

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010

		The Group	
	Note	30 Sept 2010 RM'000	31 Dec 2009 RM'000
ASSETS			
Cash and short-term funds		23,154,980	28,274,687
Reverse repurchase agreements		2,390,102	4,544,873
Deposits and placements with banks and other financial institutions		10,725,748	2,383,055
Financial investments at fair value through profit or loss	A7(a),(b)	18,359,797	14,999,302
Financial investments available-for-sale	A8	11,665,985	11,000,536
Financial investments held-to-maturity	A9	14,229,244	14,266,710
Derivative financial instruments	A20 (i)	5,156,389	3,689,831
Loans, advances and financing	A10	153,904,555	142,218,190
Other assets	A11	7,482,062	5,221,796
Deferred tax assets		-	293,708
Tax recoverable		190,334	110,416
Statutory deposits with central banks		1,164,441	843,757
Investment in associates and jointly controlled entities		662,027	649,138
Property, plant and equipment		1,411,467	1,499,066
Investment properties		98,362	120,349
Prepaid lease payments		230,754	279,924
Goodwill		8,676,284	7,694,653
Intangible assets		1,561,045	1,667,784
		261,063,576	239,757,775
Non-current assets held for sale		38,196	226,224
TOTAL ASSETS		261,101,772	239,983,999
LIABILITIES AND EQUITY			
Deposits from customers	A12	193,851,856	178,882,336
Deposits and placements of banks and other financial institutions	A13	10,702,355	10,131,582
Repurchase agreements		132,614	565,097
Derivative financial instruments	A20 (i)	5,385,296	3,492,587
Bills and acceptances payable		3,824,572	4,494,794
Other liabilities	A14	10,082,676	8,105,303
Deferred tax liabilities		105,950	13,247
Current tax liabilities		211,567	428,565
Amount due to Cagamas Berhad		211,710	335,612
Bonds	B6	417,950	443,051
Other borrowings	B6	3,599,369	3,218,286
Subordinated notes	B6	7,155,945	6,342,738
Non-cumulative guaranteed and redeemable preference shares		882,905	884,087
TOTAL LIABILITIES		236,564,765	217,337,285
Ordinary share capital		7,331,530	3,531,766
Reserves		15,638,668	16,813,811
Less: Shares held under trust		(563)	(563)
Treasury shares, at cost		(21)	-
		22,969,614	20,345,014
Perpetual preference shares		200,000	200,000
Minority interests		1,367,393	2,101,700
TOTAL EQUITY		24,537,007	22,646,714
TOTAL LIABILITIES AND EQUITY		261,101,772	239,983,999
COMMITMENTS AND CONTINGENCIES	A20 (ii)	368,800,150	322,892,443
Net assets per share attributable to ordinary equity holders of the Company (RM)		3.13	2.88*

* The net assets per share for the comparative period has been restated to reflect the bonus issue completed on 24 May 2010.

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

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2010

	Note	The Group			
		3rd quarter ended		Nine months ended	
		30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
		RM'000	RM'000	RM'000	RM'000
Interest income	A15	2,844,748	2,651,576	8,196,354	7,956,484
Interest expense	A16	(1,229,426)	(1,060,259)	(3,310,984)	(3,456,353)
Net interest income		1,615,322	1,591,317	4,885,370	4,500,131
Income from Islamic Banking operations	A24(b)	329,511	222,602	868,080	546,747
Non-interest income (excluding gain on disposal of net assets and interest in subsidiaries)	A17	965,985	903,509	3,026,805	2,743,097
		2,910,818	2,717,428	8,780,255	7,789,975
Gain on disposal of net assets and interest in subsidiaries		-	69,549	7,076	99,800
		2,910,818	2,786,977	8,787,331	7,889,775
Overheads	A18	(1,617,854)	(1,439,213)	(4,815,650)	(4,179,844)
Profit before allowances		1,292,964	1,347,764	3,971,681	3,709,931
Allowance for impairment losses on loans, advances and financing	A19	(145,391)	(245,516)	(417,572)	(819,457)
Allowance written back/(made) for losses on other receivables		18,812	(89,913)	(24,490)	(144,782)
Allowance made for commitments and contingencies		(2,897)	(34,474)	(53,537)	(44,815)
Allowance written back/(made) for other impairment losses		2,037	2,560	(36,534)	(9,482)
		1,165,525	980,421	3,439,548	2,691,395
Share of results of jointly controlled entities		3,056	2,536	7,018	6,743
Share of results of associates		16,392	17,831	52,129	20,116
		1,184,973	1,000,788	3,498,695	2,718,254
Profit before taxation and zakat		1,184,973	1,000,788	3,498,695	2,718,254
Taxation and zakat	B4	(235,424)	(219,112)	(689,765)	(564,798)
Profit for the period		949,549	781,676	2,808,930	2,153,456
Profit for the period attributable to :					
Equity holders of the Company		915,670	726,830	2,643,213	2,003,923
Minority interests		33,879	54,846	165,717	149,533
		949,549	781,676	2,808,930	2,153,456
Earnings per share (sen):					
- Basic *	B8(a)	12.7	10.3	37.2	28.4
- Fully diluted *	B8(b)	12.7	10.3	37.0	28.4

* Basic and diluted earnings per share for the comparative period have been restated to reflect the bonus issue completed on 24 May 2010.

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2010

(Continued)

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Profit for the period	949,549	781,676	2,808,930	2,153,456
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	(38,733)	104,465	(228,698)	221,735
- Net gain from change in fair value	167,182	211,819	383,546	440,052
- Realised gain transferred to comprehensive income on disposal and impairment	(197,423)	(83,243)	(538,323)	(171,131)
- Transfer from deferred tax assets	(659)	(4,735)	(64,671)	(18,322)
- Currency translation difference	(7,833)	(19,376)	(9,250)	(28,864)
Net investment hedge	103,210	17,446	243,706	(2,057)
Hedging reserve- cash flow hedge				
- Net (gain)/loss from change in fair value	(5,118)	(2,853)	11,577	(1,023)
Exchange fluctuation reserve	(305,635)	274,411	(646,298)	817,689
Other comprehensive income for the period, net of tax	(246,276)	393,469	(619,713)	1,036,344
Total comprehensive income for the period	703,273	1,175,145	2,189,217	3,189,800
Total comprehensive income for the period attributable to:				
Equity holders of the Company	680,443	1,070,960	2,030,581	2,904,538
Minority interests	22,830	104,185	158,636	285,262
	703,273	1,175,145	2,189,217	3,189,800

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2010

Attributable to equity holders of the Company

The Group 30 September 2010	Share capital RM'000	Share premium- ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available- for-sale RM'000	Other reserves RM'000	Regulatory reserve* RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Minority interests RM'000	Total RM'000
At 1 January 2010	3,531,766	5,586,751	3,415,780	136,954	361,780	(563)	-	545,121	(64,386)	-	6,831,811	20,345,014	200,000	2,101,700	22,646,714
Effects of adopting FRS 139 on 1 January 2010	-	-	-	-	-	-	-	238,431	-	-	(593,849)	(355,418)	-	(19,650)	(375,068)
Adjusted 1 January 2010	3,531,766	5,586,751	3,415,780	136,954	361,780	(563)	-	783,552	(64,386)	-	6,237,962	19,989,596	200,000	2,082,050	22,271,646
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	2,643,213	2,643,213	-	165,717	2,808,930
Other comprehensive income (net of tax)	-	-	-	-	(634,581)	-	-	(233,516)	255,465	-	-	(612,632)	-	(7,081)	(619,713)
- Financial investments available-for-sales	-	-	-	-	-	-	-	(233,516)	-	-	-	(233,516)	-	4,818	(228,698)
- net investment hedge	-	-	-	-	-	-	-	-	243,706	-	-	243,706	-	-	243,706
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	11,759	-	-	11,759	-	(182)	11,577
- currency translation difference	-	-	-	-	(634,581)	-	-	-	-	-	-	(634,581)	-	(11,717)	(646,298)
Total comprehensive income for the period	-	-	-	-	(634,581)	-	-	(233,516)	255,465	-	2,643,213	2,030,581	-	158,636	2,189,217
Dividend for the financial year ended 31 December 2009	-	-	-	-	-	-	-	-	-	-	(653,376)	(653,376)	-	(4,311)	(657,687)
Dividend for the financial year ending 31 December 2010	-	-	-	-	-	-	-	-	-	-	(339,083)	(339,083)	-	-	(339,083)
Transfer to statutory reserve	-	-	427,637	-	-	-	-	-	-	-	(427,637)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	28,897	(28,897)	-	-	-	-
Realisation of pre-acquisition revaluation reserve - financial investments available-for-sale	-	-	-	-	-	-	-	(27,798)	-	-	27,798	-	-	-	-
Arising from (dilution)/accretion of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,083)	(1,083)	-	(848,981)	(850,064)
Capital repayment of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Purchase of treasury shares	-	-	-	-	-	-	(21)	-	-	-	-	(21)	-	-	(21)
Issuance of bonus shares	3,531,764	(3,531,764)	-	-	-	-	-	-	-	-	-	-	-	-	-
Share exchange for acquisition of a subsidiary	268,000	1,675,000	-	-	-	-	-	-	-	-	-	1,943,000	-	-	1,943,000
At 30 September 2010	7,331,530	3,729,987	3,843,417	136,954	(272,801)	(563)	(21)	522,238	191,079	28,897	7,458,897	22,969,614	200,000	1,367,393	24,537,007

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2009

Attributable to equity holders of the Company

The Group
30 September 2009

	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Minority interests RM'000	Total RM'000
At 1 January 2009	3,578,078	6,027,864	2,841,540	89,387	(413,908)	(74,190)	(461,702)	369,951	(113,582)	5,255,765	17,099,203	200,000	1,513,390	18,812,593
Profit for the financial period	-	-	-	-	-	-	-	-	-	2,003,923	2,003,923	-	149,533	2,153,456
Other comprehensive income (net of tax)	-	-	-	-	728,056	-	-	175,639	(3,080)	-	900,615	-	135,729	1,036,344
- Financial investments available-for-sales	-	-	-	-	-	-	-	175,639	-	-	175,639	-	46,096	221,735
- net investment hedge	-	-	-	-	-	-	-	-	(2,057)	-	(2,057)	-	-	(2,057)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(1,023)	-	(1,023)	-	-	(1,023)
- currency translation difference	-	-	-	-	728,056	-	-	-	-	-	728,056	-	89,633	817,689
Total comprehensive income for the period	-	-	-	-	728,056	-	-	175,639	(3,080)	2,003,923	2,904,538	-	285,262	3,189,800
Dividend for the financial year ended 31 December 2008	-	-	-	-	-	-	-	-	-	(699,387)	(699,387)	-	(33,921)	(733,308)
Transfer to statutory reserve	-	-	237,935	-	-	-	-	-	-	(237,935)	-	-	-	-
Issue of share capital arising from:														
- conversion of USD Zero Coupon guaranteed convertible bonds 2004/2009	4,317	20,763	-	-	-	-	-	-	-	-	25,080	-	-	25,080
Option reserves arising from share option schemes of subsidiaries	-	-	-	-	-	-	-	-	(11,516)	-	(11,516)	-	21,411	9,895
Net reversal of shares held under trust	-	-	-	-	-	48,125	-	-	-	-	48,125	-	-	48,125
Arising from purchase price allocation from the acquisition of PT Bank Lippo Tbk	-	-	-	-	-	-	-	-	-	-	-	-	82,475	82,475
Arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	58,785	58,785
Purchase of treasury shares	-	-	-	-	-	-	(174)	-	-	-	(174)	-	-	(174)
Arising from issuance of warrants	-	-	-	-	-	-	-	-	57,630	-	57,630	-	-	57,630
At 30 September 2009	3,582,395	6,048,627	3,079,475	89,387	314,148	(26,065)	(461,876)	545,590	(70,548)	6,322,366	19,423,499	200,000	1,927,402	21,550,901

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2010

	The Group	
	30 Sept 2010	30 Sept 2009
	RM'000	RM'000
Profit before taxation and zakat	3,498,695	2,718,254
Adjustments for non-operating and non-cash items	(751,910)	525,313
	<hr/>	<hr/>
Operating profit before changes in working capital	2,746,785	3,243,567
Net changes in operating assets	(22,800,740)	(12,251,726)
Net changes in operating liabilities	16,050,044	3,991,776
	(6,750,696)	(8,259,950)
	<hr/>	<hr/>
Cash flows used in operations	(4,003,911)	(5,016,383)
Taxation paid	(769,683)	(37,230)
	<hr/>	<hr/>
Net cash flows used in operating activities	(4,773,594)	(5,053,613)
Net cash flows generated from investing activities	149,157	860,228
Net cash flows generated from/(used) in financing activities	241,884	(399,579)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents during the financial period	(4,382,553)	(4,592,964)
Effects of exchange rate changes	(737,154)	657,457
Cash and short-term funds at beginning of the financial period	28,274,687	24,408,711
Cash and short-term funds at end of the financial period	23,154,980	20,473,204
Statutory deposits with Bank Indonesia*	1,685,701	1,082,514
Cash and cash equivalents at end of the financial period	24,840,681	21,555,718

* This represent non-interest bearing statutory deposits of a foreign subsidiary maintained with Bank Indonesia in compliance with their applicable legislation which is not readily available for use by the Group.

