

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 50841-W)  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012**

		31 Mar 2012	The Group 31 Dec 2011 (Restated)	1 Jan 2011 (Restated)
	Note	RM'000	RM'000	RM'000
<b>ASSETS</b>				
Cash and short-term funds		30,968,097	34,668,845	27,185,260
Reverse repurchase agreements		4,443,338	4,230,482	3,804,662
Deposits and placements with banks and other financial institutions		7,279,441	4,174,012	11,745,823
Financial investments at fair value through profit or loss	A8	21,640,362	13,665,700	17,082,596
Derivative financial instruments	A21 (i)	3,676,517	4,274,073	3,577,155
Financial investments available-for-sale	A9	21,115,299	18,421,118	15,115,438
Financial investments held-to-maturity	A10	11,396,906	12,460,832	10,820,500
Loans, advances and financing	A11	183,419,585	183,838,777	159,181,385
Other assets	A12	7,878,982	6,518,355	7,353,522
Deferred tax assets		54,524	49,998	15,269
Tax recoverable		126,145	139,258	98,358
Statutory deposits with central banks		5,388,073	5,084,105	1,410,436
Investment in associates and jointly controlled entities		1,359,361	1,357,866	680,293
Property, plant and equipment		1,481,501	1,458,400	1,442,948
Investment properties		8,110	8,653	61,216
Prepaid lease payments		169,070	170,564	185,542
Goodwill		8,139,539	8,242,489	8,151,432
Intangible assets		1,562,608	1,611,879	1,551,332
		<b>310,107,458</b>	<b>300,375,406</b>	<b>269,463,167</b>
Non-current assets held for sale		14,324	17,248	59,050
<b>TOTAL ASSETS</b>		<b>310,121,782</b>	<b>300,392,654</b>	<b>269,522,217</b>
<b>LIABILITIES AND EQUITY</b>				
Deposits from customers	A13	229,838,761	221,933,142	199,845,664
Deposits and placements of banks and other financial institutions	A14	16,136,980	12,964,309	13,092,157
Repurchase agreements		1,409,831	1,067,946	33,087
Derivative financial instruments	A21 (i)	3,570,326	4,217,291	3,748,516
Bills and acceptances payable		5,787,423	7,566,691	4,532,446
Other liabilities	A15	8,002,502	6,827,810	8,624,668
Deferred tax liabilities		142,981	181,475	49,590
Current tax liabilities		504,781	483,820	322,789
Amount due to Cagamas Berhad		-	-	107,523
Bonds	B7	499,416	521,225	423,982
Other borrowings	B7	5,333,431	5,324,032	3,783,587
Subordinated notes	B7	11,178,056	11,417,980	9,675,340
Non-cumulative guaranteed and redeemable preference shares		865,685	881,016	860,162
<b>TOTAL LIABILITIES</b>		<b>283,270,173</b>	<b>273,386,737</b>	<b>245,099,511</b>
Ordinary share capital		7,432,775	7,432,775	7,432,775
Reserves		18,475,732	18,647,045	15,917,282
Less: Shares held under trust		(563)	(563)	(563)
Treasury shares, at cost		(30)	(30)	(21)
		<b>25,907,914</b>	<b>26,079,227</b>	<b>23,349,473</b>
Perpetual preference shares		200,000	200,000	200,000
Non-controlling interests		743,695	726,690	873,233
<b>TOTAL EQUITY</b>		<b>26,851,609</b>	<b>27,005,917</b>	<b>24,422,706</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>310,121,782</b>	<b>300,392,654</b>	<b>269,522,217</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A21 (ii)	<b>417,427,022</b>	<b>414,197,407</b>	<b>349,069,257</b>
<b>Net assets per share attributable to owners of the Parent (RM)</b>		<b>3.49</b>	<b>3.51</b>	<b>3.14</b>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011.

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED 31 MARCH 2012**

	Note	The Group			
		1st quarter ended		Three months ended	
		31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
		RM'000	RM'000	RM'000	RM'000
Interest income	A16	<b>3,301,229</b>	2,957,553	<b>3,301,229</b>	2,957,553
Interest expense	A17	<b>(1,563,551)</b>	(1,363,447)	<b>(1,563,551)</b>	(1,363,447)
Net interest income		<b>1,737,678</b>	1,594,106	<b>1,737,678</b>	1,594,106
Income from Islamic Banking operations	A24(c)	<b>375,879</b>	340,477	<b>375,879</b>	340,477
Net non-interest income	A18	<b>1,141,996</b>	815,800	<b>1,141,996</b>	815,800
		<b>3,255,553</b>	2,750,383	<b>3,255,553</b>	2,750,383
Overheads	A19	<b>(1,792,473)</b>	(1,545,432)	<b>(1,792,473)</b>	(1,545,432)
Profit before allowances		<b>1,463,080</b>	1,204,951	<b>1,463,080</b>	1,204,951
Allowance for impairment losses on loans, advances and financing	A20	<b>(143,785)</b>	(6,174)	<b>(143,785)</b>	(6,174)
Allowance (made)/written back for impairment losses on other receivables		<b>(10,600)</b>	491	<b>(10,600)</b>	491
Allowance written back for commitments and contingencies		<b>738</b>	1,905	<b>738</b>	1,905
Allowance made for other impairment losses		<b>(2,011)</b>	(778)	<b>(2,011)</b>	(778)
		<b>1,307,422</b>	1,200,395	<b>1,307,422</b>	1,200,395
Share of results of jointly controlled entities		<b>1,823</b>	10,106	<b>1,823</b>	10,106
Share of results of associates		<b>31,977</b>	22,070	<b>31,977</b>	22,070
Profit before taxation		<b>1,341,222</b>	1,232,571	<b>1,341,222</b>	1,232,571
Taxation	B4	<b>(318,253)</b>	(299,317)	<b>(318,253)</b>	(299,317)
Profit for the period		<b>1,022,969</b>	933,254	<b>1,022,969</b>	933,254
Profit for the period attributable to :					
Owners of the Parent		<b>1,010,667</b>	916,511	<b>1,010,667</b>	916,511
Non-controlling interests		<b>12,302</b>	16,743	<b>12,302</b>	16,743
		<b>1,022,969</b>	933,254	<b>1,022,969</b>	933,254
Earnings per share (sen):					
- Basic	B9(a)	<b>13.6</b>	12.3	<b>13.6</b>	12.3
- Fully diluted	B9(b)	<b>N/A</b>	N/A	<b>N/A</b>	N/A

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011.*

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2012**

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,022,969	933,254	1,022,969	933,254
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	(30,267)	(55,869)	(30,267)	(55,869)
- Net gain from change in fair value				
- as previously reported	-	(57,231)	-	(57,231)
- movement during the period/effect of adopting MFRS 1	99,330	(9,608)	99,330	(9,608)
- Realised gain transferred to statement of income on disposal and impairment	(148,915)	(941)	(148,915)	(941)
- Income tax effects				
- as previously reported	-	8,180	-	8,180
- movement during the period/effect of adopting MFRS 1	22,475	2,775	22,475	2,775
- Currency translation difference	(3,157)	956	(3,157)	956
Net investment hedge	69,673	59,158	69,673	59,158
Hedging reserve- cash flow hedge				
- Net gain from change in fair value	(13)	-	(13)	-
Exchange fluctuation reserve				
- Currency translation differences in respect of foreign operations	(490,273)	(23,091)	(490,273)	(23,091)
Share of other comprehensive income of associate	(8,613)	-	(8,613)	-
Other comprehensive expense for the period, net of tax	(459,493)	(19,802)	(459,493)	(19,802)
Total comprehensive income for the period	563,476	913,452	563,476	913,452
Total comprehensive income for the period attributable to:				
Owners of the Parent	562,946	897,064	562,946	897,064
Non-controlling interests	530	16,388	530	16,388
	563,476	913,452	563,476	913,452

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011*

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2012**

Attributable to owners of the Parent

The Group 31 March 2012	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 2012, as previously reported	7,432,775	4,192,596	4,103,591	137,104	(172,673)	(563)	(30)	535,762	20,094	374,332	490,627	8,822,855	25,936,470	200,000	726,690	26,863,160
Effect of adopting MFRS1	-	-	-	-	-	-	-	142,757	-	-	-	-	142,757	-	-	142,757
Adjusted 1 January 2012	7,432,775	4,192,596	4,103,591	137,104	(172,673)	(563)	(30)	678,519	20,094	374,332	490,627	8,822,855	26,079,227	200,000	726,690	27,005,917
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,010,667	1,010,667	-	12,302	1,022,969
Other comprehensive income (net of tax)	-	-	(55)	-	(477,350)	-	-	(39,497)	69,853	(672)	-	-	(447,721)	-	(11,772)	(459,493)
- financial investments available-for-sales	-	-	-	-	-	-	-	(30,884)	-	-	-	-	(30,884)	-	617	(30,267)
- net investment hedge	-	-	-	-	-	-	-	-	69,866	-	-	-	69,866	-	(193)	69,673
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(13)	-	-	-	(13)	-	-	(13)
- currency translation difference	-	-	(55)	-	(477,350)	-	-	-	-	(672)	-	-	(478,077)	-	(12,196)	(490,273)
- share of other comprehensive income of associate	-	-	-	-	-	-	-	(8,613)	-	-	-	-	(8,613)	-	-	(8,613)
Total comprehensive income for the period	-	-	(55)	-	(477,350)	-	-	(39,497)	69,853	(672)	-	1,010,667	562,946	-	530	563,476
Dividend for the financial year ended 31 December 2011	-	-	-	-	-	-	-	-	-	-	-	(743,277)	(743,277)	-	-	(743,277)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(608)	(608)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	60,782	(60,782)	-	-	-	-
Arising from reorganisation of investment in subsidiaries and deemed disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,083	17,083
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	9,018	-	-	9,018	-	-	9,018
At 31 March 2012	7,432,775	4,192,596	4,103,536	137,104	(650,023)	(563)	(30)	639,022	89,947	382,678	551,409	9,029,463	25,907,914	200,000	743,695	26,851,609

\* 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 31 MARCH 2011**

Attributable to owners of the Parent

The Group 31 March 2011	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 2011	7,432,775	4,192,596	3,935,308	136,954	(347,337)	(563)	(21)	474,673	131,736	318,071	117,595	6,838,179	23,229,966	200,000	873,233	24,303,199
Effect of adopting MFRS1	-	-	-	-	-	-	-	119,507	-	-	-	-	119,507	-	-	119,507
Adjusted 1 January 2011	7,432,775	4,192,596	3,935,308	136,954	(347,337)	(563)	(21)	594,180	131,736	318,071	117,595	6,838,179	23,349,473	200,000	873,233	24,422,706
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	916,511	916,511	-	16,743	933,254
Other comprehensive income (net of tax)	-	-	6	-	(23,324)	-	-	(55,168)	59,063	(24)	-	-	(19,447)	-	(355)	(19,802)
- financial investments available-for-sales	-	-	-	-	-	-	-	(55,168)	-	-	-	-	(55,168)	-	(701)	(55,869)
- net investment hedge	-	-	-	-	-	-	-	-	59,063	-	-	-	59,063	-	95	59,158
- currency translation difference	-	-	6	-	(23,324)	-	-	-	-	(24)	-	-	(23,342)	-	251	(23,091)
Total comprehensive income for the period	-	-	6	-	(23,324)	-	-	(55,168)	59,063	(24)	-	916,511	897,064	-	16,388	913,452
Dividend for the financial year ended 31 December 2010	-	-	-	-	-	-	-	-	-	-	-	(594,622)	(594,622)	-	-	(594,622)
- second interim dividend	-	-	-	-	-	-	-	-	-	-	-	(594,622)	(594,622)	-	-	(594,622)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	91,401	(91,401)	-	-	-	
Arising from reorganisation of investment in subsidiaries and deemed disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(205,339)	(205,339)
Rights issue of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(500)	(500)	-	10,290	9,790
Bonus issue and capital repayment of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1,795)	(1,795)	-	1,795	-
Purchase of treasury shares	-	-	-	-	-	-	(4)	-	-	-	-	-	(4)	-	-	(4)
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7)	(7)
Share-based payment expense	-	-	-	-	-	-	-	-	-	6,550	-	-	6,550	-	-	6,550
At 31 March 2011	7,432,775	4,192,596	3,935,314	136,954	(370,661)	(563)	(25)	539,012	190,799	324,597	208,996	7,066,372	23,656,166	200,000	696,360	24,552,526

