

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011**

	Note	The Group	
		30 Sept 2011 RM'000	31 Dec 2010 RM'000
<b>ASSETS</b>			
Cash and short-term funds		30,382,727	27,185,260
Reverse repurchase agreements		3,973,360	3,804,662
Deposits and placements with banks and other financial institutions		8,056,171	11,745,823
Financial investments at fair value through profit or loss	A8(a),(b)	17,485,644	17,082,596
Financial investments available-for-sale	A9	12,857,378	11,658,702
Financial investments held-to-maturity	A10	16,046,517	14,120,263
Derivative financial instruments	A21 (i)	5,101,884	3,577,155
Loans, advances and financing	A11	177,129,129	159,181,385
Other assets	A12	7,904,090	7,353,522
Deferred tax assets		-	15,269
Tax recoverable		98,794	98,358
Statutory deposits with central banks		4,098,592	1,410,436
Investment in associates and jointly controlled entities		1,016,604	680,293
Property, plant and equipment		1,434,671	1,442,948
Investment properties		7,076	61,216
Prepaid lease payments		174,424	185,542
Goodwill		8,239,759	8,159,469
Intangible assets		1,583,238	1,543,295
		<b>295,590,058</b>	<b>269,306,194</b>
Non-current assets held for sale		22,237	59,050
<b>TOTAL ASSETS</b>		<b>295,612,295</b>	<b>269,365,244</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	A13	218,202,092	199,845,664
Deposits and placements of banks and other financial institutions	A14	16,050,898	13,092,157
Repurchase agreements		263,647	33,087
Derivative financial instruments	A21 (i)	5,035,567	3,748,516
Bills and acceptances payable		5,329,569	4,831,366
Other liabilities	A15	7,248,848	8,624,668
Deferred tax liabilities		113,458	12,124
Current tax liabilities		601,228	322,789
Amount due to Cagamas Berhad		-	107,523
Bonds	B7	-	423,982
Other borrowings	B7	3,928,637	3,484,667
Subordinated notes	B7	11,944,557	9,675,340
Non-cumulative guaranteed and redeemable preference shares		914,734	860,162
<b>TOTAL LIABILITIES</b>		<b>269,633,235</b>	<b>245,062,045</b>
Ordinary share capital		7,432,775	7,432,775
Reserves		17,635,411	15,797,775
Less: Shares held under trust		(563)	(563)
Treasury shares, at cost		(29)	(21)
		<b>25,067,594</b>	<b>23,229,966</b>
Perpetual preference shares		200,000	200,000
Non-controlling interests		711,466	873,233
<b>TOTAL EQUITY</b>		<b>25,979,060</b>	<b>24,303,199</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>295,612,295</b>	<b>269,365,244</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A21 (ii)	<b>401,462,818</b>	<b>349,069,257</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<b>3.37</b>	<b>3.13</b>

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010.*

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	Note	The Group			
		3rd quarter ended		Nine months ended	
		30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
		RM'000	RM'000	RM'000	RM'000
Interest income	A16	<b>3,249,382</b>	2,866,725	<b>9,324,557</b>	8,218,331
Interest expense	A17	<b>(1,587,038)</b>	(1,207,709)	<b>(4,408,287)</b>	(3,260,189)
Net interest income		<b>1,662,344</b>	1,659,016	<b>4,916,270</b>	4,958,142
Income from Islamic Banking operations	A24(c)	<b>357,605</b>	329,138	<b>1,045,198</b>	867,084
Net non-interest income (excluding gain on disposal of net assets and interest in subsidiaries)	A18	<b>1,011,543</b>	909,092	<b>2,779,598</b>	2,860,218
		<b>3,031,492</b>	2,897,246	<b>8,741,066</b>	8,685,444
Gain on disposal of net assets and interest in subsidiaries		-	-	-	7,076
		<b>3,031,492</b>	2,897,246	<b>8,741,066</b>	8,692,520
Overheads	A19	<b>(1,700,709)</b>	(1,582,305)	<b>(4,907,986)</b>	(4,698,862)
Profit before allowances		<b>1,330,783</b>	1,314,941	<b>3,833,080</b>	3,993,658
Allowance for impairment losses on loans, advances and financing	A20	<b>(105,721)</b>	(167,368)	<b>(198,139)</b>	(439,549)
Allowance (made)/written back for losses on other receivables		<b>(7,953)</b>	18,812	<b>(5,337)</b>	(24,490)
Allowance written back/(made) for commitments and contingencies		<b>22,230</b>	(2,897)	<b>37,201</b>	(3,537)
Losses written back/(made) from investment management and securities services		<b>15,000</b>	-	<b>15,000</b>	(50,000)
Allowance (made)/written back for other impairment losses		<b>(11,140)</b>	2,037	<b>(7,803)</b>	(36,534)
		<b>1,243,199</b>	1,165,525	<b>3,674,002</b>	3,439,548
Share of results of jointly controlled entities		<b>9,610</b>	3,056	<b>34,471</b>	7,018
Share of results of associates		<b>34,863</b>	16,392	<b>89,699</b>	52,129
Profit before taxation and zakat		<b>1,287,672</b>	1,184,973	<b>3,798,172</b>	3,498,695
Taxation and zakat	B4	<b>(272,794)</b>	(235,424)	<b>(869,012)</b>	(689,765)
Profit for the period		<b>1,014,878</b>	949,549	<b>2,929,160</b>	2,808,930
Profit for the period attributable to :					
Owners of the Company		<b>1,011,758</b>	915,670	<b>2,898,284</b>	2,643,213
Non-controlling interests		<b>3,120</b>	33,879	<b>30,876</b>	165,717
		<b>1,014,878</b>	949,549	<b>2,929,160</b>	2,808,930
Earnings per share (sen):					
- Basic *	B9(a)	<b>13.6</b>	12.7	<b>39.0</b>	37.2
- Fully diluted *	B9(b)	N/A	12.7	N/A	37.0

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010.*

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,014,878	949,549	2,929,160	2,808,930
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	(15,775)	(38,733)	(9,869)	(228,698)
- Net gain from change in fair value	95,142	167,182	167,499	383,546
- Realised gain transferred to income statement on disposal and impairment	(131,330)	(197,423)	(199,662)	(538,323)
- Income tax effects	15,101	(659)	15,135	(64,671)
- Currency translation difference	5,312	(7,833)	7,159	(9,250)
Net investment hedge	(88,372)	114,787	(59,703)	255,283
Hedging reserve- cash flow hedge				
- Net loss from change in fair value	(1,444)	(16,695)	(1,444)	-
Exchange fluctuation reserve				
- Currency translation differences in respect of foreign operations	460,216	(305,635)	532,930	(646,298)
Other comprehensive income for the period, net of tax	<b>354,625</b>	<b>(246,276)</b>	<b>461,914</b>	<b>(619,713)</b>
Total comprehensive income for the period	<b>1,369,503</b>	<b>703,273</b>	<b>3,391,074</b>	<b>2,189,217</b>
Total comprehensive income for the period attributable to:				
Owners of the Company	1,356,158	680,443	3,349,156	2,030,581
Non-controlling interests	13,345	22,830	41,918	158,636
	<b>1,369,503</b>	<b>703,273</b>	<b>3,391,074</b>	<b>2,189,217</b>

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010.*

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 50841-W)  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

Attributable to equity holders of the Company

	Share premium-ordinary shares		Statutory reserve	Capital reserve	Exchange fluctuation reserve	Shares held under trust	Treasury shares	Revaluation reserve - financial investments available-for-sale	Share-based payment reserve		Regulatory reserve <sup>a</sup>	Retained earnings	Total	Perpetual preference shares	Non-controlling interests	Total
	RM'000	RM'000							RM'000	RM'000						
The Group	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
30 September 2011	7,432,775	4,192,596	3,935,308	136,954	(347,337)	(563)	(21)	474,673	131,736	318,103	117,595	(318,103)	23,229,966	200,000	873,233	24,303,199
Adjusted 1 January 2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the financial period	-	-	40	-	531,411	-	-	(12,430)	(61,168)	(6,981)	-	2,898,284	2,898,284	-	30,876	2,929,160
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	450,872	-	11,042	461,914
- financial investments available-for-sales	-	-	-	-	-	-	-	(12,430)	-	-	-	-	(12,430)	-	2,561	(9,869)
- net investment hedge	-	-	-	-	-	-	-	(59,724)	-	-	-	-	(59,724)	-	21	(59,703)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	(1,444)	-	-	-	-	(1,444)	-	-	(1,444)
- currency translation difference	-	-	40	-	531,411	-	-	-	(1,444)	(6,981)	-	-	524,470	-	8,460	532,930
Total comprehensive income for the period	-	-	40	-	531,411	-	-	(12,430)	(61,168)	(6,981)	-	2,898,284	3,349,156	-	41,918	3,391,074
Dividend for the financial year ended	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 December 2010	-	-	-	-	-	-	-	-	-	-	-	(594,622)	(594,622)	-	(1,228)	(595,850)
- second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend for the financial year ending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 December 2011	-	-	-	-	-	-	-	-	-	-	-	(891,933)	(891,933)	-	(1,686)	(893,619)
- single tier interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	99,382	-	-	-	-	-	-	-	-	(99,382)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	243,715	-	(243,715)	-	-	-	-
Arising from reorganisation of investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rights issue of a subsidiary	-	-	-	-	-	-	-	-	-	-	(120)	(120)	(120)	-	(201,410)	(201,530)
Bonus issue and capital repayment of subsidiaries	-	-	-	-	-	-	-	-	-	(500)	(500)	(500)	(500)	-	9,749	9,249
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(1,796)	(1,796)	(1,796)	-	(9,110)	(10,906)
Purchase of shares	-	-	-	-	-	-	(8)	-	-	-	-	-	-	-	(8)	(8)
Share-based payment expense	-	-	-	-	-	-	-	-	-	63,966	-	-	63,966	-	-	63,966
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	(86,515)	-	-	-	-	(86,515)	-	-	(86,515)
At 30 September 2011	7,432,775	4,192,596	4,034,730	136,954	184,074	(563)	(29)	462,243	(15,947)	375,088	361,310	7,904,363	25,067,594	200,000	711,466	25,979,060

\* 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 PERIOD ENDED 30 SEPTEMBER 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	Share-based payment reserve RM'000	Regulatory reserve** RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2010, as previously reported	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
Effects of adopting Amendments to FRS 2	-	-	-	-	-	-	-	-	-	290,501	-	(290,501)	-	-	-	-
Adjusted 1 January 2010	3,531,766	5,586,751	3,415,780	136,954	361,780	(563)	-	766,500	(64,386)	290,501	-	5,975,286	20,000,369	200,000	2,079,035	22,279,404
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	2,643,213	2,643,213	-	165,717	2,808,930
Other comprehensive income (net of tax)	-	-	-	-	(634,581)	-	-	(233,516)	255,465	-	-	-	(612,632)	-	(7,081)	(619,713)
- financial investments available-for-sales	-	-	-	-	-	-	-	(233,516)	-	-	-	-	(233,516)	-	4,818	(228,698)
- net investment hedge	-	-	-	-	-	-	-	-	255,465	-	-	-	255,465	-	(182)	255,283
- currency translation difference	-	-	-	-	(634,581)	-	-	-	-	-	-	-	(634,581)	-	(11,717)	(646,298)
Total comprehensive income for the period	-	-	-	-	(634,581)	-	-	(233,516)	255,465	-	-	2,643,213	2,030,581	-	158,636	2,189,217
Dividend for the financial year ended 31 December 2009	-	-	-	-	-	-	-	-	-	-	-	(653,376)	(653,376)	-	(4,311)	(657,687)
Dividend for the financial year ending 31 December 2010	-	-	-	-	-	-	-	-	-	-	-	(339,083)	(339,083)	-	-	(339,083)
Transfer to statutory reserve	-	-	427,637	-	-	-	-	-	-	-	-	(427,637)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	28,897	-	(28,897)	-	-	-	-
Arising from accretion/dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital repayment of subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1,083)	(1,083)	-	(848,981)	(850,064)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Issuance of bonus shares	3,531,764	(3,531,764)	-	-	-	-	-	(21)	-	-	-	-	(21)	-	(21)	-
Share exchange for acquisition of a subsidiary	268,000	1,675,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2010	7,331,530	3,729,987	3,843,417	136,954	(272,801)	(563)	-	532,984	191,079	290,501	28,897	7,168,423	22,980,387	200,000	1,364,379	24,544,766

