

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Note	Group		Bank	
		31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Assets					
Cash and short term funds		20,257,089	25,023,098	18,225,657	17,699,691
Reverse repurchase agreements		3,798,223	4,260,951	3,621,999	2,857,456
Deposits and placements with banks and other financial institutions		11,357,413	3,402,596	13,232,073	11,934,278
Financial assets held-for-trading	A6	9,939,945	13,818,079	7,069,356	10,152,185
Financial investments available-for-sale	A7	8,129,128	8,080,319	6,838,806	6,524,708
Financial investments held-to-maturity	A8	13,229,735	12,875,251	10,791,965	10,702,270
Derivative financial instruments	A19(i)	3,522,642	3,504,962	3,251,532	3,203,614
Loans, advances and financing	A9	115,860,844	113,480,642	85,901,203	84,456,367
Other assets	A10	2,098,066	2,119,150	1,609,201	1,607,800
Deferred taxation		158,528	301,447	175,536	281,880
Tax recoverable		84,342	2,945	23,795	-
Statutory deposits with central banks		709,683	841,857	619,522	661,983
Investment in subsidiaries		-	-	3,779,474	3,816,500
Investment in jointly controlled entity		131,296	134,559	124,448	124,448
Investment in associate		278,936	268,636	245,134	245,034
Amount due from holding company and ultimate holding company		46,829	47,122	14,708	14,846
Amount due from subsidiaries		-	-	75,611	128,064
Amount due from related companies		863,655	998,818	858,830	994,989
Goodwill		4,909,921	4,923,701	3,555,075	3,555,075
Intangible assets		568,159	573,416	519,483	512,674
Prepaid land lease payments		33,970	16,340	12,019	12,511
Property, plant and equipment		978,594	842,341	564,409	564,486
Investment properties		101,024	120,349	92,374	96,857
		<u>197,058,022</u>	<u>195,636,579</u>	<u>161,202,210</u>	<u>160,147,716</u>
Non-current assets/disposal groups held for sale		274,353	380,404	85,115	73,902
Total Assets		<u>197,332,375</u>	<u>196,016,983</u>	<u>161,287,325</u>	<u>160,221,618</u>
Liabilities					
Deposits from customers	A11	144,961,729	146,872,345	113,697,444	114,449,911
Deposits and placements of banks and other financial institutions	A12	17,488,755	14,180,946	18,578,686	17,633,397
Repurchase agreements		-	565,097	-	-
Derivative financial instruments	A19(i)	3,672,912	3,462,938	3,422,677	3,261,121
Bills and acceptances payable		3,841,917	4,056,811	2,605,336	2,826,165
Amount due to Cagamas Berhad		250,808	335,612	250,808	335,612
Amount owing to ultimate holding company		52,882	-	-	-
Amount due to subsidiaries		-	55,439	209,039	118,668
Amount due to related companies		44,832	9,710	37,535	285
Other liabilities	A13	3,497,299	3,149,346	2,833,661	2,463,818
Provision for taxation and zakat		-	109,169	-	104,395
Other borrowings		980,100	1,027,500	-	-
Bond		429,053	443,051	-	-
Subordinated notes		4,117,825	4,106,716	4,188,356	4,199,805
Redeemable preference shares		726,614	751,437	-	-
		<u>180,064,726</u>	<u>179,126,117</u>	<u>145,823,542</u>	<u>145,393,177</u>
Liabilities directly associated with non-current assets/disposal groups classified as held for sale		42,005	-	-	-
Total Liabilities		<u>180,106,731</u>	<u>179,126,117</u>	<u>145,823,542</u>	<u>145,393,177</u>

CIMB BANK BERHAD (13491-P)
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UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Note	Group		Bank	
		31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Equity					
Capital and reserves attributable to equity holders of the Bank					
Ordinary share capital		3,764,466	3,764,466	3,764,466	3,764,466
Reserves		12,974,420	12,640,620	11,469,577	10,834,235
		16,738,886	16,405,086	15,234,043	14,598,701
Perpetual preference shares		200,000	200,000	200,000	200,000
Redeemable preference shares		29,740	29,740	29,740	29,740
Minority interests		257,018	256,040	-	-
Total Equity		17,225,644	16,890,866	15,463,783	14,828,441
Total Equity and Liabilities		197,332,375	196,016,983	161,287,325	160,221,618
Commitments and contingencies	A19(ii)	325,171,384	308,557,853	287,302,453	279,521,325
Credit equivalent		12,780,575	11,866,251	11,271,119	10,723,435
Net assets per ordinary share (RM)		4.45	4.36	4.05	3.88

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

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010

GROUP	Note	Individual Quarter		Cumulative Quarters	
		1st Quarter Ended 31 March 2010	1st Quarter Ended 31 March 2009	Three months ended 31 March 2010	Three months ended 31 March 2009
		RM'000	RM'000	RM'000	RM'000
Interest income	A14	1,630,354	1,853,970	1,630,354	1,853,970
Interest expense	A15	(557,225)	(820,528)	(557,225)	(820,528)
Net interest income		1,073,129	1,033,442	1,073,129	1,033,442
Income from Islamic Banking operations	A23	212,891	148,082	212,891	148,082
Non-interest income	A16	490,779	613,716	490,779	613,716
Overheads	A17	1,776,799 (979,451)	1,795,240 (905,463)	1,776,799 (979,451)	1,795,240 (905,463)
Profit before allowances		797,348	889,777	797,348	889,777
Allowances for impairment losses on loans, advances and financing	A18	(119,938)	(195,040)	(119,938)	(195,040)
Write back of losses on other receivables		(580)	-	(580)	-
Write-back of/(allowance for) commitments and contingencies		307	(9,207)	307	(9,207)
Write-back of/(allowance for) impairment losses		4,994	(8,227)	4,994	(8,227)
		682,131	677,303	682,131	677,303
Share of results of jointly controlled entity		2,448	230	2,448	230
Share of results of associates		10,201	-	10,201	-
Profit before taxation and zakat		694,780	677,533	694,780	677,533
Taxation and zakat		(150,167)	(154,546)	(150,167)	(154,546)
Profit for the financial period		544,613	522,987	544,613	522,987
Profit for the period attributable to :					
Equity holders of the Bank		542,728	511,028	542,728	511,028
Minority interest		1,885	11,959	1,885	11,959
		544,613	522,987	544,613	522,987
Earnings per share attributable to ordinary equity holders of the Bank - basic/fully diluted (sen)	B3	14.42	14.04	14.42	14.04
Profit for the financial period		544,613	522,987	544,613	522,987
Other Comprehensive Income:					
Revaluation reserve financial investments available-for-sale					
- Net loss from change in fair value		85,474	11,390	85,474	11,390
- Net loss transferred to Statement of Comprehensive Income on disposal and impairment		(9,764)	(40,295)	(9,764)	(40,295)
- Transfer from deferred tax assets		(75,434)	(20,047)	(75,434)	(20,047)
Net investment hedge		108,713	(116,304)	108,713	(116,304)
Exchange fluctuation reserve		(136,338)	118,327	(136,338)	118,327
Other comprehensive income for the period, net of tax		(27,349)	(46,929)	(27,349)	(46,929)
Total comprehensive income for the period		517,264	476,058	517,264	476,058
Total comprehensive income for the period attributable to:					
Equity holders of the Bank		514,032	465,735	514,032	465,735
Minority interests		3,232	10,323	3,232	10,323
		517,264	476,058	517,264	476,058

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 2009.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010

	Note	Individual Quarter		Cumulative Quarters	
		1st Quarter Ended 31 March 2010	1st Quarter Ended 31 March 2009	Three months ended 31 March 2010	Three months ended 31 March 2009
BANK		RM'000	RM'000	RM'000	RM'000
Interest income	A14	1,463,300	1,563,915	1,463,300	1,563,915
Interest expense	A15	(515,349)	(689,543)	(515,349)	(689,543)
Net interest income		947,951	874,372	947,951	874,372
Income from Islamic Banking operations	A23	4,166	3,136	4,166	3,136
Non-interest income	A16	484,513	576,050	484,513	576,050
Overheads	A17	1,436,630 (775,608)	1,453,558 (720,756)	1,436,630 (775,608)	1,453,558 (720,756)
Profit before allowances		661,022	732,802	661,022	732,802
Allowances for impairment losses on loans, advances and financing	A18	(66,834)	(142,091)	(66,834)	(142,091)
Allowance for losses on other receivables		(580)	-	(580)	-
Write-back of/(allowance for) commitments and contingencies					
Write-back of/(allowance for) impairment losses		7,546	(41,073)	7,546	(41,073)
Profit after allowances before tax		601,154	549,638	601,154	549,638
Taxation and zakat		(127,578)	(153,215)	(127,578)	(153,215)
Profit for the financial period		473,576	396,423	473,576	396,423
Earnings per share attributable to ordinary equity holders of the Bank - basic/fully diluted (sen)	B3	12.58	10.89	12.58	10.89
Profit for the financial period		473,576	396,423	473,576	396,423
Other Comprehensive Income:					
Revaluation reserve financial investments available-for-sale					
- Net (gain)/loss from change in fair value		75,802	15,782	75,802	15,782
- Net loss transferred to Statement of Comprehensive					
Income on disposal and impairment		(7,382)	(16,494)	(7,382)	(16,494)
- Transfer from deferred tax assets		(76,713)	(20,230)	(76,713)	(20,230)
Net investment hedge		108,713	(116,304)	108,713	(116,304)
Exchange fluctuation reserve		(2,356)	20,585	(2,356)	20,585
Other comprehensive income for the period, net of tax		98,064	(116,661)	98,064	(116,661)
Total comprehensive income for the period		571,640	279,762	571,640	279,762

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 2009

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010

The Group	Redeemable		Share premium	Statutory reserve	Exchange fluctuation reserve	Revaluation reserve- financial investments available-for-sale	Merger deficit	Capital reserve	Hedging reserve	Retained profits	Total	Perpetual preference shares	Minority interests	Total Equity
	Share capital	Preference Shares												
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2010	3,764,466	29,740	5,033,622	3,587,568	41,168	92,059	(1,085,928)	735,457	(103,375)	4,340,049	16,434,826	200,000	256,040	16,890,866
Effect of adopting FRS 139 on 1 January 2010	-	-	-	-	-	238,431	-	-	-	(418,663)	(180,232)	-	(2,254)	(182,486)
Adjusted 1 January 2010	3,764,466	29,740	5,033,622	3,587,568	41,168	330,490	(1,085,928)	735,457	(103,375)	3,921,386	16,254,594	200,000	253,786	16,708,380
Profit for the financial year	-	-	-	-	-	-	-	-	-	542,728	542,728	-	1,885	544,613
Other comprehensive income (net of tax)	-	-	-	-	(136,609)	(800)	-	-	108,713	-	(28,696)	-	1,347	(27,349)
- financial investments available-for-sale	-	-	-	-	-	(800)	-	-	-	-	(800)	-	1,076	276
- net investment hedge	-	-	-	-	-	-	-	-	108,713	-	108,713	-	-	108,713
- currency translation difference	-	-	-	-	(136,609)	-	-	-	-	-	(136,609)	-	271	(136,338)
Total comprehensive income for the year	-	-	-	-	(136,609)	(800)	-	-	108,713	542,728	514,032	-	3,232	517,264
Transfer from statutory reserve	-	-	-	(35,080)	-	-	-	-	-	35,080	-	-	-	-
Realisation of pre-acquisition available-for-sale securities revaluation reserve	-	-	-	-	-	(27,798)	-	-	-	27,798	-	-	-	-
At 31 March 2010	3,764,466	29,740	5,033,622	3,552,488	(95,441)	301,892	(1,085,928)	735,457	5,338	4,526,992	16,768,626	200,000	257,018	17,225,644
At 1 January 2009	2,974,009	29,740	4,157,074	3,158,429	(54,418)	131,117	(1,085,928)	735,457	(122,336)	2,939,895	12,863,039	200,000	18,879	13,081,918
Profit for the financial year	-	-	-	-	-	-	-	-	-	511,028	511,028	-	11,959	522,987
Other comprehensive income (net of tax)	-	-	-	-	119,963	(48,952)	-	-	(116,304)	-	(45,293)	-	(1,636)	(46,929)
- financial investments available-for-sale	-	-	-	-	-	(48,952)	-	-	-	-	(48,952)	-	-	(48,952)
- net investment hedge	-	-	-	-	-	-	-	-	(116,304)	-	(116,304)	-	-	(116,304)
- currency translation difference	-	-	-	-	119,963	-	-	-	-	-	119,963	-	(1,636)	118,327
Total comprehensive income for the year	-	-	-	-	119,963	(48,952)	-	-	(116,304)	511,028	465,735	-	10,323	476,058
Interim dividends for FYE 2008	-	-	-	-	-	-	-	-	-	(150,000)	(150,000)	-	-	(150,000)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	64,908	64,908
Disposal of net assets of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(18,263)	(18,263)
At 31 March 2009	2,974,009	29,740	4,157,074	3,158,429	65,545	82,165	(1,085,928)	735,457	(238,640)	3,300,923	13,178,774	200,000	75,847	13,454,621

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CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010

The Bank	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	Retained profits RM'000	Perpetual preference shares RM'000	Redeemable Preference Shares RM'000	Total Equity RM'000
At 1 January 2010	3,764,467	5,033,622	3,541,277	(31,198)	34,535	(1,047,872)	746,852	(103,376)	2,660,394	200,000	29,740	14,828,441
Effect of adopting FRS 139 on 1 January 2010	-	-	-	-	238,431	-	-	-	(174,729)	-	-	63,702
Adjusted 1 January 2010	3,764,467	5,033,622	3,541,277	(31,198)	272,966	(1,047,872)	746,852	(103,376)	2,485,665	200,000	29,740	14,892,143
Profit for the financial year	-	-	-	-	-	-	-	-	473,576	-	-	473,576
Other comprehensive income (net of tax)	-	-	-	(2,356)	(8,293)	-	-	108,713	-	-	-	98,064
- financial investments available-for-sale	-	-	-	-	(8,293)	-	-	-	-	-	-	(8,293)
- net investment hedge	-	-	-	-	-	-	-	108,713	-	-	-	108,713
- currency translation difference	-	-	-	(2,356)	-	-	-	-	-	-	-	(2,356)
Total comprehensive income for the year	-	-	-	(2,356)	(8,293)	-	-	108,713	473,576	-	-	571,640
At 31 March 2010	3,764,467	5,033,622	3,541,277	(33,554)	264,673	(1,047,872)	746,852	5,337	2,959,241	200,000	29,740	15,463,783
At 1 January 2009	2,974,009	4,157,074	3,174,009	(48,473)	81,632	(1,047,872)	746,852	(122,336)	1,708,589	200,000	29,740	11,853,224
Profit for the financial year	-	-	-	-	-	-	-	-	396,423	-	-	396,423
Other comprehensive income (net of tax)	-	-	-	20,585	(20,942)	-	-	(116,304)	-	-	-	(116,661)
- financial investments available-for-sale	-	-	-	-	(20,942)	-	-	-	-	-	-	(20,942)
- net investment hedge	-	-	-	-	-	-	-	(116,304)	-	-	-	(116,304)
- currency translation difference	-	-	-	20,585	-	-	-	-	-	-	-	20,585
Total comprehensive income for the year	-	-	-	20,585	(20,942)	-	-	(116,304)	396,423	-	-	279,762
Interim dividends for FYE 2008	-	-	-	-	-	-	-	-	(150,000)	-	-	(150,000)
At 31 March 2009	2,974,009	4,157,074	3,174,009	(27,888)	60,690	(1,047,872)	746,852	(238,640)	1,955,012	200,000	29,740	11,982,986

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 2009.

