

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	Note	Group		Bank	
		30 Sept 2011 RM'000	31 Dec 2010 RM'000	30 Sept 2011 RM'000	31 Dec 2010 RM'000
Assets					
Cash and short term funds		24,210,544	20,847,989	18,442,157	12,911,193
Reverse repurchase agreements		3,713,690	3,504,914	3,354,911	2,475,591
Deposits and placements with banks and other financial institutions		7,318,307	9,641,391	13,969,409	16,083,982
Financial assets held-for-trading	A6	15,702,384	14,458,911	13,172,044	11,814,976
Financial investments available-for-sale	A7	10,422,651	8,920,018	8,404,130	7,377,258
Financial investments held-to-maturity	A8	14,807,111	13,511,190	12,016,997	11,185,993
Derivative financial instruments	A19(i)	4,972,963	3,500,891	4,898,587	3,262,534
Loans, advances and financing	A9	133,628,241	124,252,042	96,727,956	90,816,549
Other assets	A10	2,940,771	2,481,123	2,205,520	1,905,843
Deferred taxation		2,612	-	23,935	22,096
Tax recoverable		-	2,084	-	-
Statutory deposits with central banks		4,096,938	1,410,155	3,170,555	954,023
Investment in subsidiaries		-	-	4,733,350	4,526,972
Investment in jointly controlled entity		147,856	139,849	125,000	125,000
Investment in associate		490,990	382,248	334,756	298,116
Amount due from holding company and ultimate holding company		29,133	29,193	280	340
Amount due from subsidiaries		-	-	76,491	84,317
Amount due from related companies		1,732,565	2,259,363	1,734,482	2,239,775
Goodwill		4,920,709	4,923,428	3,555,075	3,555,075
Intangible assets		670,788	574,064	624,701	530,362
Prepaid lease payments		2,065	2,341	-	-
Property, plant and equipment		905,029	947,155	489,023	541,555
Investment properties		7,076	61,217	-	52,858
		230,722,423	211,849,566	188,059,359	170,764,408
Non-current assets/disposal groups held for sale		22,237	59,050	13,975	58,614
Total Assets		230,744,660	211,908,616	188,073,334	170,823,022
Liabilities					
Deposits from customers	A11	172,675,282	159,640,697	131,532,597	121,553,069
Deposits and placements of banks and other financial institutions	A12	16,781,065	14,652,435	22,086,793	18,468,654
Repurchase agreements		278,835	33,087	278,835	33,087
Derivative financial instruments	A19(i)	4,984,250	3,711,140	4,656,770	3,423,815
Bills and acceptances payable		4,794,618	4,077,611	2,195,511	2,252,722
Amount due to Cagamas Berhad		-	107,523	-	107,523
Amount due to subsidiaries		-	-	51,491	310,381
Amount due to related companies		-	6,751	-	841
Other liabilities	A13	3,315,032	3,637,462	2,490,273	2,731,046
Deferred taxation		-	1,019	-	-
Provision for taxation and zakat		417,756	39,071	339,343	41,679
Bonds		-	423,982	-	-
Other borrowings		-	925,050	-	-
Subordinated obligations		8,250,536	6,098,269	7,943,393	6,159,081
Redeemable preference shares		761,383	706,879	-	-
Total Liabilities		212,258,757	194,060,976	171,575,006	155,081,898

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	Note	Group		Bank	
		30 Sept 2011 RM'000	31 Dec 2010 RM'000	30 Sept 2011 RM'000	31 Dec 2010 RM'000
Equity					
Capital and reserves attributable to equity holders of the Bank					
Ordinary share capital		3,764,469	3,764,469	3,764,469	3,764,469
Reserves		14,216,928	13,571,938	12,504,119	11,746,915
		17,981,397	17,336,407	16,268,588	15,511,384
Perpetual preference shares		200,000	200,000	200,000	200,000
Redeemable preference shares		29,740	29,740	29,740	29,740
Minority interests		274,766	281,493	-	-
Total Equity		18,485,903	17,847,640	16,498,328	15,741,124
Total Equity and Liabilities		230,744,660	211,908,616	188,073,334	170,823,022
Commitments and contingencies	A19(ii)	392,442,426	339,983,774	353,003,820	305,702,131
Net assets per ordinary share (RM)		4.78	4.61	4.32	4.12

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

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

GROUP	Note	Individual Quarter		Cumulative Quarters	
		30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
		RM'000	RM'000	RM'000	RM'000
Interest income	A14	1,961,477	1,757,422	5,620,282	5,092,340
Interest expense	A15	(905,648)	(713,044)	(2,499,172)	(1,903,072)
Net interest income		1,055,829	1,044,378	3,121,110	3,189,268
Income from Islamic Banking operations	A22	331,880	310,776	976,654	813,792
Net non-interest income	A16	490,539	432,170	1,366,020	1,332,572
Overheads	A17	1,878,248	1,787,324	5,463,784	5,335,632
		(966,037)	(897,182)	(2,850,240)	(2,819,326)
Profit before allowances		912,211	890,142	2,613,544	2,516,306
Allowances for impairment losses on loans, advances and financing	A18	(110,878)	(40,359)	(115,096)	(163,410)
Allowance for losses on other receivables		(1,640)	(210)	(3,011)	(3,196)
Write-back of/(allowance for) commitments and contingencies		22,168	(1,827)	21,836	(2,131)
Write-back of/(allowance for) other impairment losses		360	(2,729)	(4,275)	8,258
		822,221	845,017	2,512,998	2,355,827
Share of results of jointly controlled entity		557	3,028	8,006	7,140
Share of results of associates		33,737	14,374	72,103	35,726
Profit before taxation and zakat		856,515	862,419	2,593,107	2,398,693
Taxation and zakat		(148,862)	(185,714)	(510,767)	(478,991)
Profit for the financial period		707,653	676,705	2,082,340	1,919,702
Profit for the period attributable to :					
Owners of the Bank		706,452	673,238	2,077,464	1,911,120
Non-controlling interests		1,201	3,467	4,876	8,582
		707,653	676,705	2,082,340	1,919,702
Earnings per share attributable to ordinary equity holders of the Bank - basic (sen)	B3	18.77	17.88	55.19	50.77

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

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

GROUP	Individual Quarter		Cumulative Quarters	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	707,653	676,705	2,082,340	1,919,702
Other Comprehensive Income:				
Revaluation reserve of financial investments available-for-sale	(2,754)	57,145	18,963	93,541
- Net gain from change in fair value	42,109	104,154	134,458	245,363
- Realised gain transferred to income statement on disposal and impairment	(65,358)	(37,821)	(114,499)	(54,311)
- Income tax effects	20,495	(9,188)	(996)	(97,511)
Net investment hedge	(90,385)	103,210	(69,892)	243,706
Cash flow hedge				
- Net loss from change in fair value	(1,444)	-	(1,444)	-
Exchange fluctuation reserve	212,536	(89,600)	90,154	(283,450)
Other comprehensive income for the period, net of tax	117,953	70,755	37,781	53,797
Total comprehensive income for the period	825,606	747,460	2,120,121	1,973,499
Total comprehensive income for the period attributable to:				
Owners of the Bank	821,409	743,970	2,115,020	1,963,976
Non-controlling interests	4,197	3,490	5,101	9,523
	825,606	747,460	2,120,121	1,973,499

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

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

<u>BANK</u>	Note	Individual Quarter 3rd Quarter Ended		Cumulative Quarters Nine months ended	
		30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
Interest income	A14	1,799,908	1,685,984	5,221,622	4,706,060
Interest expense	A15	(826,914)	(671,731)	(2,309,151)	(1,783,805)
Net interest income		972,994	1,014,253	2,912,471	2,922,255
Income from Islamic Banking operations	A22	10,310	2,076	15,151	10,355
Net non-interest income	A16	477,239	377,508	1,971,129	1,259,574
Overheads	A17	1,460,543 (736,074)	1,393,837 (707,088)	4,898,751 (2,182,342)	4,192,184 (2,235,301)
Profit before allowances		724,469	686,749	2,716,409	1,956,883
Allowances for impairment losses on loans, advances and financing	A18	(49,291)	(109,917)	(104,892)	(148,952)
Allowance for losses on other receivables		(1,616)	(222)	(2,971)	(777)
Write-back of/(allowance for) commitments and contingencies		20,336	(1,829)	20,336	(1,829)
Write-back of/(allowance for) other impairment losses		355	1,194	(5,756)	5,292
Profit after before taxation and zakat		694,253	575,975	2,623,126	1,810,617
Taxation and zakat		(117,856)	(138,357)	(395,988)	(385,428)
Profit for the financial period		576,397	437,618	2,227,138	1,425,189
Earnings per share attributable to ordinary equity holders of the Bank - basic (sen)	B3	15.31	11.62	59.16	37.86

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

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

<u>BANK</u>	Individual Quarter		Cumulative Quarters	
	3rd Quarter Ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	576,397	437,618	2,227,138	1,425,189
Other Comprehensive Income:				
Revaluation reserve of financial investments available-for-sale	(1,619)	45,564	20,299	62,850
- Net gain from change in fair value	36,270	70,105	120,317	188,884
- Realised gain transferred to income statement on disposal and impairment	(58,863)	(15,622)	(100,608)	(27,178)
- Income tax effects	20,974	(8,919)	590	(98,856)
Net investment hedge	(90,385)	103,210	(69,892)	243,706
Cash flow hedge				
- Net loss from change in fair value	(1,444)	-	(1,444)	-
Exchange fluctuation reserve	23,307	(5,357)	52,454	(23,035)
Other comprehensive income for the period, net of tax	(70,141)	143,417	1,417	283,521
Total comprehensive income for the period	506,256	581,035	2,228,555	1,708,710

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

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

The Group	Revaluation											Total Equity RM'000			
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Revaluation reserve- financial investments available-for-sale RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Regulatory reserve ^a RM'000	Share-based payment reserve RM'000	Retained profits RM'000		Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000
At 1 January 2011	3,764,469	5,033,633	4,126,569	(213,699)	389,033	(1,085,928)	735,457	135,877	117,595	-	4,333,401	17,366,147	200,000	281,493	17,847,640
- As previously stated											(239,156)				
- Effect of adopting Amendments to FRS 2											239,156				
As restated	3,764,469	5,033,633	4,126,569	(213,699)	389,033	(1,085,928)	735,457	135,877	117,595	239,156	4,094,245	17,366,147	200,000	281,493	17,847,640
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	2,077,464	2,077,464	-	4,876	2,082,340
Other comprehensive income (net of tax)	-	-	-	96,322	19,738	-	-	(71,336)	-	(7,168)	-	37,556	-	225	37,781
- financial investments available-for-sale	-	-	-	-	19,738	-	-	-	-	-	-	19,738	-	(775)	18,963
- net investment hedge	-	-	-	-	-	-	-	(69,892)	-	-	-	(69,892)	-	-	(69,892)
- cash flow hedge	-	-	-	-	-	-	-	(1,444)	-	-	-	(1,444)	-	-	(1,444)
- currency translation difference	-	-	-	96,322	-	-	-	-	-	(7,168)	-	89,154	-	1,000	90,154
Total comprehensive income for the period	-	-	-	96,322	19,738	-	-	(71,336)	-	(7,168)	2,077,464	2,115,020	-	5,101	2,120,121
Transfer to regulatory reserve	-	-	-	-	-	-	-	243,715	-	-	(243,715)	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	(98,962)	-	-	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	30,873	-	30,873	-	-	30,873
Second interim dividend for the financial year ended 31 December 2010	-	-	-	-	-	-	-	-	-	-	(600,903)	(600,903)	-	-	(600,903)
Interim dividend for the financial year ending 31 December 2011	-	-	-	-	-	-	-	-	-	-	(900,000)	(900,000)	-	(921)	(900,921)
Capital repayment from a subsidiary	-	-	-	-	-	-	-	-	-	-	(10,907)	(10,907)	-	(10,907)	(10,907)
At 30 September 2011	3,764,469	5,033,633	4,225,531	(117,377)	408,771	(1,085,928)	735,457	64,541	361,310	262,861	4,328,129	18,011,137	200,000	274,766	18,485,903
At 1 January 2010	3,764,469	5,033,633	3,587,568	41,154	302,692	(1,085,928)	735,457	(103,375)	-	218,704	3,958,396	16,263,806	200,000	253,786	16,717,592
- Effect of adopting Amendments to FRS 2											(218,704)				
Adjusted 1 January 2010	3,764,469	5,033,633	3,587,568	41,154	302,692	(1,085,928)	735,457	(103,375)	-	218,704	3,739,692	16,263,806	200,000	253,786	16,717,592
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	1,911,120	1,911,120	-	8,582	1,919,702
Other comprehensive income (net of tax)	-	-	-	44,038	(83,046)	-	-	(12,251)	-	-	-	(51,259)	-	(2,467)	(53,797)
- financial investments available-for-sale	-	-	-	-	91,509	-	-	-	-	-	-	91,509	-	2,032	93,541
- net investment hedge	-	-	-	-	-	-	-	243,706	-	-	-	243,706	-	-	243,706
- currency translation difference	-	-	-	(282,359)	-	-	-	-	-	-	-	(282,359)	-	(1,091)	(283,450)
Total comprehensive income for the period	-	-	-	(282,359)	91,509	-	-	243,706	-	-	1,911,120	1,963,976	-	9,523	1,973,499
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	(447,110)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	28,897	-	(28,897)	-	-	-	-
Interim dividends for FYE2010	-	-	-	-	-	-	-	-	-	-	(339,083)	(339,083)	-	(3,799)	(342,882)
At 30 September 2010	3,764,469	5,033,633	4,034,678	(241,205)	394,201	(1,085,928)	735,457	140,331	28,897	218,704	4,835,722	17,888,699	200,000	259,510	18,348,209

* 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.