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>30 Sept 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation and zakat	3,798,172	3,498,695
Adjustments for non-operating and non-cash items	<b>(312,662)</b>	(751,910)
Operating profit before changes in working capital	<b>3,485,510</b>	2,746,785
Net changes in operating assets	<b>(17,839,634)</b>	(22,800,740)
Net changes in operating liabilities	<b>20,578,067</b>	16,050,044
	<b>2,738,433</b>	(6,750,696)
Cash flows generated from/(used in) operations	<b>6,223,943</b>	(4,003,911)
Taxation paid	<b>(464,452)</b>	(769,683)
Net cash flows generated from/(used in) operating activities	<b>5,759,491</b>	(4,773,594)
Net cash flows (used in)/generated from investing activities	<b>(2,989,489)</b>	149,157
Net cash flows generated from financing activities	<b>668,339</b>	241,884
Net increase/(decrease) in cash and cash equivalents during the financial period	<b>3,438,341</b>	(4,382,553)
Effects of exchange rate changes	<b>(240,874)</b>	(737,154)
Cash and short-term funds at beginning of the financial period	<b>27,185,260</b>	28,274,687
<b>Cash and short-term funds at end of the financial period</b>	<b>30,382,727</b>	23,154,980
Statutory deposits with Bank Indonesia*	<b>(3,876,712)</b>	(1,685,701)
<b>Cash and cash equivalents at end of the financial period</b>	<b>26,506,015</b>	21,469,279

\* 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 2010*

## **PART A - EXPLANATORY NOTES**

### **A1. BASIS OF PREPARATION**

The unaudited condensed interim financial statements for the financial period ended 30 September 2011 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. The unaudited condensed interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2010. The explanatory notes attached to the condensed interim 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 2010.

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 2010, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2011:

- 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"
- Amendments to FRS 7 "Improving Disclosures about Financial Instruments"
- FRS 127 "Consolidated and Separate Financial Statements"
- Amendments to FRS 132 "Financial Instruments: Presentation"
- Amendments to FRS 138 "Intangible Assets"
- Amendments to IC Interpretation 9 "Reassessment of Embedded Derivatives"
- IC Interpretation 4 "Determining Whether an Arrangement contains a Lease"
- IC Interpretation 12 "Service Concession Arrangements"
- 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"
- Improvements to FRSs (2010)

The adoption of the revised FRS 3 and FRS 127, will potentially have a financial impact on the Group as it will result in changes in accounting for business combinations and the preparation of consolidated financial statements. Minority interest is now referred to as "non-controlling interest". The revised FRS 127 requires the effect of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest for prior years is not restated. Where changes in ownership interest result in loss of control, the remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in the profit or loss.

FRS 3 continues to apply the acquisition method to business combinations, with some significant change. For example, all payments to purchase a business are to be recorded at fair value at the date of acquisition, with contingent payments classified as debt subsequently re-measured through the comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

The above FRSs which become mandatory for the Group's consolidated financial statements will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2011 consolidated financial statements.

The Amendments to FRS 2 effective 1 Jan 2011 clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. Previously, the Group has a cash settled share based arrangement whereby a substantial shareholder of the Company grants entitlements to the employees of the Group. Prior to the adoption of the Amendments to FRS 2, the Group does not account for the transaction in its financial statements. The Group has changed its accounting policy upon adoption of Amendments to FRS 2 on 1 January 2011 retrospectively. As the Group does not have an obligation to settle the transaction with its employees, the Group has accounted for the transaction as equity settled in accordance with the Amendments to FRS 2. The impact of the change in accounting policy to the prior period presented is disclosed in Note A25.

The Amendments to FRS 7 requires enhanced disclosures about fair value measurement and liquidity risk. The amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment will only affect disclosures and will not have any financial impact on the results of the Group.

#### A1. BASIS OF PREPARATION (CONTINUED)

The following revised FRSS and new IC Interpretations have been issued by the MASB and are effective for annual periods commencing on or after 1 January 2012, and have yet to be adopted by the Group and the Company:

- FRS 124 "Related Party Transactions" (effective 1 January 2012)
- Amendments to IC Interpretation 14 "Prepayments of a Minimum Funding Requirement" (effective 1 July 2011)
- IC Interpretation 15 "Agreements for the Construction of Real Estate" (effective 1 January 2012)
- IC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective 1 July 2011)

The revised FRS 101 requires all non-owner changes in equity to be shown in a performance statement, but entities can choose whether to present one performance statement (the Statement of Comprehensive Income) or two statements (the Income Statement and Statement of Comprehensive Income). With effective from 1 April 2011, the Group has elected to present the Statement of Comprehensive Income in two statements.

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

Other than 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 nine-month period ended 30 September 2011:-

a) From 7 January 2011 to 30 September 2011, the Company purchased 889 of its own shares from the open market at an average market price of RM8.76 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM7.79 thousand.

Subsequent to the financial period ended 30 September 2011, the Company purchased 49 of its own shares from the open market at an average market price of RM7.49 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM0.37 thousand.

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

b) 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.

On 22 March 2011, the Company has submitted to the SC an application for a further extension of six months up to 6 October 2011 for the Company to complete the Proposed SET Listing, which is currently pending the decision of the SC. On 25 May 2011, the Company announced the postponement of its proposed listing on the Stock Exchange of Thailand ("SET"). Concurrently, the Company retracted its application for a six-month extension from the SC.

c) 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.

d) On 3 March 2011, the Company announced that it will be seeking its shareholders' approval at its 54th 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 22 April 2011.

e) On 21 April 2011, CIMB Islamic, an indirect subsidiary of the Company, had issued RM250 million subordinated Sukuk ("the Sukuk") as part of the Tier-2 Junior Sukuk programme which was approved by the Securities Commission on 22 May 2009. Under the programme, CIMB Islamic is allowed to raise Tier-2 capital of up to RM2.0 billion in nominal value outstanding at any one time. The Sukuk qualifies as Tier-2 capital for the purpose of the RWC computation.

f) On 30 May 2011, CIMB Islamic had issued 250 million additional new ordinary shares of RM1 each (at par value) amounting to RM250 million, which were fully subscribed by CIMB Bank.

g) CIMB Bank (L) Limited, a subsidiary of CIMB Bank had fully settled its USD 140 million bonds and USD 300 million term loan on 15 April 2011 and 22 June 2011 respectively.

h) CIMB Bank has on 8 August 2011 completed the issuance of RM1.5 billion Subordinated Debt. The RM1.5 billion Subordinated Debt issuance was the second issuance 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).



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

h) The Subordinated Debt, rated AA+ by Malaysian Rating Corporation Berhad ("MARC"), was issued in 2 separate tranches, a RM1.35 billion tranche with a maturity of 10 years callable at the end of year 5 and on each subsequent coupon payment dates thereafter ("Tranche 1"), and another RM150 million tranche with a maturity of 15 years callable at the end of year 10 and on each subsequent coupon payment dates thereafter ("Tranche 2"). 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 4.15% and 4.70% for Tranche 1 and Tranche 2 respectively. There is no step up coupon after call dates. Proceeds from the issuance will be used for CIMB Bank's working capital purposes. The Subordinated Debt qualifies as Tier-2 capital for the purpose of the RWCR computation.

i) CIMB Thai Bank, a subsidiary of CIMB Bank had fully settled its USD 50 million subordinated notes on 17 July 2011. CIMB Thai Bank had on 14 July 2011 issued 3,000,000 units unsecured 10-year subordinated notes ("the THB 3 billion Notes"). The THB 3 billion Notes were issued at a price of THB 1,000 per unit. The THB 3 billion Notes carry constant interest rate of 5.35% per annum payable every 6 months on 14 July and 14 January. The THB 3 billion Notes will mature on 14 July 2021 and qualify as Tier-2 Capital for the purpose of the RWCR computation.

j) On 19 October 2011, CIMB Niaga announced its intention to call the USD200 million subordinated notes, which is callable on 22 November 2011.

#### A4. DIVIDENDS PAID AND PROPOSED

A second single tier interim dividend of 8 sen per ordinary share, on 7,432,772,311 ordinary shares amounting to RM594,621,785 in respect of the financial year ended 31 December 2010, which was approved by the Board of Directors on 22 February 2011, was paid on 31 March 2011.

A single tier interim dividend of 12 sen per ordinary share, on 7,432,771,757 ordinary shares amounting to RM891,932,611 in respect of the financial year ending 31 December 2011, which was approved by the Board of Directors on 18 August 2011, was paid on 30 September 2011.

#### A5. STATUS OF CORPORATE PROPOSAL

a) On 18 April 2011, the Company has acquired the entire issued and paid-up share capital of a company known as CIMB Southeast Asia Research Sdn. Bhd. ("CARI Sdn Bhd"), at a total cash consideration of RM2.00 for 2 shares of RM1.00 each. The shares are to be held directly by CIMB Group Sdn Bhd, a wholly-owned subsidiary of the Company. CARI Sdn Bhd will be principally involved in thought leadership, research support and advocacy to promote ASEAN intergration.

b) On 31 May 2011, the Company announced that it had received Bank Negara Malaysia ("BNM") approval via its letter dated 31 May 2011, to commence negotiations with RHB Capital Berhad ("RHB") for a possible merger of the businesses of both banking groups. The approval to commence negotiations is valid for a period of 3 months from the date of BNM's letter. On 23 June 2011, the Company announced the cessation of negotiations with RHB for a possible merger.

c) On 4 August 2011, CIMB Securities International Pte. Ltd. ("CIMBSI"), an indirect wholly-owned subsidiary of the Company, has entered into a Joint Venture and Shareholders' Agreement with its partners, Mr. Alex Lovell and Ms. Reshani Dangalia to establish an investment banking advisory joint venture in Sri Lanka ("Joint Venture"). Pursuant to the Agreement, the shareholders have committed up to USD2 million for the venture and it will be a subsidiary of CIMBSI upon its incorporation. The Joint Venture company shall provide investment banking services such as corporate, equity and debt capital market and general advisory on mergers and acquisitions, initial public offerings and secondary offerings, primary and dual listings, privatisations, corporate restructuring and capital management, as well as such other related businesses that the Joint Venture company may choose to undertake in the future.

d) On 29 September 2011, CIMB Securities International Pte. Ltd. ("CSI"), an indirect wholly-owned subsidiary of the Company, has entered into a conditional Share Sale and Purchase Agreement ("SSPA") with the Siam Industrial Credit Public Company Limited ("SICCO") for the Proposed Acquisition of 70.06% interest in SICCO Securities Public Company Limited ("SSEC") at a total cash consideration of THB767,907,519 (equivalent to approximately RM78,426,395) or a cash consideration of THB1.72 per ordinary share of SSEC. Under the laws of Thailand, CSI will be required to conduct a mandatory tender offer to acquire all the remaining shares in SSEC not owned by CSI from other shareholders of SSEC, subject to the fulfilment of conditions precedents under the SSPA and upon completion of the Proposed Acquisition.

e) On 6 October 2011, the Company announced that it is in an early stage discussion with San Miguel Corp for a possible acquisition of a stake in Bank of Commerce in the Philippines. Further announcements will be made in the event of any material developments.