CIMB BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010

	Group		Bank	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Profit before taxation and zakat	694,780	676,364	601,154	549,638
Adjustments for non-operating and non-cash items	<u>(319,649)</u>	<u>126,353</u>	<u>(142,635)</u>	<u>130,958</u>
Operating profit before changes in working capital	375,131	802,717	458,519	680,596
Net changes in operating assets	(5,217,262)	(20,491,755)	29,958	(5,836,630)
Net changes in operating liabilities	<u>772,412</u>	<u>19,612,662</u>	<u>300,955</u>	<u>6,405,717</u>
	<u>(4,444,850)</u>	<u>(879,093)</u>	<u>330,913</u>	<u>569,087</u>
Cash flows used in operations	<u>(4,069,719)</u>	<u>(76,376)</u>	<u>789,432</u>	<u>1,249,683</u>
Taxation paid	<u>(196,135)</u>	<u>(197,378)</u>	<u>(167,304)</u>	<u>(193,458)</u>
Net cash flows (used in)/generated from operating activities	<u>(4,265,854)</u>	<u>(273,754)</u>	<u>622,128</u>	<u>1,056,225</u>
Net cash flows used in investing activities	<u>(393,748)</u>	<u>(4,418,378)</u>	<u>(59,967)</u>	<u>(1,533,374)</u>
Net cash flows used in financing activities	<u>(86,693)</u>	<u>(321,692)</u>	<u>(75,106)</u>	<u>(321,692)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(4,746,295)</u>	<u>(5,013,824)</u>	<u>487,055</u>	<u>(798,841)</u>
Effects of exchange rate changes	<u>(19,714)</u>	<u>(6,024)</u>	<u>38,911</u>	<u>(4,502)</u>
Cash and cash equivalents at the beginning of financial period	25,023,098	21,966,362	17,699,691	14,308,346
Cash and cash equivalents at end of financial period	<u>20,257,089</u>	<u>16,946,514</u>	<u>18,225,657</u>	<u>13,505,003</u>

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 2009.

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited interim financial statements for the financial period ended 31 March 2010 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 interim financial statements have been prepared in accordance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements. These financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2009. The explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

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

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

PART A - EXPLANATORY NOTES

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

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

- FRS 1 "First-time Adoption of Financial Reporting Standards"
- Amendment to FRS 1 "Limited Exemption from Comparative FRS 7 "Disclosures for First-time Adopters"
- Amendments to FRS 2 "Share-based Payment"
- FRS 3 "Business Combinations"
- Amendments to FRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (effective 1 July 2010)
- Amendments to FRS 7 "Improving Disclosures about Financial Instruments"
- FRS 127 "Consolidated and Separate Financial Statements"
- Amendments to FRS 138 "Intangible Assets" (effective 1 July 2010)
- Amendments to IC Interpretation 9 "Reassessment of Embedded Derivatives"
- IC Interpretation 12 "Service Concession Arrangements"
- IC Interpretation 15 "Agreements for the Construction of Real Estate"
- IC Interpretation 16 "Hedges of a Net Investment in a Foreign Operation"
- IC Interpretation 17 "Distributions of Non-cash Assets to Owners"

The unaudited 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.

During the 4th quarter of 2008, the Bank had reclassified a portion of financial assets held-for-trading category to financial investments held-to-maturity category based on current market prices at the relevant dates of the reclassifications. The Bank had carried out a similar reclassification from financial assets held for trading category to financial investments available-for-sale category during the financial year 2009. These reclassifications are permitted under BNM's circular dated 17 October 2008 on Reclassification of Securities under Specific Circumstances which is effective from 1 July 2008 to 31 December 2009.

The preparation of unaudited interim financial statements in conformity with the Financial Reporting Standards and BNM Guidelines 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 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.

PART A - EXPLANATORY NOTES

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

There were no new issuance and repayment of debt and equity securities during the three-months period ended 31 March 2010.

A4. PROPOSED DIVIDEND

No dividend have been proposed during the period ended 31 March 2010.

A5. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

There were no significant events occurred between 31 March 2010 and the date of this announcement.

PART A - EXPLANATORY NOTES (CONTINUED)

A6. FINANCIAL ASSETS HELD FOR TRADING

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Money market instruments				
Unquoted				
Malaysian Government securities	558,768	1,018,713	558,768	1,018,713
Cagamas bonds	18,301	28,283	18,301	28,283
Malaysian Government treasury bills	249,440	185,033	249,440	185,033
Other Government securities	865,215	862,061	865,215	862,061
Bank Negara Malaysia bills	537,691	2,779,851	537,691	2,779,851
Bank Negara Malaysia negotiable notes	1,156,833	1,887,613	393,769	700,649
Bankers' acceptances and Islamic accepted bills	645,167	696,623	645,167	641,989
Negotiable instruments of deposit	2,388,281	3,002,701	1,247,623	1,673,891
Credit-linked notes	130,530	158,604	130,530	136,482
Commercial papers	20,855	29,982	20,855	29,982
Government Investment Issue	172,026	500,213	36,385	1,627
	6,743,107	11,149,677	4,703,744	8,058,561
Quoted securities				
<u>In Malaysia</u>				
Shares	624,519	457,382	624,488	456,470
Warrants	5	5	-	-
	624,524	457,387	624,488	456,470
<u>Outside Malaysia</u>				
Shares	495	7,840	-	-
Private debt securities	52,744	2,696	-	-
Other Government bonds	160,584	41,500	-	-
	213,823	52,036	-	-
Unquoted securities				
<u>In Malaysia</u>				
Shares	5,001	5,001	5,001	5,001
Private & Islamic debt securities	1,696,941	1,508,728	1,433,753	1,309,247
	1,701,942	1,513,729	1,438,754	1,314,248
<u>Outside Malaysia</u>				
Private & Islamic debt securities	656,549	645,250	302,370	322,906
	9,939,945	13,818,079	7,069,356	10,152,185

PART A - EXPLANATORY NOTES (CONTINUED)

A6. FINANCIAL ASSETS HELD FOR TRADING (CONTINUED)

Reclassification from financial assets held for trading to financial investments available-for-sale

In 2009, the Bank reclassified financial assets held for trading category to financial investments available-for-sale category. There was no such reclassification in 2010.

The above reclassification had been accounted for in accordance with the BNM circular on 'Reclassification of Securities under Specific Circumstances' dated 17 October 2008, which is effective from 1 July 2008 until 31 December 2009.

The fair value of the securities reclassified from the financial assets held for trading category to financial assets available-for-sale category as of the date of reclassification is RMNil (2009:RM247,330,000).

Included in the non-interest income in 2009 is the net gains arising from the change in fair value recognised in the statement of comprehensive income in respect of the reclassified securities:

	Group		Bank	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Net fair value gains/(losses) recognised in:				
- non-interest income	-	143	-	143

As of the date of reclassification, the effective interest rates on the reclassified financial assets held for trading to financial investments available-for-sale, based on the new cost is an average of Nil% (2009: 4.56%) per annum. The expected recoverable cash flows for the reclassified financial assets held for trading to financial investments available-for-sale category amount to RMNil (2009: RM246,700,000).

PART A - EXPLANATORY NOTES (CONTINUED)

A7. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Money market instruments				
Unquoted				
Malaysian Government securities	187,765	180,895	182,116	180,895
Khazanah bonds	-	34,975	-	-
Government Investment Issues	287,155	360,354	222,388	230,577
Commercial Papers	-	19,539	-	-
Cagamas bonds	276,039	275,157	241,244	240,765
	750,959	870,920	645,748	652,237
Quoted securities:				
<u>Outside Malaysia</u>				
Shares	6,132	5,830	449	-
Other Government bonds	295,256	469,788	-	-
Unit trusts	257,540	266,525	-	-
Private debt securities	90,286	109,214	90,286	105,042
	649,214	851,357	90,735	105,042
Unquoted securities:				
<u>In Malaysia</u>				
Private debt securities	5,914,641	5,900,409	5,533,800	5,573,980
Shares	756,107	379,095	755,470	378,520
Bonds funds	4,071	4,111	-	-
Loan stocks	19,437	19,437	19,437	19,437
	6,694,256	6,303,052	6,308,707	5,971,937
<u>Outside Malaysia</u>				
Shares	27,373	28,528	152	875
Private equity funds	87,910	119,786	-	-
Unit trusts	189,345	196,878	59,047	61,669
Private debt securities	39,313	28,325	-	-
	343,941	373,517	59,199	62,544
	8,438,370	8,398,846	7,104,389	6,791,760
Allowance for impairment losses:				
Private debt securities	(251,867)	(253,390)	(251,643)	(253,112)
Quoted shares	(2,957)	(3,026)	-	-
Unquoted shares	(26,249)	(33,552)	(7,035)	(7,035)
Loan stocks	(6,905)	(6,905)	(6,905)	(6,905)
Unit trusts	(21,264)	(21,654)	-	-
	(309,242)	(318,527)	(265,583)	(267,052)
Total financial investments available-for-sale	8,129,128	8,080,319	6,838,806	6,524,708

Included in financial investments available-for-sale are financial assets transferred from the financial assets held for trading in 2009 with the following amortised cost and fair value as at 31 March 2010 and 31 December 2009 respectively.

	Group	
	31 March 2010 RM'000	31 Dec 2009 RM'000
Amortised cost	244,006	246,776
Fair value	245,790	249,342
	489,796	496,118

PART A - EXPLANATORY NOTES (CONTINUED)

A8. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Money market instruments :				
Unquoted				
Malaysian Government securities	1,123,977	1,123,977	1,123,977	1,123,977
Malaysian Government investment issue	600,179	-	500,135	-
Cagamas bonds	294,817	294,817	294,817	294,817
	2,018,973	1,418,794	1,918,929	1,418,794
Quoted				
<u>Outside Malaysia</u>				
Structured notes	326,886	342,847	-	-
Private debt securities	938,845	740,754	-	-
	1,265,731	1,083,601	-	-
Unquoted securities				
<u>In Malaysia</u>				
Shares	-	270	-	-
Loans stocks	31,814	31,814	-	-
Islamic commercial paper	-	6,775	-	-
Danaharta Urus Sdn Bhd bonds	929,639	929,639	929,639	929,639
Private debt securities	7,073,768	7,698,001	6,059,473	6,692,180
	8,035,221	8,666,499	6,989,112	7,621,819
<u>Outside Malaysia</u>				
Private debt securities	1,694,045	1,518,478	1,613,239	1,418,763
Accretion of discount net of amortisation of premium	270,685	242,894	270,685	242,894
Less : Allowance for impairment losses	(54,920)	(55,015)	-	-
Total financial investments held-to-maturity	13,229,735	12,875,251	10,791,965	10,702,270

Included in the financial investments held-to-maturity are financial investments transferred from the financial assets held-for-trading category during the 4th quarter of 2008, with the following carrying value and fair value as at 31 March 2010 and 31 December 2009 respectively:

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Carrying value	4,094,967	4,698,031	3,722,011	4,257,223
Fair value	4,216,175	4,792,894	3,793,049	4,336,098

Included in the financial investments held-to-maturity of the Group as at 31 March 2010 are 10-year promissory notes of THB746 million (2009: THB 746 million) maturing in 2011, 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	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
(i) By type of financing				
At amortised cost				
Overdrafts	8,212,894	7,934,860	7,385,133	7,110,689
Term loans/financing				
- Housing loan/financing	39,478,100	35,941,384	25,777,729	24,788,159
- Syndicated term loan	7,031,368	7,616,727	3,218,262	3,567,819
- Other term loans/financing	48,507,431	46,171,054	30,856,912	28,901,592
- Factoring receivables	33,487	39,169	-	-
- Lease receivables	68,530	45,355	-	-
- Hire purchase receivables	14,390,443	14,276,162	8,635,554	9,181,267
Bills receivable	2,001,895	1,893,087	228,652	183,383
Trust receipts	900,034	810,827	520,566	533,707
Claim on customers under acceptance credit	4,149,450	4,294,096	3,953,317	4,113,973
Staff loans	393,751	406,409	392,497	405,075
Credit card receivables	3,415,763	3,029,562	3,356,996	2,980,589
Revolving credit	7,790,976	8,459,959	6,010,969	6,597,926
Share margin financing	461,162	430,368	443,338	407,172
	136,835,284	131,349,019	90,779,925	88,771,351
Less: Unearned interest	(15,731,113)	(13,653,593)	(1,256,520)	(1,431,100)
Gross loans, advances and financing	121,104,171	117,695,426	89,523,405	87,340,251
Fair value changes arising from fair value hedges	116,923	45,028	58,725	18,509
	121,221,094	117,740,454	89,582,130	87,358,760
Less: Allowance for impairment losses				
- Individual impairment allowance	(3,013,013)	-	(1,847,529)	-
- Portfolio impairment allowance	(2,347,237)	-	(1,833,398)	-
- Specific allowance	-	(2,695,272)	-	(1,644,003)
- General allowance	-	(1,564,540)	-	(1,258,390)
	(5,360,250)	(4,259,812)	(3,680,927)	(2,902,393)
Total net loans, advances and financing	115,860,844	113,480,642	85,901,203	84,456,367

(a) Included in the Bank's loans, advances and financing balances are RM2,068,250,000 (2009: RM2,080,513,000) of net loans relating to that of a jointly controlled entity, PCSB. The revenue and risks of these accounts are shared equally between the Bank and the joint venture partner, Proton Edar Sdn Bhd, pursuant to the terms of a Joint Venture Agreement.

(b) Included in other term loans is RM7,561,840,000 (2009: RM7,578,237,000) provided on normal commercial terms which is exempted from portfolio impairment allowance/general allowance by Bank Negara Malaysia.

(c) Included in the Group's and the Bank's loans, advances and financing balances are RM79,098,000 (2009: RM80,235,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

PART A - EXPLANATORY NOTES (CONTINUED)

A9. LOANS, ADVANCES AND FINANCING (CONTINUED)

(d) The Group and the Bank have undertaken fair value hedge on the interest rate risk of RM4,618,179,000 (2009: RM5,468,179,000) and RM3,118,179,000 (2009: RM4,118,179,000) respectively, using interest rate swaps.

	Group		Bank	
	31 March 2010	31 Dec 2009	31 March 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
Gross loan hedged	4,618,179	5,468,179	3,118,179	4,118,179
Fair value changes arising from fair value hedges	116,915	45,028	58,725	18,509
	4,735,094	5,513,207	3,176,904	4,136,688

The fair values of interest rate swaps of the Group and the Bank as at 31 March 2010 were RM183,781,139 (2009: RM104,052,171) and RM110,182,333 (2009: RM62,493,674) respectively.

(e) 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 the general allowance and specific allowances for bad and doubtful financing arising from the RPSIA financing.

As at 31 March 2010, the gross exposure and portfolio impairment allowance/general allowance relating to RPSIA financing are RM3,987 million (2009: RM4,247 million) and RM59.8 million (2009: RM63.7 million) respectively.

