

**CIMB BANK BERHAD (13491-P)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012**

Note	Group			Bank		
	31 Mar 2012 RM'000	31 Dec 2011 (Restated) RM'000	1 Jan 2011 (Restated) RM'000	31 Mar 2012 RM'000	31 Dec 2011 (Restated) RM'000	1 Jan 2011 (Restated) RM'000
<b>Assets</b>						
Cash and short term funds	25,226,471	28,241,623	20,847,989	18,389,326	20,783,513	12,911,193
Reverse repurchase agreements	4,353,225	3,957,059	3,504,914	4,094,417	3,957,059	2,475,591
Deposits and placements with banks and other financial institutions	6,324,656	4,045,865	9,641,391	12,623,805	10,848,583	16,083,982
Financial assets held for trading	A7 20,620,106	12,627,696	14,458,911	15,914,682	9,471,491	11,814,976
Derivative financial instruments	A20(i) 3,525,170	4,135,377	3,500,891	3,508,295	4,080,924	3,262,534
Financial investments available-for-sale	A8 18,172,407	15,735,494	12,376,754	15,172,553	13,199,586	10,633,945
Financial investments held-to-maturity	A9 9,209,744	10,172,218	10,211,427	6,244,421	7,607,178	8,081,151
Loans, advances and financing	A10 139,576,085	139,509,675	124,252,042	98,863,053	99,222,358	90,816,549
Other assets	A11 3,126,493	2,092,419	2,481,123	2,288,584	1,631,450	1,905,843
Tax recoverable	-	2,464	2,084	-	-	-
Statutory deposits with central banks	5,384,343	5,082,585	1,410,155	3,880,630	3,812,297	954,023
Investment in subsidiaries	-	-	-	4,737,731	4,737,731	4,526,972
Investment in jointly controlled entity	148,089	149,208	139,849	125,000	125,000	125,000
Investment in associate	578,593	589,816	382,248	371,406	392,802	298,116
Amount due from holding company and ultimate holding company	28,856	29,138	29,193	-	285	340
Amount due from subsidiaries	-	-	-	53,622	456,073	84,317
Amount due from related companies	1,639,415	1,673,748	2,259,363	1,644,044	1,671,621	2,239,775
Goodwill	4,885,707	4,899,904	4,923,428	3,555,075	3,555,075	3,555,075
Intangible assets	693,806	721,647	574,064	650,143	676,428	530,362
Prepaid lease payments	1,872	1,964	2,341	-	-	-
Property, plant and equipment	944,389	906,185	947,155	531,008	487,730	541,555
Investment properties	8,110	8,653	61,217	-	-	52,858
	244,447,537	234,582,738	212,006,539	192,647,795	186,717,184	170,894,157
Non-current assets/disposal groups held for sale	14,324	17,248	59,050	11,610	5,043	58,614
<b>Total Assets</b>	<b>244,461,861</b>	<b>234,599,986</b>	<b>212,065,589</b>	<b>192,659,405</b>	<b>186,722,227</b>	<b>170,952,771</b>
<b>Liabilities</b>						
Deposits from customers	A12 186,052,684	176,478,016	159,640,697	137,663,114	131,569,745	121,553,069
Deposits and placements of banks and other financial institutions	A13 15,936,731	13,873,413	14,652,435	19,976,258	18,519,277	18,468,654
Repurchase agreements	1,424,883	1,083,039	33,087	1,086,276	1,083,039	33,087
Derivative financial instruments	A20(i) 3,486,916	4,087,789	3,711,140	3,294,539	3,778,176	3,423,815
Bills and acceptances payable	5,059,956	6,771,502	4,077,611	2,256,634	3,291,625	2,252,722
Amount due to Cagamas Berhad	-	-	107,523	-	-	107,523
Amount due to ultimate holding company	17	-	-	17	-	-
Amount due to subsidiaries	-	-	-	206,208	50,013	310,381
Amount due to related companies	2,165	6,444	6,751	-	-	841
Other liabilities	A14 3,853,754	3,196,860	3,637,462	2,572,846	2,559,744	2,731,046
Provision for taxation and Zakat	327,212	301,868	39,071	347,807	301,254	41,679
Deferred taxation	18,932	61,800	38,485	34	39,249	14,088
Bonds	-	-	423,982	-	-	-
Other borrowings	386,808	462,720	925,050	386,808	462,720	-
Subordinated obligations	7,999,005	8,243,955	6,098,269	7,873,679	7,930,808	6,159,081
Redeemable preference shares	726,034	741,429	706,879	-	-	-
<b>Total Liabilities</b>	<b>225,275,097</b>	<b>215,308,835</b>	<b>194,098,442</b>	<b>175,664,220</b>	<b>169,585,650</b>	<b>155,095,986</b>
<b>Equity</b>						
<b>Capital and reserves attributable to owners of the Parent</b>						
Ordinary share capital	3,764,469	3,764,469	3,764,469	3,764,469	3,764,469	3,764,469
Reserves	14,914,090	15,018,007	13,691,445	13,000,976	13,142,368	11,862,576
	18,678,559	18,782,476	17,455,914	16,765,445	16,906,837	15,627,045
Perpetual preference shares	200,000	200,000	200,000	200,000	200,000	200,000
Redeemable preference shares	29,740	29,740	29,740	29,740	29,740	29,740
Non-controlling interests	278,465	278,935	281,493	-	-	-
<b>Total Equity</b>	<b>19,186,764</b>	<b>19,291,151</b>	<b>17,967,147</b>	<b>16,995,185</b>	<b>17,136,577</b>	<b>15,856,785</b>
<b>Total Equity and Liabilities</b>	<b>244,461,861</b>	<b>234,599,986</b>	<b>212,065,589</b>	<b>192,659,405</b>	<b>186,722,227</b>	<b>170,952,771</b>
<b>Commitments and contingencies</b>	A20(ii) 406,390,724	407,043,765	339,983,774	371,598,566	370,723,140	305,702,131
<b>Net assets per ordinary share (RM)</b>	<b>4.96</b>	<b>4.99</b>	<b>4.64</b>	<b>4.45</b>	<b>4.49</b>	<b>4.15</b>

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 2011.

**CIMB BANK BERHAD (13491-P)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

<b>GROUP</b>	<b>Note</b>	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
		<b>1st Quarter Ended</b>	<b>1st Quarter Ended</b>	<b>Three months ended</b>	<b>Three months ended</b>
		<b>31 Mar 2012</b>	<b>31 Mar 2011</b>	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	A15	2,028,707	1,791,125	2,028,707	1,791,125
Interest expense	A16	(960,262)	(773,530)	(960,262)	(773,530)
Net interest income		1,068,445	1,017,595	1,068,445	1,017,595
Income from Islamic Banking operations	A23	348,100	328,727	348,100	328,727
Net non-interest income	A17	631,555	413,060	631,555	413,060
Overheads	A18	2,048,100 (1,055,556)	1,759,382 (909,119)	2,048,100 (1,055,556)	1,759,382 (909,119)
Profit before allowances		992,544	850,263	992,544	850,263
Allowances for impairment losses on loans, advances and financing (made)/written back	A19	(33,294)	27,424	(33,294)	27,424
Allowances for losses on other receivables		(181)	(531)	(181)	(531)
Allowances for commitments and contingencies written back		738	-	738	-
Allowances for other impairment losses written back/(made)		356	(6,752)	356	(6,752)
		960,163	870,404	960,163	870,404
Share of results of jointly controlled entity		(1,119)	3,952	(1,119)	3,952
Share of results of associates		22,617	15,770	22,617	15,770
Profit before taxation		981,661	890,126	981,661	890,126
Taxation		(212,577)	(189,047)	(212,577)	(189,047)
Profit for the financial period		769,084	701,079	769,084	701,079
<b>Profit for the financial period attributable to :</b>					
Owners of the Parent		768,098	698,015	768,098	698,015
Non-controlling interests		986	3,064	986	3,064
		769,084	701,079	769,084	701,079
<b>Earnings per share attributable to ordinary equity holders of the Parent - basic (sen)</b>	<b>B3</b>	<b>20.40</b>	<b>18.54</b>	<b>20.40</b>	<b>18.54</b>

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 2011.

**CIMB BANK BERHAD (13491-P)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

<b>GROUP</b>	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>1st Quarter Ended</b>	<b>1st Quarter Ended</b>	<b>Three months ended</b>	<b>Three months ended</b>
	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the financial period	<b>769,084</b>	701,079	<b>769,084</b>	701,079
Other comprehensive income:				
Revaluation reserve of financial investments available-for-sale	<b>(3,570)</b>	(33,708)	<b>(3,570)</b>	(33,708)
- Net gain/(loss) from change in fair value				
- as previously reported	-	(2,754)	-	(2,754)
- movement during the period/effect of adopting MFRS1	<b>38,558</b>	(9,608)	<b>38,558</b>	(9,608)
- Realised gain transferred to statement of income on disposal and impairment	<b>(42,966)</b>	(20,895)	<b>(42,966)</b>	(20,895)
- Income tax effects				
- as previously reported	-	(3,226)	-	(3,226)
- movement during the period/effect of adopting MFRS1	<b>838</b>	2,775	<b>838</b>	2,775
Net investment hedge	<b>64,460</b>	45,999	<b>64,460</b>	45,999
Cash flow hedge				
- Net loss from change in fair value	<b>(13)</b>	-	<b>(13)</b>	-
Exchange fluctuation reserve	<b>(103,564)</b>	(110,947)	<b>(103,564)</b>	(110,947)
Share of other comprehensive income of associate	<b>(8,613)</b>	-	<b>(8,613)</b>	-
Other comprehensive expense for the period, net of tax	<b>(51,300)</b>	(98,656)	<b>(51,300)</b>	(98,656)
<b>Total comprehensive income for the financial period</b>	<b>717,784</b>	602,423	<b>717,784</b>	602,423
<b>Total comprehensive income for the financial period attributable to:</b>				
Owners of the Parent	<b>718,254</b>	600,167	<b>718,254</b>	600,167
Non-controlling interests	<b>(470)</b>	2,256	<b>(470)</b>	2,256
	<b>717,784</b>	602,423	<b>717,784</b>	602,423

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 2011.

**CIMB BANK BERHAD (13491-P)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

<b><u>BANK</u></b>	<b>Note</b>	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
		<b>31 Mar 2012</b>	<b>31 Mar 2011</b>	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	A15	1,853,787	1,682,820	1,853,787	1,682,820
Interest expense	A16	(863,360)	(723,958)	(863,360)	(723,958)
Net interest income		990,427	958,862	990,427	958,862
Income from Islamic Banking operations	A23	4,936	2,938	4,936	2,938
Net non-interest income	A17	590,823	392,042	590,823	392,042
Overheads	A18	1,586,186 (801,420)	1,353,842 (689,861)	1,586,186 (801,420)	1,353,842 (689,861)
Profit before allowances		784,766	663,981	784,766	663,981
Allowances for impairment losses on loans, advances and financing written back/(made)	A19	5,947	(22,036)	5,947	(22,036)
Allowances for losses on other receivables		(133)	(199)	(133)	(199)
Allowances for other impairment losses written back/(made)		356	(6,752)	356	(6,752)
Profit before taxation		790,936	634,994	790,936	634,994
Taxation		(173,777)	(143,585)	(173,777)	(143,585)
Profit for the financial period		617,159	491,409	617,159	491,409
<b>Earnings per share - basic (sen)</b>	<b>B3</b>	<b>16.39</b>	13.05	<b>16.39</b>	13.05

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 2011.

**CIMB BANK BERHAD (13491-P)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

<b><u>BANK</u></b>	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>1st Quarter Ended</b>	<b>1st Quarter Ended</b>	<b>Three months ended</b>	
	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the financial period	617,159	491,409	617,159	491,409
Other comprehensive income:				
Revaluation reserve of financial investments available-for-sale	10,561	(32,545)	10,561	(32,545)
- Net gain/(loss) from change in fair value				
- as previously reported	-	(4,901)	-	(4,901)
- movement during the period/effect of adopting MFRS1	45,646	(7,956)	45,646	(7,956)
- Realised gain transferred to statement of income on disposal and impairment	(35,906)	(20,517)	(35,906)	(20,517)
- Income tax effects				
- as previously reported	-	(1,533)	-	(1,533)
- movement during the period/effect of adopting MFRS1	821	2,362	821	2,362
Net investment hedge	64,460	45,999	64,460	45,999
Cash flow hedge				
- Net loss from change in fair value	(13)	-	(13)	-
Exchange fluctuation reserve	(11,282)	(6,756)	(11,282)	(6,756)
Other comprehensive income for the financial period, net of tax	63,726	6,698	63,726	6,698
<b>Total comprehensive income for the financial period</b>	<b>680,885</b>	<b>498,107</b>	<b>680,885</b>	<b>498,107</b>

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 2011.