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

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

The Bank	Share capital RM'000	Redeemable Preference Shares RM'000	Share premium RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Revaluation reserve-				Share-based payment reserve RM'000	Retained profits RM'000	Perpetual preference shares RM'000	Total Equity RM'000
						financial investments available-for-sale RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000				
At 1 January 2011	3,764,469	29,740	5,033,633	3,964,469	(46,533)	324,543	(1,047,872)	746,852	135,877	110,190	-	200,000	15,741,124
- As previously stated	-	-	-	-	-	-	-	-	-	-	-	-	-
- Effect of adopting Amendments to FRS 2	-	-	-	-	(46,533)	324,543	(1,047,872)	746,852	135,877	110,190	215,649	-	15,741,124
As restated	3,764,469	29,740	5,033,633	3,964,469	(46,533)	324,543	(1,047,872)	746,852	135,877	110,190	215,649	-	15,741,124
Profit for the financial period	-	-	-	-	-	20,299	-	-	-	-	148	-	20,299
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(69,892)	-	-	-	(69,892)
- financial investments available-for-sale	-	-	-	-	-	-	-	-	(1,444)	-	-	-	(1,444)
- net investment hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
- cash flow hedge	-	-	-	-	52,306	-	-	-	-	-	148	-	52,454
- currency translation difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	52,306	20,299	-	-	(71,336)	-	148	-	2,228,555
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	221,214	-	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	29,552	-	29,552
Second interim dividend for the financial year ended 31 December 2010	-	-	-	-	-	-	-	-	-	-	-	(600,903)	(600,903)
Interim dividend for the financial year ending 31 December 2011	-	-	-	-	-	-	-	-	-	-	-	(900,000)	(900,000)
At 30 September 2011	3,764,469	29,740	5,033,633	3,964,469	5,773	344,842	(1,047,872)	746,852	64,541	331,404	245,349	200,000	16,498,328

At 1 January 2010	3,764,469	29,740	5,033,633	3,541,277	(31,212)	272,966	(1,047,872)	746,852	(103,375)	-	203,200	200,000	14,892,143
- As previously stated	-	-	-	-	-	-	-	-	-	-	-	-	-
- Effect of adopting Amendments to FRS 2 Adjusted 1 January 2010	-	-	-	-	(31,212)	272,966	(1,047,872)	746,852	(103,375)	-	203,200	200,000	14,892,143
Profit for the financial period	3,764,469	29,740	5,033,633	3,541,277	(31,212)	272,966	(1,047,872)	746,852	(103,375)	-	203,200	200,000	14,892,143
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-
- financial investments available-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-
- net investment hedge	-	-	-	-	(23,035)	62,850	-	-	243,706	-	-	-	1,425,189
- currency translation difference	-	-	-	-	-	62,850	-	-	-	-	-	-	283,521
Total comprehensive income for the period	-	-	-	-	(23,035)	62,850	-	-	243,706	-	-	-	62,850
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	243,706
Transfer to regulatory reserve	-	-	-	423,189	-	-	-	-	-	-	-	-	(423,189)
Interim dividends for FYE 2010	-	-	-	-	-	-	-	-	-	25,689	-	-	(25,689)
At 30 September 2010	3,764,469	29,740	5,033,633	3,964,466	(54,247)	335,816	(1,047,872)	746,852	140,331	25,689	203,200	200,000	16,261,770

* 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.

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

CIMB BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

	Group		Bank	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Profit before taxation and zakat	2,593,107	2,398,693	2,623,126	1,810,617
Adjustments for non-operating and non-cash items	(630,299)	(217,706)	(1,432,379)	(1,118,730)
Operating profit before changes in working capital	1,962,808	2,180,987	1,190,747	691,887
Net changes in operating assets	(11,281,422)	(16,155,569)	(7,982,468)	(10,613,913)
Net changes in operating liabilities	14,595,483	8,322,885	13,519,785	7,202,726
	3,314,061	(7,832,684)	5,537,317	(3,411,187)
Cash flows generated from/(used in) operations	5,276,869	(5,651,697)	6,728,064	(2,719,300)
Taxation paid	(108,494)	(325,755)	(80,315)	(282,479)
Net cash flows generated from/(used in) operating activities	5,168,375	(5,977,452)	6,647,749	(3,001,779)
Net cash flows (used in)/generated from investing activities	(2,171,171)	(128,773)	(728,133)	(222,880)
Net cash flows generated from/(used in) financing activities	302,307	(484,249)	(346,325)	(447,274)
Net increase/(decrease) in cash and cash equivalents	3,299,511	(6,590,474)	5,573,291	(3,671,933)
Effects of exchange rate changes	63,044	(137,920)	(42,327)	44,927
Cash and cash equivalents at the beginning of financial period	20,847,989	25,023,098	12,911,193	17,699,691
Cash and cash equivalents at end of financial period	24,210,544	18,294,704	18,442,157	14,072,685

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 30 September 2011 have been prepared under the historical cost convention, except for financial assets held for trading, financial investments available-for-sale, derivative financial instruments, investment properties and non-current assets/disposal groups held for sale, that have been measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements. These financial statements should be read in conjunction with the Group's and the Bank's audited financial statements for the financial year ended 31 December 2010. The explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2010.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2010, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2011:

- FRS 1 "First-time Adoption of Financial Reporting Standards"
- Amendment to FRS 1 "Limited Exemption from Comparative FRS 7 "Disclosures for First-time Adopters"
- Amendment to FRS 1 "Additional Exemptions for First-time Adopters"
- Amendments to FRS 2 "Share-based Payment"
- Amendments to FRS 2 "Group Cash-settled Share-based Payment Transactions"
- FRS 3 "Business Combinations"
- Amendments to FRS 5 "Non-current Assets Held for Sale and Discontinued Operations"
- Amendments to FRS 7 "Improving Disclosures about Financial Instruments"
- FRS 127 "Consolidated and Separate Financial Statements"
- Amendments to FRS 132 "Financial instruments: Presentation"
- Amendments to FRS 138 "Intangible Assets"
- Amendments to IC Interpretation 9 "Reassessment of Embedded Derivatives"
- IC Interpretation 4 "Determining Whether an Arrangement contains a Lease"
- IC Interpretation 12 "Service Concession Arrangements"
- IC Interpretation 16 "Hedges of a Net Investment in a Foreign Operation"
- IC Interpretation 17 "Distributions of Non-cash Assets to Owners"
- IC Interpretation 18 "Transfers of Assets from Customers"
- TR i-4 "Shariah Compliant Sale Contract"
- Improvements to FRSs (2010)

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

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

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

The Amendments to FRS 2 effective 1 Jan 2011 clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. Previously, the Group and the Bank have a cash settled share based arrangement whereby a substantial shareholder of CIMB Group grants entitlements to the employees of the Group and the Bank. Prior to the adoption of the Amendments to FRS 2, the Group and the Bank do not account for the transaction in its financial statements. The Group and the Bank have changed its accounting policy upon adoption of Amendments to FRS 2 on 1 January 2011 retrospectively. As the Group and the Bank do not have an obligation to settle the transaction with its employees, the Group and the Bank have accounted for the transaction as equity settled in accordance with the Amendments to FRS 2. The impact of the change in accounting policy to the prior period presented is disclosed in Note A23.

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION (CONTINUED)

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

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

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

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

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

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

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

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

d) The Bank has on 8 August 2011 completed the issuance of RM1.5 billion Subordinated Debt. The RM1.5 billion Subordinated Debt issuance was the second issuance under the RM5.0 billion Subordinated Debt Programme which was approved by the Securities Commission on 2 March 2009 and 24 September 2010 (for certain variation of terms).

The Subordinated Debt, rated AA+ by Malaysian Rating Corporation Berhad ("MARC"), was issued in 2 separate tranches, a RM1.35 billion tranche with a maturity of 10 years callable at the end of year 5 and on each subsequent coupon payment dates thereafter ("Tranche 1"), and another RM150 million tranche with a maturity of 15 years callable at the end of year 10 and on each subsequent coupon payment dates thereafter ("Tranche 2"). Redemption of the Subordinated Debt on the call dates shall be subject to Bank Negara Malaysia's approval.

The coupon rate for the Subordinated Debt is 4.15% and 4.70% for Tranche 1 and Tranche 2 respectively. There is no step up coupon after call dates. Proceeds from the issue will be used for CIMB Bank's working capital purposes. The Subordinated Debt qualifies as Tier-2 capital for the purpose of the RWCR computation.

PART A - EXPLANATORY NOTES

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

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

A4. DIVIDENDS PAID AND PROPOSED

A second gross interim dividend of approximately 26.94 sen per share less 25% income tax on 2,974,009,486 Redeemable Preference Shares ("RPS") of RM0.01 each, amounted to RM600,903,000 in respect of the financial year ended 31 December 2010, which was approved by the Board of Directors on 28 January 2011, was paid on 28 March 2011.

An interim gross dividend of approximately 40.35 sen per share less 25% income tax on 2,974,009,486 RPS of RM0.01 each, amounted to RM900,000,000 in respect of the financial year ending 31 December 2011, which was approved by the Board of Directors on 27 July 2011, was paid on 26 September 2011.

A5. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events that had occurred between 30 September 2011 and the date of this announcement.