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited condensed interim financial statements for the financial period ended 30 September 2010 have been prepared under the historical cost convention, except for financial assets held for trading, financial assets designated at fair value through profit or loss, financial investments available-for-sale, derivative financial instruments, investment properties and non-current assets/disposal groups held for sale, that have been measured at fair value.

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

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

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

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

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

- FRS 1 "First-time Adoption of Financial Reporting Standards"
- Amendment to FRS 1 "Limited Exemption from Comparative FRS 7 "Disclosures for First-time Adopters"
- Amendment to FRS 1 "Additional Exemptions for First-time Adopters"
- Amendments to FRS 2 "Share-based Payment"
- Amendments to FRS 2 "Group Cash-settled Share-based Payment Transactions"
- FRS 3 "Business Combinations"
- Amendments to FRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (effective 1 July 2010)
- Amendments to FRS 7 "Improving Disclosures about Financial Instruments"
- FRS 127 "Consolidated and Separate Financial Statements"
- Amendments to FRS 132 "Financial Instruments: Presentation" (effective 1 March 2010)
- Amendments to FRS 138 "Intangible Assets" (effective 1 July 2010)
- Amendments to IC Interpretation 9 "Reassessment of Embedded Derivatives" (effective 1 July 2010)
- IC Interpretation 4 "Determining Whether an Arrangement contains a Lease"
- IC Interpretation 12 "Service Concession Arrangements"
- IC Interpretation 15 "Agreements for the Construction of Real Estate"
- IC Interpretation 16 "Hedges of a Net Investment in a Foreign Operation"
- IC Interpretation 17 "Distributions of Non-cash Assets to Owners"
- IC Interpretation 18 "Transfers of Assets from Customers"
- TR i-4 "Shariah Compliant Sale Contract"

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

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

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Save as detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the nine-month period ended 30 September 2010:-

- a) On 24 February 2010 to 30 September 2010, the Company purchased 2,000 of its own shares from the open market at an average market price of RM10.49 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM20.98 thousand. The shares purchased were held as treasury shares in accordance with Section 67A subsection 3(A)(b) of the Companies Act, 1965.

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

b) On 23 February 2010, the Company proposed 1-for-1 bonus issue which would increase its number of shares in issue from 3,531.76 million to 7,063.53 million. The objectives of the bonus issue are to improve tradability of CIMB Group shares ("CIMB Shares") and to align its quoted share price with pricing conventions on the Stock Exchange of Thailand ("SET") ahead of the Company's proposed listing later this year. Bank Negara Malaysia ("BNM") has granted approval pursuant to the Proposed bonus issue on 31 March 2010.

Subsequent to this, on 7 May 2010, the Company announced a 1-for-1 bonus issue of up to 3,582.39 million new ordinary shares which is inclusive of the potential exercise of the 50,622,413 warrants outstanding as at 31 March 2010, to be credited to eligible shareholders on 21 May 2010. The Company has also proposed to increase its authorised share capital from RM5,000 million comprising 5,000 million CIMB Shares to RM10,000 million comprising 10,000 million CIMB Shares to facilitate the issuance of new CIMB Shares pursuant to the Proposed Bonus Issue, as well as to cater for any future issuance of new CIMB Shares (collectively referred to as the "Proposals"). The Proposals have been completed on 24 May 2010 following the listing and quotation of 3,531,764,410 new CIMB shares on Bursa Malaysia Securities Berhad ("Bursa Securities").

The warrants of 101,244,826 units were subsequently exercised at an issue price of RM5 each, and listed on 18 October 2010.

c) On 2 April 2010, the Company announced that in relation to the Proposed SET Listing, the offering size pursuant to the IPO Offering has been revised from up to 35 million CIMB Shares to up to 50 million CIMB Shares (100 million after completion of the bonus issue). The offering shall only be made via the Proposed Public Issue. The revised number of shares is to facilitate the eligibility of CIMB Thai to perform the role of a selling agent for the Proposed SET Listing which is in accordance with the relevant regulations in Thailand on the minimum size of offerings for distribution via bank branches, enable wider participation from investors in Thailand and improve liquidity in the secondary market.

Bank Negara Malaysia ("BNM") and Securities Commission ("SC") have vide their letters dated 5 April 2010 and 7 April 2010 respectively, granted approval to CIMB on the proposed dual listing.

On 21 September 2010, the Company has submitted to the SC an application for an extension of six months up to 6 April 2011 for the Company to complete the Proposed SET Listing ("Proposed Extension of Time"). The SC has vide its letter dated 12 October 2010, approved the Proposed Extension of Time of six months up to 6 April 2011.

d) On 2 April 2010, the Company announced that it will be seeking its shareholders' approval at its 53rd Annual General Meeting ("AGM") to be convened on a later announced date for the proposed renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up capital of the Company. Shareholders' approval was subsequently obtained at the AGM which was held on 7 May 2010.

e) On 5 April 2010, the Company completed the issuance of RM750 million Cumulative Subordinated Fixed Rate Notes. The Subordinated Notes were part of the RM3.0 billion Issuance Programme approved by the Securities Commission on 12 June 2009.

The RM750 million Subordinated Notes comprises a callable 5 year tranche and 10 year tranche, amounting to RM150 million and RM600 million respectively. Both tranches have a maturity of 50 years, with call option for the Issuer to redeem at year 5 and on each subsequent coupon payment date, and year 10 and on each subsequent coupon payment date respectively.

The 5 year Tranche pays a semi annual coupon rate of 5.3% p.a whilst the 10 year Tranche pays a coupon of 6.35% p.a. Should the Issuer does not redeem the Subordinated Notes on the respective first call date, the coupon will be stepped up by 2.0%.

f) On 3 September 2010, the Company had fully settled its USD100 million Syndicated Term Loan, and on the same date issued a RM350 million nominal value Conventional Commercial Paper. The Conventional Commercial Paper carries an interest rate of 3% per annum payable quarterly and will mature on 3 December 2010.

g) On 25 August 2010, CIMB Islamic Bank, a subsidiary of the Company issued 200 million additional new ordinary shares of RM1 each (at par value) amounting to RM200 million.

h) CIMB Thai Bank Public Company Limited ("CIMB Thai"), a subsidiary of CIMB Bank had on 21 October 2010 completed the right issues of 2,966,533,592 new ordinary shares to its existing shareholders in proportion to their shareholding at the ratio of two new ordinary shares for every nine existing shares held at an issue price of THB1.00 per share ("Right Issue"). The Bank had subscribed for its share entitlement in the Right Issue of 2,763,348,835 units Right Shares for THB2,763,348,835.

A4. DIVIDENDS PAID AND PROPOSED

An interim single tier dividend of 18.5 sen per ordinary share on 3,531,765,410 ordinary shares amounting to RM653,376,601 in respect of the financial year ended 31 December 2009, which was approved by the Board of Directors in a resolution dated 18 February 2010 was paid on 12 April 2010.

A single tier interim dividend of 4.625 sen per ordinary share on 7,331,529,820 ordinary shares amounting to RM339,083,254 in respect of the financial year ending 31 December 2010, which was approved by the Board of Directors on 23 August 2010 was paid on 30 September 2010.

The Directors have proposed a single tier special dividend of 13.45 sen per ordinary share, on 7,432,774,646 ordinary shares (inclusive of 101,244,826 warrants exercised and listed on 18 October 2010 - as disclosed in A3(b)) amounting to RM999,708,190 in respect of the financial year ending 31 December 2010, to be paid on 24 December 2010. The special dividend was approved by the Board of Directors on 22 November 2010.

A5. STATUS OF CORPORATE PROPOSALS

CIMB Thai Bank Public Company Limited ("CIMB Thai"), a subsidiary of CIMB Bank, had on 15 March 2010 entered into a sale and purchase agreement ("SPA") with Ayudhya Insurance Public Company Limited for the divestment of CIMB Thai's entire holding of 29,999,910 ordinary shares in BT Insurance Company Limited ("BTI") ("Divestment of BTI"), representing 99.99% of BTI's issued and paid-up share capital for a total cash consideration of THB392 million (equivalent to RM40.68 million, based on exchange rate of RM1.00:THB9.6354), subject to adjustment clauses as stipulated in the SPA.

The Divestment of BTI has been completed on 4 November 2010.

A6. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

There were no significant events other than those disclosed under issuance and repayment of debts and equity securities and status of corporate proposals that had occurred between 30 September 2010 and the date of this announcement.

PART A - EXPLANATORY NOTES

A7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

A7(a). FINANCIAL ASSETS HELD FOR TRADING

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	537,349	1,212,901
Cagamas bonds	13,213	28,283
Khazanah bonds	-	27,438
Malaysian Government treasury bills	285,487	185,033
Bank Negara Malaysia bills	2,954,657	2,779,851
Bank Negara Malaysia negotiable notes	1,949,728	1,887,613
Negotiable instruments of deposit	2,465,955	3,002,701
Bankers' acceptances and Islamic accepted bills	669,815	696,623
Credit-linked notes	123,103	158,604
Other Government's securities	1,352,170	862,061
Commercial papers	114	29,982
Government investment issues	525,086	693,563
	10,876,677	11,564,653
Quoted securities:		
<i>In Malaysia:</i>		
Warrants	5	5
Shares	592,877	553,599
Unit trusts	-	9,720
<i>Outside Malaysia:</i>		
Shares	32,738	14,969
Private and Islamic debt securities	102,761	50,144
Other Government bonds	138,069	123,884
Bank Indonesia certificates	2,693,985	-
Investment linked funds	22,389	-
	3,582,824	752,321
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	1,666,540	1,983,862
Shares	5,896	7,323
Investment linked funds	-	45,893
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	1,337,508	645,250
	3,009,944	2,682,328
Total financial assets held-for-trading	17,469,445	14,999,302

Reclassification from financial assets held for trading to financial investments held-to-maturity

In the 4th quarter of 2008, the Malaysian banking subsidiaries of the Company reclassified a portion of their financial assets held for trading to financial investments held-to-maturity based on current market prices at the relevant dates of reclassification. There was no such reclassification in 2009 and 2010.

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

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

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

The fair value of the securities reclassified from financial assets held for trading to financial investments available-for-sale and held-to maturity, as of the respective dates of reclassification is RMNil (2009: RM247,330,000) and RMNil (2009: RMNil, 2008: RM5,984,996,000).

A7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)**A7(a). FINANCIAL ASSETS HELD FOR TRADING (Continued)**

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

	The Group	
	30 Sept 2010	30 Sept 2009
	RM'000	RM'000
Net fair value gains recognised in:		
- non-interest income	-	70

As of the date of reclassification, the effective interest rates on the reclassified financial assets held for trading to financial investments available-for-sale, based on the new cost is an average of Nil% (2009: 4.56%) per annum for the Group and 6.65% per annum for financial assets held for trading reclassified to financial investments held-to-maturity in 2008. The expected recoverable cash flows for the reclassified financial assets held for trading to financial investments available-for-sale and held-to-maturity categories amount to RMNil (2009: RM246,700,000) and RMNil (2009: RMNil, 2008: RM6,143,696,000) respectively, including any coupons receivable on the securities.

A7(b). FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	230,336	-
Cagamas bonds	22,689	-
Khazanah bonds	7,991	-
Government investment issues	198,501	-
	459,517	-
Quoted securities:		
<i>In Malaysia:</i>		
Shares	79,936	-
Unit trusts	10,246	-
	90,182	-
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	290,406	-
Shares	2,346	-
Investment linked fund	47,901	-
	340,653	-
Total financial assets designated at fair value through profit or loss	890,352	-

Financial assets designated at fair value through profit or loss arises from securities held by an insurance subsidiary which has been reclassified from financial assets held for trading as a result of the adoption of FRS 139 as at 1 January 2010. These securities eliminate or significantly reduce a measurement or recognition inconsistency ('accounting mismatch') that would otherwise have arisen from measuring the assets at a basis different from the liabilities of the insurance subsidiary.

TOTAL FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

18,359,797	14,999,302
-------------------	-------------------

A8. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	321,904	314,155
Cagamas bonds	239,239	275,157
Khazanah bonds	-	34,975
Other Government treasury bills	-	410
Government investment issues	285,722	360,354
Commercial papers	-	19,539
	846,865	1,004,590
Quoted securities:		
<i><u>In Malaysia:</u></i>		
Shares	155,339	230,379
Unit trusts	203,850	149,026
Floating rate notes	-	9,413
<i><u>Outside Malaysia:</u></i>		
Shares	6,358	24,614
Private and Islamic debt securities	44,443	119,194
Other Government bonds	2,741,420	2,642,690
Unit trusts	282,847	266,525
	3,434,257	3,441,841
Unquoted securities:		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	6,478,432	5,963,757
Shares	905,548	534,736
Loan stocks	19,424	19,437
Property funds	165	165
Investment-linked funds	6,736	9,730
Bond funds	4,118	4,111
<i><u>Outside Malaysia:</u></i>		
Shares	62,131	60,487
Private equity and unit trust funds	248,229	316,663
Private and Islamic debt securities	37,863	28,325
Loan stocks	455	497
	7,763,101	6,937,908
	12,044,223	11,384,339
Allowance for impairment loss:		
Private debt securities	(242,388)	(253,442)
Quoted shares	(9,955)	(10,980)
Unquoted shares	(97,505)	(90,692)
Unit trusts	(21,498)	(21,784)
Loan stocks	(6,892)	(6,905)
	(378,238)	(383,803)
Total financial investments available-for-sale	11,665,985	11,000,536

Included in financial investments available-for-sale are securities transferred from financial assets held for trading during the previous financial year with the following amortised cost and fair value as at 30 September 2010 and 31 December 2009 respectively.