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2012**

	<b>The Group</b>	
	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	1,341,222	1,232,571
Adjustments for non-operating and non-cash items	(67,650)	(44,647)
Operating profit before changes in working capital	1,273,572	1,187,924
Net changes in operating assets	(12,651,358)	(4,284,514)
Net changes in operating liabilities	10,815,599	1,795,606
	(1,835,759)	(2,488,908)
Cash flows used in operations	(562,187)	(1,300,984)
Taxation paid	(270,413)	(226,125)
Net cash flows used in operating activities	(832,600)	(1,527,109)
Net cash flows used in investing activities	(1,547,382)	(708,797)
Net cash flows (used in)/generated from financing activities	(961,730)	41,500
Net decrease in cash and cash equivalents during the financial period	(3,341,712)	(2,194,406)
Effects of exchange rate changes	(359,036)	(330,373)
Cash and short-term funds at beginning of the financial period	34,668,845	27,185,260
<b>Cash and short-term funds at end of the financial period</b>	<b>30,968,097</b>	<b>24,660,481</b>
Statutory deposits with Bank Indonesia*	(3,779,192)	(3,284,314)
Monies held in trust	(434,744)	(332,168)
<b>Cash and cash equivalents at end of the financial period</b>	<b>26,754,161</b>	<b>21,043,999</b>

\* 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 2011*

## **PART A - EXPLANATORY NOTES**

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

The unaudited condensed interim financial statements for the financial period ended 31 March 2012 have been prepared under the historical cost convention, except for financial assets held for trading, 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 MFRS 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 also comply with IAS 134 Interim Financial Reporting issued by International Accounting Standard Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

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 2011. 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 2011.

These unaudited condensed interim financial statements are the Group's first MFRS condensed interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

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 2011, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2012:

MFRS 139 "Financial instruments: recognition and measurement"  
Revised MFRS 124 "Related party disclosures"  
Amendment to MFRS 112 "Income taxes"  
IC Interpretation 19 "Extinguishing financial liabilities with equity instruments"  
Amendment to IC Interpretation 14 "MFRS 19 - The limit on a defined benefit assets, minimum funding requirements and their interaction"  
Amendment to MFRS 101 "Presentation of items of other comprehensive income"  
Amendment to MFRS 1 "First time adoption on fixed dates and hyperinflation"  
Amendment to MFRS 7 "Financial instruments: Disclosures on transfers of financial assets"

Other than the adoption of "MFRS 1" which will result to designate a previously recognised financial investments held-to-maturity as a financial investments available-for-sale, the adoption of the other new standards, amendments to published standards and interpretations are not expected to have impact on the financial results of the Group and the Company.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in Financial Statements prepared in accordance with FRS. The impact of the adoption of MFRS 1 "First time adoption of MFRS" is disclosed in Note A25(i).

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 MFRS 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**

Beginning 1 January 2012, there is a change in accounting estimate on the method to compute unwinding income. Unwinding income in individual and portfolio impairment allowances were reclassified to loans, advances and financing following the change in accounting estimate. The change in accounting estimate has been applied prospectively.

## **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 three-month period ended 31 March 2012:-

a) From 25 January 2012 to 31 March 2012, the Company purchased 12 of its own shares from the open market at an average market price of RM9.20 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM0.11 thousand.

Subsequent to the financial period ended 31 March 2012, the Company purchased 1 of its own shares from the open market at an average market price of RM7.41 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM0.02 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 23 February 2012, the Company announced that it will be seeking its shareholders' approval at its 55th 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 17 April 2012.

c) CIMB Thai Bank, a subsidiary of CIMB Bank, had fully settled its USD 40 million subordinated notes on 21 February 2012.

d) On 8 March 2012, CIMB Thai Bank announced a 3-for-10 rights issue at THB1 per share which will raise up to THB4.895 billion. The exercise was approved at the AGM and is pending for approval from Thailand's Ministry of Finance.

## **A4. DIVIDENDS PAID AND PROPOSED**

A single tier second interim dividend of 10.0 sen per ordinary share, on 7,432,771,631 ordinary shares amounting to RM743,277,163 in respect of the financial year ended 31 December 2011, which was approved by the Board of Directors on 27 February 2012, was paid on 30 March 2012.

No dividend has been proposed during the financial period ended 31 March 2012.

## **A5. STATUS OF CORPORATE PROPOSAL**

(a) On 12 January 2012, the Group announced the discussions on possible acquisition of a stake in Bank of Commerce in the Philippines.

On 8 May 2012, CIMB Bank has entered into share purchase agreements ("SPA") with San Miguel Properties, Inc., San Miguel Corporation Retirement Plan, Q-Tech Alliance Holdings, Inc. and various minority shareholders for the proposed acquisition of 59.98% of total issued and paid-up share capital of Bank of Commerce ("BOC") ("Proposed Acquisition"), which is equivalent to 67,325,197 fully paid ordinary shares of PHP100 par value each, for a total cash consideration of PHP12,203 million (equivalent to approximately RM881 million). CIMB Bank intends to finance the Proposed Acquisition via internally generated funds.

The Proposed Acquisition is expected to complete in the second half of year 2012, barring any unforeseen circumstances.

(b) On 15 February 2012, CIMB Securities International Pte. Ltd. ("CSI"), an indirect wholly-owned subsidiary of the Company, has completed a conditional Share Sale and Purchase Agreement ("SSPA") with 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 RM78,426,395) or cash consideration of THB1.72 per ordinary share of SSEC. Consequently, CSI owned approximately 82.07% of the total issued and outstanding shares of SSEC as at 15 February 2012.

CSI made a tender offer under the laws of Thailand to acquire the remaining SSEC shares not owned by CSI which represents approximately 17.93% of the total issued and outstanding shares of SSEC ("Tender Offer"). The Tender Offer was completed on 11 April 2012, and CSI had acquired 14.93% of the total issued and outstanding shares. As a result, CSI currently own approximately 97% of the total issued shares of SSEC.



#### **A5. STATUS OF CORPORATE PROPOSAL (Continued)**

(c) On 21 February 2012, CIMB Bank entered into a sale and purchase agreement with a third party for the disposal of 6.8% stake in The South East Asian Strategic Assets Fund LP.

(d) On 28 February 2012, CIMB Securities International Pte. Ltd ("CIMBSI") has entered into a Deed of Accession to the Joint Venture and Shareholders' Agreement to facilitate the entry of Vista Knowledge Pte Ltd ("Vista Knowledge"), a wholly-owned subsidiary of Genting Berhad, as a new shareholder of the Joint Venture company. The new shareholding structure following Vista Knowledge's entry is; CIMB (45%), Mr. Alex Lovell (20%), Vista Knowledge (20%) and Ms Reshani Dangalla (15%).

(e) On 1 March 2012, CIMB Group Sdn Bhd, a wholly-owned subsidiary of the Group, has signed a memorandum of understanding ("MOU") for the proposed acquisition of certain of the cash equities, equity capital markets and corporate finance businesses of The Royal Bank of Scotland ("RBS") in Asia Pacific. The MOU provides for the parties to negotiate exclusively with each other and finalise the scope and terms of a sale and purchase agreement.

On 2 April 2012, the Group has entered into a Sale and Purchase Agreement with the RBS for the acquisition of selected cash equities business in Australia, China, Hong Kong, India and Taiwan, equity capital markets business and M&A corporate finance business in Australia, China (excluding any activities carried on by Hua Ying Securities Co., Ltd.), Hong Kong, India, Indonesia, Malaysia, Singapore, Taiwan and Thailand for a total cash consideration of GBP88.4 million (or equivalent to approximately RM431.8 million) ("Proposed Acquisition"). The consideration was arrived at on a willing buyer-willing seller basis. There will not be any material effect on the Group's consolidated net assets and earnings for the Proposed Acquisition in respect of financial year ending 2012 as well as the Group's share capital and substantial shareholders' shareholdings.

On 12 April 2012, the Group entered into a cooperation letter agreement with RBS to confirm their mutual understanding to explore cooperation in various areas, which include capital markets activities, mergers and acquisitions, equities, derivatives, loan markets, trade advisory and trade financing solutions, cash management services and agent/custodian bank arrangements. The application to the Australian Foreign Investment Review Board for the acquisition of shares of the Australian legal entities in relation to the Proposed Acquisition of the businesses in Australia has been submitted on 18 April 2012.

The acquisition of selected equity capital markets and M&A corporate finance businesses in Indonesia, Malaysia, Singapore and Thailand has been completed on 27 April 2012.

(f) On 5 March 2012, CIMB Securities (Singapore) Pte Ltd, an indirect wholly-owned subsidiary of the Company, has entered into a strategic collaboration agreement with John Keells Stock Brokers (Pvt) Ltd ("JKSB") to facilitate the Company's stock broking business in Sri Lanka.

#### **A6. EVENTS DURING THE REPORTING PERIOD**

a) On 29 March 2012, CIMB Strategic Assets Sdn Bhd ("CIMB SA"), a wholly owned subsidiary of the Group, had disposed 300,000 ordinary issued shares of Capital Advisors Partners Asia Sdn Bhd ("CAPA"), representing 60% of issued share capital, for a cash consideration of RM2,000,000.00. As a result, CAPA became a joint venture of CIMB SA and indirect owned joint venture of the Group.

b) On 29 March 2012, CIMB SA, a wholly owned subsidiary of the Group, had disposed 6 ordinary issued shares of its subsidiary, CapAsia Islamic Infrastructure Fund (General Partner) Limited ("CIIF"), representing 60% of the issued share capital, for a cash consideration of RM3,999,000.00. Upon completion of the disposal, CIIF became a joint venture of CIMB SA and indirect owned joint venture of the Group.

c) On 29 March 2012, CIMB SA, a wholly owned subsidiary of the Group, had disposed 3 ordinary issued shares of CapAsia ASEAN Infrastructure Fund III (General Partner) Limited ("CAIF III GP"), representing 60% of the issued share capital, for a cash consideration of RM1,000.00. Upon completion of the disposal, CAIF III GP became a joint venture of CIMB SA and indirect owned joint venture of the Group.

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

There were no significant events that had occurred between 31 March 2012 and the date of this announcement, other than those disclosed under Status of Corporate Proposal.