**CIMB BANK BERHAD (13491-P)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

The Group	Attributable to owners of the Parent														
	Share capital	Share premium	Statutory reserve	Exchange fluctuation reserve	Share-based payment reserve*	Regulatory reserve	Hedging reserve	Capital reserve	Merger deficit	Share-based payment reserve	Retained profits	Total	Perpetual preference shares	Non-controlling interests	Total Equity
	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	RM'000
<b>At 1 January 2012</b>	3,764,469	29,740	4,294,435	(163,485)	451,876	76,699	755,457	(1,085,928)	735,457	263,360	4,778,576	18,669,459	200,000	278,935	19,148,394
- As previously stated					451,876							18,669,459			19,148,394
- Effect of adopting MFRS 1					142,757							142,757			142,757
As restated	3,764,469	29,740	4,294,435	(163,485)	594,633	76,699	735,457	(1,085,928)	735,457	263,360	4,778,576	18,812,216	200,000	278,935	19,291,151
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	768,098	768,098	-	986	769,084
Other comprehensive income (net of tax)	-	-	-	(102,566)	(11,686)	64,447	-	-	(39)	(39)	-	(49,844)	-	(1,456)	(51,300)
- financial investments available-for-sale	-	-	-	-	(3,073)	-	-	-	-	-	-	(3,073)	-	(497)	(3,570)
- net investment hedge	-	-	-	-	-	64,460	-	-	-	-	-	64,460	-	-	64,460
- cash flow hedge	-	-	-	(102,566)	-	(13)	-	-	(39)	(39)	-	(13)	-	-	(13)
- currency translation difference	-	-	-	(102,566)	(8,613)	-	-	-	-	-	-	(102,605)	-	(959)	(103,564)
- share of other comprehensive income of associate	-	-	-	(102,566)	(11,686)	64,447	-	-	(39)	(39)	768,098	718,254	-	(470)	717,784
Total comprehensive income for the financial period	-	-	-	-	(11,686)	64,447	-	-	(39)	(39)	(60,782)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	60,782	-	-	4,829	4,829	-	-	-	-	4,829
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Second interim dividends for the financial year ended 31 December 2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2012</b>	3,764,469	29,740	4,294,435	(266,051)	582,947	141,146	735,457	(1,085,928)	735,457	268,150	4,658,892	18,708,299	200,000	278,465	19,186,764
<b>At 1 January 2011</b>	3,764,469	29,740	4,126,569	(213,699)	389,033	135,877	735,457	(1,085,928)	735,457	238,906	4,094,495	17,366,147	200,000	281,493	17,847,640
- As previously stated					119,507							119,507			119,507
- Effect of adopting MFRS 1					119,507							119,507			119,507
As restated	3,764,469	29,740	4,126,569	(213,699)	508,540	135,877	735,457	(1,085,928)	735,457	238,906	4,094,495	17,485,654	200,000	281,493	17,967,147
Profit for the financial period	-	-	-	-	(33,792)	45,999	-	-	(6)	(6)	698,015	698,015	-	3,064	701,079
Other comprehensive income (net of tax)	-	-	-	(110,049)	(33,792)	-	-	-	(6)	(6)	-	(97,848)	-	(808)	(98,656)
- financial investments available-for-sale	-	-	-	-	(33,792)	-	-	-	-	-	-	(33,792)	-	84	(33,708)
- net investment hedge	-	-	-	-	-	45,999	-	-	(6)	(6)	-	45,999	-	-	45,999
- currency translation difference	-	-	-	(110,049)	(33,792)	-	-	-	(6)	(6)	698,015	(110,055)	-	(892)	(110,947)
Total comprehensive income for the financial period	-	-	-	-	(33,792)	45,999	-	-	(6)	(6)	698,015	600,167	-	2,256	602,423
Transfer to regulatory reserve	-	-	-	-	-	91,401	-	-	4,451	4,451	(91,401)	-	-	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Second interim dividend for the financial year ended 31 December 2010	-	-	-	-	-	-	-	-	-	-	(600,903)	(600,903)	-	-	(600,903)
<b>At 31 March 2011</b>	3,764,469	29,740	4,126,569	(323,748)	474,748	181,876	735,457	(1,085,928)	735,457	243,351	4,100,206	17,489,369	200,000	283,749	17,973,118

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

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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 2012**

The Bank	Non-distributable										Distributable			Total Equity RM'000
	Share capital RM'000	Share preference Shares RM'000	Share premium RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Revaluation reserve-financial investments available-for-sale RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve* RM'000	Retained profits RM'000	Perpetual preference shares RM'000	
<b>At 1 January 2012</b>	3,764,469	29,740	5,033,633	3,964,469	7,384	383,677	(1,047,872)	746,852	76,699	431,514	245,281	3,163,001	200,000	16,998,847
- As previously stated	-	-	-	-	-	137,730	-	-	-	-	-	-	-	137,730
- Effect of adopting MFRS1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As restated	3,764,469	29,740	5,033,633	3,964,469	7,384	521,407	(1,047,872)	746,852	76,699	431,514	245,281	3,163,001	200,000	17,136,577
Profit for the financial period	-	-	-	-	-	10,561	-	-	64,447	-	(20)	617,159	-	617,159
Other comprehensive income (net of tax)	-	-	-	-	-	10,561	-	-	64,460	-	-	-	-	64,460
- financial investments available-for-sale	-	-	-	-	-	-	-	-	(13)	-	-	-	-	(13)
- net investment hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- cash flow hedge	-	-	-	-	(11,262)	-	-	-	-	-	-	-	-	-
- currency translation difference	-	-	-	-	(11,262)	-	-	-	-	-	(20)	-	-	(11,282)
Total comprehensive income for the financial period	-	-	-	-	(11,262)	10,561	-	-	64,447	-	(20)	617,159	-	680,885
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	34,846	-	(34,846)	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	4,723	-	-	4,723
Second interim dividends for the financial year ended 31 December 2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2012</b>	3,764,469	29,740	5,033,633	3,964,469	(3,878)	531,968	(1,047,872)	746,852	141,146	466,360	249,984	2,918,314	200,000	16,995,185
<b>At 1 January 2011</b>	3,764,469	29,740	5,033,633	3,964,469	(46,533)	324,543	(1,047,872)	746,852	135,877	110,190	215,059	2,310,697	200,000	15,741,124
- As previously stated	-	-	-	-	-	115,661	-	-	-	-	-	-	-	115,661
- Effect of adopting MFRS1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As restated	3,764,469	29,740	5,033,633	3,964,469	(46,533)	440,204	(1,047,872)	746,852	135,877	110,190	215,059	2,310,697	200,000	15,856,785
Profit for the financial period	-	-	-	-	(6,750)	(32,545)	-	-	45,999	-	(6)	491,409	-	491,409
Other comprehensive income (net of tax)	-	-	-	-	(6,750)	(32,545)	-	-	45,999	-	(6)	-	-	(32,545)
- financial investments available-for-sale	-	-	-	-	(6,750)	-	-	-	45,999	-	(6)	-	-	45,999
- net investment hedge	-	-	-	-	(6,750)	-	-	-	-	-	-	-	-	-
- currency translation difference	-	-	-	-	(6,750)	-	-	-	-	-	(6)	-	-	(6,756)
Total comprehensive income for the financial period	-	-	-	-	(6,750)	(32,545)	-	-	45,999	-	(6)	491,409	-	498,107
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	63,943	-	(63,943)	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	4,193	-	-	4,193
Second interim dividend for the financial year ended 31 December 2010	-	-	-	-	-	-	-	-	-	-	-	(600,903)	-	(600,903)
<b>At 31 March 2011</b>	3,764,469	29,740	5,033,633	3,964,469	(53,283)	407,659	(1,047,872)	746,852	181,876	174,133	219,246	2,137,260	200,000	15,758,182

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

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

**CIMB BANK BERHAD**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

	Group		Bank	
	31 Mar 2012 RM'000	31 Mar 2011 RM'000	31 Mar 2012 RM'000	31 Mar 2011 RM'000
Profit before taxation	981,661	890,126	790,936	634,994
Adjustments for non-operating and non-cash items	172,518	(34,554)	88,024	(5,191)
Operating profit before changes in working capital	1,154,179	855,572	878,960	629,803
Net changes in operating assets	(12,294,785)	(1,849,392)	(8,320,435)	(991,776)
Net changes in operating liabilities	10,788,472	1,117,719	6,569,196	2,950,965
	(1,506,313)	(731,673)	(1,751,239)	1,959,189
Cash flows generated from/(used in) operations	(352,134)	123,899	(872,279)	2,588,992
Taxation paid	(219,622)	(64,515)	(127,224)	(44,158)
Net cash flows generated from/(used in) operating activities	(571,756)	59,384	(999,503)	2,544,834
Net cash flows (used in)/generated from investing activities	(1,199,702)	(420,313)	(413,927)	(426,401)
Net cash flows generated from/(used in) financing activities	(1,204,353)	(725,350)	(958,404)	(717,432)
Net increase/(decrease) in cash and cash equivalents	(2,975,811)	(1,086,279)	(2,371,834)	1,401,001
Effects of exchange rate changes	(39,341)	(14,084)	(22,353)	(2,352)
Cash and cash equivalents at the beginning of financial period	28,241,623	20,847,989	20,783,513	12,911,193
Cash and cash equivalents at end of financial period	25,226,471	19,747,626	18,389,326	14,309,842

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 2011.



## **PART A - EXPLANATORY NOTES**

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

The unaudited condensed interim financial statements for the financial period ended 31 March 2012 have been prepared under the historical cost convention, except for financial assets held for trading, financial investments available-for-sale, derivative financial instruments, investment properties and non-current assets/disposal groups held for sale, that have been measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements. The unaudited condensed interim financial statements also comply with IAS 134 Interim Financial Reporting issued by International Accounting Standard Board. For the periods up to and including the year ended 31 December 2011, the Group and the Bank prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The unaudited condensed interim financial statements should be read in conjunction with the Group's and the Bank's audited financial statements for the financial year ended 31 December 2011. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2011.

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

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2011, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2012:

MFRS 139 "Financial instruments: recognition and measurement"

Revised MFRS 124 "Related party disclosures"

Amendment to MFRS 112 "Income taxes"

IC Interpretation 19 "Extinguishing financial liabilities with equity instruments"

Amendment to IC Interpretation 14 "MFRS 19 - The limit on a defined benefit assets, minimum funding requirements and their interaction"

Amendment to MFRS 101 "Presentation of items of other comprehensive income"

Amendment to MFRS 1 "First time adoption on fixed dates and hyperinflation"

Amendment to MFRS 7 "Financial instruments: Disclosures on transfers of financial assets"

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

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group and the Bank have adjusted the amounts previously reported in Financial Statements prepared in accordance with FRS. The impact of the adoption of MFRS 1 "First time adoption of MFRS" to the prior periods presented is disclosed in Note A24.

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

The preparation of unaudited condensed interim financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's 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**

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

### **A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

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

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

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

A second net interim dividend of RM827,000,000 comprising approximately 4.17 sen per share less 25% income tax on 2,974,009,486 Redeemable Preference Shares ("RPS") of RM0.01 each, amounting to RM93,000,000 and single tier dividend of approximately 19.50 sen per share on 3,764,468,517 ordinary shares of RM1.00 each, amounting to RM734,000,000 in respect of the financial year ended 31 December 2011, was approved by the Board of Directors on 19 January 2012, which was paid on 15 March 2012 and 19 March 2012 respectively.

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

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

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

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

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

### **A6. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

There were no significant events other than those disclosed under status of corporate proposals that had occurred between 31 March 2012 and the date of this announcement.

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A7. FINANCIAL ASSETS HELD FOR TRADING**

	<b>Group</b>		<b>Bank</b>	
	<b>31 Mar 2012 RM'000</b>	<b>31 Dec 2011 RM'000</b>	<b>31 Mar 2012 RM'000</b>	<b>31 Dec 2011 RM'000</b>
<b>Money market instruments</b>				
<b>Unquoted</b>				
Malaysian Government Securities	126,764	253,409	126,764	233,246
Cagamas bonds	4,895	52,511	4,895	52,511
Malaysian Government treasury bills	331,377	90,484	311,831	80,750
Other Government securities	2,545,267	2,933,501	2,545,267	2,933,501
Bank Negara Malaysia bills	2,811,332	156,856	2,811,332	156,856
Bank Negara Malaysia negotiable notes	6,077,633	1,817,293	2,675,907	11,105
Bankers' acceptances and Islamic accepted bills	537,816	575,819	443,963	428,928
Negotiable instruments of deposit	2,034,420	2,069,683	1,884,729	1,565,527
Credit-linked notes	45,523	46,059	45,523	46,059
Commercial papers	200,931	168,458	200,931	168,458
Government Investment Issue	219,060	147,201	78,502	51,745
	<b>14,935,018</b>	<b>8,311,274</b>	<b>11,129,644</b>	<b>5,728,686</b>
<b>Quoted securities</b>				
<u>In Malaysia</u>				
Shares	929,696	835,886	929,696	835,886
	<b>929,696</b>	<b>835,886</b>	<b>929,696</b>	<b>835,886</b>
<u>Outside Malaysia</u>				
Shares	2,908	2,659	-	-
Private debt securities	-	4,818	-	-
Other Government bonds	312,858	216,609	-	-
	<b>315,766</b>	<b>224,086</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities</b>				
<u>In Malaysia</u>				
Shares	6,379	6,243	6,379	6,243
Private and Islamic debt securities	2,412,973	1,869,106	1,936,142	1,717,715
	<b>2,419,352</b>	<b>1,875,349</b>	<b>1,942,521</b>	<b>1,723,958</b>
<u>Outside Malaysia</u>				
Private and Islamic debt securities	1,962,486	1,322,944	1,912,821	1,182,961
Shares	57,788	58,157	-	-
	<b>20,620,106</b>	<b>12,627,696</b>	<b>15,914,682</b>	<b>9,471,491</b>

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A8. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE**

	Group		Bank	
	31 Mar 2012 RM'000	31 Dec 2011 (Restated) RM'000	31 Mar 2012 RM'000	31 Dec 2011 (Restated) RM'000
<b>Money market instruments</b>				
<b>Unquoted</b>				
Malaysian Government Securities	938,704	1,422,455	906,111	1,388,758
Khazanah bonds	193,150	190,187	193,150	190,187
Government Investment Issue	1,617,640	1,198,283	902,839	749,842
Other Government securities	25,487	25,874	25,487	25,874
Commercial papers	4,983	-	4,983	-
Bank Negara Malaysia bills	98,085	-	98,085	-
Cagamas bonds	500,440	453,651	464,610	417,794
	<b>3,378,489</b>	<b>3,290,450</b>	<b>2,595,265</b>	<b>2,772,455</b>
<b>Quoted securities:</b>				
<u>In Malaysia</u>				
Shares	526	-	526	-
	<b>526</b>	<b>-</b>	<b>526</b>	<b>-</b>
<u>Outside Malaysia</u>				
Shares	4,556	4,398	282	189
Other Government bonds	858,374	834,022	-	-
Unit trusts	286,834	292,209	-	-
Private debt securities	-	19,826	-	-
	<b>1,149,764</b>	<b>1,150,455</b>	<b>282</b>	<b>189</b>
<b>Unquoted securities:</b>				
<u>In Malaysia</u>				
Private debt securities	10,079,584	8,924,328	9,147,012	8,195,124
Shares	807,231	797,611	797,475	797,475
Bonds funds	10,419	12,790	-	-
Loan stocks	12,806	19,774	12,806	12,806
	<b>10,910,040</b>	<b>9,754,503</b>	<b>9,957,293</b>	<b>9,005,405</b>
<u>Outside Malaysia</u>				
Shares	176,550	167,240	151,076	139,855
Private equity funds	61,458	60,479	-	-
Unit trusts	20,397	21,125	-	-
Private debt securities	2,798,354	1,612,707	2,766,859	1,578,415
	<b>3,056,759</b>	<b>1,861,551</b>	<b>2,917,935</b>	<b>1,718,270</b>
	<b>18,495,578</b>	<b>16,056,959</b>	<b>15,471,301</b>	<b>13,496,319</b>
Allowance for impairment losses:				
Private debt securities	(212,525)	(210,510)	(212,525)	(210,510)
Quoted shares	(2,474)	(2,504)	-	-
Unquoted shares	(94,266)	(94,532)	(73,417)	(73,417)
Loan stocks	(12,806)	(12,806)	(12,806)	(12,806)
Unit trusts	(1,100)	(1,113)	-	-
	<b>(323,171)</b>	<b>(321,465)</b>	<b>(298,748)</b>	<b>(296,733)</b>
Total financial investments available-for-sale	<b>18,172,407</b>	<b>15,735,494</b>	<b>15,172,553</b>	<b>13,199,586</b>

On 1 January 2012, the Group and the Bank designated a previously held financial investments held-to-maturity to financial investments available-for-sale, as allowed under MFRS 1. The fair value and the carrying amount of the financial investments at the date of designation is RM4,647,899,111 and RM4,457,951,926 respectively for the Group and RM4,153,904,875 and RM3,970,660,437 respectively for the Bank.