#### A6. EVENTS DURING THE REPORTING PERIOD

a) Due to a realignment of the board of directors in two of the Group's insurance subsidiaries of the Group, the insurance subsidiaries are now jointly controlled with the joint venture partners with effect from 1 January 2011, without a change to the Group's existing 51% equity interest held in the mentioned companies. Consequent thereto, the insurance companies have ceased to be subsidiaries and have been accounted for as investment in jointly controlled entities of the Company. The financial results of the insurance companies are now equity accounted for in the financial statements of the Group.

b) On 10 May 2011, CIMB Strategic Assets Sdn Bhd ("CIMB SA"), a wholly owned subsidiary of the Group, had acquired 200,000 ordinary issued shares of Capital Advisors Partners Asia Sdn Bhd (formerly known as CIMB Standard Strategic Asset Advisors Sdn Bhd) ("CAPA") for a cash consideration of RM1,522,299, representing the remaining 40% of issued share capital not owned by CIMB SA. As a result, CAPA became a wholly owned subsidiary of CIMB SA and indirect wholly-owned subsidiary of the Group.

c) On 19 May 2011, Semantan Investment Holding Ltd ("SIHL"), an indirect wholly owned subsidiary of the Group, had acquired 1 ordinary issued share of CapAsia ASEAN Infrastructure Fund III (General Partner) Limited ("CAIF III GP") for a cash consideration of USD0.01, representing 100% of issued share capital of CAIF III GP. Accordingly, CAIF III GP became a wholly owned subsidiary of SIHL and indirect wholly-owned subsidiary of the Group.

d) On 23 May 2011, CIMB Strategic Assets Sdn Bhd ("CIMB SA"), a wholly owned subsidiary of the Group, acquired the remaining 40% ordinary issued shares of its subsidiary, CapAsia Islamic Infrastructure Fund (General Partner) Limited ("CIIF") (formerly known as CIMB Standard Islamic Infrastructure Fund (General Partner) Limited), for a cash consideration of USD247,620. Upon completion of the acquisition, CIIF became a wholly-owned subsidiary of CIMB SA and indirect wholly-owned subsidiary of the Group.

#### A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events other than those disclosed under status of corporate proposals that had occurred between 30 September 2011 and the date of this announcement.

**PART A - EXPLANATORY NOTES**

**A8. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

**A8(a). FINANCIAL ASSETS HELD FOR TRADING**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	292,581	360,214
Cagamas bonds	4,912	13,186
Malaysian Government treasury bills	336,169	57,779
Bank Negara Malaysia bills	3,324,517	2,597,966
Bank Negara Malaysia negotiable notes	2,047,388	2,226,623
Negotiable instruments of deposit	2,085,668	1,778,088
Bankers' acceptances and Islamic accepted bills	749,181	740,811
Credit-linked notes	46,036	123,158
Other Government's securities	2,666,538	2,053,218
Commercial papers	39,301	163,033
Government investment issues	78,379	320,534
	<b>11,670,670</b>	<b>10,434,610</b>
<b>Quoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Warrants	-	5
Shares	610,113	1,210,166
<i><u>Outside Malaysia:</u></i>		
Shares	25,543	26,102
Private and Islamic debt securities	270,033	57,525
Other Government bonds	270,314	79,143
Bank Indonesia certificates	1,090,051	1,478,043
Investment linked funds	246,617	54,017
	<b>2,512,671</b>	<b>2,905,001</b>
<b>Unquoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	1,678,974	1,628,798
Shares	6,175	5,948
<i><u>Outside Malaysia:</u></i>		
Private and Islamic debt securities	1,617,154	1,246,789
	<b>3,302,303</b>	<b>2,881,535</b>
<b>Total financial assets held-for-trading</b>	<b>17,485,644</b>	<b>16,221,146</b>

**A8. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)****A8(b). FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	-	223,810
Cagamas bonds	-	22,536
Khazanah bonds	-	8,012
Government investment issues	-	195,523
	-	449,881
<b>Quoted securities:</b>		
<i>In Malaysia:</i>		
Shares	-	81,637
Unit trusts	-	10,797
	-	92,434
<b>Unquoted securities:</b>		
<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

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.

**TOTAL FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH  
PROFIT OR LOSS**

<b>17,485,644</b>	<b>17,082,596</b>
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**A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	365,264	346,720
Cagamas bonds	204,747	184,494
Government investment issues	312,121	282,022
	<b>882,132</b>	<b>813,236</b>
<b>Quoted securities:</b>		
<i>In Malaysia:</i>		
Shares	31,968	115,676
Unit trusts	194,040	240,949
<i>Outside Malaysia:</i>		
Shares	8,786	12,074
Private and Islamic debt securities	118,576	24,582
Other Government bonds	2,617,665	2,635,564
Unit trusts	297,170	318,435
	<b>3,268,205</b>	<b>3,347,280</b>
<b>Unquoted securities:</b>		
<i>In Malaysia:</i>		
Private and Islamic debt securities	6,576,311	6,477,787
Shares	1,025,610	905,404
Loan stocks	25,338	26,624
Property funds	188	175
Investment-linked funds	-	6,947
Unit trusts	51,000	-
Bond funds	12,619	12,380
<i>Outside Malaysia:</i>		
Shares	60,825	80,480
Private equity and unit trust funds	148,088	224,453
Private and Islamic debt securities	1,178,953	176,323
Loan stocks	192	1,531
	<b>9,079,124</b>	<b>7,912,104</b>
	<b>13,229,461</b>	<b>12,072,620</b>
<b>Allowance for impairment loss:</b>		
Private debt securities	(215,805)	(240,661)
Quoted shares	(19,592)	(27,413)
Quoted bonds	(744)	-
Unquoted shares	(101,281)	(109,860)
Unit trusts	(21,855)	(21,892)
Loan stocks	(12,806)	(14,092)
	<b>(372,083)</b>	<b>(413,918)</b>
<b>Total financial investments available-for-sale</b>	<b>12,857,378</b>	<b>11,658,702</b>

**A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	1,082,457	1,123,977
Cagamas bonds	255,977	254,817
Other government securities	255,160	-
Bank Negara negotiable notes	9,986	9,948
Khazanah bonds	137,358	-
Malaysian Government investment issues	856,714	600,245
	<b>2,597,652</b>	<b>1,988,987</b>
<b>Quoted securities</b>		
<i>Outside Malaysia</i>		
Private debt securities	2,376,473	1,411,355
Islamic bonds	24,659	23,983
Medium term notes - Islamic	3,651	8,565
Other Government bonds	196,344	116,807
Bank Indonesia certificates	69,307	127,309
Structured notes	175,315	154,859
	<b>2,845,749</b>	<b>1,842,878</b>
<b>Unquoted securities</b>		
<i>In Malaysia</i>		
Private debt securities	7,285,344	7,190,838
Loan stocks	31,809	31,814
Danaharta Urus Sdn Bhd ("DUSB") bonds	795,335	795,335
	<b>2,208,029</b>	<b>2,036,903</b>
<i>Outside Malaysia</i>		
Private debt securities	10,320,517	10,054,890
	<b>15,763,918</b>	<b>13,886,755</b>
Accretion of discount net of amortisation of premium	331,802	279,020
Less : Allowance for impairment losses	(49,203)	(45,512)
<b>Total financial investments held-to-maturity</b>	<b>16,046,517</b>	<b>14,120,263</b>

Also included in the financial investments held-to-maturity of the Group as at 30 September 2011 are 10-year promissory notes of THB782 million (2010: THB746 million) maturing between 2011 to 2015, 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 loss will be calculated at the end of the agreement.

## A11. LOANS, ADVANCES AND FINANCING

### (i) By type

	The Group	
	30 Sept 2011	31 Dec 2010
At amortised cost	RM'000	RM'000
Overdrafts	5,959,010	6,317,493
Term loans/financing		
- Housing loans/financing	47,753,838	42,496,812
- Syndicated term loans	7,291,383	6,996,472
- Hire purchase receivables	11,554,941	11,384,643
- Lease receivables	99,937	32,087
- Factoring receivables	15,703	23,655
- Other term loans/financing	72,395,547	60,588,953
Bills receivable	3,558,193	2,636,548
Trust receipts	1,177,572	1,145,109
Claims on customers under acceptance credits	4,457,674	4,548,433
Staff loans *	733,634	728,594
Credit card receivables	5,357,105	4,981,667
Revolving credits	22,743,684	24,289,359
Share margin financing	1,841,261	1,299,816
Other loans	830	9,730
Gross loans, advances and financing	184,940,312	167,479,371
Fair value changes arising from fair value hedge	356,942	44,340
	<b>185,297,254</b>	<b>167,523,711</b>
Less: Allowance for impairment losses		
- Individual impairment allowance	(4,061,406)	(4,079,367)
- Portfolio impairment allowance	(4,106,719)	(4,262,959)
	<b>(8,168,125)</b>	<b>(8,342,326)</b>
<b>Total net loans, advances and financing</b>	<b>177,129,129</b>	<b>159,181,385</b>

\* Included in staff loans of the Group are loans to Directors amounting to RM8,731,735 (31 December 2010: RM6,473,245).

Included in the Group's loans, advances and financing balances are RM71,740,000 (31 December 2010: RM75,347,000) 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 loans, advances and financing with RM7,073,201,000 (31 December 2010: RM7,663,278,000) of its loan exposure using interest rate swaps.

	The Group	
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
Gross loan hedged	7,073,201	7,663,278
Fair value changes arising from fair value hedges	356,942	44,340
	<b>7,430,143</b>	<b>7,707,618</b>

The fair value loss of interest rate swaps as at 30 September 2011 was RM448,679,386 (2010: fair value loss of RM127,755,094).