**PART A - EXPLANATORY NOTES**

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

**FINANCIAL ASSETS HELD FOR TRADING**

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	126,764	253,409
Cagamas bonds	4,895	52,511
Malaysian Government treasury bills	331,377	90,484
Bank Negara Malaysia bills	2,811,332	156,856
Bank Negara Malaysia negotiable notes	6,077,633	1,817,293
Negotiable instruments of deposit	2,034,420	2,069,683
Bankers' acceptances and Islamic accepted bills	537,816	575,819
Credit-linked notes	45,523	46,059
Other Government's securities	2,545,267	2,933,501
Commercial papers	200,931	168,458
Government investment issues	219,060	147,201
	<b>14,935,018</b>	<b>8,311,274</b>
<b>Quoted securities:</b>		
<i>In Malaysia:</i>		
Shares	929,746	904,743
<i>Outside Malaysia:</i>		
Shares	28,591	6,534
Private and Islamic debt securities	214,644	305,183
Other Government bonds	568,881	448,161
Bank Indonesia certificates	77,819	67,775
Investment linked funds	383,439	299,213
	<b>2,203,120</b>	<b>2,031,609</b>
<b>Unquoted securities:</b>		
<i>In Malaysia:</i>		
Private and Islamic debt securities	2,466,195	1,925,800
Shares	6,379	6,243
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	1,962,486	1,322,944
Shares	57,788	58,157
Unit trust	9,376	9,673
	<b>4,502,224</b>	<b>3,322,817</b>
Total financial assets held-for-trading	<b>21,640,362</b>	<b>13,665,700</b>

**A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE**

	The Group	
	31 Mar 2012	31 Dec 2011 (Restated)
	RM'000	RM'000
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	938,704	1,422,455
Cagamas bonds	500,440	453,651
Khazanah bonds	193,150	190,187
Other Government securities	25,487	25,874
Bank Negara Malaysia bills	98,085	-
Government investment issues	1,617,640	1,198,283
Commercial papers	4,983	-
	<b>3,378,489</b>	<b>3,290,450</b>
<b>Quoted securities:</b>		
<i>In Malaysia:</i>		
Shares	26,229	26,504
Unit trusts	150,718	122,654
<i>Outside Malaysia:</i>		
Shares	9,711	21,319
Private and Islamic debt securities	591,336	371,387
Other Government bonds	2,828,943	2,807,382
Unit trusts	286,834	292,209
	<b>3,893,771</b>	<b>3,641,455</b>
<b>Unquoted securities:</b>		
<i>In Malaysia:</i>		
Private and Islamic debt securities	10,101,226	8,940,133
Shares	986,224	976,604
Loan stocks	12,806	19,774
Property funds	189	188
Bond funds	10,232	12,611
<i>Outside Malaysia:</i>		
Shares	218,985	207,581
Private equity and unit trust funds	81,855	81,604
Private and Islamic debt securities	2,807,541	1,622,114
Loan stocks	177	1,568
	<b>14,219,235</b>	<b>11,862,177</b>
	<b>21,491,495</b>	<b>18,794,082</b>
<b>Allowance for impairment loss:</b>		
Private debt securities	(212,525)	(210,510)
Quoted shares	(16,401)	(16,854)
Quoted bonds	(5,413)	(3,411)
Unquoted shares	(127,951)	(128,270)
Unit trusts	(1,100)	(1,113)
Loan stocks	(12,806)	(12,806)
	<b>(376,196)</b>	<b>(372,964)</b>
<b>Total financial investments available-for-sale</b>	<b>21,115,299</b>	<b>18,421,118</b>

On 1 January 2012, the Group designated a previously held financial investments held-to-maturity to financial investments available-for-sale, as allowed under MFRS 1. The fair value and the carrying amount of the financial investments at the date of designation is RM4,647,899,111 and RM4,457,951,926 respectively.

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

	The Group	
	31 Mar 2012	31 Dec 2011 (Restated)
	RM'000	RM'000
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	-	13,252
Cagamas bonds	4,834	5,977
Other government securities	478,533	490,820
Bank Negara negotiable notes	9,917	9,986
Malaysian Government investment issues	-	11,655
	<b>493,284</b>	<b>531,690</b>
<b>Quoted securities</b>		
<i>Outside Malaysia</i>		
Private debt securities	3,591,119	3,602,677
Islamic bonds	22,815	23,818
Medium term notes - Islamic	3,378	3,527
Other Government bonds	226,473	204,816
Bank Indonesia certificates	256,938	363,350
	<b>4,100,723</b>	<b>4,198,188</b>
<b>Unquoted securities</b>		
<i>In Malaysia</i>		
Private debt securities	4,881,168	4,686,499
Loan stocks	30,781	30,781
Danaharta Urus Sdn Bhd ("DUSB") bonds	130,139	795,335
<i>Outside Malaysia</i>		
Private debt securities	1,669,070	1,927,081
	<b>6,711,158</b>	<b>7,439,696</b>
	<b>11,305,165</b>	<b>12,169,574</b>
Accretion of discount net of amortisation of premium	136,962	337,881
Less : Allowance for impairment losses	(45,221)	(46,623)
Total financial investments held-to-maturity	<b>11,396,906</b>	<b>12,460,832</b>

On 1 January 2012, the Group designated a previously held financial investments held-to-maturity to financial investments available-for-sale, as allowed under MFRS 1. The fair value and the carrying amount of the financial investments at the date of designation is RM4,647,899,111 and RM4,457,951,926 respectively.

Included in the financial investments held-to-maturity of the Group as at 31 March 2012 are 10-year promissory notes of THB432 million (2011: THB450 million) maturing between 2012 to 2015, which were received from Thai Asset Management Corporation ("TAMC") for settlement of impaired loans transferred by 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 the impaired loans to TAMC, CIMB Thai Bank has a gain and loss sharing arrangement with TAMC arising from the recovery of the impaired loans. During the previous year, CIMB Bank Thai has recognised a gain of approximately RM101 million arising from the sharing agreement.

## A11. LOANS, ADVANCES AND FINANCING

### (i) By type

	The Group	
	31 Mar 2012	31 Dec 2011
At amortised cost	RM'000	RM'000
Overdrafts	5,847,469	6,052,496
Term loans/financing		
- Housing loans/financing	49,188,152	48,812,565
- Syndicated term loans	7,660,688	9,656,325
- Hire purchase receivables	11,764,692	11,614,260
- Lease receivables	120,979	109,868
- Factoring receivables	12,404	12,172
- Other term loans/financing	73,622,322	72,727,971
Bills receivable	2,783,840	3,740,413
Trust receipts	2,114,523	1,300,741
Claims on customers under acceptance credits	4,656,642	4,578,277
Staff loans *	688,447	706,835
Credit card receivables	5,348,579	5,604,180
Revolving credits	24,786,910	24,593,593
Share margin financing	1,910,846	1,882,615
Other loans	752	890
Gross loans, advances and financing	190,507,245	191,393,201
Fair value changes arising from fair value hedge	297,071	398,797
	190,804,316	191,791,998
Less: Allowance for impairment losses		
- Individual impairment allowance	(3,669,950)	(3,988,345)
- Portfolio impairment allowance	(3,714,781)	(3,964,876)
	(7,384,731)	(7,953,221)
<b>Total net loans, advances and financing</b>	<b>183,419,585</b>	<b>183,838,777</b>

\* Included in staff loans of the Group are loans to Directors amounting to RM2,419,069 (31 December 2011: RM10,050,224).

Included in the Group's loans, advances and financing balances are RM68,282,000 (31 December 2011: RM69,977,000) 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 RM7,009,362,000 (31 December 2011: RM7,237,885,000) of its loan exposure using interest rate swaps.

	The Group	
	31 Mar 2012	31 Dec 2011
	RM'000	RM'000
Gross loan hedged	7,009,362	7,237,885
Fair value changes arising from fair value hedges	297,071	398,797
	7,306,433	7,636,682

The fair value loss of interest rate swaps as at 31 March 2012 was RM308,790,565 (2011: fair value loss of RM445,176,674).

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

**(ii) By type of customers**

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
Domestic banking financial institutions	56,001	57,963
Domestic non-bank financial institutions		
- others	1,642,714	1,705,420
Domestic business enterprises		
- small medium enterprises	29,460,351	29,824,771
- others	42,243,762	44,209,093
Government and statutory bodies	12,707,164	12,657,089
Individuals	90,314,746	89,303,602
Other domestic entities	3,420,956	3,515,254
Foreign entities	10,661,551	10,120,009
Gross loans, advances and financing	<b>190,507,245</b>	<b>191,393,201</b>

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

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
Fixed rate		
- Housing loans	1,731,828	2,124,114
- Hire-purchase receivables	11,755,644	11,606,719
- Other fixed rate loans	38,313,088	40,419,100
Variable rate		
- BLR plus	94,171,220	91,771,906
- Cost plus	21,822,048	23,129,879
- Other variable rates	22,713,417	22,341,483
Gross loans, advances and financing	<b>190,507,245</b>	<b>191,393,201</b>

**(iv) By economic purpose**

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
Personal use	6,797,286	6,781,937
Credit card	5,348,579	5,604,180
Purchase of consumer durables	1,658	954
Construction	6,239,889	5,217,186
Residential property (Housing)	49,238,459	48,808,900
Non-residential property	13,052,465	12,758,609
Purchase of fixed assets other than land and building	15,828,580	16,528,217
Mergers and acquisitions	2,179,989	4,750,746
Purchase of securities	10,255,049	9,103,875
Purchase of transport vehicles	16,283,296	16,281,213
Working capital	46,868,445	46,078,495
Other purpose	18,413,550	19,478,889
Gross loans, advances and financing	<b>190,507,245</b>	<b>191,393,201</b>

**(v) By geographical distribution**

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
Malaysia	117,880,310	118,894,085
Indonesia	45,384,512	46,022,974
Thailand	12,742,246	13,077,940
Singapore	9,903,625	9,514,291
United Kingdom	875,766	996,344
Hong Kong	891,711	598,442
Other countries	2,829,075	2,289,125
Gross loans, advances and financing	<b>190,507,245</b>	<b>191,393,201</b>

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

**(vi) By residual contractual maturity**

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
Within one year	38,864,675	42,579,113
One year to less than three years	47,058,006	44,274,774
Three years to less than five years	21,391,365	21,348,048
Five years and more	83,193,199	83,191,266
Gross loans, advances and financing	<b>190,507,245</b>	<b>191,393,201</b>

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

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
Personal use	244,084	355,210
Credit card	113,170	127,609
Purchase of consumer durables	218	570
Construction	1,360,625	1,343,284
Residential property (Housing)	1,672,795	1,781,704
Non-residential property	373,643	406,835
Purchase of fixed assets other than land and building	650,543	556,579
Purchase of securities	101,383	123,855
Purchase of transport vehicles	423,085	424,208
Working capital	3,217,668	3,566,045
Other purpose	924,257	1,118,782
Gross impaired loan	<b>9,081,471</b>	<b>9,804,681</b>

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

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
Malaysia	5,846,611	6,058,318
Indonesia	1,538,450	1,846,522
Thailand	1,390,743	1,442,422
Singapore	60,687	62,500
United Kingdom	2,962	54,025
Other countries	242,018	340,894
Gross impaired loan	<b>9,081,471</b>	<b>9,804,681</b>

**(ix) Movements in impaired loans**

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
At 1 January	9,804,681	10,284,379
Classified as impaired during the period / year	849,142	3,973,790
Reclassified as not impaired during the period / year	(457,372)	(1,967,542)
Amount written back in respect of recoveries	(242,613)	(1,380,212)
Arising from deemed disposal of a subsidiary	-	(942)
Amount written off	(1,010,624)	(1,202,023)
Purchase of impaired loans from third party	-	126
Reclassification from unwinding income	185,927	-
Exchange fluctuation	(47,670)	97,105
At 31 March / 31 December	<b>9,081,471</b>	<b>9,804,681</b>
Ratio of gross impaired loans to gross loans, advances and financing	<b>4.77%</b>	<b>5.12%</b>

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

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

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
<u>Individual impairment allowance</u>		
At 1 January	3,988,345	4,079,367
Net allowance made during the period / year	103,287	348,005
Amount written off	(493,865)	(339,739)
Allowance (written back)/made and charged to deferred assets	(4)	140
Amount transferred from/(to) portfolio impairment allowance	12,791	(1,970)
Allowance written off in relation to deemed disposal of a subsidiary	-	(942)
Unwinding income	102,472	(73,737)
Exchange fluctuation	(43,076)	(22,779)
At 31 March / 31 December	<u>3,669,950</u>	<u>3,988,345</u>
 <u>Portfolio impairment allowance</u>		
At 1 January	3,964,876	4,262,959
Net allowance made during the period / year	130,654	539,855
Amount transferred (to)/from individual impairment allowance	(12,791)	1,970
Amount written off	(423,171)	(828,307)
Allowance (written back)/made and charged to deferred assets	(26)	844
Unwinding income	89,720	(20,293)
Exchange fluctuation	(34,481)	7,848
At 31 March / 31 December	<u>3,714,781</u>	<u>3,964,876</u>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing less individual impairment allowance	<u>2.45%</u>	<u>2.55%</u>