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

	Group		Bank	
	31 March 2010	31 Dec 2009	31 March 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
(ii) By type of customers				
Domestic banking institutions	64,859	123,764	-	-
Domestic non-bank financial institutions				
- others	3,869,121	3,697,005	3,717,134	3,599,009
Domestic business enterprises				
- small medium enterprises	11,681,145	11,111,752	10,177,869	9,990,157
- others	27,330,546	26,908,896	17,036,661	16,102,866
Government and statutory bodies	7,673,998	7,680,833	6,144,447	6,148,279
Individuals	60,679,661	57,535,132	47,299,944	45,789,079
Other domestic entities	3,814,342	4,006,369	331,190	359,916
Foreign entities	5,990,499	6,631,675	4,816,160	5,350,945
Gross loans, advances and financing	121,104,171	117,695,426	89,523,405	87,340,251

PART A - EXPLANATORY NOTES (CONTINUED)

A9. LOANS, ADVANCES AND FINANCING (CONTINUED)

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
(iii) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/ financing	5,281,913	6,074,280	4,511,674	4,443,826
- Hire purchase receivables	12,074,369	11,872,957	7,370,378	7,736,546
- Other fixed rate loans	21,159,995	19,307,648	16,217,514	15,405,969
Variable rate				
- BLR plus	45,985,304	43,334,371	42,129,205	41,041,340
- Cost-plus	21,895,484	21,888,489	15,099,721	14,281,194
- Other variable rates	14,707,106	15,217,681	4,194,913	4,431,376
Gross loans, advances and financing	121,104,171	117,695,426	89,523,405	87,340,251
(iv) By economic purpose				
Personal use	4,563,747	4,503,629	2,166,528	2,064,033
Credit cards	3,414,045	3,030,000	3,355,278	2,980,589
Purchase of consumer durables	2,976	3,688	2,972	3,667
Construction	3,427,651	3,550,772	2,207,459	2,193,835
Residential property (housing)	31,703,020	29,839,340	26,204,897	25,241,179
Non-residential property	10,106,082	9,616,125	8,839,754	8,591,312
Purchase of fixed assets other than land & buildings	1,384,122	1,340,343	423,050	440,699
Mergers and acquisitions	1,630,819	1,737,598	1,629,365	1,737,598
Purchase of securities	8,466,881	9,104,676	5,694,691	5,995,810
Purchase of transport vehicles	12,032,650	11,620,841	7,473,138	7,859,651
Working capital	28,753,767	29,508,661	20,928,782	21,413,296
Other purposes	15,618,411	13,839,753	10,597,491	8,818,582
Gross loans, advances and financing	121,104,171	117,695,426	89,523,405	87,340,251
(v) By geographical distribution				
Malaysia	107,284,431	103,498,696	84,758,377	82,083,620
Thailand	9,054,712	8,940,099	-	-
Other countries	4,765,028	5,256,631	4,765,028	5,256,631
Gross loans, advances and financing	121,104,171	117,695,426	89,523,405	87,340,251
(vi) By residual contractual maturity				
Within one year	20,730,352	18,602,963	13,429,532	11,339,896
One year to less than three years	32,653,025	33,085,173	26,655,841	26,652,129
Three years to less than five years	13,689,790	13,615,544	10,959,610	11,088,569
Five years and more	54,031,004	52,391,746	38,478,422	38,259,657
Gross loans, advances and financing	121,104,171	117,695,426	89,523,405	87,340,251

PART A - EXPLANATORY NOTES (CONTINUED)

A9. LOANS, ADVANCES AND FINANCING (CONTINUED)

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
(vii) Impaired loans/non-performing loan by economic purpose				
Personal use	155,715	139,234	85,452	69,528
Credit cards	70,059	64,665	68,334	63,016
Purchase of consumer durables	14,586	223	247	223
Construction	1,385,849	298,068	1,033,670	125,800
Residential property (housing)	770,068	675,363	650,988	555,191
Non-residential property	234,903	194,018	227,081	185,673
Purchase of fixed assets other than land & buildings	66,703	52,666	20,234	7,459
Mergers and acquisitions	45,220	-	45,220	-
Purchase of securities	428,385	35,455	131,769	8,676
Purchase of transport vehicles	390,051	339,556	301,361	262,055
Working capital	2,572,452	1,486,427	2,034,257	895,384
Other purposes	891,762	816,813	148,546	123,926
Gross impaired loan/non-performing loan	7,025,753	4,102,488	4,747,159	2,296,931
(viii) Impaired loan/non-performing loan by geographical distribution				
Malaysia	5,464,691	2,571,331	4,407,989	2,079,301
Thailand	1,221,892	1,313,527	-	-
Other countries	339,170	217,630	339,170	217,630
Gross impaired loan/non-performing loan	7,025,753	4,102,488	4,747,159	2,296,931
(ix) Movements in impaired loans/non-performing loans				
Balance as at 1 January				
- as previously reported	4,102,488	5,473,778	2,296,931	5,143,808
- classified as impaired due to adoption of FRS 139*	3,165,839	-	2,248,675	-
- as adjusted	7,268,327	5,473,778	4,545,606	5,143,808
Classified as impaired/non-performing during the period / year	979,971	3,700,995	864,454	2,889,444
Reclassified as not impaired/performing during the period / year	(551,410)	(1,954,582)	(442,898)	(1,706,141)
Amount written back in respect of recoveries	(176,602)	(889,715)	(147,116)	(738,631)
Amount written off	(91,410)	(1,025,067)	(56,865)	(683,862)
Impaired loans arising from acquisition of a subsidiary	-	1,398,003	-	-
Purchase of impaired loans/non-performing loans from third party	-	3,852	-	-
Sale of impaired loans	-	(2,607,193)	-	(2,607,193)
Amount reclassified to non-current assets held for sale	(332,199)	-	-	-
Exchange fluctuation	(70,924)	2,417	(16,022)	(494)
Balance as at 31 March/31 December	7,025,753	4,102,488	4,747,159	2,296,931
Ratio of gross impaired/non-performing loans to total loans, advances and financing	5.80%	3.49%	5.30%	2.63%

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

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	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
<u>Individual impairment allowance</u>				
Balance as at 1 January	-	-	-	-
Adoption of FRS 139	<u>3,370,235</u>	-	<u>1,856,453</u>	-
Adjusted 1 January	3,370,235	-	1,856,453	-
Allowance made during the financial period/year	58,031	-	23,480	-
Allowance made/(written back) and charged to deferred assets	1,424	-	1,424	-
Amount written back in respect of recoveries	(21,495)	-	-	-
Amount written off	(11,775)	-	-	-
Amount reclassified to non-current assets held for sale	(318,548)	-	-	-
Amount transferred to portfolio impairment allowance	(11,814)	-	-	-
Unwinding income	(21,056)	-	(16,052)	-
Exchange fluctuation	<u>(31,989)</u>	-	<u>(17,776)</u>	-
Balance as at 31 March/31 December	<u>3,013,013</u>	-	<u>1,847,529</u>	-
<u>Portfolio impairment allowance</u>				
Balance as at 1 January	-	-	-	-
Adoption of FRS 139	<u>2,273,849</u>	-	<u>1,806,014</u>	-
Adjusted 1 January	2,273,849	-	1,806,014	-
Net allowance made/(written back) during the financial year	132,877	-	86,606	-
Allowance written back and charged to deferred assets	(2,903)	-	(2,903)	-
Amount written off	(56,256)	-	(56,256)	-
Amount transferred from individual impairment allowance	11,814	-	-	-
Amount reclassified to non-current assets held for sale	(11,103)	-	-	-
Unwinding income	(39)	-	-	-
Exchange fluctuation	<u>(1,002)</u>	-	<u>(63)</u>	-
Balance as at 31 March/31 December	<u>2,347,237</u>	-	<u>1,833,398</u>	-
(Portfolio impairment provision as % of gross loans, advances and financing less loans exempted from portfolio impairment allowance by BNM and individual impairment allowance)	<u>2.12%</u>	-	<u>2.14%</u>	-

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 : (Continued)

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
<u>Specific allowance</u>				
Balance as at 1 January	2,695,272	3,184,511	1,644,003	3,140,552
Adoption of FRS 139	(2,695,272)	-	(1,644,003)	-
Adjusted 1 January	-	3,184,511	-	3,140,552
Allowance made during the financial period/year	-	1,688,817	-	1,311,706
Allowance made/(written back) and charged to deferred assets	-	(2,880)	-	(2,880)
Amount written back in respect of recoveries	-	(537,217)	-	(445,862)
Amount written off	-	(848,198)	-	(672,137)
Sale of impaired loans	-	(1,682,837)	-	(1,688,240)
Allowance arising from acquisition of a subsidiary	-	880,800	-	-
Amount transferred general allowance	-	10,183	-	-
Allowance for impaired loans purchased from third party	-	3,440	-	-
Allowance made in relation to jointly controlled entity	-	3,009	-	3,009
Exchange fluctuation	-	(4,356)	-	(2,145)
Balance as at 31 March/31 December	-	2,695,272	-	1,644,003
<u>General allowance</u>				
Balance as at 1 January	1,564,540	1,606,498	1,258,390	1,446,535
Adoption of FRS 139	(1,564,540)	-	(1,258,390)	-
Adjusted 1 January	-	1,606,498	-	1,446,535
Net allowance made/(written back) during the financial year	-	(120,118)	-	(189,482)
Amount transferred to specific allowance	-	(10,183)	-	-
Allowance arising from acquisition a subsidiary	-	88,309	-	-
Exchange fluctuation	-	34	-	1,337
Balance as at 31 March/31 December	-	1,564,540	-	1,258,390
(General allowance as % of gross loans, advances and financing including Islamic financing sold to Cagamas, less loans exempted from general allowance by BNM and specific allowance)	-	1.46%	-	1.50%

PART A - EXPLANATORY NOTES (CONTINUED)

A10. OTHER ASSETS

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Interest receivable	222,846	178,592	245,673	207,290
Deferred assets	178,566	198,610	178,566	198,610
Foreclosed properties	195,752	230,534	11,265	24,911
Due from brokers and clients	28,236	42,482	-	-
Due from insurers, brokers and reinsurers	5,808	4,796	-	-
Option financing	229,403	238,224	229,403	238,224
Credit Support Annex for derivative transactions	201,221	210,761	201,221	210,761
Amounts receivable from impaired loans sale	118,562	118,562	118,562	118,562
Other debtors, deposits and prepayments	917,672	896,589	624,511	609,442
	2,098,066	2,119,150	1,609,201	1,607,800

A11. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
(i) By type of deposit				
Demand deposits	29,146,486	30,197,077	26,656,641	26,789,999
Saving deposits	12,896,885	12,616,669	9,786,838	9,597,651
Fixed deposits	63,948,821	67,011,173	49,052,143	50,696,236
Negotiable instruments of deposit	2,302,425	1,544,632	1,180,687	988,417
Others	36,667,112	35,502,794	27,021,135	26,377,608
	144,961,729	146,872,345	113,697,444	114,449,911
(ii) By type of customer				
Government and statutory bodies	14,876,633	20,219,428	10,342,911	10,084,788
Business enterprises	64,647,016	61,805,399	47,621,472	50,062,704
Individuals	45,156,949	44,755,386	36,348,109	35,238,687
Others	20,281,131	20,092,132	19,384,952	19,063,732
	144,961,729	146,872,345	113,697,444	114,449,911
(iii) Maturity structure of fixed deposits and negotiable instruments of deposit				
One year or less (short term)	63,120,102	65,450,245	47,410,665	49,318,407
More than one year (medium/long term)	3,131,144	3,105,560	2,822,165	2,366,246
	66,251,246	68,555,805	50,232,830	51,684,653

PART A - EXPLANATORY NOTES (CONTINUED)

A12. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Licensed banks	8,975,541	5,621,151	11,727,810	10,360,758
Licensed finance companies	92,668	101,307	51,537	59,979
Licensed investment banks	4,922,497	5,352,466	3,595,647	4,242,116
Bank Negara Malaysia	365,000	365,000	365,000	365,000
Other financial institutions	3,133,049	2,741,022	2,838,692	2,605,544
	17,488,755	14,180,946	18,578,686	17,633,397

A13. OTHER LIABILITIES

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Interest payable	466,976	503,733	424,290	475,975
Due to brokers and clients	72,977	42,860	-	-
Accrued employee benefits	10,980	10,980	10,980	10,980
Post employment benefit obligations	183,584	161,150	127,229	62,746
Sundry creditors	412,034	309,822	375,655	273,322
Expenditure payable	476,565	437,740	466,483	431,734
Amount due to special purpose vehicle of jointly controlled entity	279,567	314,360	279,567	314,360
Insurance fund - general insurance business	14,649	14,574	-	-
Allowance for commitments and contingencies	36,016	36,952	21,000	21,000
Provision for legal claims	164,780	212,121	153,473	186,692
Others	1,379,171	1,105,054	974,984	687,009
	3,497,299	3,149,346	2,833,661	2,463,818

PART A - EXPLANATORY NOTES (CONTINUED)

A14. INTEREST INCOME

	1st Quarter Ended		Three months ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Group				
Loans and advances				
- interest income other than recoveries	1,209,370	1,397,462	1,209,370	1,397,462
- recoveries from impaired loans/non-performing loans and advances	2,268	64,444	2,268	64,444
- unwinding income [^]	21,007	-	21,007	-
Money at call and deposit with financial institutions	85,762	69,706	85,762	69,706
Securities purchased under resale agreement	16,636	43,300	16,636	43,300
Financial assets held-for-trading	36,804	36,503	36,804	36,503
Financial investments available-for-sale	74,636	75,635	74,636	75,635
Financial investments held-to-maturity	132,467	157,915	132,467	157,915
Others	12,832	7,586	12,832	7,586
	1,591,782	1,852,551	1,591,782	1,852,551
Accretion of discount less amortisation of premium	38,572	44,023	38,572	44,023
Net interest suspended	-	(42,604)	-	(42,604)
	1,630,354	1,853,970	1,630,354	1,853,970
Bank				
Loans and advances				
- interest income other than recoveries	1,027,223	1,194,590	1,027,223	1,194,590
- recoveries from impaired loans/non-performing loans and advances	106	60,166	106	60,166
- unwinding income [^]	16,052	-	16,052	-
Money at call and deposit with financial institutions	124,297	93,688	124,297	93,688
Securities purchased under resale agreement	14,722	23,476	14,722	23,476
Financial assets held-for-trading	32,200	34,587	32,200	34,587
Financial investments available-for-sale	72,177	64,589	72,177	64,589
Financial investments held-to-maturity	121,637	100,394	121,637	100,394
Others	12,825	10	12,825	10
	1,421,239	1,571,500	1,421,239	1,571,500
Accretion of discount less amortisation of premium	42,061	33,318	42,061	33,318
Net interest suspended	-	(40,903)	-	(40,903)
	1,463,300	1,563,915	1,463,300	1,563,915

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

PART A - EXPLANATORY NOTES (CONTINUED)**A15. INTEREST EXPENSE**

Group	1st Quarter Ended		Three months ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	27,969	42,590	27,969	42,590
Deposits from customers	438,261	630,320	438,261	630,320
Obligation on securities sold under repurchase agreements	-	39	-	39
Loans sold to Cagamas	2,991	9,838	2,991	9,838
Negotiable certificates of deposits	26,336	45,128	26,336	45,128
ICULS	908	12,335	908	12,335
Redeemable preference shares	11,035	11,035	11,035	11,035
Subordinated obligations	49,439	69,243	49,439	69,243
Other borrowings	286	-	286	-
	557,225	820,528	557,225	820,528
Bank				
Deposits and placements of banks and other financial institutions	25,554	36,586	25,554	36,586
Deposits from customers	410,764	511,611	410,764	511,611
Obligation on securities sold under repurchase agreements	-	39	-	39
Loans sold to Cagamas	2,991	9,838	2,991	9,838
Negotiable certificates of deposits	26,245	45,026	26,245	45,026
ICULS	908	12,335	908	12,335
Subordinated obligations	48,887	74,108	48,887	74,108
	515,349	689,543	515,349	689,543