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A9. FINANCIAL INVESTMENTS HELD-TO-MATURITY**

	<b>Group</b>		<b>Bank</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>(Restated)</b>	<b>RM'000</b>	<b>(Restated)</b>
		<b>RM'000</b>		<b>RM'000</b>
<b>Money market instruments :</b>				
<b>Unquoted</b>				
Malaysian Government Securities	-	13,252	-	13,252
Malaysian Government Investment Issue	-	11,655	-	7,696
Other Government securities	<b>478,533</b>	490,820	<b>478,533</b>	490,820
Cagamas bonds	<b>4,834</b>	5,977	<b>4,834</b>	5,977
	<b>483,367</b>	521,704	<b>483,367</b>	517,745
<b>Quoted securities</b>				
<u>Outside Malaysia</u>				
Private debt securities	<b>1,839,581</b>	1,835,931	-	-
	<b>1,839,581</b>	1,835,931	-	-
<b>Unquoted securities</b>				
<u>In Malaysia</u>				
Loans stocks	<b>30,781</b>	30,781	-	-
Danaharta Urus Sdn Bhd bonds	<b>130,139</b>	795,335	<b>130,139</b>	795,335
Private debt securities	<b>4,962,533</b>	4,766,854	<b>3,879,792</b>	4,071,675
	<b>5,123,453</b>	5,592,970	<b>4,009,931</b>	4,867,010
<u>Outside Malaysia</u>				
Private debt securities	<b>1,669,070</b>	1,927,082	<b>1,620,525</b>	1,882,423
Accretion of discount net of amortisation of premium	<b>130,564</b>	330,937	<b>130,598</b>	340,000
Less : Allowance for impairment losses	<b>(36,291)</b>	(36,406)	-	-
Total financial investments held-to-maturity	<b>9,209,744</b>	10,172,218	<b>6,244,421</b>	7,607,178

On 1 January 2012, the Group and the Bank designated a previously held financial investments held-to-maturity to financial investments available-for-sale, as allowed under MFRS 1. The fair value and the carrying amount of the financial investments at the date of designation is RM4,647,899,111 and RM4,457,951,926 respectively for the Group and RM4,153,904,875 and RM3,970,660,437 respectively for the Bank.

Included in the financial investments held-to-maturity of the Group as at 31 March 2012 are 10-year promissory notes of THB432 million (2011: THB450 million) maturing between 2012 to 2015, which were received from Thai Asset Management Corporation ("TAMC") for settlement of impaired loans transferred by CIMB Thai Bank to TAMC. Such promissory notes are non-transferable, bear interest at the average deposit rate of 5 major banks in Thailand and availed by the Financial Institutions Development Fund. As part of the agreement to transfer the impaired loans to TAMC, CIMB Thai Bank has a gain and loss sharing arrangement with TAMC arising from the recovery of the impaired loans. During the previous year, CIMB Bank Thai has recognised a gain of approximately RM101 million arising from the sharing agreement.

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A10. LOANS, ADVANCES AND FINANCING**

	Group		Bank	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000	31 Mar 2012 RM'000	31 Dec 2011 RM'000
<b>(i) By type of financing</b>				
<b>At amortised cost</b>				
Overdrafts	5,583,864	5,768,540	4,528,513	4,679,867
Term loans/financing				
- Housing loan/financing	42,149,487	41,257,312	32,635,051	32,162,693
- Syndicated term loan	7,658,761	9,654,363	7,397,210	9,388,988
- Other term loans/financing	56,551,102	55,204,174	37,090,399	35,597,859
- Factoring receivables	12,404	12,172	-	-
- Lease receivables	43,352	40,003	-	-
- Hire purchase receivables	11,764,692	11,614,260	5,130,273	5,160,996
Bills receivable	2,692,723	3,644,191	555,663	718,096
Trust receipts	2,043,786	1,230,199	591,009	540,594
Claim on customers under acceptance credit	3,630,174	3,537,136	3,368,754	3,295,642
Staff loans	382,136	384,590	339,712	345,173
Credit card receivables	4,386,637	4,649,029	4,286,439	4,544,951
Revolving credit	5,909,698	5,815,428	5,465,101	5,338,728
Share margin financing	560,795	560,088	491,597	501,297
Gross loans, advances and financing	<b>143,369,611</b>	143,371,485	<b>101,879,721</b>	102,274,884
Fair value changes arising from fair value hedges	297,071	398,797	136,470	158,115
	<b>143,666,682</b>	143,770,282	<b>102,016,191</b>	102,432,999
Less: Allowance for impairment losses				
- Individual impairment allowance	<b>(1,914,059)</b>	(2,062,708)	<b>(1,583,215)</b>	(1,633,574)
- Portfolio impairment allowance	<b>(2,176,538)</b>	(2,197,899)	<b>(1,569,923)</b>	(1,577,067)
	<b>(4,090,597)</b>	(4,260,607)	<b>(3,153,138)</b>	(3,210,641)
Total net loans, advances and financing	<b>139,576,085</b>	139,509,675	<b>98,863,053</b>	99,222,358

(a) Included in the Group's and the Bank's loans, advances and financing balances are RM68,282,000 (2011: RM69,977,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A10. LOANS, ADVANCES AND FINANCING (CONTINUED)**

(b) The Group and the Bank have undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM7,009,362,000 (2011: RM7,237,885,000) and RM1,716,134,000 (2011: RM2,884,132,000) respectively, using interest rate swaps.

	<b>Group</b>		<b>Bank</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Gross loan hedged	<b>7,009,362</b>	7,237,885	<b>1,716,134</b>	2,844,132
Fair value changes arising from fair value hedges	<b>297,071</b>	398,797	<b>136,470</b>	158,115
	<b>7,306,433</b>	7,636,682	<b>1,852,604</b>	3,002,247

The fair value loss of interest rate swaps of the Group and the Bank in these hedge transactions as at 31 March 2012 were RM308,790,565 (2011: RM445,176,674) and RM 89,634,241 (2011: RM181,364,782) respectively.

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

As at 31 March 2012, the gross exposure and portfolio impairment allowance relating to RPSIA financing are RM1,070 million (2011: RM1,065 million) and RM3.2 million (2011: RM3.7 million) respectively.

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(ii) By type of customers</b>				
Domestic banking institutions	<b>56,001</b>	57,963	-	173
Domestic non-bank financial institutions				
- others	<b>1,640,348</b>	1,703,135	<b>1,060,933</b>	1,100,559
Domestic business enterprises				
- small medium enterprises	<b>11,151,974</b>	11,374,308	<b>9,015,226</b>	9,177,518
- others	<b>27,787,683</b>	29,554,549	<b>17,689,843</b>	19,336,391
Government and statutory bodies	<b>12,707,164</b>	12,657,089	<b>6,093,787</b>	6,103,106
Individuals	<b>77,193,991</b>	75,553,562	<b>55,665,202</b>	54,598,218
Other domestic entities	<b>2,256,536</b>	2,331,686	<b>2,176,383</b>	2,230,336
Foreign entities	<b>10,575,914</b>	10,139,193	<b>10,178,347</b>	9,728,583
Gross loans, advances and financing	<b>143,369,611</b>	143,371,485	<b>101,879,721</b>	102,274,884

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A10. LOANS, ADVANCES AND FINANCING (CONTINUED)**

	Group		Bank	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000	31 Mar 2012 RM'000	31 Dec 2011 RM'000
<b>(iii) By interest/profit rate sensitivity</b>				
Fixed rate				
- Housing loans/ financing	1,556,643	1,935,416	1,173,632	1,242,704
- Hire purchase receivables	11,744,133	11,594,690	5,109,132	5,139,062
- Other fixed rate loans	30,928,698	31,267,939	18,603,967	18,697,693
Variable rate				
- BLR plus	57,071,737	55,721,316	49,952,261	48,985,065
- Cost-plus	21,822,048	23,129,879	15,123,660	16,661,688
- Other variable rates	20,246,352	19,722,245	11,917,069	11,548,672
Gross loans, advances and financing	<b>143,369,611</b>	<b>143,371,485</b>	<b>101,879,721</b>	<b>102,274,884</b>
<b>(iv) By economic purpose</b>				
Personal use	6,497,611	6,502,902	2,313,136	2,394,655
Credit cards	4,386,635	4,649,029	4,286,438	4,544,951
Purchase of consumer durables	1,481	464	1,481	464
Construction	4,965,264	4,568,490	2,568,878	2,448,635
Residential property (housing)	42,158,452	41,211,363	32,596,286	32,063,079
Non-residential property	12,910,575	12,593,580	10,937,014	10,666,694
Purchase of fixed assets other than land and buildings	1,570,017	1,652,118	947,941	985,007
Mergers and acquisitions	2,179,989	4,750,746	2,148,829	4,715,959
Purchase of securities	9,694,269	8,621,235	9,624,625	8,541,352
Purchase of transport vehicles	11,675,802	11,396,621	5,193,920	5,229,033
Working capital	30,543,599	29,512,883	20,004,224	18,338,603
Other purposes	16,785,917	17,912,054	11,256,949	12,346,452
Gross loans, advances and financing	<b>143,369,611</b>	<b>143,371,485</b>	<b>101,879,721</b>	<b>102,274,884</b>
<b>(v) By geographical distribution</b>				
Malaysia	116,602,277	117,273,540	87,281,304	88,651,068
Indonesia	911,580	845,404	791,102	721,588
Thailand	11,897,246	12,213,550	47,355	45,780
Singapore	9,369,775	9,165,064	9,369,775	9,165,064
United Kingdom	875,766	996,344	875,766	996,344
Hong Kong	891,711	598,442	891,711	598,442
Other countries	2,821,256	2,279,141	2,622,708	2,096,598
Gross loans, advances and financing	<b>143,369,611</b>	<b>143,371,485</b>	<b>101,879,721</b>	<b>102,274,884</b>
<b>(vi) By residual contractual maturity</b>				
Within one year	23,048,665	26,289,130	16,375,273	20,376,834
One year to less than three years	36,860,384	33,652,531	34,731,970	31,654,791
Three years to less than five years	11,137,490	11,357,133	8,038,424	8,519,463
Five years and more	72,323,072	72,072,691	42,734,054	41,723,796
Gross loans, advances and financing	<b>143,369,611</b>	<b>143,371,485</b>	<b>101,879,721</b>	<b>102,274,884</b>



## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A10. LOANS, ADVANCES AND FINANCING (CONTINUED)**

	<b>Group</b>		<b>Bank</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(vii) Impaired loans, advances and financing by economic purpose</b>				
Personal use	123,552	139,300	72,730	81,162
Credit cards	94,322	101,554	90,376	97,048
Purchase of consumer durables	41	80	41	80
Construction	1,136,809	1,104,991	1,029,904	992,740
Residential property (housing)	816,127	794,760	684,821	660,496
Non-residential property	233,432	243,533	212,133	216,231
Purchase of fixed assets other than land and buildings	51,950	74,320	37,223	32,045
Purchase of securities	55,123	74,793	52,660	55,502
Purchase of transport vehicles	346,344	337,612	221,303	218,544
Working capital	1,763,752	1,863,700	1,555,779	1,644,242
Other purposes	334,195	373,900	50,866	43,738
Gross impaired loans	<b>4,955,647</b>	<b>5,108,543</b>	<b>4,007,836</b>	<b>4,041,828</b>
<b>(viii) Impaired loans, advances and financing by geographical distribution</b>				
Malaysia	4,073,012	4,045,324	3,722,833	3,605,151
Indonesia	50,566	47,167	-	-
Thailand	545,743	578,032	-	-
Singapore	41,349	43,103	41,349	43,103
United Kingdom	2,962	54,025	2,962	54,025
Other countries	242,015	340,892	240,692	339,549
Gross impaired loans	<b>4,955,647</b>	<b>5,108,543</b>	<b>4,007,836</b>	<b>4,041,828</b>
<b>(ix) Movements in impaired loans, advances and financing</b>				
At 1 January	5,108,543	5,058,292	4,041,828	3,988,148
Classified as impaired during the financial period/year	677,410	3,293,236	531,231	2,749,184
Reclassified as not impaired during the financial period/year	(282,916)	(1,626,487)	(227,820)	(1,463,951)
Amount written back in respect of recoveries	(194,096)	(999,377)	(175,664)	(809,669)
Amount written off	(482,494)	(629,413)	(277,737)	(438,323)
Reclassification from unwinding income	136,691	-	112,528	-
Exchange fluctuation	(7,491)	12,292	3,470	16,439
At 31 March/31 December	<b>4,955,647</b>	<b>5,108,543</b>	<b>4,007,836</b>	<b>4,041,828</b>
Ratio of gross impaired loans to total loans, advances and financing	<b>3.46%</b>	<b>3.56%</b>	<b>3.93%</b>	<b>3.95%</b>