PART A - EXPLANATORY NOTES (CONTINUED)

A6. FINANCIAL ASSETS HELD FOR TRADING

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Money market instruments				
Unquoted				
Malaysian Government Securities	292,581	360,214	272,526	360,214
Cagamas bonds	4,912	13,186	4,912	13,186
Malaysian Government treasury bills	336,169	57,779	336,169	57,779
Other Government securities	2,666,538	2,053,218	2,666,538	2,053,218
Bank Negara Malaysia bills	3,324,517	2,597,966	3,324,517	2,597,966
Bank Negara Malaysia negotiable notes	2,047,388	2,226,623	509,072	942,801
Bankers' acceptances and Islamic accepted bills	749,181	740,811	649,679	642,447
Negotiable instruments of deposit	2,085,668	1,778,088	1,856,320	1,140,087
Credit-linked notes	46,036	123,158	46,036	123,158
Commercial papers	39,301	163,033	39,301	163,033
Government Investment Issue	78,379	320,534	5,831	126,307
	11,670,670	10,434,610	9,710,901	8,220,196
Quoted securities				
<u>In Malaysia</u>				
Shares	581,343	1,206,475	581,343	1,206,449
Warrants	-	5	-	-
	581,343	1,206,480	581,343	1,206,449
<u>Outside Malaysia</u>				
Shares	80	5,200	-	-
Private debt securities	34,805	553	-	-
Other Government bonds	167,809	8,247	-	-
	202,694	14,000	-	-
Unquoted securities				
<u>In Malaysia</u>				
Shares	6,175	5,948	6,175	5,948
Private and Islamic debt securities	1,624,348	1,551,084	1,478,365	1,422,402
	1,630,523	1,557,032	1,484,540	1,428,350
<u>Outside Malaysia</u>				
Private and Islamic debt securities	1,617,154	1,246,789	1,395,260	959,981
	15,702,384	14,458,911	13,172,044	11,814,976
Total financial assets held-for-trading				

PART A - EXPLANATORY NOTES (CONTINUED)

A7. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Money market instruments				
Unquoted				
Malaysian Government Securities	365,264	208,741	332,263	208,741
Government Investment Issue	312,121	282,022	215,583	216,496
Cagamas bonds	204,747	184,494	169,131	149,071
	882,132	675,257	716,977	574,308
Quoted securities:				
<u>In Malaysia</u>				
Shares	189	-	189	-
	189	-	189	-
<u>Outside Malaysia</u>				
Shares	4,072	5,287	-	463
Other Government bonds	709,908	569,024	-	-
Unit trusts	297,170	310,661	-	-
	1,011,150	884,972	-	463
Unquoted securities:				
<u>In Malaysia</u>				
Private debt securities	6,581,502	6,455,467	5,947,240	6,097,502
Shares	859,866	727,228	852,261	719,619
Bonds funds	12,834	12,380	-	-
Loan stocks	25,338	26,624	25,338	26,624
	7,479,540	7,221,699	6,824,839	6,843,745
<u>Outside Malaysia</u>				
Shares	26,663	28,583	-	377
Private equity funds	66,018	49,974	-	-
Unit trusts	82,069	169,226	-	69,032
Private debt securities	1,134,939	176,323	1,097,771	150,675
	1,309,689	424,106	1,097,771	220,084
	10,682,700	9,206,034	8,639,776	7,638,600
Allowance for impairment losses:				
Private debt securities	(215,805)	(240,443)	(215,805)	(240,215)
Quoted shares	(2,548)	(2,554)	-	-
Unquoted shares	(7,035)	(7,035)	(7,035)	(7,035)
Loan stocks	(12,806)	(14,092)	(12,806)	(14,092)
Unit trusts	(21,855)	(21,892)	-	-
	(260,049)	(286,016)	(235,646)	(261,342)
Total financial investments available-for-sale	10,422,651	8,920,018	8,404,130	7,377,258

PART A - EXPLANATORY NOTES (CONTINUED)

A8. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group		Bank	
	30 Sept 2011 RM'000	31 Dec 2010 RM'000	30 Sept 2011 RM'000	31 Dec 2010 RM'000
Money market instruments :				
Unquoted				
Malaysian Government Securities	1,082,457	1,123,977	1,082,457	1,123,977
Malaysian Government Investment Issue	856,714	600,245	503,673	500,189
Other government securities	255,160	-	255,160	-
Cagamas bonds	255,977	254,817	255,977	254,817
Khazanah bonds	137,358	-	137,358	-
	2,587,666	1,979,039	2,234,625	1,878,983
Quoted				
<u>Outside Malaysia</u>				
Structured notes	-	154,859	-	-
Private debt securities	1,523,296	999,621	-	-
	1,523,296	1,154,480	-	-
Unquoted securities				
<u>In Malaysia</u>				
Loans stocks	31,809	31,814	-	-
Danaharta Urus Sdn Bhd bonds	795,335	795,335	795,335	795,335
Private debt securities	7,366,706	7,270,838	6,533,117	6,268,969
	8,193,850	8,097,987	7,328,452	7,064,304
<u>Outside Malaysia</u>				
Private debt securities	2,208,029	2,036,903	2,122,118	1,956,183
Accretion of discount net of amortisation of premium	331,802	279,020	331,802	286,523
Less : Allowance for impairment losses	(37,532)	(36,239)	-	-
Total financial investments held-to-maturity	14,807,111	13,511,190	12,016,997	11,185,993

Included in the financial investments held-to-maturity of the Group as at 30 September 2011 are 10-year promissory notes of THB782 million (2010: THB 746 million) maturing between 2011 to 2015, which were received from Thai Asset Management Corporation (“TAMC”) for settlement of impaired loans transferred by CIMB Thai Bank 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. The sharing of gain or losses will be calculated at the end of the agreement.

PART A - EXPLANATORY NOTES (CONTINUED)

A9. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30 Sept 2011 RM'000	31 Dec 2010 RM'000	30 Sept 2011 RM'000	31 Dec 2010 RM'000
(i) By type of financing				
At amortised cost				
Overdrafts	5,634,435	5,900,629	4,635,996	4,951,447
Term loans/financing				
- Housing loan/financing	40,295,033	36,154,734	31,725,997	28,921,656
- Syndicated term loan	7,289,413	6,994,167	6,897,618	5,820,904
- Other term loans/financing	53,421,483	48,930,138	36,315,454	34,054,035
- Factoring receivables	38,769	20,435	-	-
- Lease receivables	15,703	29,720	-	-
- Hire purchase receivables	11,554,941	11,375,883	5,213,963	5,361,387
Bills receivable	3,457,126	2,523,053	770,422	484,483
Trust receipts	1,101,613	1,043,959	516,101	513,515
Claim on customers under acceptance credit	3,510,963	3,755,603	3,246,943	3,557,332
Staff loans	394,809	399,616	355,614	371,598
Credit card receivables	4,432,732	4,266,422	4,330,075	4,175,950
Revolving credit	5,813,110	6,418,920	5,284,582	5,330,939
Share margin financing	567,562	652,998	512,933	627,691
Gross loans, advances and financing	<u>137,527,692</u>	<u>128,466,277</u>	<u>99,805,698</u>	<u>94,170,937</u>
Fair value changes arising from fair value hedges	356,942	44,340	145,736	26,864
	<u>137,884,634</u>	<u>128,510,617</u>	<u>99,951,434</u>	<u>94,197,801</u>
Less: Allowance for impairment losses				
- Individual impairment allowance	<u>(2,016,716)</u>	<u>(1,975,959)</u>	<u>(1,596,709)</u>	<u>(1,527,289)</u>
- Portfolio impairment allowance	<u>(2,239,677)</u>	<u>(2,282,616)</u>	<u>(1,626,769)</u>	<u>(1,853,963)</u>
	<u>(4,256,393)</u>	<u>(4,258,575)</u>	<u>(3,223,478)</u>	<u>(3,381,252)</u>
Total net loans, advances and financing	<u>133,628,241</u>	<u>124,252,042</u>	<u>96,727,956</u>	<u>90,816,549</u>

(a) Included in the Group's and the Bank's loans, advances and financing balances are RM71,740,000 (2010: RM75,347,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

PART A - EXPLANATORY NOTES (CONTINUED)

A9. LOANS, ADVANCES AND FINANCING (CONTINUED)

(b) The Group and the Bank have undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM7,073,201,000 (2010: RM7,663,278,000) and RM3,099,064,000 (2010: RM3,218,655,000) respectively, using interest rate swaps.

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Gross loan hedged	7,073,201	7,663,278	3,099,064	3,218,655
Fair value changes arising from fair value hedges	356,942	44,340	145,736	26,864
	7,430,143	7,707,618	3,244,800	3,245,519

The fair value loss of interest rate swaps of the Group and the Bank as at 30 September 2011 were RM448,679,386 (2010: RM127,755,094) and RM 194,760,371 (2010: RM76,134,054) respectively.

(c) As part of an arrangement with CIMB Islamic in relation to the RPSIA, the Bank records as deposits and placements with banks and other financial institutions, its exposure in the arrangement, whereas CIMB Islamic records its exposure as loans, advances and financing. The RPSIA arrangement exposes the Bank to the risks and rewards on the financing and accordingly, the Bank accounts for all impairment allowances for bad and doubtful financing arising from the RPSIA financing.

As at 30 September 2011, the gross exposure and portfolio impairment allowance relating to RPSIA financing are RM1,100 million (2010: RM7,331 million) and RM5.2 million (2010: RM154.8 million) respectively.

There was no individual impairment allowance provided for the RPSIA financing.

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
(ii) By type of customers				
Domestic banking institutions	105,197	65,091	-	-
Domestic non-bank financial institutions				
- others	2,238,727	2,634,068	1,893,093	2,339,548
Domestic business enterprises				
- small medium enterprises	11,081,248	11,965,343	9,215,232	9,581,478
- others	27,743,939	25,197,491	17,888,731	17,007,817
Government and statutory bodies	10,684,049	10,666,029	6,104,886	6,122,203
Individuals	74,280,473	67,403,922	54,044,772	50,348,792
Other domestic entities	2,455,541	2,952,578	2,207,590	1,679,408
Foreign entities	8,938,518	7,581,755	8,451,394	7,091,691
Gross loans, advances and financing	137,527,692	128,466,277	99,805,698	94,170,937

PART A - EXPLANATORY NOTES (CONTINUED)

A9. LOANS, ADVANCES AND FINANCING (CONTINUED)

	Group		Bank	
	30 Sept 2011 RM'000	31 Dec 2010 RM'000	30 Sept 2011 RM'000	31 Dec 2010 RM'000
(iii) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/ financing	2,677,027	3,530,315	1,874,823	2,540,512
- Hire purchase receivables	11,580,511	11,391,669	5,199,234	5,350,880
- Other fixed rate loans	28,002,139	26,244,965	17,933,566	17,274,899
Variable rate				
- BLR plus	54,622,279	50,357,387	48,403,315	45,231,704
- Cost-plus	20,943,147	20,295,232	14,773,247	14,629,349
- Other variable rates	19,702,589	16,646,709	11,621,513	9,143,593
Gross loans, advances and financing	137,527,692	128,466,277	99,805,698	94,170,937
(iv) By economic purpose				
Personal use	6,237,905	4,965,717	2,199,970	2,270,733
Credit cards	4,439,882	4,266,418	4,337,220	4,175,950
Purchase of consumer durables	565	1,216	565	1,216
Construction	4,372,276	3,520,140	2,456,848	2,105,992
Residential property (housing)	40,990,436	36,716,467	32,369,900	29,426,822
Non-residential property	12,080,464	11,470,480	10,321,474	9,819,022
Purchase of fixed assets other than land and buildings	1,569,844	1,224,935	772,975	490,267
Mergers and acquisitions	2,543,235	2,620,451	2,506,598	2,524,594
Purchase of securities	6,924,621	6,774,574	6,853,182	6,699,906
Purchase of transport vehicles	11,445,750	11,093,357	5,269,912	5,413,012
Working capital	32,806,873	32,519,439	21,926,002	20,940,166
Other purposes	14,115,841	13,293,083	10,791,052	10,303,257
Gross loans, advances and financing	137,527,692	128,466,277	99,805,698	94,170,937
(v) By geographical distribution				
Malaysia	112,563,096	108,665,708	86,870,716	84,481,958
Indonesia	1,114,523	828,184	942,969	691,921
Thailand	11,723,202	9,906,698	48,384	47,578
Singapore	7,751,011	6,666,705	7,751,011	6,666,705
United Kingdom	1,016,136	597,461	1,016,136	597,461
Hong Kong	304,982	552,120	304,982	552,120
Other countries	3,054,742	1,249,401	2,871,500	1,133,194
Gross loans, advances and financing	137,527,692	128,466,277	99,805,698	94,170,937
(vi) By residual contractual maturity				
Within one year	23,869,940	21,969,698	18,498,768	14,955,084
One year to less than three years	33,775,263	30,034,432	31,620,762	28,054,604
Three years to less than five years	11,468,003	15,095,548	8,536,599	12,155,052
Five years and more	68,414,486	61,366,599	41,149,569	39,006,197
Gross loans, advances and financing	137,527,692	128,466,277	99,805,698	94,170,937

PART A - EXPLANATORY NOTES (CONTINUED)

A9. LOANS, ADVANCES AND FINANCING (CONTINUED)