PART A - EXPLANATORY NOTES (CONTINUED)

A16. NON-INTEREST INCOME

Group	1st Quarter Ended		Three months ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Fee income				
Commissions	36,460	33,387	36,460	33,387
Fee on loans and advances	54,590	76,177	54,590	76,177
Service charges and fees	53,518	53,135	53,518	53,135
Guarantee fees	12,534	14,871	12,534	14,871
Other fee income	79,487	58,364	79,487	58,364
	236,589	235,934	236,589	235,934
Gross dividend income from:				
Financial assets held-for-trading	2,315	5,157	2,315	5,157
Financial investments available-for-sale	9,319	5,093	9,319	5,093
	11,634	10,250	11,634	10,250
Net gain/(loss) arising from financial assets held-for-trading:				
- realised (loss)/gain	(8,141)	30,990	(8,141)	30,990
- unrealised gain/(loss)	19,322	(17,112)	19,322	(17,112)
	11,181	13,878	11,181	13,878
Net (loss)/gain arising from derivative financial instrument				
- realised (loss)/gain	(101,982)	304,975	(101,982)	304,975
- unrealised (loss)/gain	(135,536)	71,506	(135,536)	71,506
	(237,518)	376,481	(237,518)	376,481
Net loss arising from hedging derivatives	(201)	(8,760)	(201)	(8,760)
Net gain from sale of financial investments available-for-sale	9,764	40,295	9,764	40,295
Net gain from maturity of financial investments held-to-maturity	75,824	1,447	75,824	1,447
Brokerage income	4,195	1,108	4,195	1,108
Other non-interest income				
Foreign exchange gain/(loss)	345,559	(106,945)	345,559	(106,945)
Rental income	5,383	4,702	5,383	4,702
Gain on disposal of property, plant and equipment	13,012	985	13,012	985
Loss on disposal of foreclosed properties	(688)	-	(688)	-
Gain on disposal of certain assets and liabilities of subsidiary	-	30,000	-	30,000
Net gain or loss from insurance business	3,780	311	3,780	311
Others	12,265	14,030	12,265	14,030
	379,311	(56,917)	379,311	(56,917)
	490,779	613,716	490,779	613,716

PART A - EXPLANATORY NOTES (CONTINUED)

A16. NON-INTEREST INCOME (CONTINUED)

Bank	1st Quarter Ended		Three months ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Fee income				
Commissions	35,292	32,170	35,292	32,170
Fee on loans and advances	54,346	75,524	54,346	75,524
Service charges and fees	40,040	42,224	40,040	42,224
Guarantee fees	9,376	11,687	9,376	11,687
Other fee income	68,510	51,511	68,510	51,511
	207,564	213,116	207,564	213,116
Gross dividend income from:				
Financial assets held-for-trading	2,315	5,157	2,315	5,157
Financial investments available-for-sale	-	840	-	840
Subsidiaries	22,894	62,400	22,894	62,400
	25,209	68,397	25,209	68,397
Net gain/(loss) arising from financial assets held-for-trading				
- realised (loss)/gain	(1,820)	29,302	(1,820)	29,302
- unrealised gain/(loss)	10,395	(22,595)	10,395	(22,595)
	8,575	6,707	8,575	6,707
Net (loss)/gain arising from derivative financial instrument				
- realised (loss)/gain	(97,909)	299,276	(97,909)	299,276
- unrealised (loss)/gain	(135,231)	65,240	(135,231)	65,240
	(233,140)	364,516	(233,140)	364,516
Net (loss)/gain arising from hedging derivatives	(8,995)	(7,601)	(8,995)	(7,601)
Net gain from sale of financial investments available-for-sale	7,382	16,494	7,382	16,494
Net gain from maturity of financial investments held-to-maturity	75,782	5	75,782	5
Other non-interest income				
Foreign exchange gain/(loss)	352,493	(97,786)	352,493	(97,786)
Rental income	3,783	2,690	3,783	2,690
Gain on disposal of property, plant and equipment	710	517	710	517
Gain on capital repayment of subsidiary	26,423	-	26,423	-
Other non operating income	18,727	8,995	18,727	8,995
	402,136	(85,584)	402,136	(85,584)
	484,513	576,050	484,513	576,050

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OVERHEADS

Group	1st Quarter Ended		Three months ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	367,577	327,541	367,577	327,541
- Pension costs (defined contribution plan)	36,608	31,004	36,608	31,004
- Pension costs (defined benefit plan)	6,485	15,821	6,485	15,821
- Termination benefits	-	-	-	-
- Overtime	4,618	6,313	4,618	6,313
- Staff incentives and other staff payments	30,499	31,006	30,499	31,006
- Medical expenses	14,154	11,846	14,154	11,846
- Others	31,495	24,155	31,495	24,155
	491,436	447,686	491,436	447,686
Establishment costs				
- Depreciation of property, plant and equipment	49,286	41,982	49,286	41,982
- Amortisation of prepaid lease payments	848	982	848	982
- Rental	46,170	34,480	46,170	34,480
- Insurance	29,507	17,726	29,507	17,726
- Repair and maintenance	44,783	46,429	44,783	46,429
- Outsourced services	43,402	38,444	43,402	38,444
- Security expenses	28,791	17,110	28,791	17,110
- Others	24,707	27,719	24,707	27,719
	267,494	224,872	267,494	224,872
Marketing expenses				
- Sales commission	6,668	10,534	6,668	10,534
- Advertisement	46,403	22,333	46,403	22,333
- Legal fees	-	9,779	-	9,779
- Others	4,379	3,672	4,379	3,672
	57,450	46,318	57,450	46,318
Administration and general expenses				
- Communication	11,576	10,553	11,576	10,553
- Consultancy and professional fees	10,736	12,571	10,736	12,571
- Legal expenses	16,566	9,052	16,566	9,052
- Stationery	10,765	10,796	10,765	10,796
- Merchant expenses	24,970	22,551	24,970	22,551
- Amortisation of intangible assets	30,738	28,285	30,738	28,285
- Impairment of intangible assets	1,302	-	1,302	-
- Postages	7,291	6,642	7,291	6,642
- Administrative travelling and vehicle expenses	6,887	4,810	6,887	4,810
- Incidental expenses on banking operations	23,767	21,991	23,767	21,991
- Others	18,473	59,336	18,473	59,336
	163,071	186,587	163,071	186,587
	979,451	905,463	979,451	905,463

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

	1st Quarter Ended		Three months ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Bank				
Personnel costs				
- Salaries, allowances and bonuses	288,944	261,320	288,944	261,320
- Pension costs (defined contribution plan)	32,231	26,958	32,231	26,958
- Pension costs (defined benefit plan)	2,824	13,440	2,824	13,440
- Overtime	3,408	4,328	3,408	4,328
- Staff incentives and other staff payments	24,229	21,154	24,229	21,154
- Medical expenses	13,375	10,741	13,375	10,741
- Others	13,058	13,414	13,058	13,414
	378,069	351,355	378,069	351,355
Establishment costs				
- Depreciation of property, plant and equipment	37,395	33,887	37,395	33,887
- Amortisation of prepaid lease payments	114	228	114	228
- Rental	35,137	26,749	35,137	26,749
- Insurance	16,023	1,249	16,023	1,249
- Repair and maintenance	40,418	41,500	40,418	41,500
- Outsourced services	64,719	63,308	64,719	63,308
- Security expenses	31,143	18,858	31,143	18,858
- Others	10,615	17,238	10,615	17,238
	235,564	203,017	235,564	203,017
Marketing expenses				
- Sales commission	11	701	11	701
- Advertisement	41,909	20,910	41,909	20,910
- Legal fees	-	9,779	-	9,779
- Others	4,877	1,333	4,877	1,333
	46,797	32,723	46,797	32,723
Administration and general expenses				
- Communication	9,766	8,762	9,766	8,762
- Consultancy and professional fees	8,597	11,397	8,597	11,397
- Legal expenses	13,752	7,288	13,752	7,288
- Stationery	8,963	8,928	8,963	8,928
- Merchant expenses	24,694	22,551	24,694	22,551
- Amortisation of intangible assets	27,489	24,738	27,489	24,738
- Postages	5,752	4,989	5,752	4,989
- Administrative travelling and vehicle expenses	4,754	3,357	4,754	3,357
- Incidental expenses on banking operations	23,491	15,927	23,491	15,927
- Others	(12,080)	25,724	(12,080)	25,724
	115,178	133,661	115,178	133,661
	775,608	720,756	775,608	720,756

PART A - EXPLANATORY NOTES (CONTINUED)**A18. ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING**

	1st Quarter Ended		Three months ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Group				
Allowance for bad and doubtful debts and financing :				
Individual impairment allowance				
- made during the period	36,536	-	36,536	-
Specific allowance				
- made during the period	-	331,382	-	331,382
- written back	-	(86,315)	-	(86,315)
Portfolio impairment allowance				
- made during the period	132,877	-	132,877	-
General allowance				
- made during the period	-	18,024	-	18,024
Bad debts :				
- recovered	(50,304)	(67,723)	(50,304)	(67,723)
- written off	829	(328)	829	(328)
	119,938	195,040	119,938	195,040
Bank				
Allowance for bad and doubtful debts and financing :				
Individual impairment allowance				
- made during the period	23,480	-	23,480	-
Specific allowance				
- made during the period	-	279,208	-	279,208
- written back	-	(72,441)	-	(72,441)
Portfolio impairment allowance				
- made during the period	86,606	-	86,606	-
General allowance				
- made during the period	-	168	-	168
Bad debts :				
- recovered	(43,388)	(64,923)	(43,388)	(64,923)
- written off	136	79	136	79
	66,834	142,091	66,834	142,091

PART A - EXPLANATORY NOTES (CONTINUED)

A19. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES

The following tables summarise the contractual the underlying principal amounts of derivative financial instruments held at fair value through the income statement. The principal or contratual amounts of these instruments reflect the volume of transactions outstanding at balance sheet date, and do not represent amounts at risk.

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

(i) Derivative financial instruments

Derivatives at fair value through income statement At 31 March 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	42,048,614	111,732	(167,969)	38,846,739	90,893	(164,267)
- Less than 1 year	39,625,111	62,788	(125,908)	36,470,406	42,327	(124,369)
- 1 year to 3 years	471,790	648	(10,924)	424,620	270	(8,761)
- More than 3 years	1,951,713	48,296	(31,137)	1,951,713	48,296	(31,137)
Currency swaps	3,970,878	374,294	(455,451)	2,493,969	365,266	(419,947)
- Less than 1 year	2,233,404	351,374	(419,947)	2,233,404	351,374	(419,947)
- 1 year to 3 years	1,540,560	13,381	(35,504)	63,651	4,353	-
- More than 3 years	196,914	9,539	-	196,914	9,539	-
Currency option	1,999,671	12,708	(7,827)	1,999,671	12,708	(7,827)
- Less than 1 year	1,868,155	12,442	(7,314)	1,868,155	12,442	(7,314)
- 1 year to 3 years	131,516	266	(513)	131,516	266	(513)
- More than 3 years	-	-	-	-	-	-
Cross currency interest rate swaps	15,438,007	462,651	(401,273)	14,520,222	447,028	(404,731)
- Less than 1 year	11,481,431	87,131	(95,242)	11,398,183	86,992	(94,948)
- 1 year to 3 years	831,429	171,144	(185,112)	630,032	159,940	(204,256)
- More than 3 years	3,125,147	204,376	(120,919)	2,492,007	200,096	(105,527)
	63,457,170	961,385	(1,032,520)	57,860,601	915,895	(996,772)
<u>Interest rate derivatives</u>						
Interest rate swaps	163,190,446	1,946,406	(1,631,293)	141,775,787	1,758,487	(1,538,041)
- Less than 1 year	83,937,167	403,928	(387,058)	79,417,615	406,310	(378,632)
- 1 year to 3 years	40,651,011	600,305	(485,315)	29,843,850	454,932	(428,092)
- More than 3 years	38,602,268	942,173	(758,920)	32,514,322	897,245	(731,317)
Interest rate futures	16,563,445	22,406	(22,019)	16,563,445	22,406	(22,019)
- Less than 1 year	7,494,315	11,442	(12,720)	7,494,315	11,442	(12,720)
- 1 year to 3 years	7,272,455	7,748	(9,276)	7,272,455	7,748	(9,276)
- More than 3 years	1,796,675	3,216	(23)	1,796,675	3,216	(23)
Interest rate options	2,525,000	8,122	(8,963)	2,525,000	8,122	(8,963)
- Less than 1 year	1,775,000	-	(7,381)	1,775,000	-	(7,381)
- 1 year to 3 years	600,000	4,000	-	600,000	4,000	-
- More than 3 years	150,000	4,122	(1,582)	150,000	4,122	(1,582)
	182,278,891	1,976,934	(1,662,275)	160,864,232	1,789,015	(1,569,023)
<u>Equity related derivatives</u>						
Equity options	11,902,698	381,090	(679,419)	9,161,263	287,940	(586,269)
- Less than 1 year	3,788,247	280,929	(577,092)	3,788,247	280,929	(577,092)
- 1 year to 3 years	5,990,584	99,815	(101,995)	3,249,149	6,665	(8,845)
- More than 3 years	2,123,867	346	(332)	2,123,867	346	(332)
Commodity options	111,078	35,750	(35,228)	111,078	35,750	(35,228)
- Less than 1 year	-	-	-	-	-	-
- 1 year to 3 years	111,078	35,750	(35,228)	111,078	35,750	(35,228)
- More than 3 years	-	-	-	-	-	-
Index futures	447	-	-	447	-	-
- Less than 1 year	447	-	-	447	-	-
- 1 year to 3 years	-	-	-	-	-	-
- More than 3 years	-	-	-	-	-	-
	12,014,223	416,840	(714,647)	9,272,788	323,690	(621,497)
<u>Credit related contract</u>						
Credit default swaps	98,010	2,965	(1,739)	98,010	2,965	(1,739)
- Less than 1 year	32,670	651	(46)	32,670	651	(46)
- 1 year to 3 years	-	-	-	-	-	-
- More than 3 years	65,340	2,314	(1,693)	65,340	2,314	(1,693)
<u>Hedging derivatives</u>						
Cross currency interest rate swaps	640,517	18,150	(28,084)	-	-	-
- Less than 1 year	-	-	-	-	-	-
- 1 year to 3 years	344,186	18,150	(3,257)	-	-	-
- More than 3 years	296,331	-	(24,827)	-	-	-
Interest rate swaps	7,743,637	146,368	(233,647)	9,246,837	219,967	(233,646)
- Less than 1 year	5,272,868	16,629	-	5,272,868	16,629	-
- 1 year to 3 years	950,569	34,012	-	950,569	34,012	-
- More than 3 years	1,520,200	95,727	(233,647)	3,023,400	169,326	(233,646)
Total derivatives assets/(liabilities)	266,232,448	3,522,642	(3,672,912)	237,342,468	3,251,532	(3,422,677)

PART A - EXPLANATORY NOTES (CONTINUED)

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

(i) Derivative financial instruments (continued)

Derivatives at fair value through income statement At 31 December 2009	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	10,594,076	63,687	(116,660)	7,522,561	55,589	(108,723)
Currency swaps	33,048,786	167,904	(238,702)	31,878,930	161,837	(228,260)
Currency option	1,383,714	5,018	(4,537)	1,383,714	5,018	(4,537)
Cross currency interest rate swaps	17,139,468	500,600	(345,448)	15,821,588	468,853	(333,916)
	62,166,044	737,209	(705,347)	56,606,793	691,297	(675,436)
<u>Interest rate derivatives</u>						
Interest rate swaps	148,823,859	1,975,599	(1,626,041)	134,200,816	1,783,373	(1,558,902)
Interest rate futures	16,702,600	30,334	(25,774)	16,702,600	30,334	(25,774)
Interest rate options	3,130,000	11,854	(4,920)	3,130,000	11,854	(4,920)
	168,656,459	2,017,787	(1,656,735)	154,033,416	1,825,561	(1,589,596)
<u>Equity related derivatives</u>						
Equity options	11,975,449	528,843	(856,920)	8,991,160	424,075	(752,152)
Commodity options	690,261	70,562	(66,429)	690,261	70,562	(66,429)
Commodity futures	31,672	842	(13)	31,672	842	(13)
	12,697,382	600,247	(923,362)	9,713,093	495,479	(818,594)
<u>Credit related contract</u>						
Credit default swaps	397,879	2,062	(651)	397,879	2,062	(651)
<u>Hedging derivatives</u>						
Interest rate swaps	8,628,728	147,657	(176,843)	9,978,728	189,215	(176,844)
	252,546,492	3,504,962	(3,462,938)	230,729,909	3,203,614	(3,261,121)

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 Value-at-Risk (VaR) model, in addition to reviewing and analysing its treasury trading strategy, positions and activities vis-à-vis changes in the financial market, monitoring limit usage, assessing limit adequacy, and verifying transaction prices.