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A10. LOANS, ADVANCES AND FINANCING (CONTINUED)**

(x) Movements in the allowance for impaired loans, advances and financing are as follows :

	<b>Group</b>		<b>Bank</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Individual impairment allowance</u></b>				
At 1 January	<b>2,062,708</b>	1,975,959	<b>1,633,574</b>	1,527,289
Net allowance made during the financial period/year	<b>45,102</b>	158,185	<b>16,479</b>	139,707
Allowance (written back)/made and charged to deferred assets	<b>(4)</b>	140	<b>(4)</b>	140
Amount written off	<b>(261,876)</b>	(28,605)	<b>(132,935)</b>	(11,099)
Amount transferred to portfolio impairment allowance	-	(1,831)	-	-
Unwinding income	<b>84,118</b>	(45,829)	<b>77,135</b>	(31,897)
Exchange fluctuation	<b>(15,989)</b>	4,689	<b>(11,034)</b>	9,434
At 31 March/31 December	<b>1,914,059</b>	2,062,708	<b>1,583,215</b>	1,633,574
<b><u>Portfolio impairment allowance</u></b>				
At 1 January	<b>2,197,899</b>	2,282,616	<b>1,577,067</b>	1,853,963
Net allowance made during the financial period/year	<b>63,111</b>	504,947	<b>23,626</b>	289,245
Allowance (written back)/made and charged to deferred assets	<b>(26)</b>	844	<b>(26)</b>	844
Amount written off	<b>(140,035)</b>	(566,248)	<b>(82,628)</b>	(378,962)
Amount transferred from individual impairment allowance	-	1,831	-	-
Amount transferred (to)/from a subsidiary	-	-	-	(166,234)
Unwinding income	<b>57,982</b>	(23,389)	<b>51,867</b>	(18,942)
Reclassification of unwinding income to loans, advances and financing				
Exchange fluctuation	<b>(2,393)</b>	(2,702)	<b>17</b>	(2,847)
At 31 March/31 December	<b>2,176,538</b>	2,197,899	<b>1,569,923</b>	1,577,067
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing less individual impairment allowance	<b>2.1%</b>	2.1%	<b>2.1%</b>	2.1%

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A11. OTHER ASSETS**

	<b>Group</b>		<b>Bank</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deferred assets	131,118	131,204	131,118	131,204
Foreclosed properties	106,447	116,848	-	8,557
Due from brokers and clients	76,460	30,723	-	-
Option premium receivables	247,693	249,461	247,693	249,461
Collateral pledged for derivative transactions	526,537	562,342	482,607	510,251
Clearing accounts	388,008	111,290	440,750	233,713
Other debtors, deposits and prepayments	1,650,230	890,551	986,416	498,264
	<b>3,126,493</b>	<b>2,092,419</b>	<b>2,288,584</b>	<b>1,631,450</b>

### **A12. DEPOSITS FROM CUSTOMERS**

	<b>Group</b>		<b>Bank</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(i) By type of deposit</b>				
Demand deposits	42,732,954	40,989,837	36,890,753	35,269,691
Saving deposits	16,487,168	15,704,254	12,617,769	12,023,812
Fixed deposits	75,401,147	72,962,052	55,057,656	53,854,216
Negotiable instruments of deposit	6,466,076	3,158,825	879,793	620,623
Others	44,965,339	43,663,048	32,217,143	29,801,403
	<b>186,052,684</b>	<b>176,478,016</b>	<b>137,663,114</b>	<b>131,569,745</b>

#### **(ii) By type of customer**

Government and statutory bodies	10,355,348	12,525,136	6,407,440	6,637,526
Business enterprises	87,711,684	77,864,068	58,968,203	54,538,807
Individuals	64,873,360	62,830,536	53,209,495	51,547,232
Others	23,112,292	23,258,276	19,077,976	18,846,180
	<b>186,052,684</b>	<b>176,478,016</b>	<b>137,663,114</b>	<b>131,569,745</b>

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

Due within six months	71,054,567	63,621,905	46,381,233	43,649,293
Six months to less than one year	8,036,192	9,473,621	6,893,657	7,962,978
One year to less than three years	1,470,273	1,457,823	1,369,767	1,318,312
Three years to less than five years	746,276	1,335,103	732,877	1,311,831
Five years and more	559,915	232,425	559,915	232,425
	<b>81,867,223</b>	<b>76,120,877</b>	<b>55,937,449</b>	<b>54,474,839</b>

**PART A - EXPLANATORY NOTES (CONTINUED)****A13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>Group</b>		<b>Bank</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	<b>7,634,701</b>	7,938,192	<b>12,825,454</b>	13,513,748
Licensed finance companies	<b>132,017</b>	129,555	<b>97,288</b>	95,612
Licensed investment banks	<b>1,830,953</b>	1,765,936	<b>988,737</b>	912,853
Bank Negara Malaysia	<b>680,283</b>	372,677	<b>680,283</b>	372,677
Other financial institutions	<b>5,658,777</b>	3,667,053	<b>5,384,496</b>	3,624,387
	<b>15,936,731</b>	13,873,413	<b>19,976,258</b>	18,519,277

**A14. OTHER LIABILITIES**

	<b>Group</b>		<b>Bank</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Due to brokers and clients	<b>120,874</b>	103,439	<b>45,741</b>	70,715
Accrued employee benefits	<b>10,897</b>	10,866	<b>10,866</b>	10,866
Post employment benefit obligations	<b>125,169</b>	135,831	<b>19,160</b>	29,184
Sundry creditors	<b>1,509,273</b>	815,400	<b>836,601</b>	740,233
Expenditure payable	<b>815,354</b>	864,164	<b>713,086</b>	762,328
Allowance for commitments and contingencies	<b>27,987</b>	29,232	<b>14,783</b>	14,783
Provision for legal claims	<b>122,567</b>	127,216	<b>96,146</b>	100,852
Credit card expenditure payable	<b>91,301</b>	89,291	<b>89,509</b>	87,686
Call deposit borrowing	<b>405,109</b>	402,705	<b>405,109</b>	402,705
Others	<b>625,223</b>	618,716	<b>341,845</b>	340,392
	<b>3,853,754</b>	3,196,860	<b>2,572,846</b>	2,559,744

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A15. INTEREST INCOME**

	<b>1st Quarter Ended</b>		<b>Three months ended</b>	
	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>				
Loans and advances				
- interest income other than recoveries	<b>1,477,253</b>	1,351,230	<b>1,477,253</b>	1,351,230
- unwinding income <sup>^</sup>	<b>22,588</b>	22,082	<b>22,588</b>	22,082
Money at call and deposit with financial institutions	<b>156,955</b>	98,503	<b>156,955</b>	98,503
Reverse repurchase agreements	<b>31,204</b>	20,815	<b>31,204</b>	20,815
Financial assets held for trading	<b>53,103</b>	40,038	<b>53,103</b>	40,038
Financial investments available-for-sale	<b>148,619</b>	79,383	<b>148,619</b>	79,383
Financial investments held-to-maturity	<b>89,757</b>	131,570	<b>89,757</b>	131,570
Others	<b>3,202</b>	6,089	<b>3,202</b>	6,089
	<b>1,982,681</b>	1,749,710	<b>1,982,681</b>	1,749,710
Accretion of discount less amortisation of premium	<b>46,026</b>	41,415	<b>46,026</b>	41,415
	<b>2,028,707</b>	1,791,125	<b>2,028,707</b>	1,791,125
<b>Bank</b>				
Loans and advances				
- interest income other than recoveries	<b>1,254,657</b>	1,174,264	<b>1,254,657</b>	1,174,264
- unwinding income <sup>^</sup>	<b>18,560</b>	18,105	<b>18,560</b>	18,105
Money at call and deposit with financial institutions	<b>235,949</b>	185,217	<b>235,949</b>	185,217
Reverse repurchase agreements	<b>29,912</b>	15,743	<b>29,912</b>	15,743
Financial assets held for trading	<b>50,178</b>	36,419	<b>50,178</b>	36,419
Financial investments available-for-sale	<b>140,680</b>	76,210	<b>140,680</b>	76,210
Financial investments held-to-maturity	<b>74,940</b>	125,178	<b>74,940</b>	125,178
Others	<b>3,202</b>	6,165	<b>3,202</b>	6,165
	<b>1,808,078</b>	1,637,301	<b>1,808,078</b>	1,637,301
Accretion of discount less amortisation of premium	<b>45,709</b>	45,519	<b>45,709</b>	45,519
	<b>1,853,787</b>	1,682,820	<b>1,853,787</b>	1,682,820

<sup>^</sup> Unwinding income is income earned on impaired loans, advances and financing.

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A16. INTEREST EXPENSE**

	<b>1st Quarter Ended</b>		<b>Three months ended</b>	
	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	<b>26,060</b>	30,829	<b>26,060</b>	30,829
Deposits from other customers	<b>797,789</b>	609,760	<b>797,789</b>	609,760
Repurchase agreements	<b>5,774</b>	332	<b>5,774</b>	332
Loans sold to Cagamas	-	1,124	-	1,124
Negotiable certificates of deposits	<b>16,280</b>	46,853	<b>16,280</b>	46,853
ICULS	-	666	-	666
Redeemable preference shares	<b>10,133</b>	10,088	<b>10,133</b>	10,088
Subordinated obligations	<b>75,346</b>	66,080	<b>75,346</b>	66,080
Other borrowings	<b>28,880</b>	7,798	<b>28,880</b>	7,798
	<b>960,262</b>	773,530	<b>960,262</b>	773,530
<b>Bank</b>				
Deposits and placements of banks and other financial institutions	<b>35,900</b>	35,323	<b>35,900</b>	35,323
Deposits from other customers	<b>717,583</b>	571,811	<b>717,583</b>	571,811
Repurchase agreements	<b>5,437</b>	52	<b>5,437</b>	52
Loans sold to Cagamas	-	1,124	-	1,124
Negotiable certificates of deposits	<b>16,102</b>	46,732	<b>16,102</b>	46,732
ICULS	-	666	-	666
Subordinated obligations	<b>84,666</b>	68,250	<b>84,666</b>	68,250
Others	<b>3,672</b>	-	<b>3,672</b>	-
	<b>863,360</b>	723,958	<b>863,360</b>	723,958

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A17. NET NON-INTEREST INCOME**

<b>Group</b>	<b>1st Quarter Ended</b>		<b>Three months ended</b>	
	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Net fee and commission income</b>				
Commissions	40,523	35,428	40,523	35,428
Fee on loans and advances	77,688	74,710	77,688	74,710
Service charges and fees	51,076	48,780	51,076	48,780
Guarantee fees	12,860	29,782	12,860	29,782
Other fee income	108,569	72,056	108,569	72,056
Fee and commission income	290,716	260,756	290,716	260,756
Fee and commission expense	(69,308)	(56,477)	(69,308)	(56,477)
Net fee and commission income	221,408	204,279	221,408	204,279
<b>Gross dividend income from:</b>				
Financial assets held for trading	4,025	6,005	4,025	6,005
Financial investments available-for-sale	3,937	9,892	3,937	9,892
	7,962	15,897	7,962	15,897
<b>Net gain/(loss) arising from financial assets held for trading:</b>				
- realised gain/(loss)	58,114	(21,738)	58,114	(21,738)
- unrealised loss	(304)	(12,035)	(304)	(12,035)
	57,810	(33,773)	57,810	(33,773)
<b>Net gain/(loss) arising from derivative financial instrument</b>				
- realised gain	346,298	129,691	346,298	129,691
- unrealised (loss)/gain	(131,020)	28,867	(131,020)	28,867
	215,278	158,558	215,278	158,558
<b>Net loss arising from hedging derivatives</b>	(21,851)	(14,956)	(21,851)	(14,956)
<b>Net gain from sale of financial investments available-for-sale</b>	42,966	20,895	42,966	20,895
<b>Net gain from maturity of financial investments held-to-maturity</b>	3,512	336	3,512	336
<b>Brokerage income</b>	11,301	5,701	11,301	5,701
<b>Other non-interest income</b>				
Foreign exchange gain	67,667	37,525	67,667	37,525
Rental income	2,078	3,984	2,078	3,984
Gain on disposal of property, plant and equipment	794	677	794	677
Loss on disposal of foreclosed properties	(4,076)	(2,587)	(4,076)	(2,587)
Gain on revaluation of investment properties	151	-	151	-
Gain on disposal of associate	425	-	425	-
Others	26,130	16,524	26,130	16,524
	93,169	56,123	93,169	56,123
	631,555	413,060	631,555	413,060

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A17. NET NON-INTEREST INCOME (CONTINUED)**