**A11. LOANS, ADVANCES AND FINANCING (Continued)**
**(ii) By type of customers**

	The Group	
	30 Sept 2011 RM'000	31 Dec 2010 RM'000
Domestic banking financial institutions	105,197	65,091
Domestic non-bank financial institutions		
- others	2,241,442	2,645,801
Domestic business enterprises		
- small medium enterprises	29,075,158	25,456,138
- others	42,099,211	36,784,015
Government and statutory bodies	10,684,049	10,666,029
Individuals	88,346,116	80,444,835
Other domestic entities	3,505,618	3,878,422
Foreign entities	8,883,521	7,539,040
Gross loans, advances and financing	<b>184,940,312</b>	<b>167,479,371</b>

**(iii) By interest/profit rate sensitivity**

	The Group	
	30 Sept 2011 RM'000	31 Dec 2010 RM'000
Fixed rate		
- Housing loans	2,877,422	3,718,109
- Hire-purchase receivables	11,593,595	11,403,949
- Other fixed rate loans	37,089,730	33,221,004
Variable rate		
- BLR plus	89,910,597	78,906,381
- Cost plus	20,943,147	20,295,232
- Other variable rates	22,525,821	19,934,696
Gross loans, advances and financing	<b>184,940,312</b>	<b>167,479,371</b>

**(iv) By economic purpose**

	The Group	
	30 Sept 2011 RM'000	31 Dec 2010 RM'000
Personal use	6,460,293	5,161,725
Credit card	5,364,676	4,975,702
Purchase of consumer durables	1,059	1,216
Construction	5,131,561	4,360,535
Residential property (Housing)	48,480,980	43,056,292
Non-residential property	12,256,848	11,671,665
Purchase of fixed assets other than land and building	17,764,800	10,175,685
Mergers and acquisitions	2,543,235	2,620,451
Purchase of securities	7,444,178	7,372,586
Purchase of transport vehicles	16,583,294	15,780,118
Working capital	47,399,229	47,430,005
Other purpose	15,510,159	14,873,391
Gross loans, advances and financing	<b>184,940,312</b>	<b>167,479,371</b>

**(v) By geographical distribution**

	The Group	
	30 Sept 2011 RM'000	31 Dec 2010 RM'000
Malaysia	113,569,075	111,065,224
Indonesia	46,246,707	37,428,349
Thailand	12,618,456	9,906,698
Singapore	8,232,920	6,666,705
United Kingdom	1,016,136	597,461
Hong Kong	304,982	552,120
Other countries	2,952,036	1,262,814
Gross loans, advances and financing	<b>184,940,312</b>	<b>167,479,371</b>

**A11. LOANS, ADVANCES AND FINANCING (Continued)**

**(vi) By residual contractual maturity**

	The Group	
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
Within one year	40,050,364	35,403,191
One year to less than three years	44,212,988	38,204,037
Three years to less than five years	21,217,860	22,449,382
Five years and more	79,459,100	71,422,761
Gross loans, advances and financing	<u>184,940,312</u>	<u>167,479,371</u>

**(vii) Impaired loans by economic purpose**

	The Group	
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
Personal use	299,819	399,960
Credit card	120,154	98,523
Purchase of consumer durables	593	251
Construction	1,495,336	1,380,526
Residential property (Housing)	1,928,595	1,909,586
Non-residential property	433,992	491,942
Purchase of fixed assets other than land and building	689,670	365,872
Purchase of securities	130,856	101,641
Purchase of transport vehicles	532,227	322,967
Working capital	3,467,183	4,123,317
Other purpose	1,113,505	1,089,794
Gross impaired loan	<u>10,211,930</u>	<u>10,284,379</u>

**(viii) Impaired loans by geographical distribution**

	The Group	
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
Malaysia	6,531,780	6,781,354
Indonesia	1,824,325	1,687,775
Thailand	1,486,572	1,466,154
Singapore	63,716	116,176
United Kingdom	53,983	48,095
Other countries	251,554	184,825
Gross impaired loan	<u>10,211,930</u>	<u>10,284,379</u>

**(ix) Movements in impaired loans**

	The Group	
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
At 1 January	10,284,379	11,490,890
Classified as impaired during the period/year	3,012,962	5,433,418
Reclassified as not impaired during the period/year	(1,490,197)	(3,346,847)
Amount written back in respect of recoveries	(1,035,736)	(1,446,918)
Arising from deconsolidation of a subsidiary	(942)	-
Amount written off	(660,855)	(1,500,162)
Purchase of impaired loans from third party	128	294
Sale of impaired loans	-	(145,981)
Exchange fluctuation	102,191	(200,315)
At 30 September / 31 December	<u>10,211,930</u>	<u>10,284,379</u>
Ratio of gross impaired loans to gross loans, advances and financing	<u>5.52%</u>	<u>6.14%</u>



**A11. LOANS, ADVANCES AND FINANCING (Continued)**

**(x) Movements in the allowance for impaired loans  
are as follows:**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Individual impairment allowance</u>		
At 1 January	4,079,367	4,988,992
Net allowance made during the period/year	191,118	157,058
Amount written off	(190,694)	(873,331)
Allowance made and charged to deferred assets	573	2,431
Amount transferred to portfolio impairment allowance	(2,002)	(5,795)
Allowance written off in relation to deconsolidation of a subsidiary	(942)	-
Unwinding income	(58,015)	(110,843)
Exchange fluctuation	42,001	(79,145)
At 30 September / 31 December	<b>4,061,406</b>	<b>4,079,367</b>
<u>Portfolio impairment allowance</u>		
At 1 January	4,262,959	4,252,946
Net allowance made during the period/year	297,376	816,418
Amount transferred from individual impairment allowance	2,002	5,795
Amount written off	(454,291)	(702,457)
Allowance made/(written back) and charged to deferred assets	1,030	(3,352)
Unwinding income	(43,123)	(89,698)
Exchange fluctuation	40,766	(16,693)
At 30 September / 31 December	<b>4,106,719</b>	<b>4,262,959</b>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing less individual impairment allowance	<b>2.62%</b>	<b>2.87%</b>

**A12. OTHER ASSETS**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Due from brokers and clients net of allowance for doubtful debts	1,896,377	1,250,003
Other debtors, deposits and prepayments net of allowance for doubtful debts	3,099,779	2,976,433
Due from jointly controlled entity	1,390,351	1,671,488
Due from insurers, brokers and reinsurers	16,957	25,476
Option financing	281,699	278,032
Deferred assets	154,410	170,961
Foreclosed properties net of allowance for impairment losses	181,257	228,785
Collateral pledged for derivative transactions	883,260	752,344
	<b>7,904,090</b>	<b>7,353,522</b>

**A13. DEPOSITS FROM CUSTOMERS**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>By type of deposit</u>		
Demand deposits	47,332,568	43,982,722
Savings deposits	24,705,026	22,242,066
Fixed deposits	101,095,954	90,291,236
Negotiable instruments of deposit	2,226,844	1,545,997
Others	42,841,700	41,783,643
	<b>218,202,092</b>	<b>199,845,664</b>

By type of customer

Government and statutory bodies	13,197,743	14,123,891
Business enterprises	101,495,281	95,496,601
Individuals	82,214,416	70,213,582
Others	21,294,652	20,011,590
	<b>218,202,092</b>	<b>199,845,664</b>

The maturity structure of fixed deposits and negotiable instruments of deposit is as follows:

One year or less (short term)	99,676,939	88,610,604
More than one year (medium/long term)	3,645,859	3,226,629
	<b>103,322,798</b>	<b>91,837,233</b>

**A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	11,397,831	7,241,711
Licensed finance companies	27,529	145,025
Licensed investment banks	711,770	529,845
Bank Negara Malaysia	365,000	1,598,400
Other financial institutions	3,548,768	3,577,176
	<b>16,050,898</b>	<b>13,092,157</b>

**A15. OTHER LIABILITIES**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Due to brokers and clients	<b>2,043,640</b>	1,381,307
Expenditure payable	<b>878,659</b>	1,878,259
Provision for legal claims	<b>126,043</b>	138,319
Sundry creditors	<b>945,324</b>	900,913
Insurance fund - life and takaful insurance business	<b>41,674</b>	998,019
Insurance fund - general insurance business	-	541,062
Allowance for commitments and contingencies	<b>54,036</b>	88,631
Post employment benefit obligations	<b>103,977</b>	271,273
Credit card expenditure payable	<b>143,697</b>	221,237
Call deposit borrowing	<b>511,012</b>	281,833
Others	<b>2,400,786</b>	1,923,815
	<b>7,248,848</b>	8,624,668

**A16. INTEREST INCOME**

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries	2,600,088	2,245,567	7,429,515	6,548,084
- Recoveries from impaired loans/non-performing loans	3,423	2,207	9,247	11,153
- Unwinding income <sup>^</sup>	32,746	90,962	124,775	171,811
Money at call and deposit placements with financial institutions	137,255	89,219	373,467	254,180
Reverse repurchase agreements	30,968	20,612	75,772	56,531
Financial assets held for trading	87,894	169,726	274,334	251,891
Financial assets designated at fair value through profit or loss	-	863	-	2,570
Financial investments available-for-sale	109,805	131,690	385,184	341,698
Financial investments held-to-maturity	205,864	59,766	526,559	432,200
Others	3,930	1,713	11,095	6,181
	<b>3,211,973</b>	<b>2,812,325</b>	<b>9,209,948</b>	<b>8,076,299</b>
Accretion of discounts less amortisation of premiums	37,409	54,400	114,609	142,032
	<b>3,249,382</b>	<b>2,866,725</b>	<b>9,324,557</b>	<b>8,218,331</b>

<sup>^</sup> Unwinding income is interest income earned on impaired financial assets

**A17. INTEREST EXPENSE**

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	43,622	7,573	95,105	41,110
Deposits from other customers	1,285,466	1,015,885	3,585,875	2,722,970
Repurchase agreements	735	107	1,499	473
Subordinated notes	146,092	108,275	421,724	292,452
Loans sold to Cagamas	-	2,105	1,635	7,391
Negotiable certificates of deposits	35,629	38,380	112,241	96,121
Other borrowings	48,515	24,571	116,898	66,607
Others	26,979	10,813	73,310	33,065
	<b>1,587,038</b>	<b>1,207,709</b>	<b>4,408,287</b>	<b>3,260,189</b>

**A18. NET NON-INTEREST INCOME**

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
(a) Net fee income and commission income:				
Commissions	99,835	95,103	360,720	271,665
Fee on loans, advances and financing	104,539	101,725	279,583	238,449
Portfolio management fees	6,119	4,548	18,904	15,994
Service charges and fees	85,490	94,273	249,138	273,846
Corporate advisory fees	30,509	12,061	123,869	69,599
Guarantee fees	12,130	14,204	53,104	39,374
Other fee income	97,295	97,048	283,222	266,239
Placement fees	29,932	14,173	73,519	43,364
Underwriting commission	4,000	6,532	28,435	29,317
Al-Wakalah fee	-	5,885	-	20,312
Fee and commission income	469,849	445,552	1,470,494	1,268,159
Fee and commission expense	(90,218)	(77,559)	(265,141)	(230,203)
Net fee and commission income	379,631	367,993	1,205,353	1,037,956
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	12,627	6,119	25,156	12,979
- Financial investments available-for-sale	10,652	6,316	32,975	14,270
<i>Outside Malaysia</i>				
- Financial assets held for trading	893	147	2,079	642
- Financial investments available-for-sale	-	9,359	-	19,307
	24,172	21,941	60,210	47,198
(c) Net (loss)/gain arising from financial assets held for trading	(253,001)	52,167	(358,315)	51,869
- realised	(137,639)	40,027	(213,686)	38,686
- unrealised	(115,362)	12,140	(144,629)	13,183
(d) Net gain/(loss) arising from derivative financial instruments	437,581	(86,781)	806,154	(331,020)
- realised	215,455	(129,804)	428,313	(415,816)
- unrealised	222,126	43,023	377,841	84,796
(e) Net gain/(loss) arising from hedging derivatives	14,023	(16,171)	(27,088)	(3,917)
(f) Net gain from sale of financial investments available-for-sale	133,892	143,351	202,291	544,902
(g) Net gain from redemption / maturity of financial investment held-to-maturity	24,067	14,297	25,625	102,161
(h) Net gain from financial assets designated at fair value through profit or loss	-	4,711	-	7,632
(i) Income from assets management and securities services	39,460	45,193	137,030	126,679
(j) Brokerage income	103,275	83,793	281,970	254,164
(k) Other non-interest income:				
Foreign exchange gain	24,907	206,614	127,715	671,876
Rental income	3,239	4,510	10,882	14,492
Gain on disposal of property, plant and equipment	1,345	1,073	15,352	157,879
Net gain from insurance business	-	9,280	-	24,954
Underwriting surplus before management expenses	4,020	1,760	12,334	5,088
Other non-operating income	74,932	55,361	280,085	148,305
	108,443	278,598	446,368	1,022,594
Total other operating income	1,011,543	909,092	2,779,598	2,860,218