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
Amortised cost	237,220	246,776
Fair value	240,403	249,342

A9. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	1,123,977	1,123,977
Cagamas bonds	254,817	294,817
Malaysian Government investment issues	600,223	-
	1,979,017	1,418,794
Quoted securities		
<i>Outside Malaysia</i>		
Private debt securities	1,394,893	1,191,909
Islamic bonds	24,222	25,485
Medium term notes - Islamic	8,651	9,102
Other Government bonds	138,421	153,214
Bank Indonesia certificates	-	837,362
Structured notes	216,486	342,847
	1,782,673	2,559,919
Unquoted securities		
<i>In Malaysia</i>		
Shares	-	270
Private debt securities	6,464,561	7,618,001
Islamic commercial paper	-	6,775
Loan stocks	31,814	31,814
Danaharta Urus Sdn Bhd ("DUSB") bonds	795,335	929,639
	2,967,969	1,518,478
<i>Outside Malaysia</i>		
Private debt securities	10,259,679	10,104,977
	14,021,369	14,083,690
Accretion of discount net of amortisation of premium	272,739	242,894
Less : Allowance for impairment losses	(64,864)	(59,874)
Total financial investments held-to-maturity	14,229,244	14,266,710

Included in the financial investments held-to-maturity are securities transferred from financial assets held for trading during the 4th quarter of 2008, with the following carrying value and fair value as at 30 September 2010 and 31 December 2009 respectively:

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Carrying value	4,075,762	4,735,894
Fair value	4,174,593	4,830,728

Also included in the financial investments held-to-maturity of the Group as at 30 September 2010 are 10-year promissory notes of THB746 million (2009: THB746 million) maturing in 2011, which were received from Thai Asset Management Corporation ("TAMC") for settlement of impaired loans transferred by CIMB Thai Bank Public Company Limited ("CIMB Thai Bank") to TAMC. Such promissory notes are non-transferable, bear interest at the average deposit rate of 5 major banks in Thailand and availed by the Financial Institutions Development Fund. As part of the agreement to transfer impaired loans to TAMC, CIMB Thai Bank has a gain and loss sharing arrangement with TAMC arising from the recovery of the impaired loans. The sharing of gain or losses will be calculated at the end of the agreement.

A10. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
At amortised cost		
Overdrafts	9,105,486	8,247,311
Term loans/financing		
- Housing loans/financing	51,173,217	41,684,502
- Syndicated term loans	7,633,054	8,225,404
- Hire purchase receivables	15,561,127	14,276,219
- Lease receivables	67,064	65,600
- Factoring receivables	27,123	61,393
- Other term loans/financing	59,651,954	53,695,874
Bills receivable	2,183,849	1,919,643
Trust receipts	1,108,448	878,866
Claims on customers under acceptance credits	4,489,843	5,004,962
Staff loans *	746,736	763,386
Credit card receivables	4,528,502	3,551,451
Revolving credits	24,505,065	23,337,966
Share margin financing	1,014,040	1,015,067
Other loans	9,852	9,744
	181,805,360	162,737,388
Less: Unearned interest	(19,699,107)	(13,832,357)
Gross loans, advances and financing	162,106,253	148,905,031
Fair value changes arising from fair value hedge	279,566	45,028
	162,385,819	148,950,059
Less: Allowance for impairment losses		
- Individual impairment allowance	(4,107,800)	-
- Portfolio impairment allowance	(4,373,464)	-
- Specific allowance	-	(4,905,276)
- General allowance	-	(1,826,593)
	(8,481,264)	(6,731,869)
Total net loans, advances and financing	153,904,555	142,218,190

* Included in staff loans of the Group are loans to Directors amounting to RM6,203,332 (31 December 2009: RM4,690,160).

Included in loans, advances and financing balances are RM1,698,827,000 (31 December 2009: RM2,080,513,000) of net loans relating to that of a jointly controlled entity, Proton Commerce Sdn Bhd ("PCSB"). The revenue and risks of these accounts are shared equally between CIMB Bank and the joint venture partner, Proton Edar Sdn Bhd, pursuant to the terms of a Joint Venture Agreement.

Included in other term loans is RM10,636,081,000 (31 December 2009: RM7,578,237,000) provided on normal commercial terms which is exempted from portfolio impairment allowance/general allowance by Bank Negara Malaysia.

Included in the Group's loans, advances and financing balances are RM76,687,000 (31 December 2009: RM80,235,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

The Group has undertaken fair value hedge on the interest rate risk of RM7,662,349,000 (31 December 2009: RM5,468,179,000) of its loan exposure using interest rate swaps.

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
Gross loan hedged	7,662,349	5,468,179
Fair value changes arising from fair value hedges	279,566	45,028
	7,941,915	5,513,207

The fair values of interest rate swaps as at 30 September 2010 were (RM386,981,637) (2009: RM104,052,171).

A10. LOANS, ADVANCES AND FINANCING (Continued)
(ii) By type of customers

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Domestic banking financial institutions	59,796	418,909
Domestic non-bank financial institutions		
- others	2,650,063	3,698,917
Domestic business enterprises		
- small medium enterprises	23,853,984	22,874,067
- others	35,489,726	34,977,110
Government and statutory bodies	10,756,010	7,680,833
Individuals	78,557,175	68,079,927
Other domestic entities	4,043,354	4,675,844
Foreign entities	6,696,145	6,499,424
Gross loans, advances and financing	162,106,253	148,905,031

(iii) By interest/profit rate sensitivity

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Fixed rate		
- Housing loans	3,556,534	2,392,693
- Hire-purchase receivables	12,918,678	11,873,291
- Other fixed rate loans	27,679,427	21,823,919
Variable rate		
- BLR plus	78,224,296	74,379,700
- Cost plus	20,641,938	20,948,288
- Other variable rates	19,085,380	17,487,140
Gross loans, advances and financing	162,106,253	148,905,031

(iv) By economic purpose

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Personal use	5,110,745	4,669,215
Credit card	4,528,972	3,551,889
Purchase of consumer durables	1,388	4,076
Construction	4,242,325	4,651,539
Residential property (Housing)	41,141,220	35,658,935
Non-residential property	11,259,468	9,788,024
Purchase of fixed assets other than land and building	9,214,831	5,443,961
Mergers and acquisitions	1,839,538	1,737,598
Purchase of securities	7,547,941	9,645,409
Purchase of transport vehicles	17,293,489	14,964,275
Working capital	46,595,062	43,956,121
Other purpose	13,331,274	14,833,989
Gross loans, advances and financing	162,106,253	148,905,031

(v) By geographical distribution

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Malaysia	111,840,471	103,379,402
Indonesia	33,841,124	30,816,196
Thailand	10,020,371	8,940,099
Other countries	6,404,287	5,769,334
Gross loans, advances and financing	162,106,253	148,905,031

A10. LOANS, ADVANCES AND FINANCING (Continued)
(vi) By residual contractual maturity

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Within one year	30,234,722	29,704,720
One year to less than three years	37,986,331	37,976,800
Three years to less than five years	23,895,984	13,821,790
Five years and more	69,989,216	67,401,721
Gross loans, advances and financing	162,106,253	148,905,031

(vii) Impaired loans/non-performing loans by economic purpose

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Personal use	361,743	273,975
Credit card	92,542	82,008
Purchase of consumer durables	756	611
Construction	1,436,074	417,527
Residential property (Housing)	1,980,598	1,687,729
Non-residential property	459,764	373,205
Purchase of fixed assets other than land and building	386,385	139,361
Purchase of securities	264,401	63,485
Purchase of transport vehicles	407,456	371,491
Working capital	4,226,179	3,123,027
Other purpose	1,084,509	884,430
Gross impaired loan/non-performing loan	10,700,407	7,416,849

(viii) Impaired loans/non-performing loans by geographical distribution

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Malaysia	7,263,282	4,959,287
Indonesia	1,817,193	926,405
Thailand	1,562,257	1,313,527
Other countries	57,675	217,630
Gross impaired loan/non-performing loan	10,700,407	7,416,849

(ix) Movements in impaired loans/non-performing loans

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Balance as at 1 January		
- as previously reported	7,416,849	6,056,461
- classified as impaired due to adoption of FRS 139*	4,109,745	-
- as adjusted	11,526,594	6,056,461
Classified as impaired/non-performing during the period / year	4,585,986	4,411,728
Reclassified as not impaired/performing during the period / year	(3,043,006)	(2,241,616)
Amount written back in respect of recoveries	(1,052,030)	(1,029,647)
Arising from acquisition of a subsidiary	-	1,398,003
Amount written off	(1,181,315)	(1,293,983)
Purchase of impaired loans/non-performing loans from third party	167	3,852
Sale of impaired loans	(146,171)	-
Exchange fluctuation	10,182	112,051
Balance as at 30 September / 31 December	10,700,407	7,416,849
Ratio of gross impaired / non-performing loans to gross loans, advances and financing	6.60%	4.98%

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

A10. LOANS, ADVANCES AND FINANCING (Continued)

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

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
<u>Individual impairment allowance</u>		
At 1 January, as previously stated	-	-
Adoption of FRS 139	5,215,427	-
At 1 January, as restated	5,215,427	-
Allowance made during the period / year	51,117	-
Amount written back in respect of recoveries	(27,788)	-
Amount written off	(801,567)	-
Allowance made and charged to deferred assets	1,412	-
Amount transferred to portfolio impairment allowance	(168,148)	-
Unwinding income	(72,804)	-
Exchange fluctuation	(89,849)	-
Balance as at 30 September / 31 December	4,107,800	-
<u>Portfolio impairment allowance</u>		
At 1 January, as previously stated	-	-
Adoption of FRS 139	4,078,331	-
At 1 January, as restated	4,078,331	-
Net allowance made during the period / year	695,093	-
Amount transferred from individual impairment allowance	168,148	-
Amount written off	(493,445)	-
Allowance written back and charged to deferred assets	(397)	-
Unwinding income	(39,779)	-
Allowance made in relation to jointly controlled entity	2,081	-
Allowance written back for impaired loans purchased from third party	(146)	-
Exchange fluctuation	(36,422)	-
Balance as at 30 September / 31 December	4,373,464	-
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing less loans exempted from portfolio impairment allowance by BNM and individual impairment allowance	2.99%	-
<u>Specific allowance</u>		
At 1 January, as previously stated	4,905,276	3,524,361
Adoption of FRS 139	(4,905,276)	-
At 1 January, as restated	-	3,524,361
Allowance made during the period / year	-	1,872,694
Amount written back in respect of recoveries	-	(502,027)
Amount written off	-	(1,117,850)
Arising from acquisition of subsidiaries	-	886,203
Allowance written back and charged to deferred assets	-	(2,880)
Amount transferred from general allowance	-	214,526
Allowance made in relation to jointly controlled entity	-	3,009
Allowance for non-performing loans purchased from third party	-	3,440
Exchange fluctuation	-	23,800
Balance as at 30 September / 31 December	-	4,905,276
<u>General allowance</u>		
At 1 January, as previously stated	1,826,593	1,808,539
Adoption of FRS 139	(1,826,593)	-
At 1 January, as restated	-	1,808,539
Net allowance made during the period / year	-	107,478
Amount transferred to specific allowance	-	(214,526)
Allowance for loans arising from acquisition of subsidiaries	-	88,309
Exchange fluctuation	-	36,793
Balance as at 30 September / 31 December	-	1,826,593
General allowance as % of gross loans, advances and financing less loans exempted from general allowance by BNM and specific allowance	-	1.34%

A11. OTHER ASSETS

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
Interest receivable	633,155	495,892
Due from brokers and clients net of allowance for doubtful debts	2,496,050	1,337,154
Other debtors, deposits and prepayments net of allowance for doubtful debts	2,701,965	1,985,616
Due from insurers, brokers and reinsurers	21,381	26,033
Option financing	168,632	238,224
Deferred assets	172,759	198,610
Foreclosed properties net of allowance for impairment losses	568,652	610,944
Credit Support Annex for derivative transactions	624,618	210,761
Amounts receivable from sale of impaired loans/non-performing loans	94,850	118,562
	7,482,062	5,221,796