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2010, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM3,504,492,000 and RM3,251,532,000 respectively (31 December 2009: RM3,504,962,000 and RM3,203,614,000 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:

- 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;
- the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- the related accounting policies.

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

PART A - EXPLANATORY NOTES (CONTINUED)

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

(ii) Commitments and contingencies

The Group	31-Mar-10			31-Dec-09		
	Principal RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000	Principal RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
<u>Credit-related</u>						
Direct credit substitutes	1,745,676	1,699,938	1,305,879	1,695,289	1,300,835	1,134,888
Transaction-related contingent items	4,575,649	2,287,824	1,778,342	4,634,554	2,317,277	1,814,403
Short-term self-liquidating trade-related contingencies	3,011,274	602,100	433,305	3,761,011	744,063	590,935
Islamic Financing sold directly and indirectly to Cagamas				-	-	-
Obligations under underwriting agreement	222,500	97,500	97,500	250,000	125,000	125,000
Irrevocable commitments to extend credit :						
- maturity not exceeding one year	34,062,630	-	-	34,545,466	-	-
- maturity exceeding one year	6,427,171	137,858	135,853	5,948,048	116,698	114,688
Forward asset purchase	736,529	86	17	52,478	1	-
Miscellaneous commitments and contingencies	8,268,586 #	758,588	179,192	6,210,077 #	228,012	68,928
Total credit-related commitments and contingencies	59,050,015	5,583,894	3,930,088	57,096,923	4,831,886	3,848,842
<u>Treasury-related</u>						
Foreign exchange related contracts :						
- less than one year	54,525,312	448,062	123,258	53,042,013	392,185	103,669
- one year to less than 5 years	4,188,223	1,338,031	425,361	4,368,956	1,589,408	500,432
- five years and above	1,510,425	401,857	138,508	1,333,036	387,218	114,425
	60,223,960	2,187,950	687,127	58,744,005	2,368,811	718,526
Interest rate related contracts :						
- less than one year	93,758,879	46,873	10,672	91,152,067	17,918	4,801
- one year to less than 5 years	65,269,786	2,007,897	464,901	63,956,743	1,917,155	440,286
- five years and above	12,789,104	2,281,441	462,220	9,592,814	2,056,288	434,888
	171,817,769	4,336,211	937,793	164,701,624	3,991,361	879,975
Equity related contracts:						
- less than one year	5,236,483	115,883	23,879	4,941,677	102,076	30,209
- one year to less than 5 years	5,198,258	269,789	75,482	6,163,741	317,527	88,596
- five years and above	1,468,404	89,298	17,860	870,031	59,200	11,840
	11,903,145	474,970	117,221	11,975,449	478,803	130,645
Other treasury related contracts	22,176,495	197,550	88,062	16,039,852	195,390	84,592
Total treasury-related commitments and contingencies	266,121,369	7,196,681	1,830,203	251,460,930	7,034,365	1,813,738
	325,171,384	12,780,575	5,760,291	308,557,853	11,866,251	5,662,580

PART A - EXPLANATORY NOTES (CONTINUED)

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

(ii) Commitments and contingencies (continued)

The Bank	31-Mar-10			31-Dec-09		
	Principal RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000	Principal RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
<u>Credit-related</u>						
Direct credit substitutes	1,429,136	1,412,801	1,019,754	1,386,270	1,022,641	859,116
Transaction-related contingent items	3,525,992	1,762,996	1,272,741	3,657,150	1,828,575	1,344,973
Short-term self-liquidating trade-related contingencies	2,626,059	525,212	363,156	3,356,089	671,218	520,791
Obligations under underwriting agreement	222,500	97,500	97,500	250,000	125,000	125,000
Irrevocable commitments to extend credit :						
- maturity not exceeding one year	31,555,720	-	-	32,336,000	-	-
- maturity exceeding one year	4,553,690	98,124	96,119	4,495,174	83,731	81,721
Forward assets purchase	721,529	84	17	52,478	1	-
Miscellaneous commitments and contingencies	5,436,437 #	751,352	171,965	4,343,817 #	214,394	65,480
Total credit-related commitments and contingencies	50,071,063	4,648,069	3,021,252	49,876,978	3,945,560	2,997,081
<u>Treasury-related</u>						
Foreign exchange related contracts :						
- less than one year	52,362,230	419,369	116,809	51,223,368	397,253	104,656
- one year to less than 5 years	4,074,461	1,307,837	419,322	4,050,389	1,561,119	493,024
- five years and above	1,423,910	390,139	134,336	1,333,036	387,218	114,425
	57,860,601	2,117,345	670,467	56,606,793	2,345,590	712,105
Interest rate related contracts :						
- less than one year	93,992,469	46,762	10,650	91,396,954	18,041	4,825
- one year to less than 5 years	64,968,277	1,941,727	450,653	61,667,342	1,873,563	430,555
- five years and above	11,248,333	2,145,835	435,099	10,982,098	2,178,418	459,314
	170,209,079	4,134,324	896,402	164,046,394	4,070,022	894,694
Equity related contracts:						
- less than one year	3,788,692	95,482	19,799	3,307,970	87,024	27,199
- one year to less than 5 years	4,136,552	198,530	63,264	5,031,764	227,069	70,504
- five years and above	1,236,466	77,369	15,474	651,426	48,170	9,634
	9,161,710	371,381	98,537	8,991,160	362,263	107,337
Total treasury-related commitments and contingencies	237,231,390	6,623,050	1,665,406	229,644,347	6,777,875	1,714,136
	287,302,453	11,271,119	4,686,658	279,521,325	10,723,435	4,711,217

* Other than the credit equivalent of RM655,759,000 (2009: RM625,419,000) arising from a subsidiary, CIMB Thai Public Company Limited (formerly known as BankThai Public Company Limited), which is computed based on Bank of Thailand requirements, the credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines. Effective 1 October 2008, the following approaches have been adopted for the computation of the credit equivalent and risk weighted assets:

- adoption of bilateral netting as provided under the Standardised Approach Framework which involves the weighting of net claims rather than gross claims with the same counterparties arising out of the full range of forwards, swaps, options and similar derivative contracts.
- irrevocable commitments to extend credit (undrawn loans) have been revised to include only those undrawn loans whereby all conditions precedent have been met.

Included in miscellaneous commitment and contingencies is a commitment by the Bank to place an additional RM2,455 million (2009: RM2,250 million) with CIMB Islamic in relation to the RPSIA arrangement.

PART A - EXPLANATORY NOTES (CONTINUED)

A20. CAPITAL ADEQUACY

(a) The capital adequacy ratios of the Bank, CIMB Islamic Bank and CIMB Thai Bank are as follows:

	The Bank*		CIMB Islamic Bank		CIMB Thai Bank**	
	31-Mar-10	31-Dec-09	31-Mar-10	31-Dec-09	31-Mar-10	31-Dec-09
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Tier I capital	14,536,738	14,874,153	651,189	690,239	644,841	640,167
Eligible Tier II capital	3,363,138	2,868,642	583,345	458,004	639,188	640,167
	17,899,876	17,742,795	1,234,534	1,148,243	1,284,029	1,280,334
Less:						
Investment in subsidiaries and holding of other banking institution's capital	(2,571,306)	(2,618,131)	-	-	-	-
Capital base	15,328,570	15,124,664	1,234,534	1,148,243	1,284,029	1,280,334
Core capital ratio	14.18%	14.81%	5.57%	6.82%	6.09%	6.00%
Risk-weighted capital ratio	14.95%	15.06%	10.55%	11.34%	12.14%	11.99%

(b) Components of Tier I and Tier II capitals are as follows:

	The Bank*		CIMB Islamic Bank		CIMB Thai Bank**	
	31-Mar-10	31-Dec-09	31-Mar-10	31-Dec-09	31-Mar-10	31-Dec-09
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Tier I capital						
Paid-up share capital	3,764,466	3,764,466	550,000	550,000	673,968	685,791
Perpetual preference shares	200,000	200,000	70,000	70,000	-	-
Non-innovative Tier I capital	1,000,000	1,000,000	-	-	-	-
Innovative Tier I capital	1,653,400	1,685,000	-	-	-	-
Other reserves	11,755,827	12,061,642	211,814	250,864	(29,127)	(45,624)
	18,373,693	18,711,108	831,814	870,864	644,841	640,167
Less:						
Deferred tax assets	(281,880)	(281,880)	(44,625)	(44,625)	-	-
Goodwill	(3,555,075)	(3,555,075)	(136,000)	(136,000)	-	-
Total Tier I capital	14,536,738	14,874,153	651,189	690,239	644,841	640,167
Tier II capital						
Subordinated notes	1,500,000	1,500,000	300,000	300,000	574,854	568,134
Redeemable preference shares	29,740	29,740	-	-	1,664	1,693
Revaluation reserve	-	-	-	-	38,109	47,118
Portfolio impairment allowance	1,833,398	1,338,902	283,345	158,004	24,561	23,222
Total Eligible Tier II capital	3,363,138	2,868,642	583,345	458,004	639,188	640,167
Add/(less):						
(i) Investment in subsidiaries	(2,250,576)	(2,287,602)	-	-	-	-
(ii) Investment in joint venture^	(72,608)	(72,608)	-	-	-	-
(iii) Investment in associate	(245,134)	(245,034)	-	-	-	-
(iv) Holding of other banking institutions' capital instruments	(2,988)	(12,887)	-	-	-	-
	15,328,570	15,124,664	1,234,534	1,148,243	1,284,029	1,280,334

PART A - EXPLANATORY NOTES (CONTINUED)

A20. CAPITAL ADEQUACY (CONTINUED)

(c) Breakdown of risk-weighted assets in the various categories of risk-weights:

	The Bank *		The Bank *		CIMB Islamic Bank		CIMB Islamic Bank		CIMB Thai Bank**		CIMB Thai Bank**	
	31-Mar-10		31-Dec-09		31-Mar-10		31-Dec-09		31-Mar-10		31-Dec-09	
	Principal	Risk-weighted	Principal	Risk-weighted	Principal	Risk-weighted	Principal	Risk-weighted	Principal	Risk-weighted	Principal	Risk-weighted
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	28,425,951	-	30,359,481	-	5,874,022	-	6,100,082	-	3,333,227	-	5,174,033	-
10%	269,345	26,935	24,173	2,417	-	-	-	-	-	-	-	-
20%	29,882,895	5,976,579	21,909,123	4,381,825	2,139,993	427,999	2,070,774	414,155	739,835	147,967	822,660	164,532
35%	-	-	-	-	-	-	-	-	1,174,160	410,956	1,064,206	372,472
50%	23,018,303	11,509,152	22,437,082	11,218,541	3,789,328	1,894,664	3,068,223	1,534,112	212,058	106,029	358,716	179,358
75%	-	-	-	-	-	-	-	-	1,599,263	1,199,447	1,690,677	1,268,008
100%#	78,678,886	78,678,886	79,804,879	79,804,879	8,862,492	8,862,492	7,628,648	7,628,648	7,099,589	7,099,589	7,181,200	7,181,200
150%	-	-	-	-	-	-	-	-	295,233	442,850	360,587	540,881
Total risk-weighted assets for credit risks	160,275,380	96,191,552	154,534,738	95,407,662	20,665,835	11,185,155	18,867,727	9,576,915	14,453,365	9,406,838	16,652,079	9,706,451
Risk-weighted assets for market risk	6,158,079	6,158,079	4,834,636	4,834,636	515,290	515,290	548,828	548,828	339,646	339,646	123,231	123,231
Risk-weighted assets for large exposure risk requirements	193,983	193,983	193,983	193,983	-	-	-	-	833,495	833,495	848,117	848,117
Total risk-weighted assets	166,627,442	102,543,614	159,563,357	100,436,281	21,181,125	11,700,445	19,416,555	10,125,743	15,626,506	10,579,979	17,623,427	10,677,799

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

** Computation is based on Bank of Thailand requirements.

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

In accordance with BNM guidelines on the Recognition and Measurement of Profit Sharing Investment Account as Risk Absorbent ("PSIA Guidelines"), the credit and market risks on the assets funded by the PSIA are included in the risk weighted capital ("RWCR") calculation, where a 100% risk weight is assigned.

The capital adequacy ratios have incorporated market risk pursuant to BNM's guideline on Market Risk Capital Adequacy Framework which is effective from 1 April 2005.