<b>Bank</b>	<b>1st Quarter Ended</b>		<b>Three months ended</b>	
	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Net fee and commission income</b>				
Commissions	35,019	32,737	35,019	32,737
Fee on loans and advances	77,667	75,270	77,667	75,270
Service charges and fees	45,092	37,825	45,092	37,825
Guarantee fees	9,687	27,225	9,687	27,225
Other fee income	103,664	75,885	103,664	75,885
Fee and commission income	271,129	248,942	271,129	248,942
Fee and commission expense	(69,308)	(56,477)	(69,308)	(56,477)
Net fee and commission income	201,821	192,465	201,821	192,465
<b>Gross dividend income from:</b>				
Financial assets held for trading	3,994	6,005	3,994	6,005
Financial investments available-for-sale	1,386	840	1,386	840
	5,380	6,845	5,380	6,845
<b>Net gain/(loss) arising from financial assets held for trading</b>				
- realised gain/(loss)	57,053	(23,006)	57,053	(23,006)
- unrealised loss	(3,113)	(7,480)	(3,113)	(7,480)
	53,940	(30,486)	53,940	(30,486)
<b>Net gain/(loss) arising from derivative financial instrument</b>				
- realised gain	339,866	143,585	339,866	143,585
- unrealised (loss)/gain	(123,719)	16,045	(123,719)	16,045
	216,147	159,630	216,147	159,630
<b>Net loss arising from hedging derivatives</b>	(7,051)	(14,488)	(7,051)	(14,488)
<b>Net gain from sale of financial investments available-for-sale</b>	35,906	20,517	35,906	20,517
<b>Net gain/(loss) from financial investments held-to-maturity</b>	1,576	(11)	1,576	(11)
<b>Other non-interest income</b>				
Foreign exchange gain	55,425	42,067	55,425	42,067
Rental income	1,455	2,464	1,455	2,464
Gain on disposal of property, plant and equipment	622	345	622	345
Gain on disposal of foreclosed properties	-	61	-	61
Gain on disposal of associate	4,255	-	4,255	-
Other non operating income	21,347	12,633	21,347	12,633
	83,104	57,570	83,104	57,570
	590,823	392,042	590,823	392,042



**PART A - EXPLANATORY NOTES (CONTINUED)****A18. OVERHEADS**

Group	1st Quarter Ended		Three months ended	
	31 Mar 2012 RM'000	31 Mar 2011 RM'000	31 Mar 2012 RM'000	31 Mar 2011 RM'000
<b>Personnel costs</b>				
- Salaries, allowances and bonuses	454,666	410,101	454,666	410,101
- Pension costs (defined contribution plan)	46,153	44,715	46,153	44,715
- Pension costs (defined benefit plan)	3,044	(50,353)	3,044	(50,353)
- Overtime	5,721	5,090	5,721	5,090
- Staff incentives and other staff payments	45,326	35,502	45,326	35,502
- Medical expenses	14,652	11,448	14,652	11,448
- Others	10,859	17,502	10,859	17,502
	<b>580,421</b>	<b>474,005</b>	<b>580,421</b>	<b>474,005</b>
<b>Establishment costs</b>				
- Depreciation of property, plant and equipment	52,896	54,743	52,896	54,743
- Amortisation of prepaid lease payments	75	75	75	75
- Rental	52,347	50,286	52,347	50,286
- Repair and maintenance	62,818	37,205	62,818	37,205
- Outsourced services	44,482	31,290	44,482	31,290
- Security expenses	22,759	22,308	22,759	22,308
- Others	25,516	24,981	25,516	24,981
	<b>260,893</b>	<b>220,888</b>	<b>260,893</b>	<b>220,888</b>
<b>Marketing expenses</b>				
- Sales commission	2,908	1,156	2,908	1,156
- Advertisement	25,977	22,686	25,977	22,686
- Others	5,962	7,474	5,962	7,474
	<b>34,847</b>	<b>31,316</b>	<b>34,847</b>	<b>31,316</b>
<b>Administration and general expenses</b>				
- Communication	15,891	13,290	15,891	13,290
- Consultancy and professional fees	10,983	10,085	10,983	10,085
- Legal expenses	(1,218)	4,644	(1,218)	4,644
- Stationery	8,360	10,462	8,360	10,462
- Amortisation of intangible assets	36,700	36,922	36,700	36,922
- Postages	11,850	6,971	11,850	6,971
- Administrative travelling and vehicle expenses	6,660	7,358	6,660	7,358
- Incidental expenses on banking operations	6,979	17,520	6,979	17,520
- Insurance	16,240	14,383	16,240	14,383
- Others	17,691	21,294	17,691	21,294
	<b>130,136</b>	<b>142,929</b>	<b>130,136</b>	<b>142,929</b>
<b>Shared service cost</b>	<b>49,259</b>	<b>39,981</b>	<b>49,259</b>	<b>39,981</b>
	<b>1,055,556</b>	<b>909,119</b>	<b>1,055,556</b>	<b>909,119</b>

**PART A - EXPLANATORY NOTES (CONTINUED)****A18. OVERHEADS (CONTINUED)**

	1st Quarter Ended		Three months ended	
	31 Mar 2012 RM'000	31 Mar 2011 RM'000	31 Mar 2012 RM'000	31 Mar 2011 RM'000
<b>Bank</b>				
Personnel costs				
- Salaries, allowances and bonuses	362,404	329,930	362,404	329,930
- Pension costs (defined contribution plan)	41,354	39,956	41,354	39,956
- Pension costs (defined benefit plan)	-	(60,000)	-	(60,000)
- Overtime	3,120	3,377	3,120	3,377
- Staff incentives and other staff payments	42,012	27,158	42,012	27,158
- Medical expenses	13,698	10,685	13,698	10,685
- Others	9,329	15,744	9,329	15,744
	<b>471,917</b>	<b>366,850</b>	<b>471,917</b>	<b>366,850</b>
Establishment costs				
- Depreciation of property, plant and equipment	38,731	44,774	38,731	44,774
- Rental	41,349	39,710	41,349	39,710
- Repair and maintenance	56,316	32,724	56,316	32,724
- Outsourced services	65,695	59,985	65,695	59,985
- Security expenses	24,932	24,749	24,932	24,749
- Others	19,865	20,059	19,865	20,059
	<b>246,888</b>	<b>222,001</b>	<b>246,888</b>	<b>222,001</b>
Marketing expenses				
- Sales commission	1,329	392	1,329	392
- Advertisement	22,702	20,356	22,702	20,356
- Others	3,233	5,680	3,233	5,680
	<b>27,264</b>	<b>26,428</b>	<b>27,264</b>	<b>26,428</b>
Administration and general expenses				
- Communication	13,923	11,730	13,923	11,730
- Consultancy and professional fees	9,604	8,888	9,604	8,888
- Legal expenses	(1,010)	3,197	(1,010)	3,197
- Stationery	6,403	8,200	6,403	8,200
- Amortisation of intangible assets	31,726	32,280	31,726	32,280
- Postages	9,132	4,900	9,132	4,900
- Administrative travelling and vehicle expenses	4,313	5,137	4,313	5,137
- Incidental expenses on banking operations	5,250	11,768	5,250	11,768
- Insurance	5,405	4,484	5,405	4,484
- Others	3,372	9,049	3,372	9,049
	<b>88,118</b>	<b>99,633</b>	<b>88,118</b>	<b>99,633</b>
Shared service cost	(32,767)	(25,051)	(32,767)	(25,051)
	<b>801,420</b>	<b>689,861</b>	<b>801,420</b>	<b>689,861</b>

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A19. ALLOWANCES FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING**

	<b>1st Quarter Ended</b>		<b>Three months ended</b>	
	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>				
Allowances for impaired loans and financing :				
Net allowance made/(written-back) during the financial period				
- Individual impairment allowance	<b>45,102</b>	(32,181)	<b>45,102</b>	(32,181)
- Portfolio impairment allowance	<b>63,111</b>	86,431	<b>63,111</b>	86,431
Impaired loans and advances :				
- recovered	<b>(77,288)</b>	(82,983)	<b>(77,288)</b>	(82,983)
- written off	<b>2,369</b>	1,309	<b>2,369</b>	1,309
	<b>33,294</b>	<b>(27,424)</b>	<b>33,294</b>	<b>(27,424)</b>
<b>Bank</b>				
Allowances for bad and doubtful debts and financing :				
Net allowance made during the financial period				
- Individual impairment allowance	<b>16,479</b>	1,237	<b>16,479</b>	1,237
- Portfolio impairment allowance	<b>23,626</b>	66,690	<b>23,626</b>	66,690
Impaired loans and advances :				
- recovered	<b>(46,110)</b>	(45,993)	<b>(46,110)</b>	(45,993)
- written off	<b>58</b>	102	<b>58</b>	102
	<b>(5,947)</b>	<b>22,036</b>	<b>(5,947)</b>	<b>22,036</b>

## PART A - EXPLANATORY NOTES (CONTINUED)

### A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES

The following tables summarise the contractual underlying principal amounts of trading derivative and financial instruments held for hedging purpose. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the end of the reporting period, and do not represent amounts at risk.

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

#### (i) Derivative financial instruments

At 31 March 2012	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	<b>11,200,436</b>	<b>121,673</b>	<b>(162,290)</b>	<b>9,086,918</b>	<b>114,016</b>	<b>(147,997)</b>
- Less than 1 year	8,826,349	50,296	(125,571)	6,750,430	43,947	(112,819)
- 1 year to 3 years	1,082,872	52,450	(25,101)	1,076,733	52,408	(24,743)
- More than 3 years	1,291,215	18,927	(11,618)	1,259,755	17,661	(10,435)
Currency swaps	<b>45,215,695</b>	<b>331,323</b>	<b>(251,581)</b>	<b>40,664,171</b>	<b>306,387</b>	<b>(236,078)</b>
- Less than 1 year	44,891,943	318,603	(248,335)	40,340,419	293,667	(232,832)
- 1 year to 3 years	119,755	4,520	(2,665)	119,755	4,520	(2,665)
- More than 3 years	203,997	8,200	(581)	203,997	8,200	(581)
Currency spots	<b>5,369,806</b>	<b>4,264</b>	<b>(3,731)</b>	<b>4,656,988</b>	<b>3,879</b>	<b>(3,515)</b>
- Less than 1 year	5,369,806	4,264	(3,731)	4,656,988	3,879	(3,515)
Currency options	<b>2,296,299</b>	<b>10,289</b>	<b>(11,075)</b>	<b>2,102,775</b>	<b>8,894</b>	<b>(10,460)</b>
- Less than 1 year	2,296,299	10,289	(11,075)	2,102,775	8,894	(10,460)
Cross currency interest rate swaps	<b>16,213,580</b>	<b>552,073</b>	<b>(469,053)</b>	<b>16,100,912</b>	<b>544,986</b>	<b>(470,057)</b>
- Less than 1 year	3,581,546	100,199	(146,270)	3,531,286	100,193	(163,625)
- 1 year to 3 years	5,051,820	264,230	(155,833)	5,251,769	265,605	(151,839)
- More than 3 years	7,580,214	187,644	(166,950)	7,317,857	179,188	(154,593)
	<b>80,295,816</b>	<b>1,019,622</b>	<b>(897,730)</b>	<b>72,611,764</b>	<b>978,162</b>	<b>(868,107)</b>
<u>Interest rate derivatives</u>						
Interest rate swaps	<b>229,562,387</b>	<b>2,029,910</b>	<b>(1,672,892)</b>	<b>205,197,527</b>	<b>1,864,838</b>	<b>(1,534,284)</b>
- Less than 1 year	33,787,349	67,820	(62,175)	24,615,606	50,301	(48,873)
- 1 year to 3 years	135,891,843	774,584	(761,253)	127,255,713	746,597	(743,663)
- More than 3 years	59,883,195	1,187,506	(849,464)	53,326,208	1,067,940	(741,748)
Interest rate futures	<b>13,763,255</b>	<b>24,532</b>	<b>(2,347)</b>	<b>13,701,869</b>	<b>24,524</b>	<b>(2,286)</b>
- Less than 1 year	8,031,970	11,888	(2,093)	7,970,584	11,880	(2,032)
- 1 year to 3 years	4,067,742	11,455	-	4,067,742	11,455	-
- More than 3 years	1,663,543	1,189	(254)	1,663,543	1,189	(254)
Interest rate options	<b>150,000</b>	<b>1,229</b>	<b>(7)</b>	<b>150,000</b>	<b>1,229</b>	<b>(7)</b>
- 1 year to 3 years	150,000	1,229	(7)	150,000	1,229	(7)
	<b>243,475,642</b>	<b>2,055,671</b>	<b>(1,675,246)</b>	<b>219,049,396</b>	<b>1,890,591</b>	<b>(1,536,577)</b>
<u>Equity related derivatives</u>						
Equity swap	<b>569,849</b>	<b>221</b>	<b>(27,630)</b>	<b>336,623</b>	<b>134</b>	<b>(27,543)</b>
- More than 3 years	569,849	221	(27,630)	336,623	134	(27,543)
Equity options	<b>10,115,330</b>	<b>128,126</b>	<b>(396,773)</b>	<b>8,797,232</b>	<b>114,424</b>	<b>(383,205)</b>
- Less than 1 year	3,019,253	61,919	(338,712)	2,364,524	58,937	(335,864)
- 1 year to 3 years	3,060,556	58,396	(12,379)	2,732,591	55,487	(9,470)
- More than 3 years	4,035,521	7,811	(45,682)	3,700,117	-	(37,871)
Index futures	<b>30,258</b>	<b>181</b>	<b>(56)</b>	<b>30,258</b>	<b>181</b>	<b>(56)</b>
- Less than 1 year	30,258	181	(56)	30,258	181	(56)
	<b>10,715,437</b>	<b>128,528</b>	<b>(424,459)</b>	<b>9,164,113</b>	<b>114,739</b>	<b>(410,804)</b>