A12. DEPOSITS FROM CUSTOMERS

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	40,462,579	36,950,453
Savings deposits	21,125,732	19,695,207
Fixed deposits	84,909,827	83,570,321
Negotiable instruments of deposit	1,985,551	2,081,384
Others	45,368,167	36,584,971
	193,851,856	178,882,336
 <u>By type of customer</u>		
Government and statutory bodies	17,800,955	20,363,828
Business enterprises	88,512,392	77,199,262
Individuals	65,604,277	61,552,720
Others	21,934,232	19,766,526
	193,851,856	178,882,336
 <u>Maturity structure of fixed deposits and negotiable instruments of deposit</u>		
One year or less (short term)	83,127,104	81,838,705
More than one year (medium/long term)	3,768,274	3,813,000
	86,895,378	85,651,705

A13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
Licensed banks	4,659,859	6,280,414
Licensed finance companies	77,340	101,307
Licensed investment banks	630,993	193,070
Bank Negara Malaysia	1,600,000	365,000
Other financial institutions	3,734,163	3,191,791
	10,702,355	10,131,582

A14. OTHER LIABILITIES

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
Interest payable	808,328	568,278
Due to brokers and clients	2,324,989	1,578,692
Amount due to special purpose vehicle of jointly controlled entity	244,225	314,360
Expenditure payable	889,395	573,005
Provision for legal claims	183,397	290,336
Sundry creditors	641,276	554,379
Insurance fund - life and takaful insurance business	1,324,720	1,742,150
Insurance fund - general insurance business	474,170	14,574
Allowance for commitments and contingencies	119,906	72,716
Post employment benefit obligations	191,036	275,848
Others	2,881,234	2,120,965
	10,082,676	8,105,303

A15. INTEREST INCOME

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries	2,240,643	2,106,138	6,538,426	6,291,865
- Recoveries from impaired loans/non-performing loans	2,207	58,106	11,153	189,702
- Unwinding income [^]	68,985	-	149,834	-
Money at call and deposit placements with financial institutions	89,219	83,502	254,180	209,844
Reverse repurchase agreements	20,612	22,753	56,531	95,962
Financial assets held for trading	169,726	46,046	251,891	133,351
Financial assets designated at fair value through profit or loss	863	-	2,570	-
Financial investments available-for-sale	131,690	174,835	341,698	455,184
Financial investments held-to-maturity	59,766	150,226	432,200	565,178
Others	6,637	8,359	15,839	25,786
	2,790,348	2,649,965	8,054,322	7,966,872
Accretion of discounts less amortisation of premiums	54,400	30,702	142,032	106,516
Net interest suspended	-	(29,091)	-	(116,904)
	2,844,748	2,651,576	8,196,354	7,956,484

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

A16. INTEREST EXPENSE

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	7,573	21,182	41,110	75,561
Deposits from other customers	1,015,885	858,929	2,722,970	2,819,788
Repurchase agreements	61	-	112	39
Subordinated notes	75,255	69,563	205,510	238,301
Loans sold to Cagamas	2,105	5,104	7,391	22,566
Negotiable certificates of deposits	38,380	28,869	96,121	106,871
Other borrowings	57,637	49,187	153,910	110,314
Others	32,530	27,425	83,860	82,913
	1,229,426	1,060,259	3,310,984	3,456,353

A17. NON-INTEREST INCOME

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
(a) Fee income :				
Commissions	74,437	39,770	208,049	153,712
Fee on loans, advances and financing	101,725	130,756	238,449	335,458
Portfolio management fees	4,548	4,620	15,994	15,091
Service charges and fees	94,273	89,083	273,846	279,428
Corporate advisory fees	12,061	7,337	69,599	53,253
Guarantee fees	14,204	16,027	39,374	44,246
Other fee income	97,048	66,725	266,239	224,997
Placement fees	14,173	8,023	43,364	17,570
Underwriting commission	6,532	376	29,317	6,754
Al-Wakalah fee	5,885	6,912	20,312	21,306
	424,886	369,629	1,204,543	1,151,815
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	6,119	5,477	12,979	14,987
- Financial investments available-for-sale	15,675	1,414	33,577	12,703
<i>Outside Malaysia</i>				
- Financial assets held for trading	147	275	642	672
- Financial investments available-for-sale	-	15,498	-	15,498
	21,941	22,664	47,198	43,860
(c) Net gain arising from financial assets held for trading	52,167	90,426	51,869	263,021
- realised	40,027	46,646	38,686	146,036
- unrealised	12,140	43,780	13,183	116,985
(d) Net (loss)/gain arising from derivative financial instruments	(75,911)	(48,729)	(294,973)	189,389
- realised	(134,283)	124,900	(379,769)	446,644
- unrealised	58,372	(173,629)	84,796	(257,255)
(e) Net loss arising from hedging derivatives	(27,041)	(8,971)	(39,964)	(13,042)
(f) Net gain from sale of financial investments available-for-sale	143,351	102,215	544,902	183,436
(g) Net gain from redemption / maturity of financial investment held-to-maturity	14,297	19,848	102,161	19,069
(h) Net gain from financial assets designated at fair value through profit or loss	4,711	-	7,632	-
(i) Income from assets management and securities services	45,193	42,258	126,679	99,697
(j) Brokerage income	83,793	85,777	254,164	206,807
(k) Other non-interest income:				
Foreign exchange gain	206,614	142,366	671,876	302,361
Rental income	4,510	4,880	14,492	15,621
Gain on disposal of property, plant and equipment	1,073	16,992	157,879	84,724
Net gain from insurance business	9,280	36,237	24,954	103,152
Underwriting surplus before management expenses	1,760	-	5,088	-
Other non-operating income	55,361	27,917	148,305	93,187
	278,598	228,392	1,022,594	599,045
Total other operating income	965,985	903,509	3,026,805	2,743,097

A18. OVERHEADS

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	604,799	570,418	1,836,275	1,586,566
- Pension cost	56,126	56,564	167,177	168,359
- Overtime	7,753	8,053	24,108	26,446
- Staff incentives and other staff payments	36,211	30,661	104,233	76,849
- Medical expenses	18,978	15,733	50,862	44,798
- Others	60,484	57,346	168,681	157,320
	784,351	738,775	2,351,336	2,060,338
Establishment costs				
- Depreciation of property, plant and equipment	83,285	77,575	250,806	228,158
- Amortisation of prepaid lease payments	16,592	529	44,748	1,417
- Rental	72,330	62,916	204,784	177,578
- Repair and maintenance	69,958	58,594	210,006	176,092
- Outsourced services	48,108	65,031	182,887	173,512
- Security expenses	22,377	20,045	69,801	54,838
- Others	40,730	49,925	124,129	121,126
	353,380	334,615	1,087,161	932,721
Marketing expenses				
- Sales commission	14,461	5,877	38,681	36,044
- Advertisement	97,112	45,957	249,775	144,508
- Others	17,935	36,583	43,606	72,620
	129,508	88,417	332,062	253,172
Administration and general expenses				
- Amortisation of intangible assets	64,064	47,358	194,074	135,834
- Impairment of intangible assets	-	-	1,302	-
- Legal and professional fees	47,722	33,105	136,545	114,496
- Stationery	19,749	22,859	65,116	67,337
- Merchant expenses	25,694	24,303	74,316	69,433
- Communication	36,386	29,311	105,562	91,660
- Incidental expenses on banking operations	21,956	5,179	64,460	50,124
- Insurance	12,669	19,620	58,274	56,777
- Others	122,375	95,671	345,442	347,952
	350,615	277,406	1,045,091	933,613
	1,617,854	1,439,213	4,815,650	4,179,844

A19. ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Allowance for impaired loans/bad and doubtful debts on loans and financing :				
Individual impairment allowance				
- (written back)/made during the period	(32,595)	-	23,329	-
Specific allowance				
- made during the period	-	409,276	-	1,273,694
- written back	-	(120,401)	-	(336,532)
Portfolio impairment allowance				
- made during the period	286,298	-	695,093	-
General allowance				
- made during the period	-	56,002	-	148,555
Bad debts on loans and financing :				
- recovered	(109,623)	(99,770)	(303,959)	(268,230)
- written off	1,311	409	3,109	1,970
	145,391	245,516	417,572	819,457

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES

(i) DERIVATIVE FINANCIAL INSTRUMENTS

The following tables summarise the contractual or underlying principal amounts of trading derivatives and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at balance sheet date, and do not represent amounts at risk.

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

	The Group		
	Principal amount	Fair values	
	RM'000	Assets	Liabilities
		RM'000	RM'000
At 30 Sept 2010			
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	49,564,650	177,957	(229,105)
- Less than 1 year	47,029,749	131,583	(187,272)
- 1 year to 3 years	460,042	8,435	(4,978)
- More than 3 years	2,074,859	37,939	(36,855)
Currency swaps	4,081,893	626,811	(572,090)
- Less than 1 year	3,851,744	609,541	(570,165)
- 1 year to 3 years	200,184	2,447	(41)
- More than 3 years	29,965	14,823	(1,884)
Currency options	2,314,885	39,438	(40,572)
- Less than 1 year	2,308,397	39,438	(40,572)
- 1 year to 3 years	6,488	-	-
Cross currency interest rate swap	14,934,566	652,081	(694,110)
- Less than 1 year	11,818,737	131,173	(156,089)
- 1 year to 3 years	1,111,069	272,496	(380,411)
- More than 3 years	2,004,760	248,412	(157,610)
	70,895,994	1,496,287	(1,535,877)
<u>Interest rate derivative</u>			
Interest rate swaps	191,773,765	2,240,502	(1,775,529)
- Less than 1 year	91,845,630	396,515	(412,717)
- 1 year to 3 years	46,536,659	523,459	(427,419)
- More than 3 years	53,391,476	1,320,528	(935,393)
Interest rate futures	14,298,738	25,593	(19,142)
- Less than 1 year	8,194,025	11,909	(15,375)
- 1 year to 3 years	4,839,138	9,416	(3,767)
- More than 3 years	1,265,575	4,268	-
Interest rate options	1,850,000	2,215	(49,668)
- Less than 1 year	1,700,000	908	(49,655)
- 1 year to 3 years	100,000	1,307	-
- More than 3 years	50,000	-	(13)
	207,922,503	2,268,310	(1,844,339)
<u>Equity related derivatives</u>			
Index futures	29,156	75	(21)
- Less than 1 year	29,156	75	(21)
Equity options	9,947,808	1,106,730	(1,440,530)
- Less than 1 year	4,312,715	1,093,111	(1,426,913)
- 1 year to 3 years	2,479,026	11,987	(12,058)
- More than 3 years	3,156,067	1,632	(1,559)
Commodity options	33,963	37,281	(47,642)
- 1 year to 3 years	33,963	37,281	(47,642)
Commodity swaps	71,013	44,753	(50,327)
- Less than 1 year	71,013	44,753	(50,327)
Commodity futures	136	1	-
- Less than 1 year	136	1	-
	10,082,076	1,188,840	(1,538,520)
<u>Credit related contract</u>			
Credit default swaps	725,672	5,629	(2,964)
- Less than 1 year	61,750	423	(256)
- 1 year to 3 years	401,484	4,019	(1,163)
- More than 3 years	262,438	1,187	(1,545)
<u>Hedging derivatives</u>			
Interest rate swaps	11,591,400	197,323	(422,993)
- Less than 1 year	8,567,190	15,776	-
- 1 year to 3 years	1,372,126	57,008	(5,963)
- More than 3 years	1,652,084	124,539	(417,030)
Cross currency interest rate swaps	218,661	-	(40,603)
- More than 3 years	218,661	-	(40,603)
	11,810,061	197,323	(463,596)
Total derivative assets/(liabilities)	301,436,306	5,156,389	(5,385,296)

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (continued)

(i) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	The Group		
	Principal amount	Fair values	
	RM'000	Assets	Liabilities
		RM'000	RM'000
At 31 December 2009			
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	10,632,964	64,014	(116,727)
Currency swaps	33,091,814	168,613	(239,294)
Currency options	2,696,630	29,974	(29,606)
Cross currency interest rate swaps	16,891,042	485,894	(346,313)
	63,312,450	748,495	(731,940)
<u>Interest rate derivatives</u>			
Interest rate swaps	150,661,679	2,111,139	(1,614,648)
Interest rate futures	16,702,600	30,334	(25,774)
Interest rate options	3,130,000	11,854	(4,920)
	170,494,279	2,153,327	(1,645,342)
<u>Equity related derivatives</u>			
Commodity futures	31,672	842	(13)
Index futures	4,505	-	(4)
Commodity options	690,261	70,562	(66,429)
Equity options	11,975,449	528,843	(856,920)
	12,701,887	600,247	(923,366)
<u>Credit related contract</u>			
Credit default swaps	825,435	2,062	(2,363)
<u>Hedging derivatives</u>			
Interest rate swaps	9,262,051	185,700	(176,843)
Cross currency interest rate swaps	350,000	-	(12,733)
	9,612,051	185,700	(189,576)
Total derivative assets/(liabilities)	256,946,102	3,689,831	(3,492,587)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2010, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM5,156,389,000 (31 December 2009: RM3,689,831,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

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

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (continued)
(ii) COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group enter into various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured over the Group's assets except for certain financial assets held for trading being pledged as credit support assets for certain over-the-counter derivative contracts.