**A12. OTHER ASSETS**

	<b>The Group</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Due from brokers and clients net of allowance for doubtful debts	1,751,596	1,352,950
Other debtors, deposits and prepayments net of allowance for doubtful debts	3,522,329	2,471,597
Due from jointly controlled entity	1,344,695	1,371,367
Due from insurers, brokers and reinsurers	21,096	28,716
Option premium receivable	247,693	249,461
Deferred assets	131,118	131,204
Foreclosed properties net of allowance for impairment losses	155,564	167,765
Collateral pledged for derivative transactions	704,891	745,295
	<b>7,878,982</b>	<b>6,518,355</b>

**A13. DEPOSITS FROM CUSTOMERS**

	<b>The Group</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>By type of deposit</u>		
Demand deposits	52,512,029	51,191,447
Savings deposits	26,080,358	25,380,012
Fixed deposits	99,775,745	98,439,974
Negotiable instruments of deposit	6,214,144	3,017,584
Others	45,256,485	43,904,125
	<b>229,838,761</b>	<b>221,933,142</b>
 <u>By type of customer</u>		
Government and statutory bodies	10,409,998	12,579,786
Business enterprises	110,061,939	102,071,661
Individuals	86,250,782	84,078,467
Others	23,116,042	23,203,228
	<b>229,838,761</b>	<b>221,933,142</b>

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

One year or less (short term)	102,902,654	98,006,686
More than one year (medium/long term)	3,087,235	3,450,872
	<b>105,989,889</b>	<b>101,457,558</b>

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

	<b>The Group</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	9,203,897	8,549,707
Licensed finance companies	132,017	129,555
Licensed investment banks	192,761	200,041
Bank Negara Malaysia	680,283	372,677
Other financial institutions	5,928,022	3,712,329
	<b>16,136,980</b>	<b>12,964,309</b>

**A15. OTHER LIABILITIES**

	<b>The Group</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Due to brokers and clients	<b>2,069,175</b>	1,732,776
Expenditure payable	<b>1,448,898</b>	1,534,593
Provision for legal claims	<b>123,233</b>	128,254
Sundry creditors	<b>1,579,704</b>	882,476
Insurance fund - life and takaful insurance business	<b>46,396</b>	45,397
Allowance for commitments and contingencies	<b>31,090</b>	33,061
Post employment benefit obligations	<b>272,869</b>	282,427
Credit card expenditure payable	<b>130,250</b>	125,537
Call deposit borrowing	<b>405,109</b>	402,705
Others	<b>1,895,778</b>	1,660,584
	<b>8,002,502</b>	6,827,810

**A16. INTEREST INCOME**

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries	2,618,198	2,352,918	2,618,198	2,352,918
- Unwinding income <sup>^</sup>	38,197	43,626	38,197	43,626
Money at call and deposit placements with financial institutions	163,648	100,416	163,648	100,416
Reverse repurchase agreements	32,853	22,490	32,853	22,490
Financial assets held for trading	104,563	106,494	104,563	106,494
Financial investments available-for-sale	192,565	132,168	192,565	132,168
Financial investments held-to-maturity	102,132	153,263	102,132	153,263
Others	2,508	4,094	2,508	4,094
	<b>3,254,664</b>	<b>2,915,469</b>	<b>3,254,664</b>	<b>2,915,469</b>
Accretion of discounts less amortisation of premiums	46,565	42,084	46,565	42,084
	<b>3,301,229</b>	<b>2,957,553</b>	<b>3,301,229</b>	<b>2,957,553</b>

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

**A17. INTEREST EXPENSE**

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	28,411	24,356	28,411	24,356
Deposits from other customers	1,268,353	1,106,501	1,268,353	1,106,501
Repurchase agreements	5,763	332	5,763	332
Bonds	10,493	-	10,493	-
Subordinated notes	137,674	138,831	137,674	138,831
Loans sold to Cagamas	-	1,124	-	1,124
Negotiable certificates of deposits	16,280	44,387	16,280	44,387
Other borrowings	61,262	37,386	61,262	37,386
Others	35,315	10,530	35,315	10,530
	<b>1,563,551</b>	<b>1,363,447</b>	<b>1,563,551</b>	<b>1,363,447</b>

**A18. NET NON-INTEREST INCOME**

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
(a) Net fee income and commission income:				
Commissions	120,270	121,969	120,270	121,969
Fee on loans, advances and financing	87,085	84,165	87,085	84,165
Portfolio management fees	5,780	6,466	5,780	6,466
Service charges and fees	88,170	90,656	88,170	90,656
Corporate advisory fees	18,779	33,540	18,779	33,540
Guarantee fees	12,860	29,782	12,860	29,782
Other fee income	124,948	78,939	124,948	78,939
Placement fees	3,296	8,017	3,296	8,017
Underwriting commission	1,589	12,465	1,589	12,465
Fee and commission income	462,777	465,999	462,777	465,999
Fee and commission expense	(101,787)	(85,000)	(101,787)	(85,000)
Net fee and commission income	360,990	380,999	360,990	380,999
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	4,025	6,573	4,025	6,573
- Financial investments available-for-sale	2,600	1,404	2,600	1,404
<i>Outside Malaysia</i>				
- Financial assets held for trading	79	769	79	769
- Financial investments available-for-sale	2,451	9,009	2,451	9,009
	9,155	17,755	9,155	17,755
(c) Net gain/(loss) arising from financial assets held for trading	81,076	(35,606)	81,076	(35,606)
- realised	79,221	(16,058)	79,221	(16,058)
- unrealised	1,855	(19,548)	1,855	(19,548)
(d) Net gain/(loss) arising from derivative financial instruments	177,865	149,576	177,865	149,576
- realised	334,720	137,052	334,720	137,052
- unrealised	(156,855)	12,524	(156,855)	12,524
(e) Net loss arising from hedging derivatives	(33,985)	(16,137)	(33,985)	(16,137)
(f) Net gain from sale of financial investments available-for-sale	147,405	1,606	147,405	1,606
(g) Net gain from redemption / maturity of financial investment held-to-maturity	3,512	336	3,512	336
(h) Income from assets management and securities services	49,193	50,119	49,193	50,119
(i) Brokerage income	91,508	98,001	91,508	98,001
(j) Other non-interest income:				
Foreign exchange gain	136,224	60,808	136,224	60,808
Rental income	2,115	4,018	2,115	4,018
Gain on disposal of property, plant and equipment	967	991	967	991
Underwriting surplus before management expenses	3,495	4,316	3,495	4,316
Loss on disposal of foreclosed properties	(4,079)	(2,386)	(4,079)	(2,386)
Other non-operating income	116,555	101,404	116,555	101,404
	255,277	169,151	255,277	169,151
Total other operating income	1,141,996	815,800	1,141,996	815,800

**A19. OVERHEADS**

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	757,158	664,741	757,158	664,741
- Pension cost	62,800	9,097	62,800	9,097
- Overtime	9,703	8,801	9,703	8,801
- Staff incentives and other staff payments	17,768	36,758	17,768	36,758
- Medical expenses	19,586	15,333	19,586	15,333
- Others	109,419	88,098	109,419	88,098
	<b>976,434</b>	<b>822,828</b>	<b>976,434</b>	<b>822,828</b>
Establishment costs				
- Depreciation of property, plant and equipment	88,293	87,754	88,293	87,754
- Amortisation of prepaid lease payments	3,166	3,749	3,166	3,749
- Rental	77,628	70,712	77,628	70,712
- Repair and maintenance	96,441	61,808	96,441	61,808
- Outsourced services	83,360	55,339	83,360	55,339
- Security expenses	22,762	22,716	22,762	22,716
- Others	51,145	44,841	51,145	44,841
	<b>422,795</b>	<b>346,919</b>	<b>422,795</b>	<b>346,919</b>
Marketing expenses				
- Sales commission	4,126	2,142	4,126	2,142
- Advertisement	66,315	46,732	66,315	46,732
- Others	13,220	14,560	13,220	14,560
	<b>83,661</b>	<b>63,434</b>	<b>83,661</b>	<b>63,434</b>
Administration and general expenses				
- Amortisation of intangible assets	60,018	60,015	60,018	60,015
- Legal and professional fees	35,287	34,296	35,287	34,296
- Stationery	20,523	20,854	20,523	20,854
- Communication	40,445	37,816	40,445	37,816
- Incidental expenses on banking operations	9,049	20,077	9,049	20,077
- Insurance	39,421	38,734	39,421	38,734
- Others	104,840	100,459	104,840	100,459
	<b>309,583</b>	<b>312,251</b>	<b>309,583</b>	<b>312,251</b>
	<b>1,792,473</b>	<b>1,545,432</b>	<b>1,792,473</b>	<b>1,545,432</b>

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

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
Allowance for impaired loans and financing :				
Net allowance made/(written back) during the financial period				
- Individual impairment allowance	103,287	(5,179)	103,287	(5,179)
- Portfolio impairment allowance	130,654	112,808	130,654	112,808
Impaired loans and financing :				
- recovered	(92,526)	(102,764)	(92,526)	(102,764)
- written off	2,370	1,309	2,370	1,309
	<b>143,785</b>	<b>6,174</b>	<b>143,785</b>	<b>6,174</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 RM'000	Fair values Assets RM'000	Liabilities RM'000
<b>At 31 March 2012</b>			
<b>Trading derivatives</b>			
<u>Foreign exchange derivatives</u>			
Currency forward	<b>11,523,220</b>	<b>122,205</b>	<b>(162,650)</b>
- Less than 1 year	9,149,133	50,828	(125,931)
- 1 year to 3 years	1,082,872	52,450	(25,101)
- More than 3 years	1,291,215	18,927	(11,618)
Currency swaps	<b>45,279,540</b>	<b>331,327</b>	<b>(252,175)</b>
- Less than 1 year	44,955,788	318,607	(248,929)
- 1 year to 3 years	119,755	4,520	(2,665)
- More than 3 years	203,997	8,200	(581)
Currency spot	<b>5,805,253</b>	<b>4,608</b>	<b>(4,245)</b>
- Less than 1 year	5,805,253	4,608	(4,245)
Currency options	<b>2,858,007</b>	<b>10,365</b>	<b>(11,113)</b>
- Less than 1 year	2,858,007	10,365	(11,113)
Cross currency interest rate swaps	<b>17,748,700</b>	<b>562,773</b>	<b>(470,171)</b>
- Less than 1 year	3,641,848	100,199	(146,292)
- 1 year to 3 years	5,496,264	259,248	(156,929)
- More than 3 years	8,610,588	203,326	(166,950)
	<b>83,214,720</b>	<b>1,031,278</b>	<b>(900,354)</b>
<u>Interest rate derivative</u>			
Interest rate swaps	<b>231,132,889</b>	<b>2,130,027</b>	<b>(1,734,693)</b>
- Less than 1 year	33,978,396	67,820	(64,703)
- 1 year to 3 years	136,295,982	804,763	(783,355)
- More than 3 years	60,858,511	1,257,444	(886,635)
Interest rate futures	<b>13,763,255</b>	<b>24,532</b>	<b>(2,347)</b>
- Less than 1 year	8,031,970	11,888	(2,093)
- 1 year to 3 years	4,067,742	11,455	-
- More than 3 years	1,663,543	1,189	(254)
Interest rate options	<b>150,000</b>	<b>1,229</b>	<b>(7)</b>
- 1 year to 3 years	150,000	1,229	(7)
	<b>245,046,144</b>	<b>2,155,788</b>	<b>(1,737,047)</b>
<u>Equity related derivatives</u>			
Index futures	<b>30,258</b>	<b>181</b>	<b>(56)</b>
- Less than 1 year	30,258	181	(56)
Equity options	<b>10,115,330</b>	<b>128,126</b>	<b>(396,774)</b>
- Less than 1 year	3,019,253	61,919	(338,713)
- 1 year to 3 years	3,060,556	59,517	(12,379)
- More than 3 years	4,035,521	6,690	(45,682)
Equity swaps	<b>569,849</b>	<b>221</b>	<b>(27,630)</b>
- More than 3 years	569,849	221	(27,630)
	<b>10,715,437</b>	<b>128,528</b>	<b>(424,460)</b>
<u>Commodity related derivatives</u>			
Commodity swaps	<b>57,132</b>	<b>4,068</b>	<b>(2,653)</b>
- Less than 1 year	57,132	4,068	(2,653)
Commodity futures	<b>37,472</b>	<b>81</b>	<b>(1,252)</b>
- Less than 1 year	37,472	81	(1,252)
Commodity options	<b>174,996</b>	<b>70,063</b>	<b>(70,063)</b>
- Less than 1 year	18,387	92	(92)
- 1 year to 3 years	156,609	69,971	(69,971)
	<b>269,600</b>	<b>74,212</b>	<b>(73,968)</b>
<u>Credit related contract</u>			
Credit default swaps	<b>1,557,354</b>	<b>26,211</b>	<b>(30,194)</b>
- Less than 1 year	60,645	227	(49)
- 1 year to 3 years	504,675	1,187	(2,707)
- More than 3 years	992,034	24,797	(27,438)
<u>Hedging derivatives</u>			
Interest rate swaps	<b>14,880,796</b>	<b>256,623</b>	<b>(397,113)</b>
- Less than 1 year	710,265	14,250	(5,183)
- 1 year to 3 years	500,089	12,095	(6,478)
- More than 3 years	13,670,442	230,278	(385,452)
Cross currency interest rate swaps	<b>595,543</b>	<b>3,877</b>	<b>(7,190)</b>
- 1 year to 3 years	284,927	253	(849)
- More than 3 years	310,616	3,624	(6,341)
	<b>15,476,339</b>	<b>260,500</b>	<b>(404,303)</b>
Total derivative assets/(liabilities)	<b>356,279,594</b>	<b>3,676,517</b>	<b>(3,570,326)</b>