	Group		Bank	
	30 Sept 2011 RM'000	31 Dec 2010 RM'000	30 Sept 2011 RM'000	31 Dec 2010 RM'000
(vii) Impaired loans by economic purpose				
Personal use	137,185	135,673	84,288	84,306
Credit cards	94,433	82,095	89,900	79,479
Purchase of consumer durables	99	251	99	251
Construction	1,217,476	1,197,100	1,056,811	1,032,935
Residential property (housing)	834,388	816,457	706,814	706,774
Non-residential property	259,388	241,794	235,558	225,663
Purchase of fixed assets other than land and buildings	77,572	76,365	32,147	32,364
Purchase of securities	73,711	46,579	55,086	8,357
Purchase of transport vehicles	443,966	318,288	294,892	223,074
Working capital	1,812,974	1,767,123	1,592,150	1,527,926
Other purposes	412,771	376,567	50,824	67,019
Gross impaired loans	5,363,963	5,058,292	4,198,569	3,988,148
(viii) Impaired loans by geographical distribution				
Malaysia	4,336,019	4,177,553	3,849,979	3,696,797
Indonesia	86,882	84,019	-	-
Thailand	591,318	502,687	-	-
Singapore	44,207	61,114	44,207	61,114
United Kingdom	53,983	48,095	53,983	48,095
Other countries	251,554	184,824	250,400	182,142
Gross impaired loans	5,363,963	5,058,292	4,198,569	3,988,148
(ix) Movements in impaired loans				
At 1 January	5,058,292	7,232,623	3,988,148	4,509,902
Classified as impaired during the financial period/year	2,559,768	3,680,090	2,129,358	3,206,367
Reclassified as not impaired during the financial period/year	(1,201,271)	(2,522,586)	(1,102,521)	(2,366,392)
Amount written back in respect of recoveries	(722,626)	(1,089,328)	(586,313)	(852,718)
Amount written off	(349,726)	(1,013,869)	(245,102)	(808,141)
Sale of impaired loans	-	(145,981)	-	-
Amount transferred from subsidiary	-	-	-	321,716
Amount transferred to related company	-	(621,107)	-	-
Disposal of subsidiary	-	(338,026)	-	-
Exchange fluctuation	19,526	(123,524)	14,999	(22,586)
At 30 September/31 December	5,363,963	5,058,292	4,198,569	3,988,148
Ratio of gross impaired loans to total loans, advances and financing	3.90%	3.94%	4.21%	4.24%

PART A - EXPLANATORY NOTES (CONTINUED)

A9. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
<u>Individual impairment allowance</u>				
At 1 January	1,975,959	3,370,235	1,527,289	1,856,453
Net allowance made during the financial period/year	76,634	25,391	80,753	97,731
Allowance made and charged to deferred assets	573	2,431	573	2,431
Amount written off	(24,964)	(651,755)	(14,120)	(463,129)
Disposal of subsidiary	-	(314,202)	-	-
Amount transferred to portfolio impairment allowance	(1,863)	(5,795)	-	-
Amount transferred from subsidiary	-	-	-	88,127
Amount transferred to related company	-	(357,590)	-	-
Unwinding income	(34,588)	(63,538)	(22,460)	(45,238)
Exchange fluctuation	24,965	(29,218)	24,674	(9,086)
At 30 September/31 December	2,016,716	1,975,959	1,596,709	1,527,289
<u>Portfolio impairment allowance</u>				
At 1 January	2,282,616	2,222,029	1,853,963	1,754,194
Net allowance made during the financial period/year	268,261	603,725	159,186	372,183
Allowance made/(written back) and charged to deferred assets	1,030	(3,352)	1,030	(3,352)
Amount written off	(304,085)	(464,059)	(208,626)	(345,012)
Disposal of subsidiary	-	(11,298)	-	-
Amount transferred from individual impairment allowance	1,863	5,795	-	-
Amount transferred (to)/from a subsidiary	-	-	(166,234)	119,980
Amount transferred to related company	-	(28,956)	-	-
Unwinding income	(14,308)	(34,758)	(12,901)	(32,925)
Exchange fluctuation	4,300	(6,510)	351	(11,105)
At 30 September/31 December	2,239,677	2,282,616	1,626,769	1,853,963
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing less individual impairment allowance	2.1%	2.1%	2.1%	2.1%

PART A - EXPLANATORY NOTES (CONTINUED)

A10. OTHER ASSETS

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Deferred assets	154,410	170,961	154,410	170,961
Foreclosed properties	135,745	171,675	-	2,425
Due from brokers and clients	43,768	37,305	-	-
Option financing	281,699	278,032	281,699	278,032
Collateral pledged for derivative transactions	694,456	531,941	625,986	463,470
Clearing accounts	279,604	250,256	327,365	67,618
Other debtors, deposits and prepayments	1,351,089	1,040,953	816,060	923,337
	2,940,771	2,481,123	2,205,520	1,905,843

A11. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
(i) By type of deposit				
Demand deposits	37,766,733	34,920,585	33,261,697	30,091,373
Saving deposits	14,938,866	14,092,199	11,331,054	10,562,489
Fixed deposits	75,044,050	66,917,400	55,350,595	48,937,747
Negotiable instruments of deposit	2,410,722	1,930,628	773,577	859,859
Others	42,514,911	41,779,885	30,815,674	31,101,601
	172,675,282	159,640,697	131,532,597	121,553,069

(ii) By type of customer

Government and statutory bodies	13,143,093	14,054,491	7,182,139	8,285,269
Business enterprises	77,559,369	73,592,242	55,511,521	52,673,540
Individuals	60,681,917	51,863,891	49,266,282	41,842,495
Others	21,290,903	20,130,073	19,572,655	18,751,765
	172,675,282	159,640,697	131,532,597	121,553,069

(iii) Maturity structure of fixed deposits and negotiable instruments of deposit

Due within six months	64,273,400	55,751,393	44,519,974	39,228,996
Six months to less than one year	9,876,435	9,859,396	8,607,876	7,495,459
One year to less than three years	1,394,363	1,544,333	1,113,422	1,394,158
Three years to less than five years	1,568,021	1,665,300	1,540,599	1,651,387
Five years and more	342,553	27,606	342,301	27,606
	77,454,772	68,848,028	56,124,172	49,797,606

PART A - EXPLANATORY NOTES (CONTINUED)

A12. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Licensed banks	10,783,717	6,830,585	16,901,250	11,382,428
Licensed finance companies	27,529	145,025	25,909	112,363
Licensed investment banks	2,152,375	2,847,557	1,430,248	2,276,357
Bank Negara Malaysia	365,000	1,598,400	365,000	1,598,400
Other financial institutions	3,452,444	3,230,868	3,364,386	3,099,106
	16,781,065	14,652,435	22,086,793	18,468,654

A13. OTHER LIABILITIES

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	124,813	103,102	87,497	63,690
Accrued employee benefits	10,224	10,224	10,127	10,127
Post employment benefit obligations	96,867	153,537	32,953	56,607
Sundry creditors	776,766	589,489	577,712	400,125
Expenditure payable	777,913	1,131,727	709,349	1,021,002
Allowance for commitments and contingencies	27,131	49,208	13,265	33,333
Provision for legal claims	125,018	137,415	108,926	110,563
Credit card expenditure payable	120,135	195,688	118,598	194,244
Call deposit borrowing	511,012	281,833	511,012	281,833
Others	745,153	985,239	320,834	559,522
	3,315,032	3,637,462	2,490,273	2,731,046

PART A - EXPLANATORY NOTES (CONTINUED)**A14. INTEREST INCOME**

	3rd Quarter Ended		Nine months ended	
	30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
Group				
Loans and advances				
- interest income other than recoveries	1,451,928	1,292,627	4,191,268	3,744,244
- recoveries from impaired loans	3,309	1,409	6,734	9,322
- unwinding income [^]	23,579	33,405	70,131	97,325
Money at call and deposit with financial institutions	127,087	94,192	347,410	271,394
Reverse repurchase agreements	29,283	18,889	70,998	52,230
Financial assets held-for-trading	52,770	35,088	139,717	106,187
Financial investments available-for-sale	85,574	79,529	247,508	231,267
Financial investments held-to-maturity	147,281	136,842	419,029	405,067
Others	3,986	12,419	15,029	37,568
	1,924,797	1,704,400	5,507,824	4,954,604
Accretion of discount less amortisation of premium	36,680	53,022	112,458	137,736
	1,961,477	1,757,422	5,620,282	5,092,340
Bank				
Loans and advances				
- interest income other than recoveries	1,248,170	1,155,645	3,625,555	3,265,289
- unwinding income [^]	20,025	26,110	58,162	69,836
Money at call and deposit with financial institutions	206,574	191,321	600,423	463,968
Reverse repurchase agreements	22,233	15,692	52,004	45,798
Financial assets held-for-trading	48,926	30,920	127,779	92,730
Financial investments available-for-sale	80,890	77,134	235,918	223,805
Financial investments held-to-maturity	133,407	125,420	392,197	368,283
Others	3,815	7,857	15,029	29,149
	1,764,040	1,630,099	5,107,067	4,558,858
Accretion of discount less amortisation of premium	35,868	55,885	114,555	147,202
	1,799,908	1,685,984	5,221,622	4,706,060

[^] Unwinding income is income earned on impaired loans, advances and financing.

PART A - EXPLANATORY NOTES (CONTINUED)

A15. INTEREST EXPENSE

Group	3rd Quarter Ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	41,946	20,492	102,399	81,422
Deposits from other customers	727,875	588,340	2,005,555	1,530,408
Repurchase agreements	744	107	1,508	473
Loans sold to Cagamas	-	2,105	1,635	7,391
Negotiable certificates of deposits	35,629	38,380	112,241	96,121
ICULS	-	928	666	2,754
Redeemable preference shares	9,999	10,443	30,076	32,339
Subordinated obligations	72,075	48,269	201,840	141,301
Other borrowings	17,380	3,980	43,252	10,863
	905,648	713,044	2,499,172	1,903,072
Bank				
Deposits and placements of banks and other financial institutions	45,826	29,072	118,889	85,226
Deposits from other customers	663,691	549,671	1,856,397	1,441,155
Repurchase agreements	740	61	1,046	112
Loans sold to Cagamas	-	2,105	1,635	7,391
Negotiable certificates of deposits	35,481	38,282	111,844	95,839
ICULS	-	928	666	2,754
Subordinated obligations	81,176	51,612	218,674	151,328
	826,914	671,731	2,309,151	1,783,805

PART A - EXPLANATORY NOTES (CONTINUED)

A16. NET NON-INTEREST INCOME

Group	3rd Quarter Ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Net fee and commission income				
Commissions	35,538	32,803	109,439	102,571
Fee on loans and advances	82,606	84,995	241,694	214,182
Service charges and fees	48,308	53,530	146,286	157,941
Guarantee fees	12,130	14,204	53,104	39,374
Other fee income	77,612	75,920	246,827	222,860
Fee and commission income	256,194	261,452	797,350	736,928
Fee and commission expense	(59,903)	(56,893)	(161,523)	(166,587)
Net fee and commission income	196,291	204,559	635,827	570,341
Gross dividend income from:				
Financial assets held-for-trading	12,553	6,112	24,500	12,923
Financial investments available-for-sale	10,564	10,705	27,274	26,005
	23,117	16,817	51,774	38,928
Net (loss)/gain arising from financial assets held-for-trading:				
- realised (loss)/gain	(142,398)	30,664	(229,731)	9,612
- unrealised (loss)/gain	(97,674)	3,854	(111,944)	4,983
	(240,072)	34,518	(341,675)	14,595
Net gain/(loss) arising from derivative financial instrument				
- realised gain/(loss)	230,603	(100,672)	444,022	(383,091)
- unrealised gain	167,348	69,210	316,644	132,874
	397,951	(31,462)	760,666	(250,217)
Net gain/(loss) arising from hedging derivatives	2,000	(35,372)	(22,521)	(5,371)
Net gain from sale of financial investments available-for-sale	65,358	37,821	114,499	54,311
Net gain from maturity of financial investments held-to-maturity	24,067	14,296	25,625	102,161
Brokerage income	9,515	7,331	19,994	14,901
Other non-interest income				
Foreign exchange gain	2,118	160,675	71,035	556,050
Rental income	3,343	4,449	10,760	14,253
Gain on disposal of property, plant and equipment	1,139	808	6,917	167,417
Loss on disposal of foreclosed properties	(3,647)	(124)	(13,942)	(1,375)
Gain on revaluation of investment properties	2,919	-	2,919	-
Net gain or loss from insurance business	-	3,579	-	9,904
Gain on disposal of subsidiary	-	-	-	7,532
Gain on disposal of associate	-	2,248	-	2,248
Others	6,440	12,027	44,142	36,894
	12,312	183,662	121,831	792,923
	490,539	432,170	1,366,020	1,332,572