PART A - EXPLANATORY NOTES (CONTINUED)

A21. INTEREST/PROFIT RATE RISK

Group	Non-trading book							Non-interest bearing	Trading book	Total	Effective interest rate (RM) %	Effective interest rate (USD) %	Effective interest rate (THB) %
	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	RM'000						
As at 31 March 2010	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Assets													
Cash and short-term funds	17,853,114	-	-	-	-	-	2,403,975	-	-	20,257,089	2.16	0.27	1.13
Reverse repurchase agreements	2,246,522	1,547,137	-	4,564	-	-	-	-	-	3,798,223	2.30	0.21	1.22
Deposit and placement with banks and other financial institutions	-	9,395,435	1,876,060	653	-	-	85,265	-	-	11,357,413	2.26	0.34	0.55
Financial assets held-for-trading	-	-	-	-	-	-	-	9,939,945	-	9,939,945	3.01	5.42	-
Financial investments available-for-sale	85,123	51,919	198,805	463,661	2,737,885	3,049,108	1,542,627	-	-	8,129,128	5.06	2.00	3.05
Financial investments held-to-maturity	-	15,483	346,588	261,110	7,393,249	5,213,305	-	-	-	13,229,735	5.17	5.36	3.24
Derivative financial instruments	-	-	2,899	13,730	41,066	162,272	291,308	3,011,367	-	3,522,642	-	-	-
Loans, advances and financing													
- not impaired	54,093,852	4,355,440	1,570,871	2,412,940	22,868,978	28,776,336	116,924	-	-	114,195,341	5.02	3.19	8.24
- impaired ^	-	-	-	-	-	-	1,665,503	-	-	1,665,503	-	-	-
Other assets	143,388	-	-	86,015	-	-	1,868,663	-	-	2,098,066	4.73	3.50	-
Deferred taxation	-	-	-	-	-	-	158,528	-	-	158,528	-	-	-
Tax recoverable	-	-	-	-	-	-	84,342	-	-	84,342	-	-	-
Statutory deposits with central banks	-	-	-	-	-	-	709,683	-	-	709,683	-	-	-
Investment in jointly controlled entity	-	-	-	-	-	-	131,296	-	-	131,296	-	-	-
Investment in associate	-	-	-	-	-	-	278,936	-	-	278,936	-	-	-
Amount due from holding company and ultimate holding company	-	-	-	-	-	-	46,829	-	-	46,829	-	-	-
Amount due from related companies	-	-	-	-	-	-	863,655	-	-	863,655	-	-	-
Goodwill	-	-	-	-	-	-	4,909,921	-	-	4,909,921	-	-	-
Intangible assets	-	-	-	-	-	-	568,159	-	-	568,159	-	-	-
Prepaid land lease payments	-	-	-	-	-	-	33,970	-	-	33,970	-	-	-
Property, plant and equipment	-	-	-	-	-	-	978,594	-	-	978,594	-	-	-
Investment properties	-	-	-	-	-	-	101,024	-	-	101,024	-	-	-
Non-current assets/disposal groups held for sale	-	-	-	-	-	-	274,353	-	-	274,353	-	-	10.87
Total assets	74,421,999	15,365,414	3,995,223	3,242,673	33,041,178	37,201,021	17,113,555	12,951,312	197,332,375				
Liabilities													
Deposits from customers	78,349,530	18,187,695	8,521,003	9,749,363	4,917,385	167,556	25,069,197	-	-	144,961,729	2.26	0.30	4.61
Deposit and placement of banks and other financial institutions	4,619,846	8,311,979	1,773,601	1,080,110	1,359,870	70,682	272,667	-	-	17,488,755	2.30	0.39	4.31
Derivative financial instruments	-	-	-	-	2,595	231,051	275,951	3,163,315	-	3,672,912	-	-	-
Bills and acceptances payable	1,589,986	1,508,232	178,888	12,983	-	-	551,828	-	-	3,841,917	2.34	-	1.25
Amount due to Cagamas Berhad	-	-	9,582	172,347	68,879	-	-	-	-	250,808	4.61	-	-
Amount owing to ultimate holding company	-	-	-	-	-	-	52,882	-	-	52,882	-	-	-
Amount due to related companies	-	-	-	-	-	-	44,832	-	-	44,832	-	-	-
Other liabilities	-	-	-	-	-	-	3,497,299	-	-	3,497,299	-	-	-
Other borrowings	-	-	980,100	-	-	-	-	-	-	980,100	-	0.63	-
Subordinated obligations	-	-	-	-	1,522,073	2,540,772	54,980	-	-	4,117,825	6.03	3.89	-
Bonds	-	-	-	-	429,053	-	-	-	-	429,053	-	3.00	-
Redeemable preference shares	-	-	-	-	-	726,614	-	-	-	726,614	-	6.62	-
Liabilities directly associated with non-current assets/disposal groups classified as held for sale	-	-	-	-	-	-	42,005	-	-	42,005	-	-	-
Total liabilities	84,559,362	28,007,906	11,463,174	11,014,803	8,299,855	3,736,675	29,861,641	3,163,315	180,106,731				
Total interest rate sensitivity gap	(10,137,363)	(12,642,492)	(7,467,951)	(7,772,130)	24,741,323	33,464,346			9,787,997				

^ After deducting individual impairment allowance and portfolio impairment allowance of RM5,437,693,000.

PART A - EXPLANATORY NOTES (CONTINUED)

A21. INTEREST/PROFIT RATE RISK (CONTINUED)

Group	Non-trading book							Trading book	Total	Effective interest rate (RM) %	Effective interest rate (USD) %	Effective interest rate (THB) %
	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing					
As at 31 December 2009	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Assets												
Cash and short-term funds	22,965,482	-	-	-	-	-	2,057,616	-	25,023,098	2.02	0.34	1.12
Reverse repurchase agreements	3,181,479	1,074,357	551	4,564	-	-	-	-	4,260,951	2.06	-	1.21
Deposit and placement with banks and other financial institutions	-	2,542,206	686,718	137,871	-	-	35,801	-	3,402,596	2.07	0.70	0.55
Financial assets held-for-trading	-	-	-	-	-	-	-	13,818,079	13,818,079	2.57	4.10	-
Financial investments available-for-sale	139,386	370,867	79,874	355,194	2,867,686	3,123,327	1,143,985	-	8,080,319	4.99	2.00	2.21
Financial investments held-to-maturity	2,796	278,869	15,483	181,825	5,473,069	6,923,209	-	-	12,875,251	5.42	5.58	4.15
Derivative financial instruments	-	-	-	2,750	60,302	101,498	53,643	3,286,769	3,504,962	-	-	-
Loans, advances and financing												
- performing	58,333,959	10,007,363	1,504,969	1,601,453	17,021,854	25,018,134	150,234	-	113,637,966	4.93	3.09	7.46
- non-performing [^]	-	-	-	-	-	-	(157,324)	-	(157,324)	-	-	-
Other assets	-	-	143,565	85,000	-	-	1,890,585	-	2,119,150	4.73	3.50	-
Deferred taxation	-	-	-	-	-	-	301,447	-	301,447	-	-	-
Tax recoverable	-	-	-	-	-	-	2,945	-	2,945	-	-	-
Statutory deposits with central bank	-	-	-	-	-	-	841,857	-	841,857	-	-	-
Investment in jointly controlled entity	-	-	-	-	-	-	134,559	-	134,559	-	-	-
Investment in associate	-	-	-	-	-	-	268,636	-	268,636	-	-	-
Amount due from holding company and ultimate holding company	-	-	-	-	-	-	47,122	-	47,122	-	-	-
Amount due from related companies	-	-	-	-	-	-	998,818	-	998,818	-	-	-
Goodwill	-	-	-	-	-	-	4,923,701	-	4,923,701	-	-	-
Intangible assets	-	-	-	-	-	-	573,416	-	573,416	-	-	-
Prepaid land lease payments	-	-	-	-	-	-	16,340	-	16,340	-	-	-
Property, plant and equipment	-	-	-	-	-	-	996,521	-	996,521	-	-	-
Investment properties	-	-	-	-	-	-	120,349	-	120,349	-	-	-
Non current-assets/disposal groups held for sale	-	-	-	-	-	-	226,224	-	226,224	-	-	-
Total assets	84,623,102	14,273,662	2,431,160	2,368,657	25,422,911	35,166,168	14,626,475	17,104,848	196,016,983			
Liabilities												
Deposits from customers	74,696,660	21,395,747	10,178,775	9,232,694	5,060,102	165,037	26,143,330	-	146,872,345	2.15	0.34	5.09
Deposits and placements of banks and other financial institutions	1,670,353	8,929,384	867,977	763,810	1,766,162	72,504	110,756	-	14,180,946	2.19	0.38	3.30
Repurchase agreements	565,097	-	-	-	-	-	-	-	565,097	-	-	1.22
Derivative financial instruments	-	-	-	-	(963)	158,204	245,482	3,060,215	3,462,938	-	-	-
Bills and acceptances payable	1,337,938	1,820,252	387,880	583	-	-	510,158	-	4,056,811	2.25	-	1.27
Amount due to Cagamas Berhad	-	66,666	-	120,463	148,483	-	-	-	335,612	4.68	-	-
Amount due to related companies	-	-	-	-	-	-	9,710	-	9,710	-	-	-
Other liabilities	-	-	-	-	-	-	3,149,346	-	3,149,346	-	-	-
Provision for taxation and zakat	-	-	-	-	-	-	109,169	-	109,169	-	-	-
Amount due to ultimate holding company	-	-	-	-	-	-	55,439	-	55,439	-	-	-
Other borrowings	1,027,500	-	-	-	-	-	-	-	1,027,500	-	0.86	-
Subordinated obligations	308,562	-	-	-	1,516,786	2,225,423	55,945	-	4,106,716	5.58	-	-
Bonds	-	-	-	-	443,051	-	-	-	443,051	-	3.00	-
Redeemable preference shares	-	-	-	-	-	751,437	-	-	751,437	-	6.62	-
Total liabilities	79,606,110	32,212,049	11,434,632	10,117,550	8,933,621	3,372,605	30,389,335	3,060,215	179,126,117			
Total interest rate sensitivity gap	5,016,992	(17,938,387)	(9,003,472)	(7,748,893)	16,489,290	31,793,563		14,044,633				

[^] After deducting specific allowances and general allowances of RM4,259,812,000.

PART A - EXPLANATORY NOTES (CONTINUED)

A21. INTEREST/PROFIT RATE RISK (CONTINUED)

Bank	Non-trading book							Trading book	Total	Effective interest rate (RM) %	Effective interest rate (USD) %
	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing				
As at 31 March 2010	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Assets											
Cash and short-term funds	16,245,719	-	-	-	-	-	1,979,938	-	18,225,657	2.23	2.25
Reverse repurchase agreements	2,070,298	1,547,137	-	4,564	-	-	-	-	3,621,999	2.30	-
Deposit and placement with banks and other financial institutions	-	11,864,784	1,367,289	-	-	-	-	-	13,232,073	2.29	0.32
Financial assets held-for-trading	-	-	-	-	-	-	-	7,069,356	7,069,356	3.01	6.31
Financial investments available-for-sale	61,050	31,787	171,265	407,679	2,586,831	2,898,973	681,221	-	6,838,806	5.09	-
Financial investments held-to-maturity	-	-	78,671	230,144	5,299,392	5,183,758	-	-	10,791,965	5.16	5.40
Derivative financial instruments	-	-	2,899	13,730	41,066	162,272	262,544	2,769,021	3,251,532	-	-
Loans, advances and financing											
- not impaired	50,286,413	1,385,595	754,222	1,093,572	17,274,109	13,982,335	58,725	-	84,834,971	4.88	1.42
- impaired ^	-	-	-	-	-	-	1,066,232	-	1,066,232	-	-
Other assets	143,388	-	-	86,015	-	-	1,379,798	-	1,609,201	4.73	-
Deferred taxation	-	-	-	-	-	-	175,536	-	175,536	-	-
Statutory deposits with central banks	-	-	-	-	-	-	619,522	-	619,522	-	-
Investment in subsidiaries	-	-	-	-	-	-	3,779,474	-	3,779,474	-	-
Investment in jointly controlled entity	-	-	-	-	-	-	124,448	-	124,448	-	-
Investment in associate	-	-	-	-	-	-	245,134	-	245,134	-	-
Amount due from holding company and ultimate holding company	-	-	-	-	-	-	14,708	-	14,708	-	-
Amount due from subsidiaries	-	-	-	-	-	-	75,611	-	75,611	-	-
Amount due from related companies	-	-	-	-	-	-	858,830	-	858,830	-	-
Goodwill	-	-	-	-	-	-	3,555,075	-	3,555,075	-	-
Intangible assets	-	-	-	-	-	-	519,483	-	519,483	-	-
Property, plant and equipment	-	-	-	-	-	-	564,409	-	564,409	-	-
Prepaid land lease payments	-	-	-	-	-	-	12,019	-	12,019	-	-
Investment properties	-	-	-	-	-	-	92,374	-	92,374	-	-
Non-current assets/disposal groups held for sale	-	-	-	-	-	-	85,115	-	85,115	-	-
Total assets	68,806,868	14,829,303	2,374,346	1,835,704	25,201,398	22,227,338	16,173,991	9,838,377	161,287,325		
Liabilities											
Deposits from customers	59,908,732	10,800,166	7,088,627	7,924,082	3,114,007	50,995	24,810,835	-	113,697,444	2.35	0.29
Deposit and placement of banks and other financial institutions	9,787,672	4,799,353	1,264,047	1,079,920	1,430,042	-	217,652	-	18,578,686	2.27	0.30
Derivative financial instruments	-	-	-	-	2,595	231,051	241,310	2,947,721	3,422,677	-	-
Bills and acceptances payable	888,429	1,091,311	101,457	301	-	-	523,838	-	2,605,336	2.34	-
Amount due to Cagamas Berhad	-	-	9,582	172,347	68,879	-	-	-	250,808	4.61	-
Amount due to subsidiaries	-	-	-	-	-	-	209,039	-	209,039	-	-
Amount due to related companies	-	-	-	-	-	-	37,535	-	37,535	-	-
Other liabilities	-	-	-	-	-	-	2,833,661	-	2,833,661	-	-
Subordinated obligations	-	-	-	-	1,512,296	2,676,060	-	-	4,188,356	6.05	6.62
Total liabilities	70,584,833	16,690,830	8,463,713	9,176,650	6,127,819	2,958,106	28,873,870	2,947,721	145,823,542		
Total interest rate sensitivity gap	(1,777,965)	(1,861,527)	(6,089,367)	(7,340,946)	19,073,579	19,269,232		6,890,656			

^ After deducting individual impairment allowance and portfolio impairment allowance of RM3,706,877,000.