**A19. OVERHEADS**

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	715,614	604,799	2,015,725	1,836,275
- Pension cost	57,930	56,126	123,477	167,177
- Overtime	8,045	7,753	25,372	24,108
- Staff incentives and other staff payments	52,207	36,211	132,472	104,233
- Medical expenses	19,783	18,978	56,975	50,862
- Others	78,842	76,845	260,643	185,042
	<b>932,421</b>	<b>800,712</b>	<b>2,614,664</b>	<b>2,367,697</b>
Establishment costs				
- Depreciation of property, plant and equipment	84,462	83,517	247,222	251,517
- Amortisation of prepaid lease payments	3,632	16,360	11,083	44,037
- Rental	76,195	72,330	223,260	204,784
- Repair and maintenance	42,825	69,958	159,083	210,006
- Outsourced services	63,071	53,823	188,614	192,770
- Security expenses	25,963	22,377	73,059	69,801
- Others	55,214	40,730	146,590	124,129
	<b>351,362</b>	<b>359,095</b>	<b>1,048,911</b>	<b>1,097,044</b>
Marketing expenses				
- Sales commission	4,196	14,461	9,725	38,681
- Advertisement	73,833	76,813	214,754	191,467
- Others	19,871	17,651	46,543	42,909
	<b>97,900</b>	<b>108,925</b>	<b>271,022</b>	<b>273,057</b>
Administration and general expenses				
- Amortisation of intangible assets	59,716	64,064	179,770	194,074
- Impairment of intangible assets	-	-	-	1,302
- Legal and professional fees	41,567	47,722	128,118	136,545
- Stationery	20,788	19,749	64,683	65,116
- Communication	40,542	36,386	117,023	105,562
- Incidental expenses on banking operations	5,821	11,056	23,038	30,497
- Insurance	34,693	34,386	111,141	109,069
- Others	115,899	100,210	349,616	318,899
	<b>319,026</b>	<b>313,573</b>	<b>973,389</b>	<b>961,064</b>
	<b>1,700,709</b>	<b>1,582,305</b>	<b>4,907,986</b>	<b>4,698,862</b>

**A20. ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING**

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans and financing :				
Individual impairment allowance				
- made/(written back) during the period	180,213	(10,618)	191,118	91,669
Portfolio impairment allowance				
- made during the period	37,230	286,298	297,376	648,730
Bad debts on loans and financing :				
- recovered	(114,692)	(109,623)	(301,024)	(303,959)
- written off	2,970	1,311	10,669	3,109
	<b>105,721</b>	<b>167,368</b>	<b>198,139</b>	<b>439,549</b>

**A21. 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 the end of the reporting period, 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	Fair values	
		Assets	Liabilities
	RM'000	RM'000	RM'000
<b>At 30 September 2011</b>			
<b>Trading derivatives</b>			
<b>Foreign exchange derivatives</b>			
Currency forward	<b>15,678,368</b>	<b>293,934</b>	<b>(165,668)</b>
- Less than 1 year	13,344,316	248,267	(130,025)
- 1 year to 3 years	979,743	33,716	(18,787)
- More than 3 years	1,354,309	11,951	(16,856)
Currency swaps	<b>38,679,409</b>	<b>776,754</b>	<b>(839,084)</b>
- Less than 1 year	38,191,033	758,839	(834,758)
- 1 year to 3 years	257,109	6,927	(3,300)
- More than 3 years	231,267	10,988	(1,026)
Currency spot	<b>5,113,903</b>	<b>8,786</b>	<b>(3,623)</b>
- Less than 1 year	5,113,903	8,786	(3,623)
Currency options	<b>2,656,282</b>	<b>18,343</b>	<b>(21,161)</b>
- Less than 1 year	2,656,282	18,343	(21,161)
Cross currency interest rate swap	<b>16,311,799</b>	<b>548,901</b>	<b>(493,227)</b>
- Less than 1 year	4,256,932	107,552	(180,760)
- 1 year to 3 years	5,437,736	260,203	(129,123)
- More than 3 years	6,617,131	181,146	(183,344)
	<b>78,439,761</b>	<b>1,646,718</b>	<b>(1,522,763)</b>
<b>Interest rate derivative</b>			
Interest rate swaps	<b>227,128,568</b>	<b>2,569,153</b>	<b>(2,202,225)</b>
- Less than 1 year	33,491,752	89,850	(71,600)
- 1 year to 3 years	126,331,737	917,865	(926,061)
- More than 3 years	67,305,079	1,561,438	(1,204,564)
Interest rate futures	<b>12,392,171</b>	<b>27,881</b>	<b>(3,846)</b>
- Less than 1 year	5,638,296	10,265	(3,846)
- 1 year to 3 years	5,404,738	12,482	-
- More than 3 years	1,349,137	5,134	-
Interest rate options	<b>151,353</b>	<b>9,448</b>	<b>(3,816)</b>
- Less than 1 year	1,353	-	-
- 1 year to 3 years	100,000	8,586	(3,808)
- More than 3 years	50,000	862	(8)
	<b>239,672,092</b>	<b>2,606,482</b>	<b>(2,209,887)</b>
<b>Equity related derivatives</b>			
Index futures	<b>720</b>	<b>12</b>	<b>(4)</b>
- Less than 1 year	720	12	(4)
Equity options	<b>8,700,307</b>	<b>374,038</b>	<b>(553,610)</b>
- Less than 1 year	5,875,724	58,429	(230,468)
- 1 year to 3 years	887,325	442	(27,131)
- More than 3 years	1,937,258	315,167	(296,011)
Equity swaps	<b>550,453</b>	<b>1,127</b>	<b>(62,352)</b>
- More than 3 years	550,453	1,127	(62,352)
	<b>9,251,480</b>	<b>375,177</b>	<b>(615,966)</b>
<b>Commodity related derivatives</b>			
Commodity swaps	<b>71,466</b>	<b>43,021</b>	<b>(46,375)</b>
- Less than 1 year	34,817	19,139	(18,890)
- 1 year to 3 years	36,649	23,882	(27,485)
Commodity futures	<b>38,100</b>	<b>3,721</b>	<b>(11)</b>
- Less than 1 year	33,281	3,129	(4)
- 1 year to 3 years	4,819	592	(7)
Commodity options	<b>79,798</b>	<b>79,047</b>	<b>(79,047)</b>
- Less than 1 year	35,085	11,082	(11,082)
- 1 year to 3 years	44,713	67,965	(67,965)
	<b>189,364</b>	<b>125,789</b>	<b>(125,433)</b>
<b>Credit related contract</b>			
Credit default swaps	<b>1,624,390</b>	<b>61,093</b>	<b>(50,407)</b>
- Less than 1 year	715,382	1,582	(841)
- 1 year to 3 years	717,638	4,713	(13,071)
- More than 3 years	191,370	54,798	(36,495)
<b>Hedging derivatives</b>			
Interest rate swaps	<b>14,320,728</b>	<b>286,625</b>	<b>(508,667)</b>
- Less than 1 year	504,583	11,361	(354)
- 1 year to 3 years	1,466,976	28,784	(7,704)
- More than 3 years	12,349,169	246,480	(500,609)
Cross currency interest rate swaps	<b>71,411</b>	<b>-</b>	<b>(2,444)</b>
- More than 3 years	71,411	-	(2,444)
	<b>14,392,139</b>	<b>286,625</b>	<b>(511,111)</b>
Total derivative assets/(liabilities)	<b>343,569,226</b>	<b>5,101,884</b>	<b>(5,035,567)</b>

A21. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (continued)

(i) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
At 31 December 2010			
<b>Trading derivatives</b>			
<u>Foreign exchange derivatives</u>			
Currency forward	10,433,718	159,990	(154,949)
- Less than 1 year	8,158,063	52,501	(127,590)
- 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 spot	462,152	387	(400)
- Less than 1 year	462,152	387	(400)
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	183,436,844	1,791,631	(1,344,587)
- Less than 1 year	54,389,510	339,772	(308,923)
- 1 year to 3 years	63,610,038	441,927	(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)
	197,932,934	1,816,995	(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	13,426,998	165,543	(215,376)
- Less than 1 year	1,428,650	31,058	-
- 1 year to 3 years	1,180,155	30,646	(6,211)
- More than 3 years	10,818,193	103,839	(209,165)
Cross currency interest rate swaps	218,378	-	(43,342)
- More than 3 years	218,378	-	(43,342)
	13,645,376	165,543	(258,718)
Total derivative assets/(liabilities)	289,289,381	3,577,155	(3,748,516)



A21. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (continued)

(i) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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 30 September 2011, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM5,101,884,000 (31 December 2010: RM3,577,155,000). 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 2010 and the Risk Management section of the 2010 Annual Report.

**A21. 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.

<b><u>The Group</u></b>	<b>30 Sept 2011 Principal Amount RM'000</b>	<b>31 Dec 2010 Principal Amount RM'000</b>
<b><u>Credit-related</u></b>		
Direct credit substitutes	5,162,242	4,929,234
Certain transaction-related contingent items	5,611,014	5,468,256
Short-term self-liquidating trade-related contingencies	2,454,449	3,511,093
Obligations under underwriting agreement	100,000	235,000
Irrevocable commitments to extend credit		
- maturity not exceeding one year	36,218,988	33,812,453
- maturity exceeding one year	5,999,714	6,778,430
Forward assets purchases	-	303,084
Miscellaneous commitments and contingencies	3,573,135	5,609,923
Total credit-related commitments and contingencies	<b>59,119,542</b>	<b>60,647,473</b>
<b><u>Treasury-related</u></b>		
<b><u>Foreign exchange related contracts</u></b>		
- less than one year	56,579,473	47,207,625
- one year to less than five years	11,246,853	10,641,952
- five years and above	4,297,314	3,353,629
	<b>72,123,640</b>	<b>61,203,206</b>
<b><u>Interest rate related contracts</u></b>		
- less than one year	52,963,063	55,274,126
- one year to less than five years	142,999,674	88,003,758
- five years and above	37,690,035	41,825,221
	<b>233,652,772</b>	<b>185,103,105</b>
<b><u>Equity related contracts</u></b>		
- less than one year	2,089,412	3,616,346
- one year to less than five years	4,698,192	5,121,018
- five years and above	2,463,876	2,092,883
	<b>9,251,480</b>	<b>10,830,247</b>
Other treasury related contracts	27,315,384	31,285,226
Total treasury-related commitments and contingencies	<b>342,343,276</b>	<b>288,421,784</b>
	<b>401,462,818</b>	<b>349,069,257</b>

**A22. CAPITAL ADEQUACY**  
**30 September 2011**

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.