PART A - EXPLANATORY NOTES (CONTINUED)

A16. NET NON-INTEREST INCOME (CONTINUED)

Bank	3rd Quarter Ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Net fee and commission income				
Commissions	33,701	30,240	100,009	97,950
Fee on loans and advances	82,586	84,899	242,138	213,720
Service charges and fees	39,096	39,392	117,259	116,495
Guarantee fees	8,911	10,865	44,791	30,561
Other fee income	73,318	70,308	244,936	196,287
Fee and commission income	237,612	235,704	749,133	655,013
Fee and commission expense	(59,903)	(56,893)	(161,523)	(166,587)
Net fee and commission income	177,709	178,811	587,610	488,426
Gross dividend income from:				
Financial assets held-for-trading	12,552	6,095	24,496	12,747
Financial investments available-for-sale	1,015	1,121	7,702	6,473
Subsidiaries	29,087	2,007	762,435	82,744
	42,654	9,223	794,633	101,964
Net (loss)/gain arising from financial assets held-for-trading				
- realised (loss)/gain	(144,700)	27,344	(233,452)	13,370
- unrealised (loss)/gain	(103,308)	5,338	(111,134)	(663)
	(248,008)	32,682	(344,586)	12,707
Net gain/(loss) arising from derivative financial instrument				
- realised gain/(loss)	242,283	(86,518)	423,764	(342,465)
- unrealised gain	200,781	89,019	347,013	148,097
	443,064	2,501	770,777	(194,368)
Net gain/(loss) arising from hedging derivatives	2,972	(33,914)	(21,135)	(3,440)
Net gain from sale of financial investments available-for-sale	58,863	15,622	100,608	27,178
Net gain from financial investments held-to-maturity	24,009	14,838	24,911	102,161
Other non-interest income				
Foreign exchange (loss)/gain	(28,511)	148,870	25,805	537,718
Rental income	1,695	3,035	6,143	9,444
Gain on disposal of property, plant and equipment	331	741	1,190	135,001
Gain on disposal of foreclosed properties	-	100	68	349
Gain on capital repayment of subsidiary	-	-	-	4,956
Other non operating income	2,461	4,999	25,105	37,478
	(24,024)	157,745	58,311	724,946
	477,239	377,508	1,971,129	1,259,574

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OVERHEADS

Group	3rd Quarter Ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	425,063	342,436	1,221,401	1,131,971
- Pension costs (defined contribution plan)	43,306	38,079	129,175	109,871
- Pension costs (defined benefit plan)	2,728	5,739	(44,925)	22,259
- Overtime	4,106	4,519	13,776	13,689
- Staff incentives and other staff payments	48,951	35,580	124,021	96,210
- Medical expenses	14,781	14,826	42,501	36,895
- Others	40,630	38,888	146,328	106,266
	579,565	480,067	1,632,277	1,517,161
Establishment costs				
- Depreciation of property, plant and equipment	50,210	49,688	147,495	148,178
- Amortisation of prepaid lease payments	81	8	237	215
- Rental	52,248	49,539	153,349	140,092
- Repair and maintenance	(1,872)	44,034	77,336	139,937
- Outsourced services	23,752	29,744	91,253	122,259
- Security expenses	26,062	22,003	72,617	68,997
- Others	28,303	23,856	87,533	80,429
	178,784	218,872	629,820	700,107
Marketing expenses				
- Sales commission	2,948	8,661	6,157	21,398
- Advertisement	28,298	37,830	78,702	81,318
- Others	21,262	24,095	51,297	53,608
	52,508	70,586	136,156	156,324
Administration and general expenses				
- Communication	17,435	10,776	46,936	30,350
- Consultancy and professional fees	11,272	9,395	34,259	29,902
- Legal expenses	6,195	14,380	23,356	42,063
- Stationery	8,791	6,165	29,735	27,323
- Amortisation of intangible assets	36,352	30,254	110,150	91,619
- Impairment of intangible assets	-	-	-	1,302
- Postages	16,229	5,869	33,026	25,411
- Administrative travelling and vehicle expenses	8,673	7,249	24,778	21,764
- Incidental expenses on banking operations	5,457	11,057	19,542	30,497
- Insurance	12,393	12,669	41,135	58,274
- Others	32,383	19,843	89,070	87,228
	155,180	127,657	451,987	445,734
	966,037	897,182	2,850,240	2,819,326

PART A - EXPLANATORY NOTES (CONTINUED)**A17. OVERHEADS (CONTINUED)**

	3rd Quarter Ended		Nine months ended	
	30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
Bank				
Personnel costs				
- Salaries, allowances and bonuses	332,889	260,620	956,165	892,678
- Pension costs (defined contribution plan)	38,220	33,731	114,765	96,652
- Pension costs (defined benefit plan)	-	4,266	(60,000)	15,745
- Overtime	2,475	3,068	8,706	9,583
- Staff incentives and other staff payments	38,633	30,098	99,292	76,389
- Medical expenses	13,694	13,807	39,616	34,069
- Others	5,311	17,548	40,522	47,123
	431,222	363,138	1,199,066	1,172,239
Establishment costs				
- Depreciation of property, plant and equipment	39,004	38,525	115,947	114,862
- Rental	40,739	39,392	120,558	109,288
- Repair and maintenance	(2,159)	39,623	67,272	126,449
- Outsourced services	50,075	54,637	174,594	191,738
- Security expenses	27,609	23,626	78,131	77,514
- Others	6,280	11,819	26,323	38,463
	161,548	207,622	582,825	658,314
Marketing expenses				
- Sales commission	-	-	392	19
- Advertisement	25,423	34,325	69,008	70,546
- Others	16,817	18,242	39,536	44,806
	42,240	52,567	108,936	115,371
Administration and general expenses				
- Communication	15,290	9,438	41,615	25,636
- Consultancy and professional fees	9,615	7,632	29,935	24,244
- Legal expenses	5,375	12,474	20,199	35,939
- Stationery	6,509	3,751	22,935	20,909
- Amortisation of intangible assets	31,502	26,453	96,008	79,858
- Postages	13,513	3,581	25,993	19,887
- Administrative travelling and vehicle expenses	5,957	5,035	17,264	15,325
- Incidental expenses on banking operations	5,457	11,043	19,542	30,451
- Insurance	2,139	4,543	11,949	26,331
- Others	5,707	(189)	6,075	10,797
	101,064	83,761	291,515	289,377
	736,074	707,088	2,182,342	2,235,301

PART A - EXPLANATORY NOTES (CONTINUED)

A18. ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING

	3rd Quarter Ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Group				
Allowance for bad and doubtful debts and financing :				
Individual impairment allowance				
- made/(written-back) during the period	82,632	(41,911)	76,633	(31,919)
Portfolio impairment allowance				
- made during the period	100,062	163,854	268,261	427,949
Bad debts :				
- recovered	(76,462)	(82,895)	(240,467)	(235,729)
- written off	4,646	1,311	10,669	3,109
	110,878	40,359	115,096	163,410
Bank				
Allowance for bad and doubtful debts and financing :				
Individual impairment allowance				
- made during the period	49,527	17,708	80,753	37,385
Portfolio impairment allowance				
- made during the period	44,321	135,456	159,186	254,363
Bad debts :				
- recovered	(47,724)	(43,329)	(141,519)	(143,458)
- written off	3,167	82	6,472	662
	49,291	109,917	104,892	148,952

PART A - EXPLANATORY NOTES (CONTINUED)

A19. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES

The following tables summarise the contractual underlying principal amounts of trading derivative and financial instruments held for hedging purpose. 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.

(i) Derivative financial instruments

At 30 September 2011	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	15,137,838	292,539	(164,544)	12,758,577	255,577	(149,690)
- Less than 1 year	12,803,786	246,872	(128,901)	10,424,525	209,910	(114,730)
- 1 year to 3 years	979,743	33,716	(18,787)	979,743	33,716	(18,676)
- More than 3 years	1,354,309	11,951	(16,856)	1,354,309	11,951	(16,284)
Currency swaps	38,107,140	776,749	(836,769)	32,839,551	710,077	(762,407)
- Less than 1 year	37,618,764	758,834	(832,443)	32,351,175	692,162	(758,081)
- 1 year to 3 years	257,109	6,927	(3,300)	257,109	6,927	(3,300)
- More than 3 years	231,267	10,988	(1,026)	231,267	10,988	(1,026)
Currency spot	4,304,857	3,033	(1,509)	3,927,621	2,680	(1,327)
- Less than 1 year	4,304,857	3,033	(1,509)	3,927,621	2,680	(1,327)
Currency option	2,092,105	18,238	(21,095)	1,902,620	15,806	(19,800)
- Less than 1 year	2,092,105	18,238	(21,095)	1,902,620	15,806	(19,800)
Cross currency interest rate swaps	16,429,845	549,883	(493,227)	16,332,844	544,379	(493,170)
- Less than 1 year	4,193,034	105,701	(180,760)	4,193,034	105,701	(180,760)
- 1 year to 3 years	5,657,682	263,671	(129,123)	5,894,071	268,797	(146,061)
- More than 3 years	6,579,129	180,511	(183,344)	6,245,739	169,881	(166,349)
	76,071,785	1,640,442	(1,517,144)	67,761,213	1,528,519	(1,426,394)
<u>Interest rate derivatives</u>						
Interest rate swaps	225,503,381	2,472,911	(2,146,689)	200,314,404	2,276,557	(1,929,929)
- Less than 1 year	33,374,133	89,752	(71,080)	24,153,097	61,570	(47,587)
- 1 year to 3 years	125,593,069	902,209	(937,228)	117,860,016	863,951	(919,611)
- More than 3 years	66,536,179	1,480,950	(1,138,381)	58,301,291	1,351,036	(962,731)
Interest rate futures	12,392,171	27,881	(3,846)	12,392,171	27,826	(3,796)
- Less than 1 year	5,638,296	10,265	(3,846)	5,638,296	10,210	(3,796)
- 1 year to 3 years	5,404,738	12,482	-	5,404,738	12,482	-
- More than 3 years	1,349,137	5,134	-	1,349,137	5,134	-
Interest rate options	150,000	9,448	(3,816)	150,000	9,448	(3,816)
- 1 year to 3 years	100,000	8,586	(3,808)	100,000	8,586	(3,808)
- More than 3 years	50,000	862	(8)	50,000	862	(8)
	238,045,552	2,510,240	(2,154,351)	212,856,575	2,313,831	(1,937,541)
<u>Equity related derivatives</u>						
Equity swap	550,453	1,127	(62,352)	316,369	734	(61,959)
- More than 3 years	550,453	1,127	(62,352)	316,369	734	(61,959)
Equity options	8,652,397	374,038	(526,920)	6,873,041	363,589	(516,506)
- Less than 1 year	5,875,725	58,429	(230,467)	5,598,145	57,665	(229,738)
- 1 year to 3 years	839,414	442	(442)	-	-	-
- More than 3 years	1,937,258	315,167	(296,011)	1,274,896	305,924	(286,768)
Index futures	513	12	(2)	513	12	(2)
- Less than 1 year	513	12	(2)	513	12	(2)
	9,203,363	375,177	(589,274)	7,189,923	364,335	(578,467)

PART A - EXPLANATORY NOTES (CONTINUED)