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

(i) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	The Group		
	Principal amount RM'000	Assets RM'000	Fair values Liabilities RM'000
At 31 December 2011			
<b>Trading derivatives</b>			
<u>Foreign exchange derivatives</u>			
Currency forward	11,664,292	152,198	(172,128)
- Less than 1 year	9,407,525	107,872	(126,346)
- 1 year to 3 years	971,908	40,641	(22,110)
- More than 3 years	1,284,859	3,685	(23,672)
Currency swaps	38,210,727	412,086	(328,753)
- Less than 1 year	37,870,738	394,071	(324,315)
- 1 year to 3 years	128,276	6,806	(4,081)
- More than 3 years	211,713	11,209	(357)
Currency spot	3,185,666	2,100	(2,329)
- Less than 1 year	3,185,666	2,100	(2,329)
Currency options	2,246,845	9,030	(14,226)
- Less than 1 year	2,246,845	9,030	(14,226)
Cross currency interest rate swaps	16,993,262	535,129	(393,016)
- Less than 1 year	3,516,246	90,581	(130,104)
- 1 year to 3 years	6,199,649	255,084	(106,253)
- More than 3 years	7,277,367	189,464	(156,659)
	72,300,792	1,110,543	(910,452)
<u>Interest rate derivative</u>			
Interest rate swaps	244,561,024	2,711,995	(2,338,891)
- Less than 1 year	32,606,090	85,636	(60,632)
- 1 year to 3 years	131,899,721	1,010,775	(1,050,691)
- More than 3 years	80,055,213	1,615,584	(1,227,568)
Interest rate futures	11,930,771	31,861	(2,279)
- Less than 1 year	5,734,380	10,485	(2,279)
- 1 year to 3 years	4,844,425	17,375	-
- More than 3 years	1,351,966	4,001	-
Interest rate options	150,000	10,407	(4,549)
- 1 year to 3 years	100,000	9,730	(4,542)
- More than 3 years	50,000	677	(7)
	256,641,795	2,754,263	(2,345,719)
<u>Equity related derivatives</u>			
Index futures	17,121	1	(132)
- Less than 1 year	17,121	1	(132)
Equity options	8,651,175	60,008	(374,549)
- Less than 1 year	1,839,406	50,392	(272,089)
- 1 year to 3 years	3,087,134	351	(69,162)
- More than 3 years	3,724,635	9,265	(33,298)
Equity swaps	525,927	416	(18,399)
- More than 3 years	525,927	416	(18,399)
	9,194,223	60,425	(393,080)
<u>Commodity related derivatives</u>			
Commodity swaps	80,961	4,456	(5,498)
- Less than 1 year	44,312	3,730	(3,663)
- 1 year to 3 years	36,649	726	(1,835)
Commodity futures	39,642	782	(863)
- Less than 1 year	38,235	684	(845)
- 1 year to 3 years	1,407	98	(18)
Commodity options	203,200	48,048	(48,048)
- Less than 1 year	34,947	10,075	(10,075)
- 1 year to 3 years	168,253	37,973	(37,973)
	323,803	53,286	(54,409)
<u>Credit related contract</u>			
Credit default swaps	1,344,019	38,374	(40,744)
- Less than 1 year	158,850	24	-
- 1 year to 3 years	839,250	3,613	(10,290)
- More than 3 years	345,919	34,737	(30,454)
<b>Hedging derivatives</b>			
Interest rate swaps	14,221,710	257,182	(472,290)
- Less than 1 year	20,911	318	(329)
- 1 year to 3 years	1,163,570	32,874	(10,503)
- More than 3 years	13,037,229	223,990	(461,458)
Cross currency interest rate swaps	71,131	-	(597)
- More than 3 years	71,131	-	(597)
	14,292,841	257,182	(472,887)
Total derivative assets/(liabilities)	354,097,473	4,274,073	(4,217,291)

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 31 March 2012, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM 3,676,517,000 (31 December 2011: RM4,274,073,000). 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 2011 and the Risk Management section of the 2011 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>31 Mar 2012 Principal Amount RM'000</b>	<b>31 Dec 2011 Principal Amount RM'000</b>
<b><u>Credit-related</u></b>		
Direct credit substitutes	5,083,676	5,255,701
Certain transaction-related contingent items	5,481,363	5,464,748
Short-term self-liquidating trade-related contingencies	2,484,019	2,549,245
Obligations under underwriting agreement	67,500	226,887
Irrevocable commitments to extend credit		
- maturity not exceeding one year	39,871,402	36,370,852
- maturity exceeding one year	6,108,772	6,710,863
Miscellaneous commitments and contingencies	3,392,870	4,941,508
Total credit-related commitments and contingencies	<b>62,489,602</b>	<b>61,519,804</b>
<b><u>Treasury-related</u></b>		
<b><u>Foreign exchange related contracts</u></b>		
- less than one year	59,810,691	50,683,044
- one year to less than five years	13,590,183	11,901,101
- five years and above	4,374,180	4,523,518
	<b>77,775,054</b>	<b>67,107,663</b>
<b><u>Interest rate related contracts</u></b>		
- less than one year	53,765,480	49,632,388
- one year to less than five years	147,415,724	162,478,157
- five years and above	37,172,109	37,636,526
	<b>238,353,313</b>	<b>249,747,071</b>
<b><u>Equity related contracts</u></b>		
- less than one year	2,987,351	1,852,206
- one year to less than five years	5,653,590	4,949,209
- five years and above	2,074,497	2,392,808
	<b>10,715,438</b>	<b>9,194,223</b>
Other treasury related contracts	28,093,615	26,628,646
Total treasury-related commitments and contingencies	<b>354,937,420</b>	<b>352,677,603</b>
	<b>417,427,022</b>	<b>414,197,407</b>

## A22. CAPITAL ADEQUACY

31 March 2012

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.

- In November 2011, the capital adequacy ratios of the Investment Bank Group and Investment Bank are computed in accordance with Standardised approach (SA approach) for Credit Risk and Basic Indicator Approach for Operational Risk. Market Risk remained unchanged under Standardised Approach. In 2010, IRB approach is adopted to compute Credit Risk.

Subsequent to the transition to Basel II IRB in 2010, and following a refinement in the interpretation of the guideline, management is of the opinion that it is proved to be impractical to apply IRB Approach due to lack of IRB assets in the Investment Bank Group and Investment Bank. In November 2011, Investment Bank has adopted the SA approach for the Bank to better reflect the nature of the underlying business activities. The change does not in any way affect how business is conducted at the Investment Bank Group and Investment Bank and will in fact maintain the efficient employment of capital at the Group.

- 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	13.37%	9.88%	7.61%	10.58%	16.93%	12.32%	N/A
Risk-weighted capital ratio	15.43%	13.70%	11.93%	15.06%	16.96%	15.51%	47.65%
<b>After deducting proposed dividend</b>							
Core capital ratio	13.37%	9.88%	7.61%	10.58%	16.93%	12.32%	N/A
Risk-weighted capital ratio	15.43%	13.70%	11.93%	15.06%	16.96%	15.51%	47.65%

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

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

	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>Tier I capital</b>							
Paid-up capital	3,764,469	1,000,000	819,790	3,764,469	100,000	538,209	113,387
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier I Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier I capital	1,612,900	-	-	1,612,900	-	-	-
Share premium	5,033,633	-	149,053	5,033,633	-	2,704,263	-
Other reserves	6,815,406	791,169	143,671	7,956,032	303,094	2,568,771	(13,209)
Non-controlling interests	-	-	-	266,211	-	-	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(33,759)	-
Deferred tax assets	(118,506)	(10,791)	-	(89,327)	(40,460)	-	-
Intangible assets	-	-	-	-	-	-	(2,447)
Goodwill	(3,555,075)	(136,000)	-	(4,885,707)	-	-	-
Total Tier I capital	14,752,827	1,714,378	1,112,514	14,858,211	362,634	5,777,484	97,731
<b>Tier II capital</b>							
Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	5,000,000	550,000	301,468	5,777,311	-	-	-
Subordinated loans	-	-	-	-	-	1,013,988	-
Revaluation reserve	-	-	36,961	-	-	-	-
Regulatory reserve	466,360	7,405	-	551,409	-	-	-
Portfolio impairment allowance <sup>√</sup>	149,265	135,414	39,640	356,423	647	477,933	1,498
Surplus of total eligible provision over expected loss under the IRB approach	256,097	(31,294)	-	140,470	-	-	-
Others	-	-	254,728	-	-	38,324	-
Total Tier II capital	5,901,462	661,525	632,797	6,855,353	657	1,530,245	1,498
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	(3,251,417)	-	-	(178,719)	(50)	(33,759)	-
Securitisation exposures subject to deductions**	(70,116)	-	-	(70,116)	-	-	-
Investment in associates	(305,584)	-	-	(305,584)	-	-	-
Total Eligible Tier II capital	2,274,345	661,525	632,797	6,300,934	607	1,496,486	1,498
Total capital base	17,027,172	2,375,903	1,745,311	21,159,145	363,241	7,273,970	99,229
Less :							
Proposed dividends	-	-	-	-	-	-	-
Total capital base (net of proposed dividend)	17,027,172	2,375,903	1,745,311	21,159,145	363,241	7,273,970	99,229

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	88,776,360	15,177,386	13,222,169	115,018,336	1,151,889	40,980,396	208,257
Market risk	11,110,199	688,153	528,655	12,218,967	189,434	602,926	-
Operational risk	10,033,439	1,478,002	872,780	12,832,072	800,735	5,323,947	-
Large exposure risk	408,520	-	-	408,520	-	-	-
	110,328,518	17,343,541	14,623,604	140,477,895	2,142,058	46,907,269	208,257

\*\* 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 March 2012 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM357,934,147, RM340,065,960 and RM17,868,187 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 2011

	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	15.26%	10.44%	7.65%	11.97%	21.02%	10.17%	N/A
Risk-weighted capital ratio	17.59%	14.42%	13.00%	16.87%	21.04%	13.09%	56.33%
<b>After deducting proposed dividend</b>							
Core capital ratio	14.45% +	10.44%	7.65%	11.33% +	16.51% @	10.17%	N/A
Risk-weighted capital ratio	16.78% +	14.42%	13.00%	16.24% +	16.53% @	13.09%	56.33%