	CIMB Bank	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC *
<b>Before deducting proposed dividend</b>							
Core capital ratio	14.07%	10.42%	8.10%	11.10%	22.34%	10.54%	N/A
Risk-weighted capital ratio	16.34%	14.44%	13.77%	15.98%	22.48%	13.52%	73.96%
<b>After deducting proposed dividend</b>							
Core capital ratio	14.07% +	10.42%	8.10%	11.10% +	22.34% @	10.54%	N/A
Risk-weighted capital ratio	16.34% +	14.44%	13.77%	15.98% +	22.48% @	13.52%	73.96%

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

**Tier I capital**

Paid-up capital	3,764,469	1,000,000	795,974	3,764,469	100,000	581,706	118,012
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier I Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier I capital	1,637,900	-	-	1,637,900	-	-	-
Share premium	5,033,633	-	144,723	5,033,633	-	2,922,815	-
Other reserves	6,745,158	693,613	139,497	7,707,607	344,725	1,930,203	(9,413)
Non-controlling interests	-	-	-	260,821	-	-	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(27,468)	-
Deferred tax assets	(142,712)	(7,924)	-	(110,666)	(43,230)	-	-
Intangible assets	-	-	-	-	-	-	(3,212)
Goodwill	(3,555,075)	(136,000)	-	(4,920,709)	-	-	-
Total Tier I capital	14,683,373	1,619,689	1,080,194	14,573,055	401,495	5,407,256	105,387

**Tier II capital**

Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	5,000,000	550,000	432,134	5,829,435	-	-	-
Subordinated loans	-	-	-	-	-	1,057,812	-
Revaluation reserve	-	-	36,179	-	-	-	-
Regulatory reserve	331,404	29,906	-	361,310	-	-	-
Portfolio impairment allowance <sup>√</sup>	166,684	55,418	37,390	352,503	649	453,852	1,033
Surplus of total eligible provision over expected loss under the IRB approach	396,463	(10,127)	-	329,681	1,823	-	-
Others	-	-	251,376	-	-	41,421	-
Total Tier II capital	5,924,291	625,197	757,079	6,902,669	2,482	1,553,085	1,033
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	(3,237,930)	-	-	(165,232)	(50)	(27,468)	-
Securitisation exposures subject to deductions**	(70,109)	-	-	(70,109)	-	-	-
Investment in associates	(245,134)	-	-	(245,134)	-	-	-
Total Eligible Tier II capital	2,371,118	625,197	757,079	6,422,194	2,432	1,525,617	1,033
Total capital base	17,054,491	2,244,886	1,837,273	20,995,249	403,927	6,932,873	106,420
Less :							
Proposed dividends	-	-	-	-	-	-	-
Total capital base (net of proposed dividend)	17,054,491	2,244,886	1,837,273	20,995,249	403,927	6,932,873	106,420

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	86,001,165	13,908,375	12,069,454	109,777,739	848,976	45,617,762	143,895
Market risk	8,254,895	318,196	376,314	8,939,295	154,939	370,717	-
Operational risk	9,761,307	1,320,169	-	12,266,008	793,036	5,298,118	-
Large exposure risk	363,806	-	895,781	363,806	-	-	-
	104,381,173	15,546,740	13,341,549	131,346,848	1,796,951	51,286,597	143,895

@ Final dividend for financial year ended 31 December 2010 was paid on 14 April 2011

+ Interim dividend for financial year ending 31 December 2011 was paid on 26 September 2011

\*\* 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.

<sup>√</sup> The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 30 September 2011 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM441,555,903, RM 419,845,308 and RM21,710,595 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.

A22. CAPITAL ADEQUACY (continued)  
31 December 2010

	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
<b>Before deducting proposed dividend</b>							
Core capital ratio	14.47%	13.24%	9.04%	11.89%	19.76%	9.53%	N/A
Risk-weighted capital ratio	15.36%	17.21%	14.69%	15.37%	19.80%	13.24%	636.20%

**After deducting proposed dividend**

Core capital ratio	13.90% +	13.24%	9.04%	11.42% +	17.06% @	9.53%	N/A
Risk-weighted capital ratio	14.80% +	17.21%	14.69%	14.89% +	17.11% @	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
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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 I Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier I 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	336,741	1,053,455	(1,395)
Non-controlling interests	-	-	-	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	392,412	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 <sup>√</sup>	221,940	30,892	30,840	381,876	650	391,631	-
Surplus of total eligible provision over expected loss under the IRB approach	404,989	17,577	-	409,200	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	(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	393,231	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	339,731	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	104,892,665	1,028,430	36,364,455	17,184
Market risk	9,176,183	285,115	313,670	9,658,308	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	126,154,134	1,986,059	39,989,997	17,184

+ Net of dividend for financial year ended 31 December 2010, which was paid on 28 March 2011.

@ Final dividend for financial year ended 31 December 2010 was paid on 14 April 2011

\*\* 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.

<sup>√</sup> 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.

### A23. SEGMENTAL REPORT

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 Financial Services, Commercial Banking, Enterprise Banking, and Direct Banking, Cards and Personal Financing.

Retail Financial Services 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.

Commercial Banking and Enterprise 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 Personal Financing 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.

A23. SEGMENTAL REPORT (continued)

30 September 2011

	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
Net interest income	1,917,991	900,466	(116,993)	8,979	2,357,807	(151,980)	4,916,270
-external income / (expense)	25,417	(389,404)	381,124	(8)	(15)	(17,114)	-
-inter-segment income	1,943,408	511,062	264,131	8,971	2,357,792	(169,094)	4,916,270
Income from Islamic Banking operations	483,862	72,145	431,488	-	56,270	1,433	1,045,198
Net non-interest income (excluding gain on disposal of interest in a subsidiary)	614,112	764,515	431,649	200,121	769,298	(97)	2,779,598
Net income/(expense)	3,041,382	1,347,722	1,127,268	209,092	3,183,360	(167,758)	8,741,066
Overheads	(1,989,876)	(671,066)	(372,189)	(154,840)	(1,710,233)	(9,782)	(4,907,986)
of which:	(103,642)	(28,839)	(9,374)	(7,463)	(86,217)	(11,687)	(247,222)
- Depreciation of property, plant and equipment	(3)	-	-	-	(11,080)	-	(11,083)
- Amortisation of prepaid lease payments	(82,467)	(10,064)	(5,878)	(1,837)	(76,302)	(3,222)	(179,770)
- Amortisation of intangible assets							
Profit/(loss) before allowances	1,051,506	676,656	755,079	54,252	1,473,127	(177,540)	3,833,080
Allowance written back/(made) for impairment losses on loans, advances and financing	77,141	12,103	(1,750)	-	(286,231)	598	(198,139)
Allowance (made)/written back for losses on other receivables	(431)	220	5,901	(836)	(7,549)	(2,642)	(5,337)
Allowance written back for commitments and contingencies	-	20,336	-	-	16,865	-	37,201
Losses written back from investment management and securities services	-	-	15,000	-	-	-	15,000
Allowance written back/(made) for other impairment losses	-	473	(7,587)	-	(2,155)	1,466	(7,803)
Segment results	1,128,216	709,788	766,643	53,416	1,194,057	(178,118)	3,674,002
Share of results of jointly controlled entities	8,006	-	4,380	22,085	-	-	34,471
Share of results of associates	-	-	21,249	-	68,450	-	89,699
Profit/(loss) before taxation and zakat	1,136,222	709,788	792,272	75,501	1,262,507	(178,118)	3,798,172
% of profit before taxation and zakat	29.9	18.7	20.9	2.0	33.2	(4.7)	100.0
Taxation and zakat	-	-	-	-	-	-	(869,012)
<b>Profit after taxation before non-controlling interests</b>							<b>2,929,160</b>

A23. 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
<b>30 September 2010</b>							
Net interest income	2,143,006	1,081,853	(459,159)	12,709	2,295,891	(116,158)	4,958,142
-external income/(expense)	(326,989)	(552,068)	900,686	(4)	(3)	(21,622)	-
-inter-segment income	1,816,017	529,785	441,527	12,705	2,295,888	(137,780)	4,958,142
Income from Islamic Banking operations	401,478	84,743	341,942	-	43,550	(4,629)	867,084
Non-interest income (excluding gain on disposal of interest in a subsidiary)	559,734	575,422	599,130	212,482	860,358	53,092	2,860,218
Gain on disposal of interest in subsidiaries	-	-	7,076	-	-	-	7,076
Net income/(expense)	2,777,229	1,189,950	1,389,675	225,187	3,199,796	(89,317)	8,692,520
Overheads	(1,932,059)	(644,760)	(402,996)	(161,846)	(1,529,638)	(27,563)	(4,698,862)
of which:							
- Depreciation of property, plant and equipment	(100,317)	(29,277)	(9,304)	(8,237)	(93,450)	(10,932)	(251,517)
- Amortisation of prepaid lease payments	(58)	(10)	(4)	-	(43,965)	-	(44,037)
- Amortisation of intangible assets	(67,701)	(11,202)	(5,839)	(1,596)	(104,661)	(3,075)	(194,074)
Profit/(loss) before allowances	845,170	545,190	986,679	63,341	1,670,158	(116,880)	3,993,658
Allowance for impairment losses on loans, advances and financing	(197,943)	209,876	(26,972)	-	(423,184)	(1,326)	(439,549)
Allowance for losses on other receivables	-	920	(20,417)	(681)	(3,810)	(502)	(24,490)
Allowance written back for commitment and contingencies	(1,829)	-	-	-	(1,709)	1	(3,537)
Losses from investment management and securities services	-	-	(50,000)	-	-	-	(50,000)
Allowance made for other impairment losses	-	328	(34,290)	-	(2,924)	352	(36,534)
Segment results	645,398	756,314	855,000	62,660	1,238,531	(118,355)	3,439,548
Share of results of jointly controlled entities	-	-	7,018	-	-	-	7,018
Share of results of associates	7,140	-	10,969	(1,125)	34,332	813	52,129
Profit/(loss) before taxation and zakat	652,538	756,314	872,987	61,535	1,272,863	(117,542)	3,498,695
% of profit before taxation and zakat	18.7	21.6	25.0	1.8	36.4	(3.4)	100.0
Taxation and zakat	-	-	-	-	-	-	(689,765)
<b>Profit after taxation before non-controlling interests</b>							<b>2,808,930</b>

**A24. OPERATIONS OF ISLAMIC BANKING****A24a. UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011**

	Note	The Group	
		30 Sept 2011 RM'000	31 Dec 2010 RM'000
<b>Assets</b>			
Cash and short-term funds		6,245,571	7,934,045
Deposits and placements with banks and other financial institutions		2,076,655	1,340,924
Financial assets held for trading		2,242,973	2,549,533
Financial investments available-for-sale		979,335	459,123
Financial investments held-to-maturity		1,769,272	1,425,372
Islamic derivative financial instruments		274,316	284,789
Financing, advances and other loans	A24d(i)	26,361,395	23,368,509
Deferred tax assets		6,899	5,589
Amount due from related companies		40,483	48,835
Amount due from holding company		665,435	601,344
Statutory deposits with Bank Negara Malaysia		686,047	143,406
Property, plant and equipment		8,104	7,314
Other assets		724,396	764,109
Goodwill		136,000	136,000
Intangible assets		4,336	4,287
<b>TOTAL ASSETS</b>		<b>42,221,217</b>	<b>39,073,179</b>
<b>Liabilities and Islamic banking capital funds</b>			
Deposits from customers	A24(e)	27,555,259	24,923,994
Deposits and placements of banks and other financial institutions		9,398,095	10,244,515
Islamic derivative financial instruments		480,587	265,725
Amount due to holding company		42,057	184,519
Amount due to related companies		83	247
Provision for taxation and zakat		160,138	86,284
Other liabilities		999,103	853,473
Subordinated Sukuk		561,130	300,000
<b>TOTAL LIABILITIES</b>		<b>39,196,452</b>	<b>36,858,757</b>
<b>Equity</b>			
Ordinary share capital		1,000,000	750,000
Islamic banking funds		55,000	91,693
Perpetual preference shares		70,000	70,000
Reserves		1,890,077	1,263,284
		3,015,077	2,174,977
Non-controlling interests		9,688	39,445
<b>TOTAL EQUITY</b>		<b>3,024,765</b>	<b>2,214,422</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>42,221,217</b>	<b>39,073,179</b>