A19. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

At 30 September 2011	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	71,466	43,021	(46,375)	71,466	43,021	(46,375)
- Less than 1 year	34,817	19,139	(18,890)	34,817	19,139	(18,890)
- 1 year to 3 years	36,649	23,882	(27,485)	36,649	23,882	(27,485)
Commodity future	38,100	3,721	(11)	38,100	3,721	(11)
- Less than 1 year	33,281	3,129	(4)	33,281	3,129	(4)
- 1 year to 3 years	4,819	592	(7)	4,819	592	(7)
Commodity options	79,798	79,047	(79,047)	79,798	79,047	(79,047)
- Less than 1 year	35,085	11,082	(11,082)	35,085	11,082	(11,082)
- 1 year to 3 years	44,713	67,965	(67,965)	44,713	67,965	(67,965)
	189,364	125,789	(125,433)	189,364	125,789	(125,433)
<u>Credit related contract</u>						
Credit default swaps	2,025,332	59,547	(96,736)	2,025,333	59,547	(96,736)
- Less than 1 year	318,950	36	(841)	318,950	36	(841)
- 1 year to 3 years	717,638	4,713	(13,071)	717,638	4,713	(13,071)
- More than 3 years	988,744	54,798	(82,824)	988,745	54,798	(82,824)
<u>Hedging derivatives</u>						
Cross currency interest rate swaps	71,411	-	(2,444)	71,411	-	(2,444)
- More than 3 years	71,411	-	(2,444)	71,411	-	(2,444)
Interest rate swaps	13,073,577	261,768	(498,868)	16,976,317	506,566	(489,755)
- 1 year to 3 years	995,010	17,090	(979)	995,010	17,090	(979)
- More than 3 years	12,078,567	244,678	(497,889)	15,981,307	489,476	(488,776)
Total derivatives assets/(liabilities)	338,680,384	4,972,963	(4,984,250)	307,070,136	4,898,587	(4,656,770)

PART A - EXPLANATORY NOTES (CONTINUED)

A19. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

At 31 December 2010	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	10,295,460	159,844	(154,852)	8,546,302	152,256	(102,140)
- Less than 1 year	8,019,805	52,355	(127,493)	6,270,647	44,767	(73,826)
- 1 year to 3 years	423,654	13,602	(4,281)	423,654	13,602	(4,281)
- More than 3 years	1,852,001	93,887	(23,078)	1,852,001	93,887	(24,033)
Currency swaps	34,680,313	515,786	(488,225)	31,027,117	457,444	(446,027)
- Less than 1 year	34,371,184	507,987	(485,176)	30,717,988	449,645	(442,978)
- 1 year to 3 years	49,362	2,018	-	49,362	2,018	-
- More than 3 years	259,767	5,781	(3,049)	259,767	5,781	(3,049)
Currency spot	270,937	305	(197)	134,454	282	(148)
- Less than 1 year	270,937	305	(197)	134,454	282	(148)
Currency option	2,404,827	1,624	(5,694)	2,404,828	1,624	(5,694)
- Less than 1 year	2,404,827	1,624	(5,694)	2,404,828	1,624	(5,694)
Cross currency interest rate swaps	16,047,393	687,934	(736,030)	15,375,452	649,282	(740,073)
- Less than 1 year	4,983,605	208,267	(239,136)	4,395,165	163,949	(231,353)
- 1 year to 3 years	5,862,844	265,963	(284,832)	6,100,611	271,629	(305,079)
- More than 3 years	5,200,944	213,704	(212,062)	4,879,676	213,704	(203,641)
	63,698,930	1,365,493	(1,384,998)	57,488,153	1,260,888	(1,294,082)
<u>Interest rate derivatives</u>						
Interest rate swaps	181,322,125	1,698,397	(1,323,655)	161,336,017	1,511,081	(1,168,420)
- Less than 1 year	53,935,327	327,540	(309,313)	46,104,326	314,648	(295,194)
- 1 year to 3 years	63,088,197	420,408	(361,841)	47,945,246	320,781	(324,795)
- More than 3 years	64,298,601	950,449	(652,501)	67,286,445	875,652	(548,431)
Interest rate futures	13,746,090	18,185	(15,428)	13,746,090	18,185	(15,428)
- Less than 1 year	7,276,246	8,610	(13,457)	7,276,246	8,610	(13,457)
- 1 year to 3 years	5,273,591	6,772	(1,971)	5,273,591	6,772	(1,971)
- More than 3 years	1,196,253	2,803	-	1,196,253	2,803	-
Interest rate options	750,000	7,179	(3,602)	750,000	7,179	(3,602)
- Less than 1 year	600,000	-	-	600,000	-	-
- 1 year to 3 years	100,000	5,314	(2,818)	100,000	5,314	(2,818)
- More than 3 years	50,000	1,865	(784)	50,000	1,865	(784)
	195,818,215	1,723,761	(1,342,685)	175,832,107	1,536,445	(1,187,450)
<u>Equity related derivatives</u>						
Equity swaps	273,717	1,777	(51,329)	273,717	1,777	(51,329)
- Less than 1 year	272,086	1,433	(51,023)	272,086	1,433	(51,023)
- More than 3 years	1,631	344	(306)	1,631	344	(306)
Equity options	10,545,684	223,081	(606,369)	8,326,139	216,503	(600,027)
- Less than 1 year	3,593,370	168,358	(571,441)	2,955,630	166,185	(569,504)
- 1 year to 3 years	3,606,022	3,849	(3,849)	2,530,542	121	(121)
- More than 3 years	3,346,292	50,874	(31,079)	2,839,967	50,197	(30,402)
Index futures	9,089	-	(137)	9,089	-	(137)
- Less than 1 year	9,089	-	(137)	9,089	-	(137)
	10,828,490	224,858	(657,835)	8,608,945	218,280	(651,493)

PART A - EXPLANATORY NOTES (CONTINUED)

A19. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

At 31 December 2010	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	60,480	4,085	-	60,480	4,085	-
- Less than 1 year	20,400	1,624	-	20,400	1,624	-
- 1 year to 3 years	40,080	2,461	-	40,080	2,461	-
Commodity future	60,553	1	(3,653)	60,553	1	(3,653)
- Less than 1 year	60,553	1	(3,653)	60,553	1	(3,653)
Commodity options	104,840	15,028	(15,028)	104,840	15,028	(15,028)
- Less than 1 year	70,921	12,068	(12,068)	70,921	12,068	(12,068)
- 1 year to 3 years	33,919	2,960	(2,960)	33,919	2,960	(2,960)
	225,873	19,114	(18,681)	225,873	19,114	(18,681)
<u>Credit related contract</u>						
Credit default swaps	1,366,348	29,138	(56,883)	1,366,348	29,138	(56,883)
- Less than 1 year	194,617	358	(175)	194,617	358	(175)
- 1 year to 3 years	169,593	143	(2,386)	169,593	143	(2,386)
- More than 3 years	1,002,138	28,637	(54,322)	1,002,138	28,637	(54,322)
<u>Hedging derivatives</u>						
Cross currency interest rate swaps	218,378	-	(43,342)	-	-	-
- More than 3 years	218,378	-	(43,342)	-	-	-
Interest rate swaps	12,412,998	138,527	(206,716)	16,752,811	198,669	(215,226)
- Less than 1 year	965,611	9,719	-	965,611	9,719	-
- 1 year to 3 years	800,500	24,969	-	800,500	24,970	-
- More than 3 years	10,646,887	103,839	(206,716)	14,986,700	163,980	(215,226)
Total derivatives assets/(liabilities)	284,569,232	3,500,891	(3,711,140)	260,274,237	3,262,534	(3,423,815)

PART A - EXPLANATORY NOTES (CONTINUED)

A19. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2011, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM4,972,963,000 and RM4,898,587,000 respectively (31 December 2010: RM3,500,891,000 and RM3,262,534,000 respectively). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group are discussed in the audited annual financial statements for the financial year ended 31 December 2010.

PART A - EXPLANATORY NOTES (CONTINUED)

A19. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(ii) Commitments and contingencies

	30 Sept 2011	31 Dec 2010
	Principal	Principal
	RM'000	RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	2,326,242	2,147,004
Transaction-related contingent items	4,580,680	4,338,700
Short-term self-liquidating trade-related contingencies	2,454,449	3,511,093
Obligations under underwriting agreement	100,000	235,000
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	35,954,778	33,360,091
- maturity exceeding one year	5,999,679	6,778,212
Forward asset purchase	-	3,084
Miscellaneous commitments and contingencies	3,572,167	5,908,957
Total credit-related commitments and contingencies	<u>54,987,995</u>	<u>56,282,141</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	54,029,552	45,578,346
- one year to less than 5 years	11,428,797	10,326,952
- five years and above	4,297,314	3,353,629
	69,755,663	59,258,927
Interest rate related contracts :		
- less than one year	51,943,073	55,274,126
- one year to less than 5 years	143,014,255	103,488,444
- five years and above	36,222,693	23,566,421
	231,180,021	182,328,991
Equity related contracts:		
- less than one year	2,089,206	3,614,590
- one year to less than 5 years	4,650,281	5,121,016
- five years and above	2,463,876	2,092,883
	9,203,363	10,828,489
Other treasury related contracts	27,315,384	31,285,226
Total treasury-related commitments and contingencies	<u>337,454,431</u>	<u>283,701,633</u>
	<u>392,442,426</u>	<u>339,983,774</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A19. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(ii) Commitments and contingencies (continued)

	30 Sept 2011	31 Dec 2010
	Principal	Principal
	RM'000	RM'000
The Bank		
<u>Credit-related</u>		
Direct credit substitutes	2,238,399	1,880,066
Transaction-related contingent items	3,274,536	3,158,201
Short-term self-liquidating trade-related contingencies	1,935,233	3,228,857
Obligations under underwriting agreement	100,000	235,000
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	33,251,812	31,228,089
- maturity exceeding one year	4,935,118	5,366,611
Forward assets purchase	-	3,084
Miscellaneous commitments and contingencies	1,424,538	1,195,586
Total credit-related commitments and contingencies	<u>47,159,636</u>	<u>46,295,494</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	52,207,918	43,923,081
- one year to less than 5 years	11,489,130	10,184,529
- five years and above	4,135,576	3,380,543
	67,832,624	57,488,153
Interest rate related contracts :		
- less than one year	51,223,618	55,007,853
- one year to less than 5 years	140,623,690	101,633,153
- five years and above	38,974,329	36,668,534
	230,821,637	193,309,540
Equity related contracts:		
- less than one year	1,811,627	2,976,850
- one year to less than 5 years	3,652,647	4,045,536
- five years and above	1,725,649	1,586,558
	7,189,923	8,608,944
Total treasury-related commitments and contingencies	<u>305,844,184</u>	<u>259,406,637</u>
	<u>353,003,820</u>	<u>305,702,131</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A20. CAPITAL ADEQUACY

The capital adequacy ratios of the Group (other than CIMB Thai Bank) and the 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.

(a) The capital adequacy ratios of the Group and the Bank are as follows:

	The Group		The Bank*	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
Before deducting proposed dividends				
Core capital ratio	11.10%	11.89%	14.07%	14.47%
Risk-weighted capital ratio	15.98%	15.37%	16.34%	15.36%
After deducting proposed dividends				
Core capital ratio	11.10%	11.42% #	14.07%	13.90% #
Risk-weighted capital ratio	15.98%	14.89% #	16.34%	14.80% #

(b) The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

	The Group		The Bank*	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Credit risk	109,777,739	104,892,665	86,001,165	87,236,173
Market risk	8,939,295	9,658,308	8,254,895	9,176,183
Large exposure risk requirements	363,806	360,424	363,806	360,424
Operational risk	12,266,008	11,242,737	9,761,307	9,604,531
Total risk-weighted assets	131,346,848	126,154,134	104,381,173	106,377,311

PART A - EXPLANATORY NOTES (CONTINUED)

A20. CAPITAL ADEQUACY (Continued)

(c) Components of Tier I and Tier II capital are as follows:

	The Group		The Bank*	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Tier I capital				
Paid-up capital	3,764,469	3,764,469	3,764,469	3,764,469
Perpetual preference shares	200,000	200,000	200,000	200,000
Non-innovative Tier I Capital	1,000,000	1,000,000	1,000,000	1,000,000
Innovative Tier I Capital	1,637,900	1,616,700	1,637,900	1,616,700
Other reserves	12,741,240	13,085,117	11,778,791	12,385,045
Non-controlling interests	260,821	260,586	-	-
Less:				
Deferred tax assets	(110,666)	-	(142,712)	(22,096)
Goodwill	(4,920,709)	(4,923,428)	(3,555,075)	(3,555,075)
Total Tier I capital	14,573,055	15,003,444	14,683,373	15,389,043
Tier II capital				
Subordinated notes	5,829,435	3,936,919	5,000,000	3,500,000
Redeemable preference shares	29,740	29,740	29,740	29,740
Regulatory reserve	361,310	117,595	331,404	110,190
Portfolio impairment allowance ^	352,503	381,876	166,684	221,940
Surplus of total eligible provision over expected loss under IRB approach	329,681	409,200	396,463	404,989
Total eligible Tier II capital	6,902,669	4,875,330	5,924,291	4,266,859
Less:				
Investment in subsidiaries	(131,754)	(175,352)	(3,204,452)	(2,998,050)
Securitisation exposures subject to deductions^^	(70,109)	(70,116)	(70,109)	(70,116)
Investment in associates	(245,134)	(245,134)	(245,134)	(245,134)
Holding of other banking institutions' capital instruments	(33,478)	(2,842)	(33,478)	(2,842)
Total Eligible Tier II capital	6,422,194	4,381,886	2,371,118	950,717
Total capital base	20,995,249	19,385,330	17,054,491	16,339,760

^ The capital base of the Group and the Bank as at 30 September 2011 has excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM441,555,903 (2010: RM495,950,492) and RM419,845,308 (2010: RM476,240,986) respectively.