The Group	30 Sept 2010			31 Dec 2009		
	Principal Amount	Credit Equivalent Amount*	Risk Weighted Amount	Principal Amount	Credit Equivalent Amount*	Risk Weighted Amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Credit-related						
Direct credit substitutes	3,971,060	3,927,583	1,820,340	5,325,347	4,930,893	2,225,277
Certain transaction-related contingent items	5,678,216	3,397,403	1,722,182	5,761,442	3,444,165	2,153,047
Short-term self-liquidating trade-related contingencies	3,182,450	636,042	265,921	3,761,011	744,063	590,935
Obligations under underwriting agreement	939,125	105,612	60,716	250,000	125,000	125,000
Irrevocable commitments to extend credit						
- maturity not exceeding one year	43,139,954	15,439,125	10,215,583	40,252,165	5,706,680	2,709,694
- maturity exceeding one year	7,374,208	4,125,200	990,212	5,948,537	116,698	114,688
Forward assets purchases	501,695	-	-	52,478	1	-
Miscellaneous commitments and contingencies	2,682,248	985	-	6,108,479	126,414	48,378
Total credit-related commitments and contingencies	67,468,956	27,631,950	15,074,954	67,459,459	15,193,914	7,967,019
Treasury-related						
Foreign exchange related contracts						
- less than one year	60,966,434	676,109	177,136	55,031,218	456,997	109,357
- one year to less than five years	3,031,963	616,480	370,847	3,876,156	1,544,495	477,976
- five years and above	1,516,765	223,283	98,765	1,333,036	387,218	114,425
	65,515,162	1,515,872	646,748	60,240,410	2,388,710	701,758
Interest rate related contracts						
- less than one year	103,793,295	125,903	24,595	91,152,067	17,120	4,641
- one year to less than five years	73,031,172	1,556,106	379,284	65,680,137	2,012,906	444,854
- five years and above	16,916,488	1,228,139	357,431	10,340,564	2,095,290	454,389
	193,740,955	2,910,148	761,310	167,172,768	4,125,316	903,884
Equity related contracts						
- less than one year	4,341,902	64,752	15,277	4,946,183	102,076	30,210
- one year to less than five years	3,587,118	108,019	19,106	6,163,740	317,527	88,596
- five years and above	2,047,944	115,759	19,141	870,031	59,199	11,840
	9,976,964	288,530	53,524	11,979,954	478,802	130,646
Other treasury related contracts	32,098,113	305,749	130,862	16,039,852	195,390	84,592
Total treasury-related commitments and contingencies	301,331,194	5,020,299	1,592,444	255,432,984	7,188,218	1,820,880
	368,800,150	32,652,249	16,667,398	322,892,443	22,382,132	9,787,899

* As at 31 December 2009, other than the credit equivalent of RM7,403,370,000 arising from a subsidiary, CIMB Niaga, which is computed based on Bank Indonesia requirements, and RM625,419,000 arising from a subsidiary, CIMB Thai Bank, which is computed based on Bank of Thailand requirements, the credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines.

Effective 1 October 2008, the following approaches have been adopted for computation of the credit equivalent and risk weighted assets:

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

Effective 1st July 2010, the credit equivalent amount and risk weighted amount computation are based on Basel II-Internal Rating-Based approach except for the credit equivalent of RM11,675,176,000 and RM872,104,000 arising from CIMB Niaga and CIMB Thai Bank, which are computed based on Bank of Indonesia and Bank of Thailand requirements respectively.

A21. CAPITAL ADEQUACY
30 Sept 2010

With effect from 1 July 2010, the capital adequacy ratios of the banking subsidiaries of the Group are computed as follows:

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

- The capital adequacy ratios of the Investment Bank Group and Investment Bank are computed in accordance with Internal Rating-Based approach (IRB approach) for Credit Risk and Basic Indicator Approach for Operational Risk. Market Risk remained unchanged under Standardised Approach.

- The capital adequacy ratios of Bank CIMB Niaga and CIMB Thai Bank remained unchanged based on Bank Indonesia and Bank of Thailand requirements respectively. The approach for Credit Risk and Market Risk is Standardised Approach (SA). Operational Risk is based on Basic Indicator Approach.

The comparative capital adequacy ratios for CIMB Bank, CIMB Investment Bank and CIMB Islamic Bank for 31 December 2009 have not been restated based on IRB approach, as they represent actual amounts reported for regulatory compliance purposes as of that date.

	CIMB Bank	CIMB Bank Group	CIMB Investment Bank and Group	CIMB Islamic Bank	Bank CIMB Niaga	CIMB Thai Bank
Before deducting proposed dividend						
Core capital ratio	15.02%	12.62%	16.44%	11.33%	10.00%	6.69%
Risk-weighted capital ratio	15.02%	14.34%	16.44%	15.35%	12.55%	12.44%
After deducting proposed dividend						
Core capital ratio	14.04% +	11.80%	16.44% ^	11.33%	10.00%	6.69%
Risk-weighted capital ratio	14.04% +	13.52%	16.44% ^	15.35%	12.55%	12.44%

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

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

Tier I capital						
Paid-up capital	3,764,466	3,764,466	100,000	750,000	537,192	678,681
Perpetual preference shares	200,000	200,000	-	70,000	-	-
Non-innovative Tier 1 Capital	1,000,000	1,000,000	-	-	-	-
Innovative Tier 1 capital	1,617,500	1,617,500	-	-	-	-
Share premium	5,033,622	5,033,622	-	-	2,306,250	-
Other reserves	7,944,901	8,393,415	269,694	329,814	953,289	94,151
Minority interest	-	236,908	-	-	-	-
Less :						
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	(53,321)	-
Deferred tax assets	-	-	(19,988)	(6,620)	-	-
Goodwill	(3,555,075)	(4,896,600)	-	(136,000)	-	-
Deductions in excess of Tier 2 Capital	(701,115) NI	-	(7,285) NI	-	-	-
Total Tier I capital	15,304,299	15,349,311	342,421	1,007,194	3,743,410	772,832
Tier II capital						
Redeemable preference shares	29,740	29,740	10	-	-	4,722
Subordinated notes	1,500,000	1,931,716	-	300,000	-	593,454
Subordinated loans	-	-	-	-	603,555	-
Revaluation reserve	-	-	-	-	-	38,013
Regulatory reserve	25,689	28,897	-	3,208	-	-
Portfolio impairment allowance ✓	208,642	360,607	955	30,761	364,546	28,391
Surplus of total eligible provision over expected loss	244,048	137,714	800	23,319	-	-
Others	-	-	-	-	39,726	-
Total Tier II capital	2,008,119	2,488,674	1,765	357,288	1,007,827	664,580
Less :						
Investment in subsidiaries and holding of other banking institutions' capital	(2,393,991)	(81,862)	(9,050)	-	(53,321)	-
Securitisation exposures subject to deductions**	(70,109)	(70,109)	-	-	-	-
Investment in associates	(245,134)	(245,134)	-	-	-	-
Total Eligible Tier II capital	- NI	2,091,569	- NI	357,288	954,506	664,580
Total capital base	15,304,299	17,440,880	342,421	1,364,482	4,697,916	1,437,412
Less :						
Proposed dividends	(1,000,000)	(1,000,000)	-	-	-	-
Total capital base (net of dividend)	14,304,299	16,440,880	342,421	1,364,482	4,697,916	1,437,412

The breakdown of risk-weighted assets ("RWA") by each major risk category for CIMB Bank, CIMB Bank Group, CIMB Investment Bank and Group and CIMB Islamic Bank are as follows:

	CIMB Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank and Group RM'000	CIMB Islamic Bank RM'000
Credit risk	84,533,710	102,146,864	1,138,240	7,556,754
Market risk	7,898,194	8,298,141	271,941	399,947
Operational risk	9,425,781	11,110,131	672,060	934,089
Large exposure risk	46,998	46,998	-	-
	101,904,683	121,602,134	2,082,241	8,890,790

A21. CAPITAL ADEQUACY (continued)
30 Sept 2010 (continued)

The breakdown of risk-weighted assets in the various categories of risk-weights for Bank CIMB Niaga and CIMB Thai Bank are as follows:

	Risk Weighted	
	Bank CIMB Niaga RM'000	CIMB Thai Bank RM'000
0%	10,422,063	4,093,631
10%	4,763	-
20%	2,739,908	792,452
35%	-	1,427,528
50%	14,170,334	249,918
75%	-	1,793,504
100%	26,190,312	7,880,363
150%	-	265,716
	<u>33,823,937</u>	<u>10,407,149</u>
Counterparty risk requirement	-	-
Total risk-weighted assets equivalent for credit risk	33,823,937	10,407,149
Total risk-weighted assets equivalent for market risk	335,917	347,286
Total risk-weighted assets equivalent for large exposure risk requirements	-	801,509
Total risk-weighted assets equivalent for operational risk	3,262,944	-
Total risk-weighted assets	<u>37,422,798</u>	<u>11,555,944</u>

N1 The excess of Tier II capital was deducted under Tier I capital.

^ Dividend for financial year ended 31 December 2009 was paid on 19 April 2010

+ Special dividend for financial year ending 31 December 2010 to be paid before 31 December 2010

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

As at 30 September 2010, the following has been applied in computing the capital adequacy ratio:

- 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.

√ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 30 September 2010 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM482,767,171, RM464,065,934 and RM18,701,237 respectively.

31 December 2009

	CIMB Bank RM '000	CIMB Investment Bank RM '000	CIMB Islamic Bank RM '000	Bank CIMB Niaga* RM '000	CIMB Thai Bank # RM '000
The capital adequacy ratios are as follows:					
Adjusted for effects of FRS 139 (unaudited) as at 1 January 2010:					
Tier I capital	14,696,372	396,445	689,117	3,413,697	640,167
Eligible Tier II capital	<u>3,384,084</u>	<u>924</u>	<u>560,927</u>	<u>760,271</u>	<u>640,167</u>
	18,080,456	397,369	1,250,044	4,173,968	1,280,334
Less:					
Investment in subsidiaries and holding of other banking institutions' capital	<u>(2,618,131)</u>	<u>(9,050)</u>	<u>-</u>	<u>(43,351)</u>	<u>-</u>
Capital base before proposed dividend	<u>15,462,325</u>	<u>388,319</u>	<u>1,250,044</u>	<u>4,130,617</u>	<u>1,280,334</u>
Before deducting proposed dividend					
Core capital ratio	14.59%	19.76%	6.77%	10.94%	6.00%
Risk-weighted capital ratio	<u>15.35%</u>	<u>19.76%</u>	<u>12.29%</u>	<u>13.24%</u>	<u>11.99%</u>
After deducting proposed dividend					
Core capital ratio	14.59%	17.10%	6.77%	10.94%	6.00%
Risk-weighted capital ratio	<u>15.35%</u>	<u>17.10%</u>	<u>12.29%</u>	<u>13.24%</u>	<u>11.99%</u>
As reported previously (audited) as at 31 December 2009:					
Tier I capital	14,874,153	396,707	690,239	3,520,387	640,167
Eligible Tier II capital	<u>2,868,642</u>	<u>928</u>	<u>458,004</u>	<u>760,031</u>	<u>640,167</u>
	17,742,795	397,635	1,148,243	4,280,418	1,280,334
Less:					
Investment in subsidiaries and holding of other banking institutions' capital	<u>(2,618,131)</u>	<u>(9,050)</u>	<u>-</u>	<u>(43,351)</u>	<u>-</u>
Capital base before effects of FRS 139	<u>15,124,664</u>	<u>388,585</u>	<u>1,148,243</u>	<u>4,237,067</u>	<u>1,280,334</u>
Before deducting proposed dividend					
Core capital ratio	14.81%	19.77%	6.82%	11.29%	6.00%
Risk-weighted capital ratio	<u>15.06%</u>	<u>19.77%</u>	<u>11.34%</u>	<u>13.59%</u>	<u>11.99%</u>
After deducting proposed dividend					
Core capital ratio	14.81%	17.11%	6.82%	11.29%	6.00%
Risk-weighted capital ratio	<u>15.06%</u>	<u>17.11%</u>	<u>11.34%</u>	<u>13.59%</u>	<u>11.99%</u>

A21. CAPITAL ADEQUACY (continued)
31 December 2009 (continued)

