Over-accrual in prior years	(16,263)	(47,305)	(28,032)	(51,868)
	267,065	200,012	956,830	764,810

B5. PARTICULARS OF PURCHASE AND SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no material gains or losses on disposal of investments or properties during the period under review other than in the ordinary course of business.

B6 REALISED AND UNREALISED PROFITS

	Group	
	31 Dec 2010	30 Sept 2010
	RM'000	RM'000
Total retained earnings of the Group and subsidiaries		
- Realised	5,690,235	5,753,012
- Unrealised	371,480	507,409
	6,061,715	6,260,421
Total share of retained earnings from associates		
- Realised	50,400	25,244
- Unrealised	786	430
Total share of retained earnings from jointly controlled entities		
- Realised	13,306	10,724
- Unrealised	310	208
	6,126,517	6,297,027
Less: Consolidation adjustments	1,029,733	1,161,870
Total group retained earnings as per consolidated financial statements	7,156,250	7,458,897

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The marked-to-market gains and losses on derivative contracts and financial investments at fair value through profit or loss that remain outstanding in the financial statements of the Group as at 31 December 2010 are deemed unrealised and should be read together as it reflects the nature of the transactions and financial position of the Group. In addition, the unrealised retained profits of the Group as disclosed above excludes the translation gains and losses on monetary items denominated in a currency other than the functional currency, as these gains and losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

B7. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	The Group	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Bonds and notes*		
Unsecured		
More than one year (medium/long term)	423,982	443,051
	423,982	443,051
* Included in bonds and notes for the current period is USD denominated bonds equivalent to USD140,000,000		
Other borrowings**		
Unsecured		
One year or less (short term)	1,501,215	1,624,154
More than one year (medium/long term)	1,983,452	1,578,042
	3,484,667	3,202,196
** Included in other borrowings for the current period is USD denominated syndicated term loans of USD400,000,000		
Subordinated Notes***		
Unsecured		
One year or less (short term)	-	308,562
More than one year (medium/long term)	9,675,340	6,034,176
	9,675,340	6,342,738
*** Includes US denominated Subordinated Notes of USD290,000,000 and IDR denominated Subordinated Notes of IDR2,980,000,000,00		

B8. MATERIAL LITIGATION

At the date of this report, there are no pending material litigation not in the ordinary course of business which would have materially affected the Group's financial position.

B9. COMPUTATION OF EARNINGS PER SHARE (EPS)

Basic EPS

The Group's basic EPS is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

a) Basic EPS

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period/year after minority interests	877,623	802,893	3,520,836	2,806,816
Weighted average number of ordinary shares in issue				
- proforma ('000) *	7,418,466	7,063,530	7,186,034	7,059,934
Basic earnings per share (expressed in sen per share)	11.8	11.4	49.0	39.8

b) Diluted EPS

The Group has no dilution in its earnings per ordinary share in the current year and the preceding year as there are no dilutive potential ordinary shares.

* The weighted average number of ordinary shares for the comparative period has been restated to reflect the bonus issue completed on 24 May 2010.