^^ 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.

PART A - EXPLANATORY NOTES (CONTINUED)

A20. CAPITAL ADEQUACY (Continued)

(d) The capital adequacy of the banking subsidiary companies of the Bank are as follows:

At 30 September 2011

	CIMB Islamic Bank**	CIMB Thai Bank***	CIMB Bank PLC****
Core capital ratio	10.42%	8.10%	N/A
Risk-weighted capital ratio	14.44%	13.77%	73.96%

As at 31 Dec 2010

	CIMB Islamic Bank**	CIMB Thai Bank***	CIMB Bank PLC****
Core capital ratio	13.24%	9.04%	N/A
Risk-weighted capital ratio	17.21%	14.69%	636.20%

The dividend for financial year ended 31 December 2010 was paid on 28 March 2011.

* Includes the operations of CIMB Bank (L) Limited.

** The capital adequacy ratios of CIMB Islamic Bank are computed in accordance with BNM Guidelines on Risk Weighted Capital Adequacy Framework: Internal Rating-Based approach (IRB approach) for Credit Risk, where Advanced Internal Rating-Based (AIRB) is used for retail exposure and Foundation IRB for Non-Retail exposure while Operational risk is based on Basic Indicator Approach. Market Risk remained unchanged under Standardised Approach.

*** The capital adequacy ratios of CIMB Thai is based on Bank of Thailand requirements and are computed in accordance with Standardised Approach (SA approach). The approach for Credit Risk and Market Risk is Standardised Approach (SA) while Operational Risk is based on Basic Indicator Approach.

**** 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.

PART A - EXPLANATORY NOTES (CONTINUED)

A21. SEGMENTAL REPORT

Definition of segments

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

Treasury

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

Corporate and Investment Banking

Corporate and Investment Banking comprise Investment Banking, Corporate Banking, Regional Banking, Equity Derivatives, Equity Investment and Trading and Retail Equity Services.

Investment Banking advises on issuance of equity and equity-linked products management services. Corporate Banking provides a broad spectrum of financial and Ringgit lending services for domestic and multinational corporations as well as institutional and public sector clients. Regional Banking oversees the activities of the Group's overseas branches in London, Singapore and Hong Kong and provides conventional and customised financial packages in order to meet customers' needs, with products including non-Ringgit corporate lending, nominee services and cash management services.

Equity Derivatives develops and issues new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues. Equity Investment and Trading is the Group's proprietary equity trading unit. Retail equity provide stock broking services to retail clients.

Retail Financial Services

Retail Financial Services focus on innovative products and services to individual customers. It offers products such as credit facilities (residential mortgages, personal loans, share financing, credit card and hire purchase), remittance services, deposit collection and wealth management.

Commercial and Enterprise Banking

Commercial and Enterprise Banking are responsible for offering products and services for customer segments comprising micro-enterprises, small and medium-scale enterprises ("SMEs") and mid-sized corporations. Their products include credit facilities (loans, banker's acceptances, revolving credit, leasing, factoring, hire purchase), remittance services and deposit collection.

Foreign Banking Operations

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

Support and others

Support services comprises all middle and back-office processes and cost centres and other subsidiaries whose results are not material to the Group.

PART A - EXPLANATORY NOTES (CONTINUED)**A21. SEGMENTAL REPORT (CONTINUED)**

Group
30 Sept 2011

	Treasury RM'000	Corporate and Investment Banking RM'000	Retail Financial Services RM'000	Commercial and Enterprise Banking RM'000	Foreign Banking Operations RM'000	Support and Others RM'000	Total RM'000
Net interest income							
- external income	(63,001)	885,244	1,661,377	227,436	411,242	(1,188)	3,121,110
- inter-segment	381,124	(391,959)	(233,444)	272,656	(15)	(28,362)	-
	318,123	493,285	1,427,933	500,092	411,227	(29,550)	3,121,110
Islamic Banking Income	425,128	63,422	415,888	72,216	-	-	976,654
Non-interest income	351,157	285,867	520,126	82,468	118,841	7,561	1,366,020
Net income	1,094,408	842,574	2,363,947	654,776	530,068	(21,989)	5,463,784
Overheads	(251,758)	(296,655)	(1,499,169)	(357,575)	(418,431)	(26,652)	(2,850,240)
of which:							
Depreciation of property, plant and equipment	(7,383)	(12,664)	(78,717)	(24,925)	(23,806)	-	(147,495)
Amortisation of prepaid lease payments	-	-	(2)	(1)	(234)	-	(237)
Amortisation of intangible assets	(5,878)	(10,058)	(66,928)	(15,539)	(11,747)	-	(110,150)
Profit before allowance	842,650	545,919	864,778	297,201	111,637	(48,641)	2,613,544
Allowance for losses on other receivables	161	(58)	(243)	(42)	-	(2,829)	(3,011)
Allowance for impairment losses on loans, advances and financing	8	(7,060)	(129,808)	81,296	(60,114)	582	(115,096)
Allowance for commitments and contingencies	-	20,336	-	-	1,500	-	21,836
Write-back of/(allowance for) other impairment losses	985	(6,727)	-	-	-	1,467	(4,275)
Segment result	843,804	552,410	734,727	378,455	53,023	(49,421)	2,512,998
Share of results of associates	72,103	-	-	-	-	-	72,103
Share of results of jointly controlled entity	-	-	8,006	-	-	-	8,006
Taxation and zakat	-	-	-	-	-	(510,767)	(510,767)
Profit for the financial period							2,082,340

PART A - EXPLANATORY NOTES (CONTINUED)**A21. SEGMENTAL REPORT (CONTINUED)**

Group
30 Sept 2010

	Treasury RM'000	Corporate and Investment Banking RM'000	Retail Financial Services RM'000	Commercial and Enterprise Banking RM'000	Foreign Banking Operations RM'000	Support and Others RM'000	Total RM'000
Net interest income							
- external income	(10,292)	869,318	1,671,745	240,933	384,593	32,971	3,189,268
- inter-segment	507,609	(372,841)	(259,961)	158,807	(3)	(33,611)	-
	497,317	496,477	1,411,784	399,740	384,590	(640)	3,189,268
Islamic Banking Income	332,897	80,525	362,278	38,092	-	-	813,792
Non-interest income	444,093	196,848	453,529	68,971	132,533	36,598	1,332,572
Net income	1,274,307	773,850	2,227,591	506,803	517,123	35,958	5,335,632
Overheads	(259,631)	(303,026)	(1,489,438)	(334,423)	(403,827)	(28,981)	(2,819,326)
of which:							
Depreciation of property, plant and equipment	(7,577)	(14,847)	(75,080)	(25,237)	(25,437)	-	(148,178)
Amortisation of prepaid lease payments	(4)	(10)	(44)	(14)	(143)	-	(215)
Amortisation of intangible assets	(5,839)	(11,202)	(54,243)	(13,458)	(6,877)	-	(91,619)
Profit before allowance	1,014,676	470,824	738,153	172,380	113,296	6,977	2,516,306
Allowance for losses on other receivables	-	-	-	-	(2,419)	(777)	(3,196)
Write-back of/(allowance for) impairment losses on loans, advances and financing	8	186,071	(224,770)	(81,284)	(42,468)	(967)	(163,410)
Allowance for commitments and contingencies	-	-	-	(1,829)	(302)	-	(2,131)
Write-back of/(allowance for) other impairment losses	10,635	328	-	-	(3,058)	353	8,258
Segment result	1,025,319	657,223	513,383	89,267	65,049	5,586	2,355,827
Share of results of associate	35,726	-	-	-	-	-	35,726
Share of results of jointly controlled entity	-	-	7,140	-	-	-	7,140
Taxation and zakat	-	-	-	-	-	-	(478,991)
Profit for the financial period							1,919,702

PART A - EXPLANATORY NOTES (CONTINUED)

A22. GROUP OPERATION OF ISLAMIC BANKING

A22a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	Note	Group		Bank	
		30 Sept 2011 RM'000	31 Dec 2010 RM'000	30 Sept 2011 RM'000	31 Dec 2010 RM'000
Assets					
Cash and short-term funds		6,149,567	7,840,258	-	153,473
Deposit and placement with banks and other financial institutions		1,644,514	1,053,053	912,929	550,177
Financial assets held-for-trading		2,242,973	2,549,533	134,962	201,640
Financial investments available-for-sale		979,335	455,962	190,149	-
Financial investments held-to-maturity		1,557,030	1,328,746	364,592	235,111
Islamic derivative financial instruments		175,016	157,901	128	7,213
Financing, advances and other loans	A22c	25,349,715	22,764,498	356,595	339,921
Other assets		473,914	334,828	1,868	737
Deferred taxation		6,899	5,589	-	-
Amount due from holding company		656,481	591,695	-	-
Amount due from related companies		29,301	48,767	27,479	47,939
Statutory deposits with Bank Negara Malaysia		686,047	143,406	-	-
Goodwill		136,000	136,000	-	-
Intangible assets		4,336	4,287	-	-
Property, plant and equipment		2,398	1,862	-	-
TOTAL ASSETS		40,093,526	37,416,385	1,988,702	1,536,211
Liabilities					
Deposits from customers	A22d	25,938,661	23,479,669	803,574	637,441
Deposits and placements of banks and other financial institutions		9,519,856	10,769,939	601,630	566,899
Islamic derivative financial instruments		431,177	199,199	36,366	-
Other liabilities		844,943	643,911	467,553	266,750
Amount due to holding company		42,058	184,519	-	-
Amount due to related company		72	-	-	-
Provision for taxation and zakat		80,925	11,228	-	-
Subordinated Sukuk		561,130	300,000	-	-
TOTAL LIABILITIES		37,418,822	35,588,465	1,909,123	1,471,090
Ordinary share capital		1,000,000	750,000	-	-
Perpetual preference shares		70,000	70,000	-	-
Reserves		1,604,704	1,007,920	79,579	65,121
Islamic banking capital funds		2,674,704	1,827,920	79,579	65,121
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		40,093,526	37,416,385	1,988,702	1,536,211

PART A - EXPLANATORY NOTES (CONTINUED)

A22. GROUP OPERATION OF ISLAMIC BANKING

A22b. UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds and others	408,321	408,496	1,192,992	1,034,683
Income derived from investment of shareholders' funds	81,424	33,563	212,597	104,422
(Allowance for)/writeback of impairment losses on financing, advances and other loans	(45,210)	74,937	(49,454)	(32,562)
Writeback of/(allowance for) losses on other receivables	3	-	(9)	-
	<u>444,538</u>	<u>516,996</u>	<u>1,356,126</u>	<u>1,106,543</u>
Total distributable income	444,538	516,996	1,356,126	1,106,543
Income attributable to depositors	(157,865)	(131,283)	(428,935)	(325,313)
	<u>286,673</u>	<u>385,713</u>	<u>927,191</u>	<u>781,230</u>
Total net income	286,673	385,713	927,191	781,230
Other operating expenses	(81,694)	(54,437)	(241,895)	(163,913)
	<u>204,979</u>	<u>331,276</u>	<u>685,296</u>	<u>617,317</u>
Profit before taxation and zakat	204,979	331,276	685,296	617,317
Tax and zakat expense	(23,408)	(30,498)	(89,515)	(71,586)
	<u>181,571</u>	<u>300,778</u>	<u>595,781</u>	<u>545,731</u>
Profit for the financial period	181,571	300,778	595,781	545,731