	CIMB Bank RM '000	CIMB Investment Bank RM '000	CIMB Islamic Bank RM '000	Bank CIMB Niaga* RM '000	CIMB Thai Bank # RM '000
Components of Tier I and Tier II capitals are as follows:					
Tier I capital					
Paid-up capital	3,764,467	100,000	550,000	565,191	685,791
Perpetual preference shares	200,000	-	70,000	-	-
Non-innovative Tier 1 Capital	1,000,000	-	-	-	-
Innovative Tier 1 capital	1,685,000	-	-	-	-
Share premium	5,033,622	-	-	2,426,456	-
Other reserves	7,028,019	301,726	250,864	572,091	(45,624)
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	(43,351)	-
Deferred tax assets	(281,880)	(5,019)	(44,625)	-	-
Goodwill	(3,555,075)	-	(136,000)	-	-
Total Tier 1 capital (audited)	14,874,153	396,707	690,239	3,520,387	640,167
Effects of FRS 139 on Tier 1 capital	(177,781)	(262)	(1,122)	(106,690)	-
Adjusted Tier 1 capital (unaudited)	14,696,372	396,445	689,117	3,413,697	640,167
Tier II capital					
Redeemable preference shares	29,740	10	-	-	1,693
Subordinated notes	1,500,000	-	300,000	-	568,134
Subordinated loans	-	-	-	329,739	-
Revaluation reserve	-	-	-	-	47,118
General allowance for bad and doubtful debts and financing	1,338,902	918	158,004	388,496	23,222
Others	-	-	-	41,796	-
Total Eligible Tier II capital (audited)	2,868,642	928	458,004	760,031	640,167
Effects of FRS 139 on Tier 2 capital	515,442	(4)	102,923	240	-
Adjusted Tier 2 capital (unaudited)	3,384,084	924	560,927	760,271	640,167
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	(2,300,489)	(9,050)	-	(43,351)	-
Investment in joint venture	(72,608)	-	-	-	-
Investment in associates	(245,034)	-	-	-	-
Total capital base before effects of FRS 139	15,124,664	388,585	1,148,243	4,237,067	1,280,334
Total capital base after effects of FRS 139	15,462,325	388,319	1,250,044	4,130,617	1,280,334
Less :					
Proposed 2009 final dividend	-	(52,300)	-	-	-
Total capital base (net of proposed dividend) before effects of FRS 139	15,124,664	336,285	1,148,243	4,237,067	1,280,334
Total capital base (net of proposed dividend) after effects of FRS 139	15,462,325	336,019	1,250,044	4,130,617	1,280,334

Breakdown of risk-weighted assets in the various categories of risk-weights are as follows:

	RM'000	RM'000	Risk Weighted		RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
0%	30,359,481	427,170	6,100,082	7,041,820	5,174,033
10%	24,173	-	-	123,192	-
20%	21,909,123	5,949,667	2,070,774	1,816,284	822,660
35%	-	-	-	-	1,064,206
50%	22,437,082	66,764	3,068,223	9,992,852	358,716
75%	-	-	-	-	1,690,677
100%	79,804,879	417,380	7,628,648	25,707,687	7,181,200
150%	-	-	-	-	360,587
	95,407,662	1,640,695	9,576,915	31,079,689	9,706,451
Counterparty risk requirement	-	1	-	-	-
Total risk-weighted assets equivalent for credit risk	95,407,662	1,640,696	9,576,915	31,079,689	9,706,451
Total risk-weighted assets equivalent for market risk	4,834,636	324,340	548,828	97,253	123,231
Total risk-weighted assets equivalent for large exposure risk requirements	193,983	-	-	-	848,117
Total risk-weighted assets (audited)	100,436,281	1,965,036	10,125,743	31,176,942	10,677,799
Effects of FRS 139	327,152	(354)	48,759	19,231	-
Total risk-weighted assets adjusted for effects of FRS 139 (unaudited)	100,763,433	1,964,682	10,174,502	31,196,173	10,677,799

* Computation is based on Bank Indonesia requirements
Computation is based on Bank of Thailand requirements

A22. INTEREST/PROFIT RATE RISK

As at 30 Sept 2010	Non-trading book					Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective average interest rate RM %	Effective average interest rate IDR %	Effective average interest rate USD %	Effective average interest rate THB %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000							
Assets												
Cash and short-term funds	18,749,551	102	-	-	-	4,405,327	-	23,154,980	2.60	1.61	0.35	1.22
Reverse repurchase agreements	1,925,081	458,421	105	-	-	6,495	-	2,390,102	2.88	-	0.01	0.93
Deposits and placements with banks and other financial institutions	431,626	1,752,479	8,002,698	437,759	-	101,186	-	10,725,748	3.54	5.65	0.65	1.05
Financial investments at fair value through profit or loss	-	-	-	-	-	99,601	18,260,196	18,359,797	3.50	9.69	4.85	-
Financial investments available-for-sale	210,665	160,065	909,434	4,106,651	4,319,698	1,959,472	-	11,665,985	5.08	10.24	7.96	2.01
Financial investments held-to-maturity	-	37,877	1,883,380	7,888,399	4,379,425	40,163	-	14,229,244	5.00	10.97	6.28	2.47
Derivative financial instruments	-	-	15,777	26,204	351,894	546,519	4,215,995	5,156,389	-	-	-	-
Loans, advances and financing												
- not impaired	81,617,849	8,729,753	9,563,196	25,523,597	26,133,075	117,942	-	151,685,412	5.31	11.92	5.33	8.17
- impaired	-	-	-	-	-	2,219,143 [^]	-	2,219,143	-	-	-	-
Other assets	30,267	87,603	50,762	-	-	7,313,430	-	7,482,062	4.59	-	3.70	-
Tax recoverable	-	-	-	-	-	190,334	-	190,334	-	-	-	-
Statutory deposits with central banks	-	-	-	-	-	1,164,441	-	1,164,441	-	-	-	-
Investment in associates and jointly controlled entities	-	-	-	-	-	662,027	-	662,027	-	-	-	-
Property, plant and equipment	-	-	-	-	-	1,411,467	-	1,411,467	-	-	-	-
Investment properties	-	-	-	-	-	98,362	-	98,362	-	-	-	-
Prepaid lease payments	-	-	-	-	-	230,754	-	230,754	-	-	-	-
Goodwill	-	-	-	-	-	8,676,284	-	8,676,284	-	-	-	-
Intangible assets	-	-	-	-	-	1,561,045	-	1,561,045	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	38,196	-	38,196	-	-	-	10.87
Total assets	102,965,039	11,226,300	20,425,352	37,982,610	35,184,092	30,842,188	22,476,191	261,101,772				
Liabilities												
Deposits from customers	86,428,083	26,798,766	22,537,805	4,734,527	935,874	52,416,801	-	193,851,856	2.56	5.55	0.62	4.49
Deposits and placements of banks and other financial institutions	7,567,693	594,989	1,614,321	591,687	-	333,665	-	10,702,355	3.33	4.35	0.54	3.07
Derivative financial instruments	-	-	-	6,084	404,659	618,968	4,355,585	5,385,296	-	-	-	-
Repurchase agreements	132,614	-	-	-	-	-	-	132,614	-	-	-	-
Bills and acceptances payable	1,797,999	269,538	1,095,842	1,311	-	659,882	-	3,824,572	3.03	-	-	1.30
Other liabilities	-	-	-	-	-	10,082,676	-	10,082,676	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	105,950	-	105,950	-	-	-	-
Current tax liabilities	-	-	-	-	-	211,567	-	211,567	-	-	-	-
Amount due to Cagamas Berhad	147,306	-	64,404	-	-	-	-	211,710	4.67	-	-	-
Bonds	-	-	417,950	-	-	-	-	417,950	-	-	3.00	-
Other borrowings	1,291,747	605,904	118,962	1,461,513	118,454	2,789	-	3,599,369	4.31	7.38	0.68	-
Redeemable preference shares	-	-	-	-	732,755	150,150	-	882,905	-	-	6.62	-
Subordinated notes	-	-	-	1,477,303	5,623,277	55,365	-	7,155,945	6.35	-	6.66	-
Total liabilities	97,365,442	28,269,197	25,849,284	8,272,425	7,815,019	64,637,813	4,355,585	236,564,765				
Total interest rate sensitivity gap	5,599,597	(17,042,897)	(5,423,932)	29,710,185	27,369,073		18,120,606					

[^] Includes individual impairment allowance and portfolio impairment allowance of RM8,481,264,000

A22. INTEREST/PROFIT RATE RISK (continued)

As at 31 December 2009	Non-trading book						Trading book RM'000	Total RM'000	Effective average	Effective average	Effective average	Effective average
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			interest rate RM %	interest rate IDR %	interest rate USD %	interest rate THB %
Assets												
Cash and short-term funds	24,137,452	430,794	-	-	-	3,706,441	-	28,274,687	1.98	1.61	0.33	1.12
Reverse repurchase agreements	3,371,486	1,168,272	5,115	-	-	-	-	4,544,873	2.06	-	-	1.21
Deposits and placements with banks and other financial institutions	221,812	1,288,340	827,031	10,072	-	35,800	-	2,383,055	2.09	6.40	0.72	0.55
Financial investments at fair value through profit or loss	-	-	-	-	-	7,128	14,992,174	14,999,302	2.58	10.41	4.10	-
Financial investments available-for-sale	139,386	396,277	438,068	3,503,789	4,608,218	1,914,798	-	11,000,536	5.03	10.81	7.05	2.21
Financial investments held-to-maturity	157,080	729,975	429,280	5,979,640	6,970,735	-	-	14,266,710	5.43	7.06	6.26	4.15
Derivative financial instruments	-	-	2,750	60,302	101,498	331,777	3,193,504	3,689,831	-	-	-	-
Loans, advances and financing												
- performing	61,713,320	12,729,560	10,496,300	25,302,667	31,150,028	141,335	-	141,533,210	4.93	13.05	6.93	7.46
- non-performing	-	-	-	-	-	684,980 [^]	-	684,980	-	-	-	-
Other assets	-	-	228,565	-	-	4,993,231	-	5,221,796	4.73	-	3.50	-
Deferred tax assets	-	-	-	-	-	293,708	-	293,708	-	-	-	-
Tax recoverable	-	-	-	-	-	110,416	-	110,416	-	-	-	-
Statutory deposits with central banks	-	-	-	-	-	843,757	-	843,757	-	-	-	-
Investment in associates and jointly controlled entities	-	-	-	-	-	649,138	-	649,138	-	-	-	-
Property, plant and equipment	-	-	-	-	-	1,499,066	-	1,499,066	-	-	-	-
Investment properties	-	-	-	-	-	120,349	-	120,349	-	-	-	-
Prepaid lease payments	-	-	-	-	-	279,924	-	279,924	-	-	-	-
Goodwill	-	-	-	-	-	7,694,653	-	7,694,653	-	-	-	-
Intangible assets	-	-	-	-	-	1,667,784	-	1,667,784	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	226,224	-	226,224	-	-	-	-
Total assets	89,740,536	16,743,218	12,427,109	34,856,470	42,830,479	25,200,509	18,185,678	239,983,999				
Liabilities												
Deposits from customers	79,625,075	29,820,056	23,629,318	12,056,518	414,287	33,337,082	-	178,882,336	2.14	5.24	1.10	5.09
Deposits and placements of banks and other financial institutions	2,218,859	4,410,338	1,196,787	1,766,162	72,504	466,932	-	10,131,582	2.18	5.23	0.45	3.30
Derivative financial instruments	39,744	-	-	(963)	158,204	431,195	2,864,407	3,492,587	-	-	-	-
Repurchase agreements	565,097	-	-	-	-	-	-	565,097	-	-	-	1.22
Bills and acceptances payable	1,337,938	1,820,252	388,463	-	-	948,141	-	4,494,794	2.25	-	-	1.27
Other liabilities	-	-	-	-	-	8,105,303	-	8,105,303	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	13,247	-	13,247	-	-	-	-
Current tax liabilities	-	-	-	-	-	428,565	-	428,565	-	-	-	-
Amount due to Cagamas Berhad	-	66,666	120,463	148,483	-	-	-	335,612	4.68	-	-	-
Bonds	-	-	443,051	-	-	-	-	443,051	-	-	3.00	-
Other borrowings	1,063,085	162,711	398,358	1,578,039	6,263	9,830	-	3,218,286	3.13	13.69	0.86	-
Redeemable preference shares	-	-	-	-	751,437	132,650	-	884,087	-	-	6.62	-
Subordinated notes	308,562	-	-	1,483,611	4,504,279	46,286	-	6,342,738	6.37	7.38	-	-
Total liabilities	85,158,360	36,280,023	26,176,440	17,031,850	5,906,974	43,919,231	2,864,407	217,337,285				
Total interest rate sensitivity gap	4,582,176	(19,536,805)	(13,749,331)	17,824,620	36,923,505		15,321,271					

[^] Includes specific allowances and general allowances of RM6,731,869,000

A23. SEGMENTAL REPORT

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

Consumer Banking comprises of Retail Banking, Business Banking and Direct Banking, Cards and CIMB Express.

Retail Banking focuses on introducing innovative products and services to individual customers. It offers products such as credit facilities (residential mortgages, personal loans, share financing and hire purchase financing), private client services, remittance services and deposit acceptance.

Business Banking is responsible for the development of products and services for customer segments comprising micro-enterprises, small and medium-scale enterprises (SMEs) and mid-sized corporations, as well as the management of business loan portfolios of these customer segments.

Direct Banking & Cards focuses on mass affluent customers and credit card business while CIMB Express caters to lower income customers offering product such as microcredit loan.

Corporate and Investment Banking comprise Investment Banking, Corporate Finance, Corporate Banking, Regional Banking, Equity Capital Markets, Retail and Institutional Equities, Equity Derivatives, and Equity Investment and Trading.