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

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

<b>Tier I capital</b>							
Paid-up capital	3,764,469	1,000,000	809,961	3,764,469	100,000	561,888	117,549
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier I Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier I capital	1,635,400	-	-	1,635,400	-	-	-
Share premium	5,033,633	-	147,266	5,033,633	-	2,823,236	-
Other reserves	7,642,406	791,169	141,948	8,783,032	402,127	1,948,607	(12,130)
Non-controlling interests	-	-	-	266,211	-	-	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(35,245)	-
Deferred tax assets	(118,506)	(10,791)	-	(89,327)	(40,460)	-	-
Intangible assets	-	-	-	-	-	-	(2,916)
Goodwill	(3,555,075)	(136,000)	-	(4,899,904)	-	-	-
Total Tier I capital	15,602,327	1,714,378	1,099,175	15,693,514	461,667	5,298,486	102,503
<b>Tier II capital</b>							
Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	5,000,000	550,000	439,728	5,813,057	-	-	-
Subordinated loans	-	-	-	-	-	1,051,495	-
Revaluation reserve	-	-	36,571	-	-	-	-
Regulatory reserve	431,514	59,113	-	490,627	-	-	-
Portfolio impairment allowance <sup>√</sup>	188,389	64,585	41,044	397,291	623	464,878	1,346
Surplus of total eligible provision over expected loss under the IRB approach	359,190	(18,719)	-	255,860	-	-	-
Others	-	-	251,674	-	-	40,010	-
Total Tier II capital	6,008,833	654,979	769,017	6,986,575	633	1,556,383	1,346
Less :							
Investment in subsidiaries and holding of other banking	(3,249,823)	-	-	(177,125)	(50)	(35,245)	-
Securitisation exposures subject to deductions**	(70,116)	-	-	(70,116)	-	-	-
Investment in associates	(306,061)	-	-	(306,061)	-	-	-
Total Eligible Tier II capital	2,382,833	654,979	769,017	6,433,273	583	1,521,138	1,346
Total capital base	17,985,160	2,369,357	1,868,192	22,126,787	462,250	6,819,624	103,849
Less :							
Proposed dividends	(827,000)	-	-	(827,000)	(99,034)	-	-
Total capital base (net of dividend)	17,158,160	2,369,357	1,868,192	21,299,787	363,216	6,819,624	103,849

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	83,785,262	14,677,578	13,168,819	109,351,226	1,081,967	46,387,969	184,352
Market risk	8,105,302	346,673	339,155	8,785,131	307,315	611,862	-
Operational risk	9,949,736	1,402,324	862,316	12,620,584	807,424	5,117,613	-
Large exposure risk	400,148	-	-	400,148	-	-	-
	102,240,448	16,426,575	14,370,290	131,157,089	2,196,706	52,117,444	184,352

@ Interim dividend for financial year ended 31 December 2011, which was paid in March 2012.

+ Interim dividend for financial year ended 31 December 2011, which was paid in March 2012

\*\* 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 2011 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM463,064,140, RM441,690,248 and RM21,373,892 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:

During the end of financial year 2011, an internal reorganisation has resulted in a change in business segment reporting. The Group has been reorganised into the following four major operating divisions:

#### ***Consumer Banking***

Consumer Banking provides full-fledged financial services to individual and commercial customer. Its encompass the banking services across the Group's main operating markets of Malaysia, Indonesia, Singapore, Thailand and Cambodia.. The divisions which make up the Consumer Banking are Consumer Sales & Distribution, Retail Financial Services, Commercial Banking, Group Cards & Personal Financing and Group Insurance.

Consumer Sales & Distribution oversees the Group's sales network including branches and mobile sales teams.

Retail Financial Services is responsible for most of the products and services to individual and micro enterprise customers. It offers products covering lending, deposit, welth management, remittance and other services.

Commercial Banking is responsible for the development of products and services for small and medium-scale enterprises (SMEs) and mid-sized corporation.

Group Cards & Personal Financing is responsible for the Group's credit card business and personal loans portfolio.

Group Insurance is responsible of manufacturing and distribution of life and takaful insurance products.

#### ***Wholesale Banking***

Wholesale Banking comprises Investment Banking and Corporate Banking, Treasury & Markets.

Investment Banking includes client coverage, advisory, equities and asset management businesses. Client coverage focuses on marketing and delivering solutions to corporate and institutional clients.

Advisory 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. Equities, 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 programme trades, block trades and market making, as well as provides nominee services and stock broking services to retail and corporate clients.

**A23. SEGMENTAL REPORT (continued)**

***Wholesale Banking (Continued)***

Asset Management comprises wholesale fund management and unit trust.

Corporate Banking, Treasury and Markets (CBTM) is responsible for corporate lending and deposit taking, transaction banking, treasury and markets activities. Treasury focuses on treasury activities and services which include foreign exchange, money market, derivatives and trading of capital market instruments. It includes the Group's equity derivatives which develops and issues new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues.

***Investment***

Investments focus on Group Strategy and Strategic Investments (GSSI) including funding operations for the group. GSSI consists of Group Strategy, Private Equity and Strategic Investment which focus in defining and formulating strategies at the corporate and business unit levels, oversee the Group's strategic, private equity fund management and Strategic Investments. It also invests in the Group's proprietary capital.

***Support and others***

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

A23. SEGMENTAL REPORT (continued)

	Consumer Banking	Wholesale Banking		Investment	Support and others	Total
	RM'000	Investment Banking RM'000	Corporate Banking, Treasury and Markets RM'000	RM'000	RM'000	RM'000
<b>31 March 2012</b>						
Net interest income						
-external income / (expense)	1,118,868	13,442	605,879	22,862	(23,373)	<b>1,737,678</b>
-inter-segment income	52,659	(2,169)	(33,107)	(13,919)	(3,464)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Income from Islamic Banking operations	1,171,527	11,273	572,772	8,943	(26,837)	<b>1,737,678</b>
Net non-interest income	173,766	1,171	92,566	108,795	(419)	<b>375,879</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net income/(expense)	1,752,609	206,885	1,067,845	250,786	(22,572)	<b>3,255,553</b>
Overheads	(1,162,809)	(183,455)	(342,772)	(95,753)	(7,684)	<b>(1,792,473)</b>
of which:						
- Depreciation of property, plant and equipment	(57,087)	(12,060)	(13,175)	(4,703)	(1,268)	<b>(88,293)</b>
- Amortisation of prepaid lease payments	(60)	(2)	(11)	(9)	(3,084)	<b>(3,166)</b>
- Amortisation of intangible assets	(30,155)	(1,315)	(5,338)	(22,095)	(1,115)	<b>(60,018)</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit/(loss) before allowances	589,800	23,430	725,073	155,033	(30,256)	<b>1,463,080</b>
Allowance (made)/written back for impairment losses on loans, advances and financing	(41,657)	1	(84,243)	(213)	(17,673)	<b>(143,785)</b>
Allowance (made)/written back for losses on other receivables	(3,353)	(9,048)	80	1,892	(171)	<b>(10,600)</b>
Allowance written back for commitments and contingencies	738	-	-	-	-	<b>738</b>
Allowance (made)/written back for other impairment losses	-	-	-	(2,040)	29	<b>(2,011)</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Segment results	545,528	14,383	640,910	154,672	(48,071)	<b>1,307,422</b>
Share of results of jointly controlled entities	(1,118)	(119)	-	3,060	-	<b>1,823</b>
Share of results of associates	9,588	-	-	22,389	-	<b>31,977</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit/(loss) before taxation	553,998	14,264	640,910	180,121	(48,071)	<b>1,341,222</b>
% of profit before taxation	41.3	1.1	47.8	13.4	(3.6)	<b>100.0</b>
Taxation						<b>(318,253)</b>
						<hr/>
<b>Profit after taxation before non-controlling interests</b>						<b>1,022,969</b>
						<hr/>

A23. SEGMENTAL REPORT (continued)

	Consumer Banking	Wholesale Banking	Investment	Support and others	Total	
		Corporate Banking, Investment Banking	Treasury and Markets			
	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>31 March 2011</b>						
Net interest income						
-external income / (expense)	1,076,834	11,025	528,548	(7,443)	(14,858)	1,594,106
-inter-segment income	(812)	(2,197)	13,488	(4,669)	(5,810)	-
	1,076,022	8,828	542,036	(12,112)	(20,668)	1,594,106
Income from Islamic Banking operations	172,958	(281)	76,285	91,459	56	340,477
Non-interest income	345,300	217,117	207,742	35,986	9,655	815,800
Net income/(expense)	1,594,280	225,664	826,063	115,333	(10,957)	2,750,383
Overheads	(1,062,973)	(161,416)	(300,373)	(9,807)	(10,863)	(1,545,432)
of which:						
- Depreciation of property, plant and equipment	(57,774)	(11,243)	(14,123)	(3,780)	(834)	(87,754)
- Amortisation of prepaid lease payments	(60)	(95)	(11)	(2)	(3,581)	(3,749)
- Amortisation of intangible assets	(30,076)	(1,164)	(5,586)	(22,115)	(1,074)	(60,015)
Profit/(loss) before allowances	531,307	64,248	525,690	105,526	(21,820)	1,204,951
Allowance (made)/written back for impairment losses on loans, advances and financing	(17,016)	(413)	10,281	394	580	(6,174)
Allowance (made)/written back for losses on other receivables	(2,379)	1,252	363	2,220	(965)	491
Allowance (made)/written back for commitment and contingencies	(1,104)	-	(2)	1,027	1,984	1,905
Allowance written back/(made) for other impairment losses	-	-	382	(1,156)	(4)	(778)
Segment results	510,808	65,087	536,714	108,011	(20,225)	1,200,395
Share of results of jointly controlled entities	8,343	226	-	1,537	-	10,106
Share of results of associates	-	-	-	22,070	-	22,070
Profit/(loss) before taxation	519,151	65,313	536,714	131,618	(20,225)	1,232,571
% of profit before taxation	42.1	5.3	43.5	10.7	(1.6)	100.0
Taxation						(299,317)
<b>Profit after taxation before non-controlling interests</b>						<b>933,254</b>

## A24. OPERATIONS OF ISLAMIC BANKING

### A24a. UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Note	The Group		
		31 Mar 2012 RM'000	31 Dec 2011 (Restated) RM'000	1 Jan 2011 (Restated) RM'000
<b>Assets</b>				
Cash and short-term funds		6,347,355	8,391,678	7,934,045
Deposits and placements with banks and other financial institutions		767,828	1,557,983	1,340,924
Financial assets held for trading		4,436,285	2,911,603	2,549,533
Islamic derivative financial instruments		218,293	249,169	284,789
Financial investments available-for-sale		1,964,503	1,436,119	659,172
Financial investments held-to-maturity		1,719,801	1,397,598	1,230,451
Financing, advances and other financing/loans	A24d(i)	30,472,021	29,500,400	23,368,509
Deferred tax assets		9,042	6,359	4,307
Amount due from related companies		29,469	55,439	48,835
Amount due from holding company		768,827	568,921	514,680
Statutory deposits with Bank Negara Malaysia		1,212,484	1,097,797	143,406
Property, plant and equipment		8,066	9,567	7,314
Other assets		800,315	545,199	764,109
Goodwill		136,000	136,000	136,000
Intangible assets		4,801	4,170	4,287
<b>TOTAL ASSETS</b>		<b>48,895,090</b>	<b>47,868,002</b>	<b>38,990,361</b>
<b>Liabilities and Islamic banking capital funds</b>				
Deposits from customers	A24(e)	33,182,915	31,565,815	24,923,994
Deposits and placements of banks and other financial institutions		9,244,008	10,726,368	10,244,515
Islamic derivative financial instruments		352,878	452,582	265,725
Amount due to holding company		250,561	402,487	184,519
Amount due to related companies		51,383	1,112	247
Provision for taxation and zakat		97,223	112,330	86,284
Other liabilities		1,957,124	1,005,532	853,473
Subordinated Sukuk		559,704	564,679	300,000
<b>TOTAL LIABILITIES</b>		<b>45,695,796</b>	<b>44,830,905</b>	<b>36,858,757</b>
<b>Equity</b>				
Ordinary share capital		1,000,000	1,000,000	750,000
Islamic banking funds		55,000	55,000	91,693
Perpetual preference shares		70,000	70,000	70,000
Reserves		2,065,464	1,902,052	1,180,466
		3,190,464	3,027,052	2,092,159
Non-controlling interests		8,830	10,045	39,445
<b>TOTAL EQUITY</b>		<b>3,199,294</b>	<b>3,037,097</b>	<b>2,131,604</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>48,895,090</b>	<b>47,868,002</b>	<b>38,990,361</b>