PART A - EXPLANATORY NOTES (CONTINUED)

A21. INTEREST/PROFIT RATE RISK (CONTINUED)

Bank	Non-trading book							Trading book	Total	Effective interest rate (RM) %	Effective interest rate (USD) %
	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing				
As at 31 December 2009	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Assets											
Cash and short-term funds	16,074,700	-	-	-	-	-	1,624,991	-	17,699,691	2.05	0.26
Reverse repurchase agreements	1,777,984	1,074,357	551	4,564	-	-	-	-	2,857,456	2.06	-
Deposit and placement with banks and other financial institutions	-	11,254,736	561,438	118,104	-	-	-	-	11,934,278	2.09	0.96
Financial assets held-for-trading	-	-	-	-	-	-	-	10,152,185	10,152,185	2.68	2.11
Financial investments available-for-sale	71,113	110,055	49,723	315,277	2,709,241	2,904,564	364,735	-	6,524,708	5.03	-
Financial investments held-to-maturity	-	6,524	-	150,859	3,647,409	6,897,478	-	-	10,702,270	5.46	-
Derivative financial instruments	-	-	-	2,750	60,302	101,498	24,665	3,014,399	3,203,614	-	-
Loans, advances and financing											
- performing	53,871,917	3,467,511	1,133,050	523,272	13,642,468	12,405,102	18,509	-	85,061,829	4.82	-
- non-performing [^]	-	-	-	-	-	-	(605,462)	-	(605,462)	-	-
Other assets	-	-	143,565	85,000	-	-	1,379,235	-	1,607,800	4.73	-
Deferred taxation	-	-	-	-	-	-	281,880	-	281,880	-	-
Statutory deposits with central banks	-	-	-	-	-	-	661,983	-	661,983	-	-
Investment in subsidiaries	-	-	-	-	-	-	3,816,500	-	3,816,500	-	-
Investment in jointly controlled entity	-	-	-	-	-	-	124,448	-	124,448	-	-
Investment in associate	-	-	-	-	-	-	245,034	-	245,034	-	-
Amount due from holding company and ultimate holding company	-	-	-	-	-	-	14,846	-	14,846	-	-
Amount due from subsidiaries	-	-	-	-	-	-	128,064	-	128,064	-	-
Amount due from related companies	-	-	-	-	-	-	994,989	-	994,989	-	-
Goodwill	-	-	-	-	-	-	3,555,075	-	3,555,075	-	-
Intangible assets	-	-	-	-	-	-	512,674	-	512,674	-	-
Prepaid land lease payments	-	-	-	-	-	-	12,511	-	12,511	-	-
Property, plant and equipment	-	-	-	-	-	-	564,486	-	564,486	-	-
Investment properties	-	-	-	-	-	-	96,857	-	96,857	-	-
Non-current assets/disposal groups held for sale	-	-	-	-	-	-	73,902	-	73,902	-	-
Total assets	71,795,714	15,913,183	1,888,327	1,199,826	20,059,420	22,308,642	13,889,922	13,166,584	160,221,618		
Liabilities											
Deposits from customers	57,598,785	13,216,234	7,067,455	8,019,060	2,782,872	44,187	25,721,318	-	114,449,911	2.27	0.35
Deposits and placements of banks and other financial institutions	11,082,151	3,802,144	306,342	499,358	1,837,751	583	105,068	-	17,633,397	2.05	0.33
Derivative financial instruments	-	-	-	-	(963)	129,949	47,858	3,084,277	3,261,121	-	-
Bills and acceptances payable	716,643	1,269,956	358,212	583	-	-	480,771	-	2,826,165	2.25	-
Amount due to Cagamas Berhad	-	66,666	-	120,463	148,483	-	-	-	335,612	4.68	-
Amount due to subsidiaries	-	-	-	-	-	-	118,668	-	118,668	-	-
Amount due to related company	-	-	-	-	-	-	285	-	285	-	-
Other liabilities	-	-	-	-	-	-	2,463,818	-	2,463,818	-	-
Provision for taxation	-	-	-	-	-	-	104,395	-	104,395	-	-
Subordinated obligations	-	-	-	-	1,516,786	2,683,019	-	-	4,199,805	6.04	6.62
Total liabilities	69,397,579	18,355,000	7,732,009	8,639,464	6,284,929	2,857,738	29,042,181	3,084,277	145,393,177		
Total interest rate gap	2,398,135	(2,441,817)	(5,843,682)	(7,439,638)	13,774,491	19,450,904		10,082,307			

[^] After deducting specific allowances and general allowances of RM2,902,393,000.

PART A - EXPLANATORY NOTES (CONTINUED)

A22. 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, International Banking and Transactional Services, Equity Derivatives and Equity Investment and Trading.

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. International Banking and Transactional Services 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 Banking

Retail Banking focuses 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, private banking and retail equity services.

Business Banking

Business Banking is responsible for offering products and services for customer segments comprising micro-enterprises, small and medium-scale enterprises ("SMEs") and mid-sized corporations. Its 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 and Bank of Yingkou Co Ltd, 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)

A22. SEGMENTAL REPORT (CONTINUED)

Group

31 March 2010

	Treasury and Investment RM'000	Corporate and Investment Banking RM'000	Retail Banking RM'000	Business Banking RM'000	Foreign Banking Operations RM'000	Support and Others RM'000	Total RM'000
Net interest income							
- external income	14,020	316,056	509,101	93,747	128,781	11,424	1,073,129
- inter-segment	154,948	(120,325)	(77,035)	48,669	-	(6,257)	-
	168,968	195,731	432,066	142,416	128,781	5,167	1,073,129
Islamic Banking Income	58,726	29,345	112,270	12,550	-	-	212,891
Non-interest income	196,938	53,845	160,020	21,075	46,453	12,448	490,779
Net income	424,632	278,921	704,356	176,041	175,234	17,615	1,776,799
Overheads	(78,033)	(96,535)	(540,619)	(126,291)	(140,248)	2,275	(979,451)
Profit before allowance	346,599	182,386	163,737	49,750	34,986	19,890	797,348
Allowance for losses on other receivables	(53)	-	-	-	-	(527)	(580)
Write-back of/(allowance for) impairment losses on loans, advances and financing	2	2,422	(85,591)	(11,392)	(28,531)	3,152	(119,938)
Write-back of allowance for commitments and contingencies	-	-	-	-	307	-	307
Write-back of allowance for impairment losses	4,994	-	-	-	-	-	4,994
Segment result	351,542	184,808	78,146	38,358	6,762	22,515	682,131
Share of results of associates	10,201	-	-	-	-	-	10,201
Share of results of jointly controlled entity	-	-	2,448	-	-	-	2,448
Taxation and zakat	-	-	-	-	-	-	(150,167)
Profit for the financial period							544,613

31 March 2009

	Treasury and Investment RM'000	Corporate and Investment Banking RM'000	Retail Banking RM'000	Business Banking RM'000	Foreign Banking Operations RM'000	Support and Others RM'000	Total RM'000
Net interest income							
- external income	(85,247)	351,081	562,854	105,736	101,704	(2,686)	1,033,442
- inter-segment	275,165	(214,457)	(101,439)	50,824	-	(10,093)	-
	189,918	136,624	461,415	156,560	101,704	(12,779)	1,033,442
Islamic Banking Income	6,605	46,951	85,667	8,859	-	-	148,082
Non-interest income	337,190	69,354	129,998	23,954	56,477	(3,257)	613,716
Net income	533,713	252,929	677,080	189,373	158,181	(16,036)	1,795,240
Overheads	(68,481)	(81,063)	(455,796)	(136,747)	(135,461)	(27,915)	(905,463)
Profit/(loss) before allowance	465,232	171,866	221,284	52,626	22,720	(43,951)	889,777
Allowance for losses on loans, advances and financing	(63)	(44,276)	(117,584)	(5,464)	(28,410)	757	(195,040)
Allowance for commitments and contingencies	-	-	-	-	(9,207)	-	(9,207)
(Allowance for)/write-back of impairment losses	(8,714)	2,641	-	-	(2,154)	-	(8,227)
Segment result	456,455	130,231	103,700	47,162	(17,051)	(43,194)	677,303
Share of results of jointly controlled entity	-	-	230	-	-	-	230
Taxation and zakat	-	-	-	-	-	-	(154,546)
Profit for the financial period							522,987

PART A - EXPLANATORY NOTES (CONTINUED)**A23. GROUP OPERATION OF ISLAMIC BANKING****A23a. UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010**

	Note	Group		Bank	
		31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Assets					
Cash and short-term funds		4,811,969	5,342,372	-	484,261
Deposit and placement with banks and other financial institutions		671,863	1,485,276	625,088	493,001
Financial assets held-for-trading		2,436,455	3,491,709	126,211	207,415
Financial investments available-for-sale		459,555	542,277	-	-
Financial investments held-to-maturity		1,095,619	1,011,378	-	-
Islamic derivative financial instruments		236,277	263,732	4,028	6,044
Financing, advances and other loans	A23c	17,753,748	16,454,805	103,247	213,664
Other assets		105,146	111,877	3,765	3,841
Deferred tax assets		7,275	44,625	-	-
Taxation recoverable		42,818	-	-	-
Amount due from holding company		198,342	-	-	-
Statutory deposits with Bank Negara Malaysia		87,526	172,806	-	-
Goodwill		136,000	136,000	-	-
Intangible assets		2,909	3,676	-	-
Property, plant and equipment		2,692	2,625	-	-
TOTAL ASSETS		28,048,194	29,063,158	862,339	1,408,226
Liabilities					
Deposits from customers	A23d	18,285,901	18,184,606	509,306	525,463
Deposits and placements of banks and other financial institutions		7,812,841	9,086,271	280,531	805,577
Islamic derivative financial instruments		212,507	159,357	170	1,321
Other liabilities		252,182	292,691	62,285	69,649
Amount due to holding company		206,912	24,183	-	-
Amount due to related company		3,257	6,425	124	147
Provision for taxation and zakat		4,660	17,034	-	-
Subordinated note		300,000	300,000	-	-
TOTAL LIABILITIES		27,078,260	28,070,567	852,416	1,402,157
Ordinary share capital		550,000	550,000	-	-
Perpetual preference shares		70,000	70,000	-	-
Reserves		349,934	372,591	9,923	6,069
Islamic banking capital funds		969,934	992,591	9,923	6,069
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		28,048,194	29,063,158	862,339	1,408,226

PART A - EXPLANATORY NOTES (CONTINUED)

A23. GROUP OPERATION OF ISLAMIC BANKING

A23b. UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2010

	Group			
	1st Quarter Ended		Three Months Ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds and others	314,936	229,697	314,936	229,697
Income derived from investment of shareholders' funds	21,750	22,295	21,750	22,295
Allowance for impairment losses on financing, advances and other loans	<u>(32,435)</u>	<u>(33,764)</u>	<u>(32,435)</u>	<u>(33,764)</u>
Total distributable income	304,251	218,228	304,251	218,228
Income attributable to the depositors	<u>(123,795)</u>	<u>(103,910)</u>	<u>(123,795)</u>	<u>(103,910)</u>
Total net income	180,456	114,318	180,456	114,318
Other operating expenses	<u>(55,670)</u>	<u>(47,418)</u>	<u>(55,670)</u>	<u>(47,418)</u>
Profit before taxation and zakat	124,786	66,900	124,786	66,900
Tax & zakat expense	<u>(20,466)</u>	<u>(9,597)</u>	<u>(20,466)</u>	<u>(9,597)</u>
Profit for the financial period	<u>104,320</u>	<u>57,303</u>	<u>104,320</u>	<u>57,303</u>

	Group			
	1st Quarter Ended		Three Months Ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Total net income	180,456	114,318	180,456	114,318
Add: Allowances for impairment losses on financing, advances and other loans	32,435	33,764	32,435	33,764
Income from Islamic operations (per page 3)	<u>212,891</u>	<u>148,082</u>	<u>212,891</u>	<u>148,082</u>

	Bank			
	1st Quarter Ended		Three Months Ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Bank				
Income derived from investment of depositors' funds and others	5,664	6,537	5,664	6,537
Allowance for impairment losses on financing, advances and other loans	-	(14)	-	(14)
Total distributable income	5,664	6,523	5,664	6,523
Income attributable to the depositors	<u>(1,498)</u>	<u>(3,401)</u>	<u>(1,498)</u>	<u>(3,401)</u>
Total net income	4,166	3,122	4,166	3,122
Other operating expenses	-	(78)	-	(78)
Profit for the financial period	<u>4,166</u>	<u>3,044</u>	<u>4,166</u>	<u>3,044</u>

	Bank			
	1st Quarter Ended		Three Months Ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Total net income	4,166	3,122	4,166	3,122
Add: Allowances for impairment losses on financing, advances and other loans	-	14	-	14
Income from Islamic operations (per page 4)	<u>4,166</u>	<u>3,136</u>	<u>4,166</u>	<u>3,136</u>

PART A - EXPLANATORY NOTES (CONTINUED)**A23. GROUP OPERATION OF ISLAMIC BANKING****A23b. UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2010**

	Group			
	1st Quarter Ended		Three Months Ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	104,320	57,303	104,320	57,303
Other Comprehensive Income:				
Revaluation reserve financial investments available-for-sale				
- Net (gain)/loss from change in fair value	(408)	990	(408)	585
- Realised gain transferred to Statement of Comprehensive Income on disposal and impairment	414	-	414	405
- Transfer to deferred tax assets	(1)	182	(1)	182
Exchange fluctuation reserve	1,917	5,035	1,917	5,035
Other comprehensive income for the period, net of tax	1,922	6,207	1,922	6,207
Total comprehensive income for the period	106,242	63,510	106,242	63,510
	Bank			
	1st Quarter Ended		Three Months Ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	4,166	3,044	4,166	3,044
Other Comprehensive Income:				
Exchange fluctuation reserve	(312)	(277)	(312)	(277)
Other comprehensive income for the period, net of tax	(312)	(277)	(312)	(277)
Total comprehensive income for the period	3,854	2,767	3,854	2,767

PART A - EXPLANATORY NOTES (CONTINUED)

A23. GROUP OPERATION OF ISLAMIC BANKING

A23c. FINANCING, ADVANCES AND OTHER LOANS

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
i) By type				
Cashline	253,875	241,179	-	-
Term financing	31,279,201	27,554,018	103,977	214,536
- Housing financing	12,395,928	9,950,056	21,732	24,652
- Syndicated term financing	697,090	797,833	82,245	189,884
- Hire purchase receivables	5,083,225	4,436,748	-	-
- Other term financing	13,102,958	12,369,381	-	-
Bills receivables	1,911	1,625	-	-
Islamic trust receipts	29,160	29,827	-	-
Claims on customers under acceptance credit	189,766	173,893	-	-
Credit card receivables	58,767	48,973	-	-
Revolving credit	765,591	845,716	-	-
Other financing	81	72	-	-
	32,578,352	28,895,303	103,977	214,536
Less: Unearned income	(14,334,690)	(12,093,880)	(730)	(872)
Gross financing, advances and other loans	18,243,662	16,801,423	103,247	213,664
Fair value changes arising from fair value hedges	58,190	26,519	-	-
	18,301,852	16,827,942	103,247	213,664
Less: Individual impairment allowance	(264,759)	-	-	-
Specific allowance	-	(212,890)	-	-
	18,037,093	16,615,052	103,247	213,664
Less: Portfolio impairment allowance	(283,345)	-	-	-
General allowance	-	(160,247)	-	-
Total net financing, advances and other loans	17,753,748	16,454,805	103,247	213,664

a) Included in other term financing is RM1,500 million (2009: RM 1,519 million) financing provided in normal commercial terms which is exempted from general allowance by Bank Negara Malaysia.

b) During the financial year, CIMB Islamic has undertaken fair value hedges on the profit rate risk of RM1,500 million (2009: RM1,350 million) financing using Islamic profit rate swaps.