Investment Banking and Corporate Finance offers financial advisory services to corporations, advising issuance of equity and equity-linked products, debt restructuring, mergers and acquisitions, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking provides a broad spectrum of financial and Ringgit lending services for domestic and multinational corporations as well as institutional and public sector clients.

Regional Banking oversees the activities of the Group's overseas branches in London, Singapore and Hong Kong and provides conventional and customised financial packages in order to meet customers' needs, with products including non-Ringgit corporate lending, nominee services and cash management services.

Equity Capital Markets provides services including acting as underwriter, global co-ordinator, book runner or lead manager for equity and equity-linked transactions, originating, structuring, pricing and executing equity and equity-linked issues and executing program trades, block trades and market making. Equity Derivatives Group develops and issues new equity derivative instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues. Equity Investment and Trading is the Group's Proprietary Equity Trading Unit. Retail and Institutional Equities provide stock broking services to retail and corporate clients.

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

Asset Management and Insurance comprises wholesale fund management, unit trust, securities services, private equity and venture capital activities. It includes the Group's life and takaful activities.

Foreign Banking Operation comprise of PT Bank CIMB Niaga Tbk and CIMB Thai Bank Public Company Limited (formerly known as BankThai Public Company Limited) and Bank of Yingkou Co Ltd, which are involved in the provision in the commercial banking and related services.

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

A23. SEGMENTAL REPORT (continued)

	Consumer Banking RM'000	Corporate and Investment Banking RM'000	Treasury and Investment RM'000	Asset Management and Insurance RM'000	Foreign Banking Operations RM'000	Support and others RM'000	Total RM'000
30 September 2010							
Net interest income							
-external income / (expense)	2,143,006	1,081,853	(459,159)	12,709	2,223,119	(116,158)	4,885,370
-inter-segment income	(326,989)	(552,068)	900,686	(4)	(3)	(21,622)	-
	1,816,017	529,785	441,527	12,705	2,223,116	(137,780)	4,885,370
Income from Islamic Banking operations	402,475	84,743	341,942	-	43,550	(4,630)	868,080
Non-interest income (excluding gain on disposal of interest in a subsidiary)	615,859	591,633	693,382	212,482	860,358	53,091	3,026,805
Gain on disposal of interest in subsidiaries	-	-	7,076	-	-	-	7,076
Net income/(expense)	2,834,351	1,206,161	1,483,927	225,187	3,127,024	(89,319)	8,787,331
Overheads	(2,092,807)	(644,760)	(409,832)	(161,846)	(1,478,843)	(27,562)	(4,815,650)
Profit/(loss) before allowances	741,544	561,401	1,074,095	63,341	1,648,181	(116,881)	3,971,681
Allowance (made)/written back for impairment losses on loans, advances and financing	(197,943)	209,876	(26,972)	-	(401,207)	(1,326)	(417,572)
Allowance for losses on other receivables	-	920	(20,417)	(681)	(3,810)	(502)	(24,490)
Allowance made for commitments and contingencies	(1,829)	-	(50,000)	-	(1,709)	1	(53,537)
Allowance written back/(made) for other impairment losses	-	328	(34,290)	-	(2,924)	352	(36,534)
Segment results	541,772	772,525	942,416	62,660	1,238,531	(118,356)	3,439,548
Share of results of jointly controlled entities	-	-	7,018	-	-	-	7,018
Share of results of associates	7,140	-	10,969	(1,125)	34,332	813	52,129
Profit/(loss) before taxation and zakat	548,912	772,525	960,403	61,535	1,272,863	(117,543)	3,498,695
% of profit before taxation and zakat	15.7	22.1	27.5	1.8	36.4	(3.4)	100.0
Taxation and zakat							(689,765)
Profit after taxation before minority interests							<u>2,808,930</u>

A23. SEGMENTAL REPORT (continued)

	Consumer Banking RM'000	Corporate and Investment Banking RM'000	Treasury and Investment RM'000	Asset Management and Insurance RM'000	Foreign Banking Operations RM'000	Support and others RM'000	Total RM'000
30 September 2009							
Net interest income							
-external income / (expense)	2,005,740	957,214	(155,523)	13,558	1,728,566	(49,424)	4,500,131
-inter-segment income	(132,159)	(518,688)	668,053	-	-	(17,206)	-
	1,873,581	438,526	512,530	13,558	1,728,566	(66,630)	4,500,131
Income from Islamic Banking operations	310,400	103,709	92,956	8,111	29,063	2,508	546,747
Non-interest income (excluding gain on disposal of interest in subsidiaries)	472,751	575,865	725,679	248,751	701,939	18,112	2,743,097
Gain on disposal of interest in subsidiaries	-	-	99,800	-	-	-	99,800
Net income/(expense)	2,656,732	1,118,100	1,430,965	270,420	2,459,568	(46,010)	7,889,775
Overheads	(1,886,543)	(519,316)	(255,487)	(138,193)	(1,384,874)	4,569	(4,179,844)
Profit/(loss) before allowances	770,189	598,784	1,175,478	132,227	1,074,694	(41,441)	3,709,931
Allowance for losses on loans, advances and financing	(355,239)	(180,093)	49,385	-	(333,001)	(509)	(819,457)
Allowance for losses on other receivables	-	(6,302)	(12,104)	(265)	(125,711)	(400)	(144,782)
Allowance for commitments and contingencies	-	-	-	(3,000)	(41,815)	-	(44,815)
Allowance written back/(made) for impairment losses	-	22,604	(21,098)	-	(3,695)	(7,293)	(9,482)
Segment results	414,950	434,993	1,191,661	128,962	570,472	(49,643)	2,691,395
Share of results of jointly controlled entities	6,743	-	-	-	-	-	6,743
Share of results of associates	-	-	10,325	-	7,657	2,134	20,116
Profit/(loss) before taxation and zakat	421,693	434,993	1,201,986	128,962	578,129	(47,509)	2,718,254
% of profit before taxation and zakat	15.5	16.0	44.2	4.7	21.3	(1.7)	100.0
Taxation and zakat							(564,798)
Profit after taxation before minority interests							2,153,456

A24. OPERATIONS OF ISLAMIC BANKING

A24a. UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010

		The Group	
	Note	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Assets			
Cash and short-term funds		4,972,796	5,943,123
Deposits and placements with banks and other financial institutions		2,177,860	2,409,258
Financial assets held for trading		2,746,955	3,491,709
Financial investments available-for-sale		448,084	589,242
Financial investments held-to-maturity		1,505,553	1,045,721
Derivative financial instruments		263,954	459,659
Financing, advances and other loans	A24c(i)	23,353,164	16,859,101
Deferred tax assets		5,122	44,625
Tax recoverable		8,926	-
Amount due from related companies		7,143	1,547
Amount due from bank holding company		572,770	-
Statutory deposits with Bank Negara Malaysia		148,296	172,806
Property, plant and equipment		7,831	6,613
Other assets		476,875	642,696
Goodwill		136,000	136,000
Intangible assets		1,938	3,676
TOTAL ASSETS		36,833,267	31,805,776
Liabilities and Islamic banking capital funds			
Deposits from customers	A24(d)	23,053,813	20,180,319
Deposits and placements of banks and other financial institutions		10,010,436	9,120,340
Derivative financial instruments		430,606	248,478
Amount due to bank holding company		212,687	13,523
Amount due to related companies		3,323	8,111
Provision for taxation and zakat		52,630	70,711
Other liabilities		857,730	552,803
Subordinated Sukuk		300,000	300,000
TOTAL LIABILITIES		34,921,225	30,494,285
Equity			
Ordinary share capital		550,000	550,000
Islamic banking funds		291,693	91,693
Perpetual preference shares		70,000	70,000
Reserves		961,782	558,625
		1,873,475	1,270,318
Minority interests		38,567	41,173
TOTAL EQUITY		1,912,042	1,311,491
TOTAL LIABILITIES AND EQUITY		36,833,267	31,805,776

A24b. UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2010

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	455,698	293,879	1,164,357	769,706
Income derived from investment of shareholders' funds	40,985	57,082	136,313	122,944
Allowances written back/(made) for impairment losses on financing, advances and other loans	73,628	(78,452)	(36,449)	(209,487)
Allowance for losses on other receivables	(59)	(6)	(120)	(30)
Total distributable income	570,252	272,503	1,264,101	683,133
Income attributable to the depositors	(167,172)	(128,359)	(432,590)	(345,903)
Total net income	403,080	144,144	831,511	337,230
Other operating expenses	(67,510)	(62,529)	(200,623)	(175,459)
Profit before taxation and zakat	335,570	81,615	630,888	161,771
Taxation and zakat	(30,898)	(13,863)	(73,122)	(32,821)
Profit for the period	304,672	67,752	557,766	128,950
Profit for the period attributable to:				
Equity holders of the Company	303,994	66,518	556,320	128,798
Minority interests	678	1,234	1,446	152
	304,672	67,752	557,766	128,950
Income from Islamic operations (per page 2)				
Total net income	403,080	144,144	831,511	337,230
Add: Allowance (written back)/made for impairment losses on financing, advances and other loans	(73,628)	78,452	36,449	209,487
Add: Allowance for losses on other receivables	59	6	120	30
	329,511	222,602	868,080	546,747

A24b. UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2010
(Continued)

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Profit for the period	304,672	67,752	557,766	128,950
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	1,816	4,373	3,538	2,352
- Net gain from change in fair value	2,060	5,563	3,272	2,347
- Realised loss transferred to comprehensive income on disposal and impairment	483	268	1,647	789
- Transfer from deferred tax assets	(727)	(1,458)	(1,381)	(784)
Exchange fluctuation reserve	3,006	(5,448)	6,005	(6,554)
Other comprehensive income for the period, net of tax	4,822	(1,075)	9,543	(4,202)
Total comprehensive income for the period	309,494	66,677	567,309	124,748
Total comprehensive income for the period attributable to:				
Equity holders of the Company	308,816	65,443	565,863	124,596
Minority interests	678	1,234	1,446	152
	309,494	66,677	567,309	124,748

A24c. FINANCING, ADVANCES AND OTHER LOANS

(i) By type

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
At amortised cost		
Cash line	266,227	241,179
Term financing	39,674,291	28,011,302
Bills receivable	1,545	1,625
Trust receipts	58,218	29,827
Claims on customers under acceptance credits	175,173	173,893
Revolving credits	1,263,341	845,716
Other financing	172,642	49,046
	41,611,437	29,352,588
Less: Unearned income	(18,099,749)	(12,174,821)
Gross financing, advances and other loans	23,511,688	17,177,767
Fair value changes arising from fair value hedge	182,236	26,519
	23,693,924	17,204,286
Less: Allowance for impairment losses		
- Individual impairment allowance	(110,046)	-
- Portfolio impairment allowance	(230,714)	-
- Specific allowance	-	(181,427)
- General allowance	-	(163,758)
	(340,760)	(345,185)
Net financing, advances and other loans	23,353,164	16,859,101

(a) Included in term financing is RM4,500 million (31 December 2009: RM1,519 million) provided on normal commercial terms which is exempted from portfolio impairment allowance/general allowance by Bank Negara Malaysia.

(b) During the financial year, the Group has undertaken fair value hedges on RM4,500 million (31 December 2009: RM1,350 million) financing using profit rate swaps.

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Gross financing hedged	4,500,000	1,350,000
Fair value changes arising from fair value hedges	182,236	26,519
	4,682,236	1,376,519

The fair value loss on profit rate swaps as at 30 September 2010 were RM228.1 million (31 December 2009: RM41.6 million).