**A24b. UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED 31 MARCH 2012**

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	456,216	428,812	456,216	428,812
Net income derived from investment of shareholders' funds	128,973	81,055	128,973	81,055
Allowance made for impairment losses on financing, advances and other financing/loans	(34,700)	6,867	(34,700)	6,867
Allowance made for impairment losses on other receivables	44	(395)	44	(395)
<b>Total distributable income</b>	<b>550,533</b>	<b>516,339</b>	<b>550,533</b>	<b>516,339</b>
Income attributable to the depositors	(209,310)	(169,390)	(209,310)	(169,390)
<b>Total net income</b>	<b>341,223</b>	<b>346,949</b>	<b>341,223</b>	<b>346,949</b>
Other operating expenses	(119,142)	(91,954)	(119,142)	(91,954)
<b>Profit before taxation</b>	<b>222,081</b>	<b>254,995</b>	<b>222,081</b>	<b>254,995</b>
Taxation	(57,295)	(35,099)	(57,295)	(35,099)
<b>Profit for the period</b>	<b>164,786</b>	<b>219,896</b>	<b>164,786</b>	<b>219,896</b>
Profit for the period attributable to:				
Owners of the Parent	164,638	220,138	164,638	220,138
Non-controlling interests	148	(242)	148	(242)
	<b>164,786</b>	<b>219,896</b>	<b>164,786</b>	<b>219,896</b>

**A24c. UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2012**

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	164,786	219,896	164,786	219,896
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	(2,379)	(2,035)	(2,379)	(2,035)
- Net gain/(loss) from change in fair value				
- as previously reported	-	(1,094)	-	(1,094)
- movement during the period/effect of adopting MFRS 1	53	(1,651)	53	(1,651)
- Realised gain transferred to income statement on disposal and impairment	(2,781)	-	(2,781)	-
- Income tax effects				
- as previously reported	-	297	-	297
- movement during the period/effect of adopting MFRS 1	349	413	349	413
Exchange fluctuation reserve	(286)	237	(286)	237
Other comprehensive income for the period, net of tax	(2,665)	(1,798)	(2,665)	(1,798)
<b>Total comprehensive income for the period</b>	<b>162,121</b>	<b>218,098</b>	<b>162,121</b>	<b>218,098</b>
Total comprehensive income for the period attributable to:				
Owners of the Parent	163,485	218,974	163,485	218,974
Non-controlling interests	(1,364)	(876)	(1,364)	(876)
	<b>162,121</b>	<b>218,098</b>	<b>162,121</b>	<b>218,098</b>
Income from Islamic operations (per page 2)				
Total net income	341,223	346,949	341,223	346,949
Add: Allowance made for impairment losses on financing, advances and other financing/loans	34,700	(6,867)	34,700	(6,867)
Add: Allowance made for impairment losses on other receivables	(44)	395	(44)	395
	<b>375,879</b>	<b>340,477</b>	<b>375,879</b>	<b>340,477</b>

## A24d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS

### (i) By type

	The Group	
	31 Mar 2012	31 Dec 2011
	RM'000	RM'000
<b>At amortised cost</b>		
Cash line	347,591	373,056
Term financing	29,338,147	28,345,701
Bills receivable	2,383	2,581
Trust receipts	74,823	35,391
Claims on customers under acceptance credits	252,785	233,479
Revolving credits	515,699	502,124
Credit card receivables	109,767	111,886
Share margin financing	156,087	167,485
Other financing	47,156	55,172
Gross financing, advances and other financing/loans	30,844,438	29,826,875
Fair value changes arising from fair value hedge	162,287	241,966
	31,006,725	30,068,841
Less: Allowance for impairment losses		
- Individual impairment allowance	(114,885)	(139,775)
- Portfolio impairment allowance	(419,819)	(428,666)
	(534,704)	(568,441)
<b>Net financing, advances and other financing/loans</b>	<b>30,472,021</b>	<b>29,500,400</b>

(a) During the financial period, the Group has undertaken fair value hedges on RM5,250 million (31 December 2011: RM4,350 million) financing using profit rate swaps.

	The Group	
	31 Mar 2012	31 Dec 2011
	RM'000	RM'000
Gross financing hedged	5,250,000	4,350,000
Fair value changes arising from fair value hedges	162,287	241,966
	5,412,287	4,591,966

The fair value loss on profit rate swaps in the hedge transaction as at 31 March 2012 were RM218.0 million (31 December 2011: RM262.0 million).

### (ii) By geographical distribution

	The Group	
	31 Mar 2012	31 Dec 2011
	RM'000	RM'000
Malaysia	29,155,719	28,353,137
Indonesia	1,145,062	1,158,232
Other countries	543,657	315,506
Gross financing, advances and other financing/loans	30,844,438	29,826,875

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

	The Group	
	31 Mar 2012	31 Dec 2011
	RM'000	RM'000
Malaysia	388,851	441,331
Indonesia	33,818	31,301
Gross impaired financing, advances and other financing/loans	422,669	472,632

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

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

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
At 1 January	472,632	342,173
Classified as impaired during the period / year	91,282	505,090
Reclassified as not impaired during the period / year	(36,893)	(127,965)
Amount recovered	(18,658)	(90,543)
Amount written off	(97,784)	(130,641)
Reclassification from unwinding income	16,825	-
Exchange fluctuation	(4,735)	(25,482)
At 31 March / 31 December	<u>422,669</u>	<u>472,632</u>
Ratio of gross impaired financing, advances and other financing/loans to gross financing, advances and other financing/loans	<u>1.37%</u>	<u>1.58%</u>

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

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
<b>Individual impairment allowance</b>		
At 1 January	139,775	97,021
Net allowance made during the period / year	20,387	48,229
Amount written off	(47,870)	(8,135)
Amount transferred from portfolio impairment allowance	-	3,001
Unwinding income	4,090	(1,477)
Exchange fluctuation	(1,497)	1,136
At 31 March / 31 December	<u>114,885</u>	<u>139,775</u>
<b>Portfolio impairment allowance</b>		
At 1 January	428,666	246,352
Allowance made during the period / year	29,882	143,075
Amount transferred to individual impairment allowance	-	(3,001)
Amount written off	(44,606)	(119,912)
Allowance transferred from conventional operations	-	166,234
Unwinding income	6,019	(4,181)
Exchange fluctuation	(142)	99
At 31 March / 31 December	<u>419,819</u>	<u>428,666</u>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	<u>2.19%</u>	<u>2.21%</u>

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

	<b>The Group</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-Mudharabah</b>		
Demand deposits	<b>2,654,700</b>	3,204,849
Savings deposits	<b>1,272,180</b>	1,169,598
General investment deposits	<b>375,282</b>	419,745
Commodity Murabahah-i	<b>507</b>	440,600
Fixed return investment account	<b>4,705,665</b>	5,564,248
Islamic negotiable instruments of deposit	<b>5,558,662</b>	2,510,276
Variable rate deposits	<b>149,300</b>	77,340
Equity Linked Sukuk	<b>177,551</b>	286,629
Short term money market deposit-i	<b>7,916,771</b>	3,994,930
Others	<b>40,151</b>	37,489
	<b>22,850,769</b>	17,705,704
<b>Mudharabah</b>		
Demand deposits	<b>2,786,544</b>	2,550,795
Savings deposits	<b>514,348</b>	478,449
General investment deposits	<b>2,227,765</b>	2,086,941
Special general investment deposits	<b>3,493,792</b>	6,987,965
Specific investment deposits	<b>1,309,697</b>	1,755,961
	<b>10,332,146</b>	13,860,111
	<b>33,182,915</b>	31,565,815

## A25. CHANGE IN ACCOUNTING POLICIES

- (i) During the financial period, the Group changed the following accounting policies upon adoption of MFRS:

MFRS 1 First Time Adoption of Malaysian Financial Reporting Standards allows entity to designate a previously recognised financial asset or financial liabilities as a financial asset or financial liability at fair value through profit or loss or a financial assets as available-for-sale. Consequently, the Group has designated a previously recognised financial investments held-to-maturity as available-for-sale in accordance with adoption of MFRS 1.

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

### Impact on the Group's consolidated statement of financial position as at 31 December 2011 and 1 January 2011:

	Balance as at 31 December 2011		
	As previously reported RM'000	Effect of adopting MFRS1 RM'000	As restated RM'000
<b>Assets</b>			
Financial investments available-for-sale	13,773,219	4,647,899	18,421,118
Financial investments held-to-maturity	16,918,784	(4,457,952)	12,460,832
<b>Liabilities</b>			
Deferred tax liabilities	134,285	47,190	181,475
<b>Reserves</b>			
Revaluation reserve-financial investments available-for-sale	535,762	142,757	678,519
	Balance as at 1 January 2011		
	As previously reported RM'000	Effect of adopting MFRS1 RM'000	As restated RM'000
<b>Assets</b>			
Financial investments available-for-sale	11,658,702	3,456,736	15,115,438
Financial investments held-to-maturity	14,120,263	(3,299,763)	10,820,500
<b>Liabilities</b>			
Deferred tax liabilities	12,124	37,466	49,590
<b>Reserves</b>			
Revaluation reserve-financial investments available-for-sale	474,673	119,507	594,180

### Impact on the Group's consolidated statement of changes in equity as at 31 December 2011 and 1 January 2011:

	Balances as at 31 December 2011		
	As previously reported RM'000	Effect of adopting MFRS1 RM'000	As restated RM'000
Revaluation reserve-financial investments available-for-sale	535,762	142,757	678,519
	Balance as at 1 January 2011		
	As previously reported RM'000	Effect of adopting MFRS1 RM'000	As restated RM'000
Revaluation reserve-financial investments available-for-sale	474,673	119,507	594,180

- (ii) During the end of financial year 2011, an internal re-organisation has resulted to a change in business segment reporting. The change in business segment reporting is only effective from 1 January 2012 onwards, and the comparatives for segment reporting have been restated to reflect this new Group structure.

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

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

#### **CIMB Group Holdings ("CIMB Group") Results**

CIMB Group Holdings Berhad ("CIMB Group") today reported a 10.3% year-on-year ("Y-o-Y") growth in 1Q12 net profit of RM1.011 billion, equivalent to net earnings per share ("EPS") of 13.6 sen. The annualised 1Q12 net return on average equity ("ROE") was 15.6%. Compared to 4Q11, the Group's net profit was 10.8% lower.

The year has started well for CIMB Group, driven by outperformance at the regional Corporate Banking and Treasury Markets ("CBTM") division and sustained high growth momentum at CIMB Niaga. The Group maintained its moderate growth momentum with total assets and net loans increasing by 14% and 12% respectively.

The latest financial statements provide enhanced disclosure of segment financials to reflect the Group's integrated regional platform. This provides a clearer reflection of how management views the operating business lines across the entire Group and enhances overall transparency to stakeholders.

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

CIMB Group's 1Q12 revenues increased by 18.4% Y-o-Y to RM3.255 billion largely due to the strong expansion in non-interest income. The Group's profit before tax ("PBT") was 8.8% higher at RM1.341 billion as the revenue improvement was partially offset by higher impairment charges and overhead expenses.

For 1Q12, the Group's regional Consumer Bank PBT increased by 3.4% Y-o-Y to RM530 million. The Malaysia consumer operations PBT grew 4.7% Y-o-Y as the expansion in the retail banking operations were offset by lower recoveries at the bad bank. The Indonesian consumer operations were 1.8% lower Y-o-Y owing to higher operating costs and currency translation. The consolidated Thai consumer PBT saw improved profits under Thai GAAP but a small loss on consolidation due to the different timing of provision expenses.