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Gross financing hedged	1,500,000	1,350,000	-	-
Fair value changes arising from fair value hedges	58,190	26,519	-	-
	1,558,190	1,376,519	-	-

The fair values loss on profit rate swaps as at 31 March 2010 were RM73.6 million (2009: RM 41.6million)

ii) By geographical distribution

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Malaysia	18,140,415	16,587,759	-	-
Other countries	103,247	213,664	103,247	213,664
Gross loans, advances and financing	18,243,662	16,801,423	103,247	213,664

PART A - EXPLANATORY NOTES (CONTINUED)

A23. GROUP OPERATION OF ISLAMIC BANKING

A23c. FINANCING, ADVANCES AND OTHER LOANS (CONTINUED)

iii) Impaired financing/non-performing financing by geographical distribution

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Malaysia	501,825	357,115	-	-
Gross impaired loan/non-performing loan	501,825	357,115	-	-

iv) Movements in impaired financing/non-performing financing, advances and other loans ("NPF") are as follows :

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Balance as at 1 January				
- as previously reported	357,115	201,468	-	-
- classified as impaired due to adoption of FRS 139*	139,996	-	-	-
- as adjusted	497,111	201,468	-	-
Impaired/non-performing during the period/year	68,922	376,283	-	-
Reclassified as not impaired/performing during the period/year	(29,614)	(90,353)	-	-
Recoveries	(10,435)	(34,424)	-	-
Amount written off	(19,414)	(95,859)	-	-
Exchange fluctuation	(4,745)	-	-	-
Balance as at 31 March/31 December	501,825	357,115	-	-
Ratio of gross impaired / non-performing loans to total loans, advances and financing	2.75%	2.13%	0.00%	0.00%

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

PART A - EXPLANATORY NOTES (CONTINUED)

A23. GROUP OPERATION OF ISLAMIC BANKING

A23c. FINANCING, ADVANCES AND OTHER LOANS (CONTINUED)

v) Movements in allowance for bad and doubtful financing

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Individual impairment allowance				
Balance as at 1 January	-	-	-	-
Adoption of FRS 139	268,587	-	-	-
Adjusted 1 January	268,587	-	-	-
Amount written back in respect of recoveries	(517)	-	-	-
Unwinding income	(88)	-	-	-
Exchange fluctuation	(3,223)	-	-	-
Balance as at 31 March/31 December	264,759	-	-	-
Portfolio impairment allowance				
Balance as at 1 January	-	-	-	1,181
Adoption of FRS 139	261,029	-	-	-
Adjusted 1 January	261,029	-	-	1,181
Allowance made during the financial period/year	22,419	-	-	-
Allowance transferred to conventional operations	-	-	-	(1,181)
Exchange fluctuation	(103)	-	-	-
Balance as at 31 March/31 December	283,345	-	-	-
As % of gross financing, advances and other loans (excluding RPSIA financing and financing exempted from portfolio impairment allowance by BNM) less individual impairment allowance	2.27%	0.00%	0.00%	0.00%

	Group		Bank	
	31 March 2010 RM'000	31 Dec 2009 RM'000	31 March 2010 RM'000	31 Dec 2009 RM'000
Specific allowance				
Balance as at 1 January	212,890	99,374	-	-
Adoption of FRS 139	(212,890)	-	-	-
Adjusted 1 January	-	99,374	-	-
Allowance made during the financial period/year	-	236,951	-	-
Amount written back in respect of recoveries	-	(25,785)	-	-
Amount written off	-	(95,616)	-	-
Exchange fluctuation	-	(2,034)	-	-
Balance as at 31 March/31 December	-	212,890	-	-
General allowance				
Balance as at 1 January	160,247	80,615	-	1,181
Adoption of FRS 139	(160,247)	-	-	-
Adjusted 1 January	-	80,615	-	1,181
Allowance made during the financial period/year	-	80,813	-	-
Allowance transferred to conventional operations	-	(1,181)	-	(1,181)
Exchange fluctuation	-	-	-	-
Balance as at 31 March/31 December	-	160,247	-	-
As % of gross financing, advances and other loans (including financing sold to Cagamas, but excluding RPSIA financing and financing exempted from general allowance by BNM) less specific allowance	0.00%	1.48%	0.00%	0.00%

PART A - EXPLANATORY NOTES (CONTINUED)**A23. GROUP OPERATION OF ISLAMIC BANKING****A23d. DEPOSITS FROM CUSTOMERS****By type of deposits**

	Group		Bank	
	31 March 2010	31 Dec 2009	31 March 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
Non-Mudharabah				
Demand deposits	1,097,394	985,490	1,410	819
Savings deposits	562,938	510,379	-	-
Fixed return investment account	2,934,030	2,964,472	507,896	524,644
Islamic negotiable instruments of deposit	1,086,728	523,089	-	-
Commodity Murabahah	21,335	17,125	-	-
Others	20,003	7,366	-	-
	5,722,428	5,007,921	509,306	525,463
Mudharabah				
Demand deposits	1,172,269	2,155,363	-	-
Savings deposits	228,857	204,066	-	-
General investment deposits (inclusive of Special General investment deposits of RM7,976,117,000 (2009: 7,425,800,000))	9,551,387	9,158,674	-	-
Specific investment deposit	1,610,960	1,658,582	-	-
	12,563,473	13,176,685	-	-
Total deposits from customers	18,285,901	18,184,606	509,306	525,463

PART A - EXPLANATORY NOTES (CONTINUED)

A24. CHANGE IN ACCOUNTING POLICIES

(a) CHANGE IN ACCOUNTING POLICIES

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

- i) FRS 139 Financial Instruments : Recognition and Measurement
- ii) IC Interpretation 9 Reassessment of Embedded Derivatives
- iii) FRS 7 Financial Instruments : Disclosures
- iv) Amendments to FRS 139 "Financial Instruments: Recognition and Measurement", FRS 7 "Financial Instruments: Disclosures" and IC Interpretation 9 "Reassessment of Embedded Derivatives"

The objective of FRS 139 is to establish principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. FRS 139 also deals with derecognition of financial assets and financial liabilities and hedge accounting. A significant portion of the requirements under FRS 139 had been addressed on 1 January 2005, with the adoption of BNM's revised GP8 : Guidelines on Financial Reporting for Licensed Institutions. These included principles which address the conditions of recognition, derecognition and measurement of financial instruments and hedge accounting. With the full adoption of FRS 139 on 1 January 2010, the additional requirements implemented by the Group and the Bank are as follows:

Impairment of financial assets

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

Loan Impairment

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

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

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

Loans that have been individually assessed and for which no evidence of loss has been specifically identified on an individual basis are grouped together for portfolio impairment assessment . These loans are grouped according to their credit risk characteristics for the purposes of calculating an estimated collective loss. Future cash flows on a group of financial assets that are collectively assessed for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group.

The Group and the Bank is currently reporting under the BNM's transitional arrangement as prescribed in the guidelines on 'Classification and Impairment Provision for Loans/Financing' issued on 8 January 2010.

However, our Group's and Bank's financial statements are prepared in full compliance with FRS 139 principles.

PART A - EXPLANATORY NOTES (CONTINUED)

A24. CHANGE IN ACCOUNTING POLICIES (CONTINUED)

(a) CHANGE IN ACCOUNTING POLICIES (continued)

Interest Income Recognition

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

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

Recognition of Embedded Derivatives

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

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

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

(b) COMPARATIVE FIGURES

(i) FRS 101 Presentation of Financial Statements

As a result of the adoption of the revised FRS 101, income statements of the Group and the Bank for the comparative financial period ended 31 March 2009 have been re-presented as two separate statements, ie. an income statement displaying components of profit or loss and a statement of comprehensive income. All nonowner changes in equity which were previously presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statement of changes in equity. Since these changes only affect presentation aspects, there is no impact on earnings per ordinary share.

(ii) FRS 7 Financial Instruments: Disclosures

The adoption of FRS 7 during the financial period has resulted in some changes to the disclosure of financial instruments, whereby the disclosures are now made by categories of financial assets and liabilities. The disclosure of comparative figures in the statement of financial position as at 31 December 2009 and the income statement for the financial period ended 31 March 2009 have been restated to conform with the current period's presentation. Since these changes only affect the presentation of disclosure items, there is no impact on the financial results of the Group and the Bank for the comparative period.

PART A - EXPLANATORY NOTES (CONTINUED)

A24. CHANGE IN ACCOUNTING POLICIES (CONTINUED)

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

Group	Effects of adopting FRS 139		
	Audited as at 31 December 2009 RM'000	Fair value / impairment RM'000	Adjusted 1 January 2010 RM'000
Assets			
Cash and short term funds	25,023,098	-	25,023,098
Reverse repurchase agreements	4,260,951	-	4,260,951
Deposits and placements with banks and other financial institutions	3,402,596	-	3,402,596
Financial assets held-for-trading	13,818,079	-	13,818,079
Financial investments available-for-sale	8,080,319	317,908	8,398,227
Financial investments held-to-maturity	12,875,251	-	12,875,251
Derivative financial instruments	3,504,962	-	3,504,962
Loans, advances and financing	113,480,642	(473,207)	113,007,435
Other assets	2,119,150	(12,285)	2,106,865
Deferred taxation	301,447	(165,962)	135,485
Tax recoverable	2,945	53,042	55,987
Statutory deposits with central banks	841,857	-	841,857
Investment in jointly controlled entity	134,559	(5,711)	128,848
Investment in associate	268,636	-	268,636
Amount due from holding company and ultimate holding company	47,122	-	47,122
Amount due from related companies	998,818	-	998,818
Goodwill	4,923,701	-	4,923,701
Intangible assets	573,416	-	573,416
Prepaid land lease payments	16,340	-	16,340
Property, plant and equipment	842,341	-	842,341
Investment properties	120,349	-	120,349
	195,636,579	(286,215)	195,350,364
Non-current assets/disposal groups held for sale	380,404	-	380,404
Total Assets	196,016,983	(286,215)	195,730,768

PART A - EXPLANATORY NOTES (CONTINUED)

A24. CHANGE IN ACCOUNTING POLICIES (CONTINUED)

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

Group	Audited as at 31 December 2009 RM'000	Effects of adopting FRS 139	
		Fair value / impairment RM'000	Adjusted 1 January 2010 RM'000
Liabilities			
Deposits from customers	146,872,345	-	146,872,345
Deposits and placements of banks and other financial institutions	14,180,946	-	14,180,946
Repurchase agreements	565,097	-	565,097
Derivative financial instruments	3,462,938	-	3,462,938
Bills and acceptances payable	4,056,811	-	4,056,811
Amount due to Cagamas Berhad	335,612	-	335,612
Amount due to subsidiaries	55,439	-	55,439
Amount due to related companies	9,710	-	9,710
Other liabilities	3,149,346	(6,118)	3,143,228
Provision for taxation and zakat	109,169	(97,611)	11,558
Other borrowings	1,027,500	-	1,027,500
Bond	443,051	-	443,051
Subordinated notes	4,106,716	-	4,106,716
Redeemable preference shares	751,437	-	751,437
Total Liabilities	179,126,117	(103,729)	179,022,388
Equity			
Capital and reserves attributable to equity holders of the Bank			
Ordinary share capital	3,764,466	-	3,764,466
Reserves	12,640,620	(180,232)	12,460,388
	16,405,086	(180,232)	16,224,854
Perpetual preference shares	200,000	-	200,000
Redeemable preference shares	29,740	-	29,740
Minority interests	256,040	(2,254)	253,786
Total Equity	16,890,866	(182,486)	16,708,380
Total Equity and Liabilities	196,016,983	(286,215)	195,730,768

PART A - EXPLANATORY NOTES (CONTINUED)

A24. CHANGE IN ACCOUNTING POLICIES (CONTINUED)

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

	Audited as at 31 December 2009 RM'000	Effects of adopting FRS 139 Fair value / impairment RM'000	Adjusted 1 January 2010 RM'000
<u>Bank</u>			
Assets			
Cash and short term funds	17,699,691	-	17,699,691
Reverse repurchase agreements	2,857,456	-	2,857,456
Deposits and placements with banks and other financial institutions	11,934,278	-	11,934,278
Financial assets held-for-trading	10,152,185	-	10,152,185
Financial investments available-for-sale	6,524,708	317,908	6,842,616
Financial investments held-to-maturity	10,702,270	-	10,702,270
Derivative financial instruments	3,203,614	-	3,203,614
Loans, advances and financing	84,456,367	(217,616)	84,238,751
Other assets	1,607,800	(12,285)	1,595,515
Deferred taxation	281,880	(128,034)	153,846
Statutory deposits with central banks	661,983	-	661,983
Investment in subsidiaries	3,816,500	-	3,816,500
Investment in jointly controlled entity	124,448	-	124,448
Investment in associate	245,034	-	245,034
Amount due from holding company and ultimate holding company	14,846	-	14,846
Amount due from subsidiaries	128,064	-	128,064
Amount due from related companies	994,989	-	994,989
Goodwill	3,555,075	-	3,555,075
Intangible assets	512,674	-	512,674
Prepaid land lease payments	12,511	-	12,511
Property, plant and equipment	564,486	-	564,486
Investment properties	96,857	-	96,857
	<hr/> 160,147,716	<hr/> (40,027)	<hr/> 160,107,689
Non-current assets/disposal groups held for sale	73,902	-	73,902
Total Assets	<hr/> 160,221,618	<hr/> (40,027)	<hr/> 160,181,591

PART A - EXPLANATORY NOTES (CONTINUED)

A24. CHANGE IN ACCOUNTING POLICIES (CONTINUED)

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

	Audited as at 31 December 2009 RM'000	Effects of adopting FRS 139 Fair value / impairment RM'000	Adjusted 1 January 2010 RM'000
<u>Bank</u>			
Liabilities			
Deposits from customers	114,449,911	-	114,449,911
Deposits and placements of banks and other financial institutions	17,633,397	-	17,633,397
Derivative financial instruments	3,261,121	-	3,261,121
Bills and acceptances payable	2,826,165	-	2,826,165
Amount due to Cagamas Berhad	335,612	-	335,612
Amount due to subsidiaries	118,668	-	118,668
Amount due to related companies	285	-	285
Other liabilities	2,463,818	(6,118)	2,457,700
Provision for taxation and zakat	104,395	(97,611)	6,784
Subordinated notes	4,199,805	-	4,199,805
Total Liabilities	145,393,177	(103,729)	145,289,448
Equity			
Capital and reserves attributable to equity holders of the Bank			
Ordinary share capital	3,764,466	-	3,764,466
Reserves	10,834,235	63,702	10,897,937
	14,598,701	63,702	14,662,403
Perpetual preference shares	200,000	-	200,000
Redeemable preference shares	29,740	-	29,740
Total Equity	14,828,441	63,702	14,892,143
Total Equity and Liabilities	160,221,618	(40,027)	160,181,591

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 RM694.8 million for the three months ended 31 March 2010, increased by RM17.3 million or 2.6% as compared to RM677.5 million registered in the same period of 2009. Net interest income increased by 3.8% to RM1,073.1 million, while income from Islamic banking operations improved by RM64.8 million to RMRM212.9 million. Non-interest income decreased 20.0% to RM490.8 million, attributed by net loss arising from derivative financial instruments of RM237.5 million as compared to the net gain of RM376.5 million registered in the preceding quarter. However, this loss was offset by the higher gain from foreign exchange of RM345.6 million as opposed to a loss of RM106.9 million reported in March 2009. Overheads increased by 8.2% to RM979.5 million while allowance for impairment losses on loans, advances and financing reduced by RM75.1 million to RM119.9 million.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Group remain optimistic about its prospects for 2010 as regional economies and capital markets are in good shape with the exception of Thailand. Its deal pipeline in Malaysia and Singapore is good and the Group continue to enlarge and strengthen its consumer banking base. The Group 2010 KPI targets remain well in sight.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

Basic EPS/fully diluted

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			
	1st Quarter Ended		Three months ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after minority interests (RM '000)	542,728	511,028	542,728	511,028
Weighted average number of ordinary shares in issue - proforma ('000)	3,764,466	3,641,009	3,764,466	3,641,009
Basic earnings per share (expressed in sen per share)	14.42	14.04	14.42	14.04

	Bank			
	1st Quarter Ended		Three months ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after minority interests (RM '000)	473,576	396,423	473,576	396,423
Weighted average number of ordinary shares in issue - proforma ('000)	3,764,466	3,641,009	3,764,466	3,641,009
Basic earnings per share (expressed in sen per share)	12.58	10.89	12.58	10.89