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)**

#### **(i) Derivative financial instruments (continued)**

At 31 March 2012	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	<b>57,132</b>	<b>4,068</b>	<b>(2,652)</b>	<b>57,132</b>	<b>4,068</b>	<b>(2,652)</b>
- Less than 1 year	57,132	4,068	(2,652)	57,132	4,068	(2,652)
Commodity futures	<b>37,472</b>	<b>81</b>	<b>(1,252)</b>	<b>37,472</b>	<b>81</b>	<b>(1,252)</b>
- Less than 1 year	37,472	81	(1,252)	37,472	81	(1,252)
Commodity options	<b>174,996</b>	<b>70,063</b>	<b>(70,063)</b>	<b>174,996</b>	<b>70,063</b>	<b>(70,063)</b>
- Less than 1 year	18,387	92	(92)	18,387	92	(92)
- 1 year to 3 years	156,609	69,971	(69,971)	156,609	69,971	(69,971)
	<b>269,600</b>	<b>74,212</b>	<b>(73,967)</b>	<b>269,600</b>	<b>74,212</b>	<b>(73,967)</b>
<u>Credit related contract</u>						
Credit default swaps	<b>2,170,254</b>	<b>26,211</b>	<b>(47,963)</b>	<b>2,170,254</b>	<b>26,211</b>	<b>(47,963)</b>
- Less than 1 year	60,645	227	(49)	60,645	227	(49)
- 1 year to 3 years	811,125	1,187	(6,868)	811,125	1,187	(6,868)
- More than 3 years	1,298,484	24,797	(41,046)	1,298,484	24,797	(41,046)
<u>Hedging derivatives</u>						
Cross currency interest rate swaps	<b>595,543</b>	<b>3,877</b>	<b>(7,190)</b>	<b>595,543</b>	<b>3,877</b>	<b>(7,190)</b>
- 1 year to 3 years	284,927	253	(849)	284,927	253	(849)
- More than 3 years	310,616	3,624	(6,341)	310,616	3,624	(6,341)
Interest rate swaps	<b>14,171,271</b>	<b>217,049</b>	<b>(360,361)</b>	<b>19,675,790</b>	<b>420,503</b>	<b>(349,931)</b>
- Less than 1 year	600,000	9,175	-	600,000	9,175	-
- 1 year to 3 years	151,197	2,299	(443)	151,197	2,299	(443)
- More than 3 years	13,420,074	205,575	(359,918)	18,924,593	409,029	(349,488)
Total derivatives assets/(liabilities)	<b>351,693,563</b>	<b>3,525,170</b>	<b>(3,486,916)</b>	<b>323,536,460</b>	<b>3,508,295</b>	<b>(3,294,539)</b>

## PART A - EXPLANATORY NOTES (CONTINUED)

### A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### (i) Derivative financial instruments (continued)

At 31 December 2011	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	<b>11,137,071</b>	<b>150,947</b>	<b>(171,386)</b>	<b>8,556,322</b>	<b>111,129</b>	<b>(151,896)</b>
- Less than 1 year	8,880,304	106,621	(125,604)	6,270,476	63,693	(107,993)
- 1 year to 3 years	971,908	40,641	(22,110)	978,643	40,644	(21,582)
- More than 3 years	1,284,859	3,685	(23,672)	1,307,203	6,792	(22,321)
Currency swaps	<b>38,299,915</b>	<b>412,444</b>	<b>(328,273)</b>	<b>34,400,531</b>	<b>366,975</b>	<b>(262,949)</b>
- Less than 1 year	37,959,926	394,429	(323,835)	34,060,542	348,960	(258,511)
- 1 year to 3 years	128,276	6,806	(4,081)	128,276	6,806	(4,081)
- More than 3 years	211,713	11,209	(357)	211,713	11,209	(357)
Currency spots	<b>2,864,293</b>	<b>1,439</b>	<b>(1,362)</b>	<b>2,498,173</b>	<b>1,013</b>	<b>(926)</b>
- Less than 1 year	2,864,293	1,439	(1,362)	2,498,173	1,013	(926)
Currency options	<b>1,684,491</b>	<b>8,983</b>	<b>(14,206)</b>	<b>1,540,387</b>	<b>7,718</b>	<b>(13,339)</b>
- Less than 1 year	1,684,491	8,983	(14,206)	1,540,387	7,718	(13,339)
Cross currency interest rate swaps	<b>16,804,268</b>	<b>537,952</b>	<b>(392,083)</b>	<b>16,657,869</b>	<b>522,901</b>	<b>(392,922)</b>
- Less than 1 year	3,453,558	89,679	(130,104)	3,453,558	89,679	(130,104)
- 1 year to 3 years	6,073,343	258,809	(105,320)	6,260,263	257,136	(121,291)
- More than 3 years	7,277,367	189,464	(156,659)	6,944,048	176,086	(141,527)
	<b>70,790,038</b>	<b>1,111,765</b>	<b>(907,310)</b>	<b>63,653,282</b>	<b>1,009,736</b>	<b>(822,032)</b>
<u>Interest rate derivatives</u>						
Interest rate swaps	<b>242,872,810</b>	<b>2,604,921</b>	<b>(2,279,435)</b>	<b>218,308,474</b>	<b>2,400,666</b>	<b>(2,059,269)</b>
- Less than 1 year	32,514,780	85,636	(60,031)	22,921,402	68,120	(41,776)
- 1 year to 3 years	131,247,584	992,170	(1,039,857)	123,173,634	947,748	(1,019,779)
- More than 3 years	79,110,446	1,527,115	(1,179,547)	72,213,438	1,384,798	(997,714)
Interest rate futures	<b>11,930,771</b>	<b>31,861</b>	<b>(2,279)</b>	<b>11,803,092</b>	<b>31,861</b>	<b>(2,278)</b>
- Less than 1 year	5,734,380	10,485	(2,279)	5,606,701	10,485	(2,278)
- 1 year to 3 years	4,844,425	17,375	-	4,844,425	17,375	-
- More than 3 years	1,351,966	4,001	-	1,351,966	4,001	-
Interest rate options	<b>150,000</b>	<b>10,408</b>	<b>(4,550)</b>	<b>150,000</b>	<b>10,408</b>	<b>(4,550)</b>
- 1 year to 3 years	100,000	9,731	(4,543)	100,000	9,731	(4,543)
- More than 3 years	50,000	677	(7)	50,000	677	(7)
	<b>254,953,581</b>	<b>2,647,190</b>	<b>(2,286,264)</b>	<b>230,261,566</b>	<b>2,442,935</b>	<b>(2,066,097)</b>
<u>Equity related derivatives</u>						
Equity swaps	<b>525,927</b>	<b>416</b>	<b>(18,399)</b>	<b>296,560</b>	<b>258</b>	<b>(18,241)</b>
- More than 3 years	525,927	416	(18,399)	296,560	258	(18,241)
Equity options	<b>8,603,265</b>	<b>60,008</b>	<b>(305,738)</b>	<b>6,928,079</b>	<b>49,570</b>	<b>(295,341)</b>
- Less than 1 year	1,839,407	50,392	(272,089)	1,622,898	50,350	(272,089)
- 1 year to 3 years	3,039,223	351	(351)	2,236,647	-	-
- More than 3 years	3,724,635	9,265	(33,298)	3,068,534	(780)	(23,252)
Index futures	<b>17,121</b>	<b>1</b>	<b>(132)</b>	<b>17,121</b>	<b>1</b>	<b>(132)</b>
- Less than 1 year	17,121	1	(132)	17,121	1	(132)
	<b>9,146,313</b>	<b>60,425</b>	<b>(324,269)</b>	<b>7,241,760</b>	<b>49,829</b>	<b>(313,714)</b>

## PART A - EXPLANATORY NOTES (CONTINUED)

### A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### (i) Derivative financial instruments (continued)

At 31 December 2011	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	<b>80,961</b>	<b>4,456</b>	<b>(5,498)</b>	<b>80,961</b>	<b>4,456</b>	<b>(5,498)</b>
- Less than 1 year	44,312	3,730	(3,663)	44,312	3,730	(3,663)
- 1 year to 3 years	36,649	726	(1,835)	36,649	726	(1,835)
Commodity futures	<b>39,643</b>	<b>783</b>	<b>(863)</b>	<b>39,643</b>	<b>783</b>	<b>(863)</b>
- Less than 1 year	38,236	685	(845)	38,236	685	(845)
- 1 year to 3 years	1,407	98	(18)	1,407	98	(18)
Commodity options	<b>203,200</b>	<b>48,048</b>	<b>(48,048)</b>	<b>203,200</b>	<b>48,048</b>	<b>(48,048)</b>
- Less than 1 year	34,947	10,075	(10,075)	34,947	10,075	(10,075)
- 1 year to 3 years	168,253	37,973	(37,973)	168,253	37,973	(37,973)
	<b>323,804</b>	<b>53,287</b>	<b>(54,409)</b>	<b>323,804</b>	<b>53,287</b>	<b>(54,409)</b>
<u>Credit related contract</u>						
Credit default swaps	<b>2,138,269</b>	<b>38,374</b>	<b>(72,394)</b>	<b>2,138,269</b>	<b>38,374</b>	<b>(72,394)</b>
- Less than 1 year	317,700	24	(427)	317,700	24	(427)
- 1 year to 3 years	839,250	3,613	(10,290)	839,250	3,613	(10,290)
- More than 3 years	981,319	34,737	(61,677)	981,319	34,737	(61,677)
<u>Hedging derivatives</u>						
Cross currency interest rate swaps	<b>71,131</b>	-	<b>(597)</b>	<b>71,131</b>	-	<b>(597)</b>
- More than 3 years	71,131	-	(597)	71,131	-	(597)
Interest rate swaps	<b>13,495,846</b>	<b>224,336</b>	<b>(442,546)</b>	<b>18,100,014</b>	<b>486,763</b>	<b>(448,933)</b>
- 1 year to 3 years	720,000	18,571	(197)	720,000	18,571	(197)
- More than 3 years	12,775,846	205,765	(442,349)	17,380,014	468,192	(448,736)
Total derivatives assets/(liabilities)	<b>350,918,982</b>	<b>4,135,377</b>	<b>(4,087,789)</b>	<b>321,789,826</b>	<b>4,080,924</b>	<b>(3,778,176)</b>

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)**

#### **(i) Derivative financial instruments (continued)**

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

##### **Market Risk**

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

##### **Credit Risk**

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2012, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM3,525,170,000 and RM3,508,295,000 respectively (31 December 2011: RM4,135,377,000 and RM4,080,924,000 respectively). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group are discussed in the audited annual financial statements for the financial year ended 31 December 2011.



## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)**

#### **(ii) Commitments and contingencies**

	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>Principal</b>	<b>Principal</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>The Group</b>		
<u>Credit-related</u>		
Direct credit substitutes	2,231,691	2,431,001
Transaction-related contingent items	4,374,138	4,397,206
Short-term self-liquidating trade-related contingencies	2,484,019	2,549,245
Obligations under underwriting agreement	67,500	145,000
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	37,382,109	36,370,852
- maturity exceeding one year	6,107,940	6,710,804
Miscellaneous commitments and contingencies	3,391,938	4,940,544
Total credit-related commitments and contingencies	<u>56,039,335</u>	<u>57,544,652</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	58,366,605	49,298,596
- one year to less than 5 years	12,115,363	11,774,795
- five years and above	4,374,180	4,523,518
	74,856,148	65,596,909
Interest rate related contracts :		
- less than one year	53,387,552	49,837,868
- one year to less than 5 years	147,852,205	162,359,000
- five years and above	35,446,426	35,930,379
	236,686,183	248,127,247
Equity related contracts:		
- less than one year	2,987,351	1,852,206
- one year to less than 5 years	5,653,590	4,901,299
- five years and above	2,074,496	2,392,808
	10,715,437	9,146,313
Other treasury related contracts	28,093,621	26,628,644
Total treasury-related commitments and contingencies	<u>350,351,389</u>	<u>349,499,113</u>
	<u>406,390,724</u>	<u>407,043,765</u>

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)**

#### **(ii) Commitments and contingencies (continued)**

	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>Principal</b>	<b>Principal</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>The Bank</b>		
<u>Credit-related</u>		
Direct credit substitutes	2,141,136	2,338,908
Transaction-related contingent items	3,158,874	3,205,540
Short-term self-liquidating trade-related contingencies	1,994,590	2,032,382
Obligations under underwriting agreement	67,500	145,000
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	34,848,462	33,911,376
- maturity exceeding one year	5,451,825	5,835,710
Miscellaneous commitments and contingencies	1,741,893	2,884,268
Total credit-related commitments and contingencies	<u>49,404,280</u>	<u>50,353,184</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	56,711,709	47,503,115
- one year to less than 5 years	12,225,707	11,844,370
- five years and above	4,269,891	4,376,928
	73,207,307	63,724,413
Interest rate related contracts :		
- less than one year	52,604,450	48,713,161
- one year to less than 5 years	146,607,623	161,029,887
- five years and above	40,610,793	39,660,736
	239,822,866	249,403,784
Equity related contracts:		
- less than one year	2,332,623	1,635,696
- one year to less than 5 years	5,234,776	3,939,189
- five years and above	1,596,714	1,666,874
	9,164,113	7,241,759
Total treasury-related commitments and contingencies	<u>322,194,286</u>	<u>320,369,956</u>
	<u>371,598,566</u>	<u>370,723,140</u>

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A21. CAPITAL ADEQUACY**

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

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

	<b>The Group</b>		<b>The Bank*</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
Core capital ratio	<b>10.58%</b>	11.33% #	<b>13.37%</b>	14.45% #
Risk-weighted capital ratio	<b>15.06%</b>	16.24% #	<b>15.43%</b>	16.78% #

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

	<b>The Group</b>		<b>The Bank*</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Credit risk	<b>115,018,336</b>	109,351,226	<b>88,776,360</b>	83,785,262
Market risk	<b>12,218,967</b>	8,785,131	<b>11,110,199</b>	8,105,302
Large exposure risk requirements	<b>408,520</b>	400,148	<b>408,520</b>	400,148
Operational risk	<b>12,832,072</b>	12,620,584	<b>10,033,439</b>	9,949,736
Total risk-weighted assets	<b>140,477,895</b>	131,157,089	<b>110,328,518</b>	102,240,448

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A21. CAPITAL ADEQUACY (Continued)**

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

	<b>The Group</b>		<b>The Bank*</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Tier I capital</b>				
Paid-up capital	3,764,469	3,764,469	3,764,469	3,764,469
Perpetual preference shares	200,000	200,000	200,000	200,000
Non-innovative Tier I Capital	1,000,000	1,000,000	1,000,000	1,000,000
Innovative Tier I Capital	1,612,900	1,635,400	1,612,900	1,635,400
Other reserves	12,989,665	13,816,665	11,849,039	12,676,039
Non-controlling interests	266,211	266,211	-	-
Less:				
Deferred tax assets	(89,327)	(89,327)	(118,506)	(118,506)
Goodwill	(4,885,707)	(4,899,904)	(3,555,075)	(3,555,075)
<b>Total Tier I capital</b>	<b>14,858,211</b>	<b>15,693,514</b>	<b>14,752,827</b>	<b>15,602,327</b>
<b>Tier II capital</b>				
Subordinated notes	5,777,311	5,813,057	5,000,000	5,000,000
Redeemable preference shares	29,740	29,740	29,740	29,740
Regulatory reserve	551,409	490,627	466,360	431,514
Portfolio impairment allowance ^	356,423	397,291	149,265	188,389
Surplus of total eligible provision over expected loss under IRB approach	140,470	255,860	256,097	359,190
<b>Total Tier II capital</b>	<b>6,855,353</b>	<b>6,986,575</b>	<b>5,901,462</b>	<b>6,008,833</b>
Less:				
Investment in subsidiaries	(136,135)	(136,135)	(3,208,833)	(3,208,833)
Securitisation exposures subject to deductions^^	(70,116)	(70,116)	(70,116)	(70,116)
Investment in associates	(305,584)	(306,061)	(305,584)	(306,061)
Holding of other banking institutions' capital instruments	(42,584)	(40,990)	(42,584)	(40,990)
<b>Total Eligible Tier II capital</b>	<b>6,300,934</b>	<b>6,433,273</b>	<b>2,274,345</b>	<b>2,382,833</b>
<b>Total capital base</b>	<b>21,159,145</b>	<b>22,126,787</b>	<b>17,027,172</b>	<b>17,985,160</b>

^ The capital base of the Group and the Bank as at 31 March 2012 has excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM357,934,147 (2011: RM463,064,140) and RM340,065,960 (2011: RM441,690,248) respectively.