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

	Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Group				
Profit for the financial period	181,571	300,778	595,781	545,731
Other Comprehensive Income:				
Revaluation reserve of financial investments available-for-sale	(3,085)	1,832	569	3,723
- Net (loss)/gain from change in fair value	(3,346)	2,559	3,272	5,634
- Realised gain transferred to income statement on disposal and impairment	(954)	-	(1,117)	(530)
- Income tax effects	1,215	(727)	(1,586)	(1,381)
Exchange fluctuation reserve	(1,863)	4,642	(365)	11,762
Other comprehensive income for the period, net of tax	(4,948)	6,474	204	15,485
	<u>176,623</u>	<u>307,252</u>	<u>595,985</u>	<u>561,216</u>
Total comprehensive income for the period	176,623	307,252	595,985	561,216
	<u>286,673</u>	<u>385,713</u>	<u>927,191</u>	<u>781,230</u>
Total net income	286,673	385,713	927,191	781,230
Add: Allowances for/(writeback of) impairment losses on financing, advances and other loans	45,210	(74,937)	49,454	32,562
Add: (Writeback of)/allowance for losses on other receivables	(3)	-	9	-
Income from Islamic operations (per page 3)	<u>331,880</u>	<u>310,776</u>	<u>976,654</u>	<u>813,792</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A22. GROUP OPERATION OF ISLAMIC BANKING

**A22b. UNAUDITED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Bank				
Income derived from investment of depositors' funds and others	4,376	3,175	10,714	14,262
Income derived from investment of shareholders' funds	4,551	(31)	4,970	122
Write-back of impairment losses on financing, advances and other loans	-	47,535	-	47,535
	<u>8,927</u>	<u>50,679</u>	<u>15,684</u>	<u>61,919</u>
Total distributable income	8,927	50,679	15,684	61,919
Income attributable to depositors	1,383	(1,068)	(533)	(4,029)
	<u>10,310</u>	<u>49,611</u>	<u>15,151</u>	<u>57,890</u>
Total net income	10,310	49,611	15,151	57,890
Profit for the financial period	<u>10,310</u>	<u>49,611</u>	<u>15,151</u>	<u>57,890</u>

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

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Bank				
Profit for the financial period	10,310	49,611	15,151	57,890
Other Comprehensive Income:				
Revaluation reserve available-for-sale securities	(3,621)	-	(3,179)	-
- Net loss from change in fair value	(3,349)	-	(2,682)	-
- Realised gain transferred to income statement on disposal and impairment	(272)	-	(497)	-
Exchange fluctuation reserve	2,792	211	2,502	(320)
Other comprehensive income for the period, net of tax	(829)	211	(677)	(320)
Total comprehensive income for the period	<u>9,481</u>	<u>49,822</u>	<u>14,474</u>	<u>57,570</u>
Total net income	10,310	49,611	15,151	57,890
Add: Allowances for impairment losses on financing, advances and other loans	-	(47,535)	-	(47,535)
Income from Islamic operations (per page 5)	<u>10,310</u>	<u>2,076</u>	<u>15,151</u>	<u>10,355</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A22. GROUP OPERATION OF ISLAMIC BANKING

A22c. FINANCING, ADVANCES AND OTHER LOANS

	Group		Bank	
	30 Sept 2011 RM'000	31 Dec 2010 RM'000	30 Sept 2011 RM'000	31 Dec 2010 RM'000
i) By type				
Cashline	309,481	322,529	-	-
Term financing	24,556,007	22,006,349	317,047	339,921
- Housing financing	6,629,598	5,532,014	-	-
- Syndicated term financing	367,821	579,701	175,842	198,715
- Hire purchase receivables	5,347,085	5,234,598	-	-
- Other term financing	12,211,503	10,660,036	141,205	141,206
Bills receivables	2,469	2,235	-	-
Islamic trust receipts	25,024	59,091	-	-
Claims on customers under acceptance credit	255,716	191,657	-	-
Credit card receivables	102,657	90,472	-	-
Revolving credit	407,973	407,330	39,548	-
Other financing	-	11	-	-
Gross financing, advances and other loans	25,659,327	23,079,674	356,595	339,921
Fair value changes arising from fair value hedges	212,430	17,997	-	-
	25,871,757	23,097,671	356,595	339,921
Less: Individual impairment allowance	(102,852)	(92,683)	-	-
	25,768,905	23,004,988	356,595	339,921
Less: Portfolio impairment allowance	(419,190)	(240,490)	-	-
Total net financing, advances and other loans	25,349,715	22,764,498	356,595	339,921

During the financial period, CIMB Islamic has undertaken fair value hedges on the profit rate risk of RM3,930 million (2010: RM4,400 million) financing using Islamic profit rate swaps.

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

The fair values loss on Islamic profit rate swaps as at 30 September 2011 was RM252 million (2010: RM 49.0 million)

ii) By geographical distribution

	Group		Bank	
	30 Sept 2011 RM'000	31 Dec 2010 RM'000	30 Sept 2011 RM'000	31 Dec 2010 RM'000
Malaysia	25,302,732	22,739,753	-	-
Other countries	356,595	339,921	356,595	339,921
Gross financing, advances and other loans	25,659,327	23,079,674	356,595	339,921

PART A - EXPLANATORY NOTES (CONTINUED)

A22. GROUP OPERATION OF ISLAMIC BANKING

A22c. FINANCING, ADVANCES AND OTHER LOANS (CONTINUED)

iii) Impaired financing by geographical distribution

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Malaysia	389,332	335,879	-	-
Gross impaired financing	389,332	335,879	-	-

iv) Movements in impaired financing, advances and other loans are as follows :

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
At 1 January	335,879	497,111	-	-
Classified as impaired during the period/year	269,794	337,853	-	258
Reclassified as not impaired during the period/year	(89,306)	(166,596)	-	(92,883)
Amount written back in respect of recoveries	(70,233)	(121,592)	-	-
Amount written off	(56,802)	(84,077)	-	-
Sale of impaired financing	-	(105,739)	-	-
Amount transferred from subsidiary	-	-	-	92,625
Exchange fluctuation	-	(21,081)	-	-
Balance as at 30 September/31 December	389,332	335,879	-	-
Ratio of gross impaired financing, advances and other loans to total financing, advances and other loans	1.52%	1.46%	0.00%	0.00%

v) Movements in allowance for bad and doubtful financing

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Individual impairment allowance				
At 1 January	92,683	268,587	-	-
Net allowance made/(written back) during the financial period/year	11,041	(94,191)	-	(49,797)
Amount written off	(114)	(74,076)	-	-
Unwinding income	(758)	(2,622)	-	-
Amount transferred from subsidiary	-	-	-	47,578
Exchange fluctuation	-	(5,015)	-	2,219
Balance as at 30 September/31 December	102,852	92,683	-	-
Portfolio impairment allowance				
At 1 January	240,490	261,029	-	-
Net allowance made during the financial period/year	66,407	162,884	-	-
Amount written off	(52,545)	(61,605)	-	-
Unwinding income	(1,396)	(1,838)	-	-
Transfer from/(to) intercompany	166,234	(119,980)	-	-
Balance as at 30 September/31 December	419,190	240,490	-	-
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	2.26%	2.23%	0.00%	0.00%

PART A - EXPLANATORY NOTES (CONTINUED)

A22. GROUP OPERATION OF ISLAMIC BANKING

A22d. DEPOSITS FROM CUSTOMERS

By type of deposits

	Group		Bank	
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Non-Mudharabah				
Demand deposits	2,248,796	2,973,411	10,290	2,045
Savings deposits	889,128	701,147	-	-
General investment deposits	789,191	634,517	789,191	634,517
Fixed return investment account	4,847,341	5,127,333	900	879
Islamic negotiable instruments of deposit	1,605,823	1,033,019	-	-
Commodity Murabahah	98,738	69,379	-	-
Short term money market deposit-i	1,496,109	-	-	-
Others	34,081	25,191	-	-
	12,009,207	10,563,997	800,381	637,441
Mudharabah				
Demand deposits	2,176,100	1,497,380	-	-
Savings deposits	371,468	289,034	-	-
General investment deposits (inclusive of Special General investment deposits of RM7,891,056,000 (2010: 7,574,239,000))	8,963,579	8,776,494	3,193	-
Specific investment deposit	2,418,307	2,352,764	-	-
	13,929,454	12,915,672	3,193	-
Total deposits from customers	25,938,661	23,479,669	803,574	637,441

A23. CHANGE IN ACCOUNTING POLICIES

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

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

Consolidated Statement of Changes in Equity

Group	Balances as at 1 January 2010		
	As previously reported RM000	Effects of adopting Amendments to FRS 2 RM000	As restated RM000
Retained profits	3,958,396	(218,704)	3,739,692
Share-based payment reserve	-	218,704	218,704

Group	Balances as at 1 January 2011		
	As previously reported RM000	Effects of adopting Amendments to FRS 2 RM000	As restated RM000
Retained profits	4,333,401	(239,156)	4,094,245
Share-based payment reserve	-	239,156	239,156

Statement of Changes in Equity

Bank	Balances as at 1 January 2010		
	As previously reported RM000	Effects of adopting Amendments to FRS 2 RM000	As restated RM000
Retained profits	2,485,665	(203,200)	2,282,465
Share-based payment reserve	-	203,200	203,200

Bank	Balances as at 1 January 2011		
	As previously reported RM000	Effects of adopting Amendments to FRS 2 RM000	As restated RM000
Retained profits	2,525,756	(215,649)	2,310,107
Share-based payment reserve	-	215,649	215,649

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

B1. GROUP PERFORMANCE REVIEW

The Group registered a profit before tax of RM2,593.1 million for the nine months period ended 30 September 2011, increased by RM194.4 million or 8.1% as compared to RM2,398.7 million registered in the same period of 2010. Income from Islamic banking operations improved by RM162.9 million to RM976.7 million, mainly attributable to a significant growth in Islamic business activities during the current period under review. Net interest income was slightly decreased by 2.1% to RM3,121.1 million and offset by the increase in net non-interest income by RM33.4 million, mainly due to higher gain from derivative financial instruments, financial investments available-for-sale and fee and commission income by RM1,010.9 million, RM60.2 million and RM65.5 million respectively. However, these gains were offset by higher losses from financial assets held for trading and financial investments held to maturity of RM356.3 million and RM76.5 million respectively, lower gain on disposal of property, plant and equipment by RM160.5 million, and higher losses from hedging derivatives and foreign exchange loss by RM17.2 million and RM485.0 million respectively. Overheads increased by 1.1% to RM2,850.2 million, and offset by lower allowance for impairment losses on loans, advances and financing by RM48.3 million and write-back of commitments and contingencies during the period of RM21.8 million.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Group posted higher profit in 3Q11 underpinned by the continued improvement at its Malaysian consumer banking operations and rebound in treasury and investments. For the fourth quarter, the Group's treasury and M&A businesses should do well while the Malaysian consumer can sustain the current momentum. However, markets are volatile and regional economic indicators are softening, so the Group remains conservative on capital, liquidity and credit standards.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

The Group and Bank basic and fully diluted EPS is calculated by dividing the net profit for the financial period after minority interests by the weighted average number of ordinary shares in issue during the financial period.

	Group			
	3rd Quarter Ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after minority interests (RM '000)	706,452	673,238	2,077,464	1,911,120
Weighted average number of ordinary shares in issue - proforma ('000)	3,764,469	3,764,469	3,764,469	3,764,469
Basic earnings per share (expressed in sen per share)	18.77	17.88	55.19	50.77

	Bank			
	3rd Quarter Ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after minority interests (RM '000)	576,397	437,618	2,227,138	1,425,189
Weighted average number of ordinary shares in issue - proforma ('000)	3,764,469	3,764,469	3,764,469	3,764,469
Basic earnings per share (expressed in sen per share)	15.31	11.62	59.16	37.86

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 September 2011 and 30 September 2010.