**A24b. UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	439,557	455,698	1,321,835	1,164,357
Net income derived from investment of shareholders' funds	96,173	40,612	245,845	135,317
Allowance (made)/written back for impairment losses on financing, advances and other loans	(47,408)	73,628	(56,534)	(36,449)
Allowance written back/(made) for losses on other receivables	161	(59)	(280)	(120)
Allowance for commitment and contingencies	(75)	-	(340)	-
<b>Total distributable income</b>	<b>488,408</b>	<b>569,879</b>	<b>1,510,526</b>	<b>1,263,105</b>
Income attributable to the depositors	(178,125)	(167,172)	(522,482)	(432,590)
<b>Total net income</b>	<b>310,283</b>	<b>402,707</b>	<b>988,044</b>	<b>830,515</b>
Other operating expenses	(91,656)	(67,137)	(275,215)	(199,627)
<b>Profit before taxation and zakat</b>	<b>218,627</b>	<b>335,570</b>	<b>712,829</b>	<b>630,888</b>
Taxation and zakat	(24,298)	(30,898)	(93,382)	(73,122)
<b>Profit for the period</b>	<b>194,329</b>	<b>304,672</b>	<b>619,447</b>	<b>557,766</b>
Profit for the period attributable to:				
Owners of the Company	193,198	303,994	618,947	556,320
Non-controlling interests	1,131	678	500	1,446
	<b>194,329</b>	<b>304,672</b>	<b>619,447</b>	<b>557,766</b>

**A24c. UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	194,329	304,672	619,447	557,766
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	(3,121)	1,800	569	3,354
- Net (loss)/gain from change in fair value	(3,408)	3,010	3,272	6,382
- Realised gain transferred to income statement on disposal and impairment	(928)	(483)	(1,117)	(1,647)
- Income tax effects	1,215	(727)	(1,586)	(1,381)
Exchange fluctuation reserve	13,659	1,108	14,214	2,017
Other comprehensive income for the period, net of tax	10,538	2,908	14,783	5,371
Total comprehensive income for the period	<b>204,867</b>	<b>307,580</b>	<b>634,230</b>	<b>563,137</b>
Total comprehensive income for the period attributable to:				
Owners of the Company	196,333	310,061	627,175	567,309
Non-controlling interests	8,534	(2,481)	7,055	(4,172)
	<b>204,867</b>	<b>307,580</b>	<b>634,230</b>	<b>563,137</b>
Income from Islamic operations (per page 2)				
Total net income	310,283	402,707	988,044	830,515
Add: Allowance made/(written back) for impairment losses on financing, advances and other loans	47,408	(73,628)	56,534	36,449
Add: Allowance for losses on other receivables	(161)	59	280	120
Add: Allowance for commitment and contingencies	75	-	340	-
	<b>357,605</b>	<b>329,138</b>	<b>1,045,198</b>	<b>867,084</b>

**A24d. FINANCING, ADVANCES AND OTHER LOANS****(i) By type**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
<b>At amortised cost</b>	<b>RM'000</b>	<b>RM'000</b>
Cash line	309,481	322,529
Term financing	25,357,848	22,509,813
Bills receivable	2,469	2,235
Trust receipts	25,024	59,091
Claims on customers under acceptance credits	255,716	191,657
Revolving credits	407,973	407,330
Credit card receivables	107,607	90,472
Share margin financing	176,041	92,962
Other financing	45,954	17,796
Gross financing, advances and other loans	<u>26,688,113</u>	<u>23,693,885</u>
Fair value changes arising from fair value hedge	212,430	17,997
	<u>26,900,543</u>	<u>23,711,882</u>
Less: Allowance for impairment losses		
- Individual impairment allowance	(109,519)	(97,021)
- Portfolio impairment allowance	(429,629)	(246,352)
	<u>(539,148)</u>	<u>(343,373)</u>
<b>Net financing, advances and other loans</b>	<u>26,361,395</u>	<u>23,368,509</u>

(a) During the financial year, the Group has undertaken fair value hedges on RM3,929 million (31 December 2010: RM4,400 million) financing using profit rate swaps.

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Gross financing hedged	3,929,615	4,400,000
Fair value changes arising from fair value hedges	212,430	17,997
	<u>4,142,045</u>	<u>4,417,997</u>

The fair value loss on profit rate swaps as at 30 September 2011 were RM252.0 million (31 December 2010: RM49.0 million).

**(ii) By geographical distribution**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	25,302,732	22,739,752
Indonesia	1,028,786	614,211
Other countries	356,595	339,922
Gross financing, advances and other loans	<u>26,688,113</u>	<u>23,693,885</u>

**(iii) Impaired financing, advances and other loans by geographical distribution**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	389,332	335,879
Indonesia	29,175	6,294
Gross impaired financing, advances and other loans	<u>418,507</u>	<u>342,173</u>

**A24d. FINANCING, ADVANCES AND OTHER LOANS (Continued)**

**(iv) Movements in impaired financing, advances and other loans:**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	342,173	506,348
Classified as impaired during the period/year	326,473	345,743
Reclassified as not impaired during the period/year	(94,981)	(174,234)
Amount recovered	(70,233)	(121,239)
Amount written off	(60,491)	(87,164)
Sale of impaired loans	-	(105,739)
Exchange fluctuation	(24,434)	(21,542)
At 30 September / 31 December	<b>418,507</b>	<b>342,173</b>
Ratio of gross impaired financing, advances and other loans to gross financing, advances and other loans	<b>1.57%</b>	<b>1.44%</b>

**(v) Movements in the allowance for impaired financing:**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Individual impairment allowance</b>		
At 1 January	97,021	272,235
Net allowance made/(written back) during the period/year	15,435	(93,419)
Amount written off	(3,803)	(77,163)
Amount transferred from portfolio impairment allowance	1,322	2,899
Unwinding income	(759)	(2,622)
Exchange fluctuation	303	(4,909)
At 30 September / 31 December	<b>109,519</b>	<b>97,021</b>
<b>Portfolio impairment allowance</b>		
At 1 January	246,352	264,540
Allowance made during the period/year	71,846	168,430
Amount transferred to individual impairment allowance	(1,322)	(2,899)
Amount written off	(52,545)	(61,605)
Allowance transferred from/(to) conventional operations	166,234	(119,980)
Unwinding income	(1,396)	(1,838)
Exchange fluctuation	460	(296)
At 30 September / 31 December	<b>429,629</b>	<b>246,352</b>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	<b>2.20%</b>	<b>2.16%</b>

**A24e. DEPOSITS FROM CUSTOMERS****By type of deposits**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-Mudharabah</b>		
Demand deposits	2,333,168	3,055,079
Savings deposits	1,097,211	821,968
General investment deposits	789,191	634,517
Commodity Murabahah-i	98,738	69,379
Fixed return investment account	4,847,341	5,127,333
Negotiable instruments of deposit	1,605,823	1,033,019
Variable rate deposits	83,487	378,330
Equity Linked Sukuk	292,479	219,600
Short term money market deposit-i	1,496,109	-
Others	34,081	25,192
	<b>12,677,628</b>	<b>11,364,417</b>
<b>Mudharabah</b>		
Demand deposits	2,176,100	1,497,380
Savings deposits	443,814	328,971
General investment deposits	1,948,354	1,806,223
Special general investment deposits	7,891,056	7,574,239
Specific investment deposits	2,418,307	2,352,764
	<b>14,877,631</b>	<b>13,559,577</b>
	<b>27,555,259</b>	<b>24,923,994</b>

## A25. CHANGE IN ACCOUNTING POLICIES

On adoption of the Amendment to FRS2 – Group Cash-Settled Share-based Payment Transactions, the Group has changed its accounting policy with respect to the share-based payments where a substantial shareholder of the Company has the obligation to settle the payment transaction.

The change in accounting policy has been applied retrospectively. The adoption of the new accounting policy affected the following items:

### Consolidated statement of changes in equity

	Balances as at 1 January 2011		
	As previously reported	Effects of adopting Amendments to FRS 2	As Restated
	RM'000	RM'000	RM'000
Retained earnings	7,156,250	(318,103)	6,838,147
Share-based payment reserve	-	318,103	318,103

	Balances as at 1 January 2010		
	As previously reported	Effects of adopting Amendments to FRS 2	As Restated
	RM'000	RM'000	RM'000
Retained earnings	6,265,787	(290,501)	5,975,286
Share-based payment reserve	-	290,501	290,501

## **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") reported a record net profit of RM2.898 billion for 9 Months FY11 ("9MFY11"), representing a 9.6% year-on-year ("Y-o-Y") growth and equivalent to net earnings per share ("EPS") of 39.0 sen. The annualised net return on equity ("ROE") was 16.0%. For 3Q11, the Group's net profit of RM1.012 billion was 4.3% higher than 2Q11, and 10.5% above its 3Q10 net profit of RM916 million.

The Group posted another record quarter in net earnings in 3Q11, underpinned by the continued improvement at its Malaysian consumer banking operations and rebound in treasury and investments. Though it remains behind its full year targets, but given the deteriorating environment and its cautious stance, the Group is pleased with these results.

#### **CIMB Group Y-o-Y Results**

CIMB Group's 9MFY11 revenues were 0.6% higher Y-o-Y at RM8.74 billion. The growth in net interest income was largely offset by lower non-interest income as last year's non-interest revenues were boosted by sales of ex-Lippo Bank bonds (excluding this, total revenues would have increased 4.4%). The Group's profit before tax ("PBT") was 8.5% higher at RM3.80 billion bolstered by much lower credit losses and low overhead cost increase.

For 9MFY11, the Group's Malaysian consumer bank PBT increased by 79.3% Y-o-Y to RM1.06 billion from the combination of 9.5% Y-o-Y improvement in revenue and lower credit charges. PBT at Corporate & Investment Banking ("CIB") was 9.9% lower Y-o-Y at RM657 million, while Treasury & Investments declined 8.4% Y-o-Y to RM802 million.

CIMB Niaga's PBT rose 36.1% to IDR3,276 billion but its contribution to the Group was 3.2% lower Y-o-Y at RM1.14 billion due to the absence of gains arising from the sale of ex-Lippo Bank bonds which occurred in 9MFY10. CIMB Thai's PBT contribution (after GAAP and FRS139 adjustments) was unchanged at RM61 million. Asset Management and Insurance PBT rose 21.0% Y-o-Y to RM75 million.

CIMB Niaga was the largest contributor to Group PBT at 30% compared to 34% in 9MFY10. The Malaysian Consumer Bank's contribution to Group PBT was significantly higher at 28% versus 17% in 9MFY10. Treasury and Investments contributed 21%, CIB 17%, Group Asset Management ("GAM") and Insurance 2%, while CIMB Thai's contribution was 2%.

Total non-Malaysian PBT declined to 38% in 9MFY11 from 47% in 9MFY10 due to absence of the ex-Lippo Bank bond gains at CIMB Niaga.

The Group's total gross loans expanded 15.3% Y-o-Y, underpinned by the strong 33.4% growth (in RM terms) at CIMB Niaga as well as the 12.6% increase in Malaysian consumer loans. Mortgages, credit cards and the Group's micro credit lending grew by 16.1%, 13.6% and 81.4% respectively Y-o-Y. Hire purchase loans grew at a modest 1.1% Y-o-Y while commercial banking loans were unchanged. Corporate loans expanded 3.5% Y-o-Y. The Group's overall net interest margins eased to 3.12% from 3.39% last year.