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

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

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A21. CAPITAL ADEQUACY (Continued)**

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

#### **As at 31 March 2012**

	<b>CIMB Islamic Bank**</b>	<b>CIMB Thai Bank***</b>	<b>CIMB Bank PLC****</b>
Core capital ratio	<b>9.88%</b>	<b>7.61%</b>	<b>N/A</b>
Risk-weighted capital ratio	<b>13.70%</b>	<b>11.93%</b>	<b>47.65%</b>

#### **As at 31 Dec 2011**

	<b>CIMB Islamic Bank**</b>	<b>CIMB Thai Bank***</b>	<b>CIMB Bank PLC****</b>
Core capital ratio	10.44%	7.65%	N/A
Risk-weighted capital ratio	14.42%	13.00%	56.33%

# The dividends on RPS and ordinary shares were paid on 15 March 2012 and 19 March 2012 respectively.

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

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

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

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

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A22. SEGMENTAL REPORT**

#### **Definition of segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group Management Committee as its chief operating decision-maker.

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

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

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

#### **Business segment reporting**

##### **Definition of segments:**

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

#### **Consumer Banking**

Consumer Banking provides full-fledged financial services to individual and commercial customer. The divisions which make up the Consumer Banking are Retail Financial Services and Commercial Banking.

Retail Financial Services 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 and wealth management.

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

#### **Wholesale Banking**

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

Investment Banking includes client coverage and advisory services. Client coverage focuses on marketing and delivering solutions to corporate and institutional clients.

Advisory offers financial advisory services to corporations, advising issuance of equity and equity-linked products, debt restructuring, mergers and acquisitions, initial public offerings, secondary offerings and general corporate advisory. Equities, provides services including acting as underwriter, global co-ordinator, book runner or lead manager for equity and equity-linked transactions, originating, structuring, pricing and executing equity and equity-linked issues and executing programme trades, block trades and market making, as well as provides nominee services and stock broking services to retail and corporate clients.

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

#### **Investments**

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

#### **Foreign Banking Operations**

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

#### **Support and others**

Support services comprises unallocated 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 Mar 2012**

	Consumer Banking		Wholesale Banking				Support and Others RM'000	Total RM'000
	Commercial Banking RM'000	Retail Financial Services RM'000	Corporate Banking, Treasury and Markets RM'000	Investment Banking RM'000	Investments RM'000	Foreign Banking Operations RM'000		
Net interest income								
- external income	77,946	531,133	306,495	4,867	5,562	139,065	3,377	1,068,445
- inter-segment	97,257	(38,328)	(34,181)	(2,715)	(14,134)	-	(7,899)	-
	<u>175,203</u>	<u>492,805</u>	<u>272,314</u>	<u>2,152</u>	<u>(8,572)</u>	<u>139,065</u>	<u>(4,522)</u>	<u>1,068,445</u>
Islamic Banking Income	27,626	133,671	84,081	48	102,674	-	-	348,100
Net non-interest income	33,389	136,094	360,596	15,041	31,245	55,112	78	631,555
Net income	236,218	762,570	716,991	17,241	125,347	194,177	(4,444)	2,048,100
Overheads	(144,847)	(529,342)	(186,037)	(10,184)	(19,164)	(143,521)	(22,461)	(1,055,556)
of which:								
Depreciation of property, plant and equipment	(5,251)	(27,689)	(6,114)	(879)	(868)	(12,095)	-	(52,896)
Amortisation of prepaid lease payments	-	-	-	-	-	(75)	-	(75)
Amortisation of intangible assets	(3,174)	(23,778)	(4,789)	(546)	(492)	(3,921)	-	(36,700)
Profit before allowance	<u>91,371</u>	<u>233,228</u>	<u>530,954</u>	<u>7,057</u>	<u>106,183</u>	<u>50,656</u>	<u>(26,905)</u>	<u>992,544</u>
Allowances for impairment losses on loans, advances and financing written back/(made)	10,785	(5,634)	5,563	(15)	-	(43,993)	-	(33,294)
Allowances for losses on other receivables	-	-	-	-	-	-	(181)	(181)
Allowances for commitments and contingencies written back	-	-	-	-	-	738	-	738
Allowances for other impairment losses written back/(made)	-	-	-	-	361	-	(5)	356
Segment result	<u>102,156</u>	<u>227,594</u>	<u>536,517</u>	<u>7,042</u>	<u>106,544</u>	<u>7,401</u>	<u>(27,091)</u>	<u>960,163</u>
Share of results of associates	-	-	-	-	-	22,617	-	22,617
Share of results of jointly controlled entity	-	(1,119)	-	-	-	-	-	(1,119)
Taxation								<u>(212,577)</u>
<b>Profit for the financial period</b>								<u><b>769,084</b></u>

**PART A - EXPLANATORY NOTES (CONTINUED)****A22. SEGMENTAL REPORT (CONTINUED)**

Group  
31 Mar 2011

	<b>Business Banking RM'000</b>	<b>Retail Financial Services RM'000</b>	<b>Corporate Banking, Treasury and Markets RM'000</b>	<b>Investment Banking RM'000</b>	<b>Investments RM'000</b>	<b>Support and Others RM'000</b>	<b>Support and Others RM'000</b>	<b>Total RM'000</b>
Net interest income								
- external income	82,918	555,999	260,656	4,426	(22,963)	131,234	5,325	1,017,595
- inter-segment	82,167	(77,874)	12,120	(2,418)	(4,869)	(3)	(9,123)	-
	165,085	478,125	272,776	2,008	(27,832)	131,231	(3,798)	1,017,595
Islamic Banking Income	23,006	135,730	83,678	44	86,269	-	-	328,727
Net non-interest income	28,110	163,180	168,944	8,732	6,835	37,154	105	413,060
Net income	216,201	777,035	525,398	10,784	65,272	168,385	(3,693)	1,759,382
Overheads	(130,992)	(504,566)	(155,495)	(6,639)	46,684	(138,347)	(19,764)	(909,119)
of which:								
Depreciation of property, plant and equipment	(6,647)	(31,657)	(6,963)	(1,025)	(994)	(7,457)	-	(54,743)
Amortisation of prepaid lease payments	(2)	(11)	(2)	-	-	(60)	-	(75)
Amortisation of intangible assets	(3,456)	(23,554)	(5,062)	(579)	(521)	(3,750)	-	(36,922)
Profit before allowance	85,209	272,469	369,903	4,145	111,956	30,038	(23,457)	850,263
Allowances for impairment losses on loans, advances and financing written back/(made)	11,894	(6,093)	18,201	28	-	3,394	-	27,424
Allowances for losses on other receivables	-	(2)	-	-	-	-	(529)	(531)
Allowances for other impairment losses (made)/written back	-	-	(6,749)	-	2	-	(5)	(6,752)
Segment result	97,103	266,374	381,355	4,173	111,958	33,432	(23,991)	870,404
Share of results of associate	-	-	-	-	-	15,770	-	15,770
Share of results of jointly controlled entity	-	3,952	-	-	-	-	-	3,952
Taxation	-	-	-	-	-	-	-	(189,047)
<b>Profit for the financial period</b>								<b>701,079</b>



## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A23. GROUP OPERATION OF ISLAMIC BANKING**

#### **A23a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012**

		<b>Group</b>			<b>Bank</b>	
	<b>Note</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>1 Jan 2011</b>	<b>31 Mar 2012</b>	<b>31-Dec-11</b>
		<b>RM'000</b>	<b>(Restated)</b>	<b>(Restated)</b>	<b>RM'000</b>	<b>RM'000</b>
			<b>RM'000</b>	<b>RM'000</b>		
<b>Assets</b>						
Cash and short-term funds		6,095,832	7,732,152	7,840,258	2,767	94,841
Deposit and placement with banks and other financial institutions		325,691	1,567,837	1,053,053	498,846	532,817
Financial assets held for trading		4,436,285	2,911,603	2,549,533	147,177	158,534
Financial investments available-for-sale		1,889,610	1,436,120	656,011	195,680	184,696
Financial investments held-to-maturity		1,450,738	1,053,822	1,133,825	361,399	363,756
Islamic derivative financial instruments		127,526	147,915	157,901	925	307
Financing, advances and other financing/loans	A23c	29,349,584	28,360,944	22,764,498	543,657	286,840
Other assets		538,772	300,808	334,828	1,933	1,866
Deferred taxation		8,710	6,359	4,307	-	-
Amount due from holding company		763,065	560,222	505,031	-	-
Amount due from related companies		29,469	44,572	48,767	28,493	42,812
Statutory deposits with Bank Negara Malaysia		1,212,484	1,097,797	143,406	-	-
Goodwill		136,000	136,000	136,000	-	-
Intangible assets		4,801	4,170	4,287	-	-
Property, plant and equipment		2,633	3,900	1,862	-	-
<b>TOTAL ASSETS</b>		<b>46,371,200</b>	<b>45,364,221</b>	<b>37,333,567</b>	<b>1,780,877</b>	<b>1,666,469</b>
<b>Liabilities</b>						
Deposits from customers	A23d	31,323,869	29,758,280	23,479,669	390,045	435,978
Deposits and placements of banks and other financial institutions		9,326,448	10,874,026	10,769,939	367,897	748,783
Islamic derivative financial instruments		290,854	400,611	199,199	-	4,757
Other liabilities		1,787,528	724,399	643,911	939,357	422,393
Amount due to holding company		250,561	402,487	184,519	-	-
Amount due to related company		50,722	139	-	47,447	-
Provision for taxation and Zakat		1,349	14,853	11,228	-	-
Subordinated Sukuk		559,704	564,679	300,000	-	-
<b>TOTAL LIABILITIES</b>		<b>43,591,035</b>	<b>42,739,474</b>	<b>35,588,465</b>	<b>1,744,746</b>	<b>1,611,911</b>
<b>Equity</b>						
Ordinary share capital		1,000,000	1,000,000	750,000	-	-
Perpetual preference shares		70,000	70,000	70,000	-	-
Reserves		1,710,165	1,554,747	925,102	36,131	54,558
<b>TOTAL EQUITY</b>		<b>2,780,165</b>	<b>2,624,747</b>	<b>1,745,102</b>	<b>36,131</b>	<b>54,558</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>46,371,200</b>	<b>45,364,221</b>	<b>37,333,567</b>	<b>1,780,877</b>	<b>1,666,469</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A23. GROUP OPERATION OF ISLAMIC BANKING**

**A23b. UNAUDITED CONSOLIDATED STATEMENT OF INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

	Group			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Income derived from investment of depositors' funds and others	419,175	378,032	419,175	378,032
Income derived from investment of shareholders' funds	113,919	88,614	113,919	88,614
(Allowance for)/writeback of allowances for impairment losses on financing, advances and other financing/loans	(30,036)	8,196	(30,036)	8,196
Allowance for losses on other receivables	(19)	(333)	(19)	(333)
	<u>503,039</u>	<u>474,509</u>	<u>503,039</u>	<u>474,509</u>
Total distributable income	503,039	474,509	503,039	474,509
Income attributable to depositors	(184,994)	(137,919)	(184,994)	(137,919)
	<u>318,045</u>	<u>336,590</u>	<u>318,045</u>	<u>336,590</u>
Total net income	318,045	336,590	318,045	336,590
Other operating expenses	(107,088)	(80,452)	(107,088)	(80,452)
	<u>210,957</u>	<u>256,138</u>	<u>210,957</u>	<u>256,138</u>
Profit before taxation	210,957	256,138	210,957	256,138
Taxation	(56,232)	(36,707)	(56,232)	(36,707)
	<u>154,725</u>	<u>219,431</u>	<u>154,725</u>	<u>219,431</u>
Profit for the financial period	154,725	219,431	154,725	219,431

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

	Group			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Profit for the financial period	154,725	219,431	154,725	219,431
Other comprehensive income:				
Revaluation reserve of financial investments available-for-sale	(1,384)	(2,000)	(1,384)	(2,000)
- Net gain/(loss) from change in fair value				
- as previously reported	-	(1,059)	-	(1,059)
- movement during the period/effect of adopting MFRS1	1,379	(1,651)	1,379	(1,651)
- Realised gain transferred to statement of income on disposal and impairment	(2,781)	-	(2,781)	-
- Income tax effects				
- as previously reported	-	297	-	297
- movement during the period/effect of adopting MFRS1	18	413	18	413
Exchange fluctuation reserve	2,005	762	2,005	762
Other comprehensive income for the financial period, net of tax	621	(1,238)	621	(1,238)
<b>Total comprehensive income for the period</b>	<u>155,346</u>	<u>218,193</u>	<u>155,346</u>	<u>218,193</u>
Total net income	318,045	336,590	318,045	336,590
Add: Allowances for/(writeback of) impairment losses on financing, advances and other financing/loans	30,036	(8,196)	30,036	(8,196)
Add: Allowance for losses on other receivables	19	333	19	333
Income from Islamic operations (per page 3)	<u>348,100</u>	<u>328,727</u>	<u>348,100</u>	<u>328,727</u>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A23. GROUP OPERATION OF ISLAMIC BANKING**