The Group's regional Wholesale Banking PBT rose 7.1% Y-o-Y to RM641 million in 1Q12 as the Markets divisional PBT almost doubled to RM381 million on the back of strong debt capital markets and foreign exchange flows. Investment Banking had a relatively slow start to the year with a 78.2% Y-o-Y PBT decline, while the Corporate Banking PBT fell 27.0% Y-o-Y due to higher provisions made in 1Q12. Investments PBT grew by 40.4% Y-o-Y to RM170 million.

Consumer Banking operations was the largest contributor to Group PBT at 40% compared to 36% in FY11. Markets contribution to Group PBT jumped to 28% from 19% in FY11. Corporate Banking contributed 18%, Investment Banking at 1%, while Investments contributed 13%.

CIMB Niaga's PBT rose 30.7% Y-o-Y to IDR1,280 billion while its contribution to the Group was 28.3% higher Y-o-Y at RM431 million. CIMB Thai's PBT grew 20.8% to THB353 million but after GAAP and FRS139 adjustments, its contribution to the Group was 73.5% lower at RM10 million. Total non-Malaysian PBT increased to 43% in 1Q12 from 38% in FY11.

The Group's total gross loans expanded 10.5% Y-o-Y. Excluding the declining bad bank loan book, the Group's total gross loans increased by 11.8% Y-o-Y. Within the Consumer segment, mortgages, term loans, credit cards and the Group's micro lending grew by 12.6%, 7.5%, 8.0% and 33.6% respectively Y-o-Y. Commercial banking loans were 18.3% higher Y-o-Y while auto loans rose 3%. The Group's overall net interest margins were marginally lower at 3.04% from 3.08% last year.

Total Group deposits grew by 13.7% Y-o-Y driven by a 15.6% expansion in retail deposits. Corporate and Treasury deposits were 11.1% higher Y-o-Y. Geographically, the deposit growth was strongest in Thailand at 25.3% from a low base, while Malaysian deposits expanded at 15.2%. Indonesia and Singapore deposits grew 6.2% and 13.0% respectively Y-o-Y. The Group's CASA ratio fell slightly to 34.2% from 34.6% last year.

Total loan impairment for the Group stood at RM144 million in 1Q12, a significant rise from the RM6 million in 1Q11, which included substantial write-backs and recoveries. The Group's total annualised credit charge was 0.30% in line with the 0.31% full year target. The Group's gross impairment ratio continued to improve to 4.8% for 1Q12 from 5.1% as at end-2011 and 5.9% as at 1Q11, with an impairment allowance coverage of 81.3%. The Group's cost to income ratio improved to 55.1% compared to 56.2% in 1Q11.

CIMB Bank's risk weighted capital ratio stood at 15.9% while its Tier 1 capital ratio stood at 13.9% as at 31 March 2012 (after inclusion of 1Q12 net profits). CIMB Group's double leverage and gearing stood at 118.1% and 20.2% respectively as at end-March 2012.

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

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

The Group's 1Q12 revenues of RM3.255 billion were 3.7% lower than 4Q11, translating to a 10.8% Q-o-Q net profit decline to RM1.011 billion. Net interest income was 0.3% lower while non-interest income was 9.1% lower Q-o-Q.

The Group's Consumer Banking PBT increased 33.2% Q-o-Q underlined by the 42.1% growth in Malaysia, where provision write-backs was partially offset by higher overhead expenses. Indonesia consumer PBT contribution was 4.3% higher, while Singapore and Thailand remain small contributors. Wholesale Banking PBT was 20.2% higher Q-o-Q with Corporate Banking (+27.7% Q-o-Q) and Markets (+21.4% Q-o-Q) making up for the slower Investment Banking performance. PBT from Investments were 64.2% lower Q-o-Q due to a large gain on deconsolidation of investment in CIMB Aviva in 4Q11.

**CIMB Niaga Results**

On 26 April 2012, CIMB Niaga reported a 1Q12 net profit of IDR937 billion, a 28.7% Y-o-Y growth, with a 1Q12 net ROE of 20.0%. The improved performance was attributed to the strong loan growth, substantially higher non-interest income from Markets operations offset by higher overhead expenses and pre-emptive provisions. On a sequential basis, the 1Q12 net profit was 17.7% higher than 4Q11.

CIMB Niaga's gross loans grew 18.3% Y-o-Y for 1Q12 mainly driven by continued growth at the corporate and business banking segments. The Gross NPL of 2.7% as at end-March 2012 was an improvement from the 2.9% in 1Q11 but higher versus 4Q11. CIMB Niaga's loan loss coverage (based on BI definition) stood at 106.9% as at end-1Q12 compared to 107.4% as at end-1Q11.

CIMB Niaga's Tier 1 capital and risk weighted capital ratios stood at 12.3% and 15.5% respectively as at 31 March 2012.

**CIMB Thai Results**

On 19 April 2012, CIMB Thai announced a 1Q12 net profit of THB344 million, a 22.2% improvement from the THB282 million in 1Q11. Sequentially, CIMB Thai's net profit declined by 25.2% owing to a THB1.009 billion windfall gain being share of recoveries from legacy bad loans managed by Thai Asset Management Corp, which was partly used to increase provisions following the national flood disaster. The annualised loan loss charge was 0.5% for 1Q12 while the loan loss coverage ratio declined to 71.1% from 98.4% at end-1Q11. For the 3-month period, CIMB Thai chalked revenue of THB1.817 billion, a 14.3% Y-o-Y increase.

As at 31 March 2012, CIMB Thai's Tier 1 capital and risk weighted capital ratios were at 7.6% and 11.9% respectively. CIMB Thai's net NPL ratio rose to 2.3% from 1.9% as at the previous corresponding period.

**CIMB Islamic**

CIMB Islamic's Y-o-Y PBT decreased 13.3% to RM127 million in view of lower Islamic capital market activities. CIMB Islamic's gross financing assets grew 21.8% Y-o-Y, accounting for 15.3% of total Group loans. Total deposits grew by 37.6% Y-o-Y to RM30.8 billion.

## **B2. CORPORATE DEVELOPMENTS**

The significant corporate developments in 2012 were:

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

- On 21 February 2012, CIMB Thai fully redeemed its USD40 mil subordinated notes
- On 8 March 2012, CIMB Thai announced a 3-for-10 rights issue at THB1 per share which will raise up to THB4.895 billion. The exercise was approved at the AGM and is pending approval from the Ministry of Finance.

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

- On 15 February 2012, CIMB Securities International (“CSI”) completed acquisition of 70.06% interest in SICCO Securities plc (“SSEC”) in Thailand for THB767.9 million. On the same date, CSI announced the purchase of shares from the market bringing its interest to 82.07%. CSI subsequently made a tender offer for the remaining shares it does not own and upon completion of the tender offer on 11 April 2012, CSI owned approximately 97% of SSEC.
- On 2 April 2012, CIMB Group entered into a sales and purchase agreement with The Royal Bank of Scotland (“RBS”) for the proposed acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in Australia, China, Hong Kong, India, Taiwan, Indonesia, Malaysia, Singapore and Thailand for GBP88.4 million (approximately RM431.8 mil).
- On 5 March 2012, CIMB Securities (Singapore) entered into a strategic collaboration agreement with John Keells Stock Brokers to facilitate CIMB Group’s stock broking business in Sri Lanka.
- On 8 May 2012, CIMB Bank entered into share purchase agreements with San Miguel Properties, San Miguel Corporation Retirement Plan, Q-Tech Alliance Holdings and various minority shareholders for the proposed acquisition of 59.98% in Bank of Commerce in the Philippines for PHP12,203 million (RM881 million).

### **(c) Others**

- On 18 January 2012, Moody’s raised CIMB Niaga’s foreign currency long-term/short-term deposit to Baa3/Prime-3 from Ba2/Not Prime and foreign currency issuer to Baa3 from Ba1. The revised ratings have stable outlook.
- On 29 March 2012, CIMB Group entered into a 40:60 joint venture with The Rohatyn Group to jointly sponsor, manage and administer the CapAsia Funds.

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

Despite the heightened downside risk to the global economy and markets, the Group remains optimistic that it will be able to achieve its targets for 2012. The Group's deal pipeline is strong and believes that it can mitigate the expected slower growth in consumer lending across the region by improving liability management and improving non-interest income.



**B4. TAXATION**

	<b>The Group</b>			
	<b>1st quarter ended</b>		<b>Three months ended</b>	
	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Major components of tax expense:				
Current tax expense	305,396	318,204	305,396	318,204
Deferred tax expense	13,063	(16,041)	13,063	(16,041)
Over-accrual in prior years	(206)	(2,846)	(206)	(2,846)
	<b>318,253</b>	<b>299,317</b>	<b>318,253</b>	<b>299,317</b>
<b>Reconciliation</b>				
Profit before taxation	1,341,222	1,232,571	1,341,222	1,232,571
Tax at statutory income tax rate of 25% (2010: 25%)	335,306	308,143	335,306	308,143
Effect of different tax rates in other countries and change in tax rates	880	9,566	880	9,566
Due to income not subject to income tax and expenses not deductible for tax purposes	(17,727)	(15,546)	(17,727)	(15,546)
Over-accrual in prior years	(206)	(2,846)	(206)	(2,846)
	<b>318,253</b>	<b>299,317</b>	<b>318,253</b>	<b>299,317</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**

	<b>Group</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Group and subsidiaries		
- Realised	8,227,840	8,555,184
- Unrealised	356,170	268,222
	<b>8,584,010</b>	<b>8,823,406</b>
Total share of retained earnings from associates		
- Realised	239,282	158,721
- Unrealised	(22,081)	26,503
Total share of retained earnings from jointly controlled entities		
- Realised	32,431	29,932
- Unrealised	1	677
	<b>8,833,643</b>	<b>9,039,239</b>
Consolidation adjustments	195,820	(216,384)
Total group retained earnings as per consolidated financial statements	<b>9,029,463</b>	<b>8,822,855</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 31 March 2012 and 31 December 2011 are deemed unrealised and should be read together as it reflects the nature of the transactions and financial position of the Group. In addition, the unrealised retained profits of the Group as disclosed above excludes the translation gains and losses on monetary items denominated in a currency other than the functional currency, as these gains and losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

**B7. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES**

	The Group	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000
<b>Bonds and notes*</b>		
<b>Unsecured</b>		
More than one year (medium/long term)	499,416	521,225
	<u>499,416</u>	<u>521,225</u>

\* Included in bonds and notes for the current year is IDR denominated bonds equivalent to IDR1,500,000 million.

**Other borrowings\*\***

<b>Unsecured</b>		
One year or less (short term)	995,876	1,059,251
More than one year (medium/long term)	4,337,555	4,264,781
	<u>5,333,431</u>	<u>5,324,032</u>

\*\* Included in other borrowings for the current year is USD denominated syndicated term loans of USD100,000,000.

**Subordinated Notes\*\*\***

<b>Unsecured</b>		
More than one year (medium/long term)	11,178,056	11,417,980
	<u>11,178,056</u>	<u>11,417,980</u>

\*\*\* Includes USD denominated Subordinated Notes of USD40,000,000, IDR denominated Subordinated Notes of IDR2,980,000,000,000 and THB denominated Subordinated Notes of THB3,544,000,000. The USD denominated Subordinated Notes of USD40,000,000 was fully settled on 21 February 2012.

**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 equity holders of the Parent by the weighted average number of ordinary shares in issue during the financial year.

**a) Basic EPS**

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2012 RM'000	31 Mar 2011 RM'000	31 Mar 2012 RM'000	31 Mar 2011 RM'000
Net profit for the financial period after non-controlling interests	1,010,667	916,511	1,010,667	916,511
Weighted average number of ordinary shares in issue				
- proforma ( '000)	7,432,772	7,432,772	7,432,772	7,432,772
Basic earnings per share (expressed in sen per share)	13.6	12.3	13.6	12.3

**b) Diluted EPS**

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