Total Group deposits grew by 12.3% Y-o-Y underpinned by a 25.8% expansion in CIMB Bank's retail deposits. CIMB Niaga's deposit drive brought about a 23.7% Y-o-Y (in RM terms) growth while CIMB Thai's deposits grew by 15.3% (in RM terms).

The total loan impairment for the Group declined by 55.0% Y-o-Y at RM198 million in 9MFY11 versus RM440 million in 9MFY10. As a result, the Group's total annualised credit charge was 0.14% compared to the 0.40% full year target. The Group's gross impairment ratio continued to improve to 5.5% for 9MFY11 from 5.7% as at end-1H11 and 6.6% as at 9MFY10, with an impairment allowance coverage of 80.0%. The Group's cost to income ratio rose to 56.1% compared to 54.1% in 9MFY10.

CIMB Bank's risk weighted capital ratio stood at 16.7% while its Tier 1 capital ratio stood at 14.5% as at 30 September 2011 (after inclusion of 9MFY11 net profits). CIMB Group's double leverage and gearing stood at 119.2% and 21.4% respectively as at end-September 2011.

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

**CIMB Group Q-on-Q Results**

The Group's 3Q11 revenues of RM3.03 billion were 2.5% higher than 2Q11, translating to a 4.3% Q-o-Q net profit growth to RM1.01 billion. Net interest income increased by 0.5% and non-interest income by 6.4%.

The Group's Malaysian Consumer Banking division PBT declined 6.5% Q-o-Q mainly due to the higher provision writebacks in 2Q11. CIB was 34.4% lower given the slower advisory activities in 3Q11 but Treasury and Investments was 63.9% higher. CIMB Niaga's PBT contribution was 1.0% higher Q-o-Q at RM404 million. GAM and Insurance PBT fell 50.0% to RM18 million. CIMB Thai's PBT contribution (after GAAP adjustments) was unchanged at RM12 million compared to 2Q11.

**CIMB Niaga Results**

On 24 October 2011, CIMB Niaga reported a 9MFY11 net profit of IDR2,379 billion, a 32.5% Y-o-Y growth with an annualised 9MFY11 net ROE of 19.6%. The improved performance was attributed to the strong loans and deposits growth and lower provisions. On a sequential basis, the 3Q11 net profit of IDR832 billion was 1.7% higher than 2Q11 as stronger revenues were partially offset by higher overhead expenses and provisions.

CIMB Niaga's gross loans grew 26.4% Y-o-Y in 9MFY11 as all retail and corporate segments expanded robustly. The Gross NPL of 2.6% as at end-September 2011 was lower than the 2.7% in the previous corresponding period and 2Q11. CIMB Niaga's loan loss coverage (based on BI definition) stood at 109.7% as at end-9MFY11 compared to 133.4% as at end-9MFY10.

CIMB Niaga's Tier 1 capital and risk weighted capital ratios stood at 10.5% and 13.5% respectively as at 30 September 2011.

**CIMB Thai Results**

On 18 October 2011, CIMB Thai announced a 9MFY11 net profit of THB856 million, a 4.2% decline from the THB894 million in 9MFY10. Excluding the THB220 million net one-off gain arising from asset sales between the two periods, CIMB Thai's 9MFY11 net profit would have grown 27.0% Y-o-Y. The annualized loan loss charge of 0.4% for 9MFY11 was much improved from 0.8% in 9MFY10 while the loan loss coverage ratio rose from 60.4% at end-September 2010 to 72.4% currently. For the 9-month period, CIMB Thai chalked revenue of THB4.832 billion, a 0.2% Y-o-Y decline.

As at 30 September 2011, CIMB Thai's Tier 1 capital and risk weighted capital ratios were at 8.1% and 13.8% respectively. Following various recovery efforts, CIMB Thai's net NPL ratio has dropped to 2.3% from 4.8% as at the previous corresponding period.

**CIMB Islamic**

CIMB Islamic's Y-o-Y PBT jumped 28.4% to RM359 million as Shariah-compliant banking products continue to gain ground. CIMB Islamic's gross financing assets grew 11.4% Y-o-Y, accounting for 13.7% of total Group loans. Total deposits grew by 17.8% Y-o-Y to RM25 billion.

## **B2. CORPORATE DEVELOPMENTS**

The significant corporate developments in 2011 were:

### **(a) Capital Management**

- 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 21 April 2011, CIMB Islamic completed the issuance of RM250 million 10-year Tier 2 Junior Sukuk.
- On 8 August 2011, CIMB Bank completed the issuance of RM1.5 billion (RM1.35 billion 10-year and RM150 million 15-year) subordinated debt.
- On 19 October 2011, CIMB Niaga announced its intention to call the USD200 mil subordinated notes callable on 22 November 2011.

### **(b) Mergers and acquisitions**

- On 31 May 2011, CIMB Group announced that it had received Bank Negara Malaysia's approval to commence negotiations with RHB Capital for a possible merger of the businesses of both banking groups.
- On 23 June 2011, CIMB Group announced the cessation of negotiations with RHB Capital for a possible merger.
- On 4 August 2011, CIMB Securities International entered into a joint venture to establish an investment banking advisory in Sri Lanka.
- On 29 September 2011, CIMB Securities International entered into an agreement for the proposed acquisition of 70.06% interest in SICCO Securities plc in Thailand for THB767.9 million (RM78.4 million).
- On 6 October 2011, CIMB Group confirmed that it is in discussions with San Miguel Corp with regards to a possible acquisition of a stake in Bank of Commerce in the Philippines.

### **(c) Others**

- On 9 May 2011, Fitch Ratings revised the outlook for CIMB Bank and CIMB Investment Bank to Stable from Positive, while maintaining the long term rating for both entities at BBB+.
- On 13 May 2011, Fitch Ratings upgraded the foreign currency long-term ratings for CIMB Thai to BBB (stable) from BBB- (positive) previously. Concurrently, Fitch Ratings Thailand upgraded the local long-term rating for CIMB Thai to AA- from A+.
- On 25 May 2011, CIMB Group announced the postponement of its proposed listing on the Stock Exchange of Thailand ("SET"). Concurrently, CIMB Group retracted its application for a 6-month extension from the Securities Commission.
- On 3 July 2011, Dagong Global Credit Rating Co. Ltd assigned CIMB Bank a long term local currency rating of AA (positive), and a long term foreign currency rating of AA- (positive)
- On 2 August 2011, CIMB Group announced the opening of its Mumbai representative office and signed a Business Cooperation Arrangement with Kotak Mahindra Bank Ltd.
- On 25 August 2011, Moody's revised CIMB Investment Bank's long and short term local currency ratings to A3 and P-1 (Stable) respectively. Concurrently, Moody's lowered CIMB Bank's outlook from Positive to Stable, while maintaining the long and short term ratings at A3 and P-1 respectively.

## **B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR**

Although the Group may fall short of its ROE target of 17%, it should exceed consensus analysts' forecasts for 2011. For the fourth quarter, its treasury and M&A businesses should do well while the Malaysian consumer and CIMB Niaga can sustain the current momentum. However, markets are volatile and regional economic indicators are softening, hence the Group remains conservative on capital, liquidity and credit standards.



**B4. TAXATION**

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	201,334	(19,491)	790,223	514,384
Deferred tax expense	112,960	259,221	126,557	187,150
Over-accrual in prior years	(41,500)	(4,306)	(47,768)	(11,769)
	<b>272,794</b>	<b>235,424</b>	<b>869,012</b>	<b>689,765</b>
<b>Reconciliation</b>				
Profit before taxation and zakat	1,287,672	1,184,973	3,798,172	3,498,695
Tax at statutory income tax rate of 25% (2010: 25%)	321,918	296,243	949,543	874,674
Effect of different tax rates in other countries and change in tax rates	1,862	10,012	1,660	33,775
Due to income not subject to income tax and expenses not deductible for tax purposes	(9,486)	(66,525)	(34,423)	(206,915)
Over-accrual in prior years	(41,500)	(4,306)	(47,768)	(11,769)
	<b>272,794</b>	<b>235,424</b>	<b>869,012</b>	<b>689,765</b>

**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	
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
Total retained earnings of the Group and subsidiaries		
- Realised	6,548,512	5,690,235
- Unrealised	263,425	371,480
	<b>6,811,937</b>	<b>6,061,715</b>
Total share of retained earnings from associates		
- Realised	143,113	50,400
- Unrealised	(2,228)	786
Total share of retained earnings from jointly controlled entities		
- Realised	49,089	13,306
- Unrealised	(1,002)	310
	<b>7,000,909</b>	<b>6,126,517</b>
Consolidation adjustments	903,454	1,029,733
Total group retained earnings as per consolidated financial statements	<b>7,904,363</b>	<b>7,156,250</b>

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 30 September 2011 and 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**

	<b>The Group</b>	
	<b>30 Sept 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Bonds and notes*</b>		
<b>Unsecured</b>		
More than one year (medium/long term)	-	423,982
	-	423,982
<p>* Included in bonds and notes for the current period is USD denominated bonds equivalent to USD140,000,000, which has matured on 15 April 2011.</p>		
<b>Other borrowings**</b>		
<b>Unsecured</b>		
One year or less (short term)	1,293,296	1,501,215
More than one year (medium/long term)	2,635,341	1,983,452
	3,928,637	3,484,667
<p>** Included in other borrowings for the current period is USD denominated syndicated term loans of USD400,000,000. Of this USD denominated syndicated term loans of USD400,000,000, USD300,000,000 has matured on 22 June 2011.</p>		
<b>Subordinated Notes***</b>		
<b>Unsecured</b>		
More than one year (medium/long term)	11,944,557	9,675,340
	11,944,557	9,675,340

\*\*\* Includes USD denominated Subordinated Notes of USD290,000,000, IDR denominated Subordinated Notes of IDR2,980,000,000,000 and THB denominated Subordinated Notes of THB3,000,000,000. Of this USD denominated Subordinated Notes, USD50,000,000 was fully settled on 17 July 2011.

## 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			
	3rd quarter ended 30 Sept 2011 RM'000	30 Sept 2010 RM'000	Nine months ended 30 Sept 2011 RM'000	30 Sept 2010 RM'000
Net profit for the financial period/year after non-controlling interests	1,011,758	915,670	2,898,284	2,643,213
Weighted average number of ordinary shares in issue - proforma ('000)	7,432,772	7,194,615	7,432,772	7,107,705
Basic earnings per share (expressed in sen per share)	13.6	12.7	39.0	37.2

#### b) Diluted EPS

Net profit for the financial period/year after non-controlling interests	1,011,758	915,670	2,898,284	2,643,213
Income from investment of proceeds from exercise of warrants in money market instruments during the period	-	1,133	-	5,158
Net profit used to determine diluted EPS	1,011,758	916,803	2,898,284	2,648,371
Weighted average number of ordinary shares in issue ('000)	7,432,772	7,194,615	7,432,772	7,107,705
Adjustments for:				
- Warrants	-	34,575	-	53,047
Weighted average number of ordinary shares for diluted EPS	7,432,772	7,229,190	7,432,772	7,160,752
Diluted EPS (expressed in sen per share)	N/A **	12.7	N/A **	37.0

\*\* The Group has no dilution in its earnings per ordinary share in the current financial period as there are no dilutive potential ordinary shares.