**A23b. UNAUDITED STATEMENT OF INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

	Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Income derived from investment of depositors' funds and others	5,974	3,463	5,974	3,463
Income derived from investment of shareholders' funds	626	330	626	330
	<u>6,600</u>	<u>3,793</u>	<u>6,600</u>	<u>3,793</u>
Total distributable income	6,600	3,793	6,600	3,793
Income attributable to depositors	(1,664)	(855)	(1,664)	(855)
	<u>4,936</u>	<u>2,938</u>	<u>4,936</u>	<u>2,938</u>
Total net income	4,936	2,938	4,936	2,938
Profit for the financial period	<u>4,936</u>	<u>2,938</u>	<u>4,936</u>	<u>2,938</u>

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

	Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Profit for the financial period	4,936	2,938	4,936	2,938
Other comprehensive income:				
Revaluation reserve of financial investments available-for-sale	964	-	964	-
- Net gain from change in fair value	1,094	-	1,094	-
- Realised gain transferred to statement of income on disposal and impairment	(130)	-	(130)	-
Exchange fluctuation reserve	(1,069)	(844)	(1,069)	(844)
Other comprehensive income for the financial period, net of tax	(105)	(844)	(105)	(844)
<b>Total comprehensive income for the period</b>	<u>4,831</u>	<u>2,094</u>	<u>4,831</u>	<u>2,094</u>
Total net income	4,936	2,938	4,936	2,938
Add: Allowances for impairment losses on financing, advances and other financing/loans	-	-	-	-
Income from Islamic operations (per page 5)	<u>4,936</u>	<u>2,938</u>	<u>4,936</u>	<u>2,938</u>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A23. GROUP OPERATION OF ISLAMIC BANKING**

**A23c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS**

	Group		Bank	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000	31 Mar 2012 RM'000	31 Dec 2011 RM'000
<b>i) By type</b>				
Cashline	347,591	373,056	-	-
Term financing	28,405,897	27,417,934	413,998	236,706
- Housing financing	7,482,500	7,134,214	-	-
- Syndicated term financing	277,840	287,618	92,071	95,553
- Hire purchase receivables	5,509,950	5,410,652	-	-
- Other term financing	15,135,607	14,585,450	321,927	141,153
Bills receivables	2,383	2,581	-	-
Islamic trust receipts	74,823	35,391	55,210	-
Claims on customers under acceptance credit	252,785	233,479	-	-
Credit card receivables	100,198	104,078	-	-
Revolving credit	515,699	502,125	121,427	78,800
Gross financing, advances and other loans	29,699,376	28,668,644	590,635	315,506
Fair value changes arising from fair value hedges	162,287	241,966	-	-
	29,861,663	28,910,610	590,635	315,506
Less: Individual impairment allowance	(105,380)	(131,922)	(46,978)	(28,666)
	29,756,283	28,778,688	543,657	286,840
Less: Portfolio impairment allowance	(406,699)	(417,744)	-	-
<b>Total net financing, advances and other financing/loans</b>	<b>29,349,584</b>	<b>28,360,944</b>	<b>543,657</b>	<b>286,840</b>

During the financial period, CIMB Islamic has undertaken fair value hedges on the profit rate risk of RM5,250 million (2011: RM4,350 million) financing using Islamic profit rate swaps.

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

The fair values loss on Islamic profit rate swaps in this hedge transaction as at 31 March 2012 was RM218 million (2011: RM 262.0 million)

**ii) By geographical distribution**

	Group		Bank	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000	31 Mar 2012 RM'000	31 Dec 2011 RM'000
Malaysia	29,108,740	28,353,138	-	-
Other countries	590,636	315,506	590,635	315,506
Gross financing, advances and other financing/loans	29,699,376	28,668,644	590,635	315,506

## PART A - EXPLANATORY NOTES (CONTINUED)

### A23. GROUP OPERATION OF ISLAMIC BANKING

#### A23c. FINANCING, ADVANCES AND OTHER LOANS (CONTINUED)

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

	Group		Bank	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000	31 Mar 2012 RM'000	31 Dec 2011 RM'000
Malaysia	296,781	345,778	-	-
Other countries	92,071	95,553	92,071	95,553
Gross impaired financing, advances and other financing/loans	<b>388,852</b>	<b>441,331</b>	<b>92,071</b>	<b>95,553</b>

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

	Group		Bank	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000	31 Mar 2012 RM'000	31 Dec 2011 RM'000
At 1 January	441,331	335,879	95,553	-
Classified as impaired during the financial period/year	86,923	445,550	-	95,553
Reclassified as not impaired during the financial period/year	(36,571)	(122,608)	-	-
Amount written back in respect of recoveries	(18,658)	(90,543)	(98)	-
Amount written off	(97,614)	(126,947)	-	-
Reclassification from unwinding income	16,825	-	-	-
Exchange fluctuation	(3,384)	-	(3,384)	-
Balance as at 31 March/31 December	<b>388,852</b>	<b>441,331</b>	<b>92,071</b>	<b>95,553</b>
Ratio of gross impaired financing, advances and other loans to total financing, advances and other loans	<b>1.31%</b>	<b>1.54%</b>	<b>15.59%</b>	<b>30.29%</b>

##### v) Movements in the allowance for impaired financing, advances and other financing/loans

	Group		Bank	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000	31 Mar 2012 RM'000	31 Dec 2011 RM'000
<b>Individual impairment allowance</b>				
At 1 January	131,922	92,683	28,666	-
Net allowance made during the financial period/year	18,064	44,095	19,308	27,604
Amount written off	(47,700)	(4,441)	-	-
Unwinding income	4,089	(1,477)	-	-
Exchange fluctuation	(995)	1,062	(996)	1,062
Balance as at 31 March/31 December	<b>105,380</b>	<b>131,922</b>	<b>46,978</b>	<b>28,666</b>
<b>Portfolio impairment allowance</b>				
At 1 January	417,744	240,490	-	-
Net allowance made during the financial period/year	27,541	135,113	-	-
Amount written off	(44,605)	(119,912)	-	-
Unwinding income	6,019	(4,181)	-	-
Transfer from intercompany	-	166,234	-	-
Balance as at 31 March/31 December	<b>406,699</b>	<b>417,744</b>	<b>-</b>	<b>-</b>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other financing/loans (excluding RPSIA financing) less individual impairment allowance	<b>2.24%</b>	<b>2.28%</b>	<b>-</b>	<b>-</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A23. GROUP OPERATION OF ISLAMIC BANKING**

**A23d. DEPOSITS FROM CUSTOMERS**

**By type of deposits**

	Group		Bank	
	31 Mar 2012 RM'000	31 Dec 2011 RM'000	31 Mar 2012 RM'000	31 Dec 2011 RM'000
<b>Non-Mudharabah</b>				
Demand deposits	2,563,593	3,122,181	7,998	9,641
Savings deposits	1,007,685	932,787	-	-
General investment deposits	375,282	419,745	375,282	419,745
Fixed return investment account	4,705,665	5,564,248	2	-
Islamic negotiable instruments of deposit	5,558,662	2,510,276	-	-
Commodity Murabahah	507	440,600	-	-
Short term money market deposit-i	1,496,109	3,994,930	-	-
Others	6,460,813	37,489	-	894
	<b>22,168,316</b>	<b>17,022,256</b>	<b>383,282</b>	<b>430,280</b>
<b>Mudharabah</b>				
Demand deposits	2,786,544	2,550,795	-	-
Savings deposits	422,247	397,201	-	-
General investment deposits (inclusive of Special General investment deposits of RM3,493,792,000 (2011: 6,987,965,000))	4,637,065	8,032,067	6,763	5,698
Specific investment deposit	1,309,697	1,755,961	-	-
	<b>9,155,553</b>	<b>12,736,024</b>	<b>6,763</b>	<b>5,698</b>
<b>Total deposits from customers</b>	<b>31,323,869</b>	<b>29,758,280</b>	<b>390,045</b>	<b>435,978</b>

## PART A - EXPLANATORY NOTES (CONTINUED)

### A24. CHANGE IN ACCOUNTING POLICIES

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

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

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

#### Consolidated statement of financial position

Group	Balances as at 31 December 2011		
	As previously reported RM000	Effect of adopting MFRS1 RM000	As restated RM000
<b>Assets</b>			
Financial investments available-for-sale	11,087,595	4,647,899	15,735,494
Financial investments held-to-maturity	14,630,170	(4,457,952)	10,172,218
<b>Liabilities</b>			
Deferred taxation	14,610	47,190	61,800
<b>Equity</b>			
Revaluation reserve-financial investments available-for-sale	451,876	142,757	594,633
	Balances as at 1 January 2011		
	As previously reported RM000	Effect of adopting MFRS1 RM000	As restated RM000
<b>Assets</b>			
Financial investments available-for-sale	8,920,018	3,456,736	12,376,754
Financial investments held-to-maturity	13,511,190	(3,299,763)	10,211,427
<b>Liabilities</b>			
Deferred taxation	1,019	37,466	38,485
<b>Equity</b>			
Revaluation reserve-financial investments available-for-sale	389,033	119,507	508,540
	Balances as at 31 December 2011		
<b>Bank</b>	As previously reported RM000	Effect of adopting MFRS1 RM000	As restated RM000
<b>Assets</b>			
Financial investments available-for-sale	9,045,681	4,153,905	13,199,586
Financial investments held-to-maturity	11,577,838	(3,970,660)	7,607,178
Deferred taxation	6,266	(6,266)	-
<b>Liabilities</b>			
Deferred taxation	-	39,249	39,249
<b>Equity</b>			
Revaluation reserve-financial investments available-for-sale	383,677	137,730	521,407
	Balances as at 1 January 2011		
	As previously reported RM000	Effect of adopting MFRS1 RM000	As restated RM000
<b>Assets</b>			
Financial investments available-for-sale	7,377,258	3,256,687	10,633,945
Financial investments held-to-maturity	11,185,993	(3,104,842)	8,081,151
Deferred taxation	22,096	(22,096)	-
<b>Liabilities</b>			
Deferred taxation	-	14,087	14,087
<b>Equity</b>			
Revaluation reserve-financial investments available-for-sale	324,543	115,661	440,204

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A24. CHANGE IN ACCOUNTING POLICIES (CONTINUED)**

**Consolidated statement of changes in equity**

<b>Group</b>	<b>Balances as at 31 December 2011</b>		
	<b>As previously reported</b>	<b>Effect of adopting</b>	<b>As restated</b>
	<b>RM000</b>	<b>MFRS1</b>	<b>RM000</b>
		<b>RM000</b>	<b>RM000</b>
Revaluation reserve-financial investments available-for-sale	451,876	142,757	594,633

  

	<b>Balances as at 1 January 2011</b>		
	<b>As previously reported</b>	<b>Effect of adopting</b>	<b>As restated</b>
	<b>RM000</b>	<b>MFRS1</b>	<b>RM000</b>
		<b>RM000</b>	<b>RM000</b>
Revaluation reserve-financial investments available-for-sale	389,033	119,507	508,540

**Statement of changes in equity**

<b>Bank</b>	<b>Balances as at 31 December 2011</b>		
	<b>As previously reported</b>	<b>Effect of adopting</b>	<b>As restated</b>
	<b>RM000</b>	<b>MFRS1</b>	<b>RM000</b>
		<b>RM000</b>	<b>RM000</b>
Revaluation reserve-financial investments available-for-sale	383,677	137,730	521,407

  

	<b>Balances as at 1 January 2011</b>		
	<b>As previously reported</b>	<b>Effect of adopting</b>	<b>As restated</b>
	<b>RM000</b>	<b>MFRS1</b>	<b>RM000</b>
		<b>RM000</b>	<b>RM000</b>
Revaluation reserve-financial investments available-for-sale	324,543	115,661	440,204

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



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

### B1. GROUP PERFORMANCE REVIEW

The Group registered a profit before tax of RM981.7 million for the three months period ended 31 March 2012, increased by RM91.5 million or 10.3% as compared to RM890.1 million registered in the same period of 2011. Income from Islamic banking operations improved by RM19.4 million to RM348.1 million, mainly attributable to growth in Islamic business activities during the current period under review. Net interest income slightly increase by 5.0% to RM1,068.4 million and net non-interest income increased by 52.9% to 631.6 million, mainly due to higher gains from derivative financial instruments, financial investments available-for-sale, financial assets held for trading and foreign exchange gains of RM56.7 million, RM22.1 million, RM91.6 million and RM30.1 million respectively. Overheads increased by 16.1% to RM1,055.6 million, mainly due to higher personnel costs and establishment costs by RM106.4 million and RM40.0 million respectively. Allowances for impairment losses on loans, advances and financing increase by RM60.7 million and slightly offset by decrease in allowances for other impairment losses by RM7.1 million.

### B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

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

### B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

#### a) Basic EPS

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

	Group			
	1st Quarter Ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests (RM '000)	768,098	698,015	768,098	698,015
Weighted average number of ordinary shares in issue - proforma ( '000)	3,764,469	3,764,469	3,764,469	3,764,469
Basic earnings per share (expressed in sen per share)	20.40	18.54	20.40	18.54

  

	Bank			
	1st Quarter Ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	617,159	491,409	617,159	491,409
Weighted average number of ordinary shares in issue - proforma ( '000)	3,764,469	3,764,469	3,764,469	3,764,469
Basic earnings per share (expressed in sen per share)	16.39	13.05	16.39	13.05

#### b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 31 March 2012 and 31 March 2011.