(ii) By geographical distribution

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Malaysia	22,796,573	16,590,186
Indonesia	500,486	373,917
Other countries	214,629	213,664
Gross financing, advances and other loans	23,511,688	17,177,767

(iii) Impaired financing/non-performing financing, advances and other loans by geographical distribution

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Malaysia	323,463	357,117
Indonesia	7,385	9,235
Gross impaired/non-performing financing, advances and other loans	330,848	366,352

A24c. FINANCING, ADVANCES AND OTHER LOANS (Continued)

(iv) Movements in impaired financing/non-performing financing, advances and other loans:

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Balance as at 1 January		
- as previously reported	366,352	207,093
- classified as impaired due to adoption of FRS139*	139,996	-
- as adjusted	506,348	207,093
Classified as impaired/non-performing during the period/year	249,505	384,855
Reclassified as not impaired/performing during the period/year	(198,828)	(94,443)
Amount recovered	(39,443)	(34,424)
Amount written off	(58,055)	(97,599)
Sale of impaired loans	(105,876)	-
Exchange fluctuation	(22,803)	870
Balance as at 30 September / 31 December	330,848	366,352
Ratio of gross impaired / non-performing financing, advances and other loans to gross financing, advances and other loans	1.41%	2.13%

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

(v) Movements in the allowance for impaired financing/bad and doubtful financing:

	The Group	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Individual impairment allowance		
At 1 January, as previously stated	-	-
Adoption of FRS 139	272,235	-
At 1 January, as restated	272,235	-
Allowance made during the period / year	8,127	-
Amount recovered	(92,954)	-
Amount written off	(70,318)	-
Amount transferred from portfolio impairment allowance	1,799	-
Unwinding income	(2,025)	-
Exchange fluctuation	(6,818)	-
Balance as at 30 September / 31 December	110,046	-
Portfolio impairment allowance		
At 1 January, as previously stated	-	-
Adoption of FRS 139	264,540	-
At 1 January, as restated	264,540	-
Allowance made during the period / year	136,688	-
Amount transferred to individual impairment allowance	(1,799)	-
Amount written off	(46,891)	-
Allowance transferred to conventional operations	(119,980)	-
Unwinding income	(1,618)	-
Exchange fluctuation	(226)	-
At 30 September / 31 December	230,714	-
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loans (excluding RPSIA financing and financing exempted from portfolio impairment allowance by BNM) less individual impairment allowance	2.18%	-

A24c. FINANCING, ADVANCES AND OTHER LOANS (Continued)**(v) Movements in the allowance for impaired financing/bad and doubtful financing: (Continued)**

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
Specific allowance		
At 1 January, as previously stated	181,427	102,902
Adoption of FRS 139	(181,427)	-
At 1 January, as restated	-	102,902
Allowance made during the period / year	-	202,593
Amount recovered	-	(25,785)
Amount written off	-	(97,356)
Exchange fluctuation	-	(927)
Balance as at 30 September / 31 December	-	181,427
General allowance		
At 1 January, as previously stated	163,758	83,638
Adoption of FRS 139	(163,758)	-
At 1 January, as restated	-	83,638
Allowance made during the period / year	-	81,309
Allowance transferred to conventional operations	-	(1,181)
Exchange fluctuation	-	(8)
At 30 September / 31 December	-	163,758
General allowance as % of gross financing, advances and other loans (excluding RPSIA financing and financing exempted from general allowance by BNM) less specific allowances	-	1.45%

A24d. DEPOSITS FROM CUSTOMERS**By type of deposits**

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
Non-Mudharabah		
Demand deposits	1,495,231	1,086,766
Savings deposits	719,503	550,330
Commodity Murabahah-i	185,250	17,125
Fixed return investment account	4,400,078	2,964,471
Negotiable instruments of deposit	1,267,994	523,089
Variable rate deposits	397,430	1,102,280
Equity Linked Sukuk	235,550	249,250
Others	23,473	7,366
	8,724,509	6,500,677
Mudharabah		
Demand deposits	1,371,785	2,155,363
Savings deposits	294,164	243,458
General investment deposits	1,813,837	2,196,438
Special general investment deposits	8,954,856	7,425,800
Specific investment deposits	1,894,662	1,658,583
	14,329,304	13,679,642
	23,053,813	20,180,319

A25. CHANGE IN ACCOUNTING POLICIES AND COMPARATIVES

(a) CHANGE IN ACCOUNTING POLICIES

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

- i) FRS 139 Financial Instruments : Recognition and Measurement
- ii) IC Interpretation 9 Reassessment of Embedded Derivatives
- iii) FRS 7 Financial Instruments : Disclosures
- iv) Amendments to FRS 7 "Financial Instruments: Disclosure"
- v) Amendments to IC Interpretation 9 "Reassessment of Embedded Derivatives" (effective 1 January 2010)

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

Impairment of financial assets

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

Loan Impairment

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

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

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

Loans that have not been individually assessed are grouped together for portfolio impairment assessment. These loans are grouped according to their credit risk characteristics for the purposes of calculating an estimated collective loss. Future cash flows on a group of financial assets that are collectively assessed for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group.

The Group is currently reporting under the BNM's transitional arrangement as prescribed in the guidelines on 'Classification and Impairment Provision for Loans/Financing' issued on 8 January 2010. However, our Group's financial statements are prepared in full compliance with FRS 139 principles.

A25. CHANGE IN ACCOUNTING POLICIES AND COMPARATIVES (CONTINUED)

(a) CHANGE IN ACCOUNTING POLICIES (continued)

Interest Income Recognition

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

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

Recognition of Embedded Derivatives

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

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

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

(b) COMPARATIVE FIGURES

(i) FRS 101 Presentation of Financial Statements

As a result of the adoption of the revised FRS 101, income statements of the Group for the comparative financial period ended 30 September 2009 have been re-presented as a combined statement of total comprehensive income comprising components of profit or loss and other comprehensive income. All non-owner changes in equity which were previously presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of other comprehensive income are not presented in the statement of changes in equity. Since these changes only affect presentation aspects, there is no impact to the results, performance and earnings per ordinary share of the Group.

(ii) FRS 7 Financial Instruments: Disclosures

The adoption of FRS 7 during the financial period will result in additional disclosures to be made in the annual accounts of the Group. The standard also requires disclosure of the statement of financial position and statement of total comprehensive income to be made by categories of financial assets and liabilities, which has minimal impact on the comparative disclosures of the Group, as the current presentation is already made by categories of financial assets and liabilities.

A25. CHANGE IN ACCOUNTING POLICIES AND COMPARATIVES (CONTINUED)

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

	Audited as at 31 December 2009 RM'000	Effects of adopting FRS 139			Adjusted 1 January 2010 RM'000
		Fair value/impairment RM'000	Reclassification RM'000	Total RM'000	
ASSETS					
Cash and short-term funds	28,274,687	-	-	-	28,274,687
Reverse repurchase agreements	4,544,873	-	-	-	4,544,873
Deposits and placements with banks and other financial institutions	2,383,055	-	-	-	2,383,055
Financial investments at fair value through profit or loss	14,999,302	-	-	-	14,999,302
Financial investments available-for-sale	11,000,536	317,908	270	318,178	11,318,714
Financial investments held-to-maturity	14,266,710	-	(270)	(270)	14,266,440
Derivative financial instruments	3,689,831	-	-	-	3,689,831
Loans, advances and financing	142,218,190	(737,809)	-	(737,809)	141,480,381
Other assets	5,221,796	(12,285)	-	(12,285)	5,209,511
Deferred tax assets	293,708	(140,559)	-	(140,559)	153,149
Tax recoverable	110,416	53,042	-	53,042	163,458
Statutory deposits with central banks	843,757	-	-	-	843,757
Investment in associates and jointly controlled entities	649,138	(5,711)	-	(5,711)	643,427
Property, plant and equipment	1,499,066	-	-	-	1,499,066
Investment properties	120,349	-	-	-	120,349
Prepaid lease payments	279,924	-	-	-	279,924
Goodwill	7,694,653	-	-	-	7,694,653
Intangible assets	1,667,784	-	-	-	1,667,784
	239,757,775	(525,414)	-	(525,414)	239,232,361
Non-current assets held for sale	226,224	-	-	-	226,224
TOTAL ASSETS	239,983,999	(525,414)	-	(525,414)	239,458,585

A25. CHANGE IN ACCOUNTING POLICIES AND COMPARATIVES (continued)

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

	Audited as at 31 December 2009 RM'000	Effects of adopting FRS 139			Adjusted 1 January 2010 RM'000
		Fair value/impairment RM'000	Reclassification RM'000	Total RM'000	
LIABILITIES AND EQUITY					
Deposits from customers	178,882,336	-	-	-	178,882,336
Deposits and placements of banks and other financial institutions	10,131,582	-	-	-	10,131,582
Repurchase agreements	565,097	-	-	-	565,097
Derivative financial instruments	3,492,587	-	-	-	3,492,587
Bills and acceptances payable	4,494,794	-	-	-	4,494,794
Other liabilities	8,105,303	(37,047)	-	(37,047)	8,068,256
Deferred tax liabilities	13,247	-	-	-	13,247
Current tax liabilities	428,565	(113,299)	-	(113,299)	315,266
Amount due to Cagamas Berhad	335,612	-	-	-	335,612
Bonds	443,051	-	-	-	443,051
Other borrowings	3,218,286	-	-	-	3,218,286
Subordinated notes	6,342,738	-	-	-	6,342,738
Non-cumulative guaranteed and redeemable preference shares	884,087	-	-	-	884,087
TOTAL LIABILITIES	217,337,285	(150,346)	-	(150,346)	217,186,939
Ordinary share capital	3,531,766	-	-	-	3,531,766
Reserves	16,813,811	(355,418)	-	(355,418)	16,458,393
Less: Shares held under trust	(563)	-	-	-	(563)
Perpetual preference shares	200,000	-	-	-	200,000
Minority interests	2,101,700	(19,650)	-	(19,650)	2,082,050
TOTAL EQUITY	22,646,714	(375,068)	-	(375,068)	22,271,646
TOTAL LIABILITIES AND EQUITY	239,983,999	(525,414)	-	(525,414)	239,458,585

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

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

CIMB Group Holdings ("CIMB Group") Results

CIMB Group Holdings Berhad ("CIMB Group") today reported a net profit of RM2.643 billion for 9 Months FY10 (9MFY10), representing a 31.9% year-on-year ("Y-o-Y") growth and equivalent to net earnings per share ("EPS") of 37.2 sen. The annualised net return on equity ("ROE") of 16.7% is higher than the Group's full-year target of 16%. For 3Q10, the Group's net profit of RM916 million was 3.0% higher than 2Q10, and 26.0% above its 3Q09 net profit of RM727 million.

The Group has declared a special dividend of 13.45 sen (single tier) amounting to a net payment of RM1 billion. The dividend will be paid to shareholders before 31 December 2010.

The 9MFY10 results are the Group's first set of financials in full compliance with the Basel II framework, yet another step forward in the CIMB Group's commitment towards upholding the highest levels of corporate governance and transparency.

The Group has posted another record quarter in net earnings. The other main highlights of 3Q10 are its adoption of Basel II standards, the improvements in its asset quality ratios and of course, the special dividend. The special dividend is a reward to shareholders for their patience as the Group's recent pay-out ratios has been low because it was cautious ahead of its implementation of FRS139 in 1Q10 and Basel II, and about the direction of global banking reform which is now much clearer with the recent announcements on Basel III.

CIMB Group Y-o-Y Results

CIMB Group's 9MFY10 revenues increased by 11.4% Y-o-Y to RM8.787 billion while the Group's profit before tax ("PBT") was 28.7% higher at RM3.499 billion.

For 9MFY10, the Group's Malaysian consumer bank PBT grew 20.2% Y-o-Y from a combination of sustained improvements in Retail Banking and Credit Cards as well as better recoveries at Group Special Assets Management ("GSAM"). Corporate & Investment Banking ("CIB") PBT was 74.3% higher Y-o-Y at RM746 million in line with the more robust regional capital markets over the past 9 months. PBT at Treasury and Investments declined 18.0% Y-o-Y to RM964 million mainly due to lower investment realisations during the period.

CIMB Niaga's contribution surged 111.1% Y-o-Y to RM1.178 billion from RM558 million previously attributed to the strong loans growth, operational improvements and continued favourable operating conditions. PBT from CIMB Thai jumped 190.5% Y-o-Y in 9MFY10 to RM61 million from RM21 million in 9MFY09. Asset Management and Insurance PBT was 51.9% lower Y-o-Y at RM62 million largely due to the non-recurrence of gains on change in accounting standards at CIMB Aviva last year.

CIMB Niaga remains the largest contributor to 9MFY10 Group PBT with 34% versus 21% in the previous corresponding period. The Malaysian Consumer Bank's contribution to Group PBT was slightly lower at 14% compared to 15% in 9MFY09, while Treasury and Investments declined to 27%. Contribution from CIB rebounded to 21% from 16% previously. Group Asset Management ("GAM") and Insurance fell to 2% from 5% while CIMB Thai's contribution increased from 1% to 2% Y-o-Y. The 9MFY10 total non-Malaysian contribution to PBT was 47% and it hit a record high of 53% in 3Q10 alone.

The Group's total gross loans expanded 11.7% Y-o-Y, largely driven by the 25.2% expansion (in RM terms) of CIMB Niaga's gross loans and the 15.0% growth in Malaysian consumer loans. Mortgages, credit cards and micro credit lending in Malaysia grew by 21.6%, 39.3% and 21.4% respectively Y-o-Y. Hire purchase loans grew by 8.9% Y-o-Y but business banking loans continued to decline by 4.7% Y-o-Y. Corporate loans declined by 2.9% Y-o-Y. The Group's overall net interest margins continued to improve to 3.34% from 3.26% previously underpinned by its higher margin Indonesian business.

Total Group's deposits grew by 16.7%, led by a 26.5% surge from CIMB Niaga as its deposit accumulation initiatives picked up pace. CIMB Bank's retail account balances grew 20.0% Y-o-Y as the Singapore retail franchise sustained its strong growth momentum. CIMB Thai's deposits shrank 9.9% but this was consistent with its strategy of reducing legacy high cost deposits.

The total loan impairment (under FRS139 policies) for the Group was RM418 million in 9MFY10. Although this is a 49.0% Y-o-Y decline versus the loan loss provision of RM820 million in 9MFY09, the numbers are not directly comparable due to differing accounting treatments. The Group's total annualised credit charge was 0.34%, much lower than the 0.60% full year target. The Group's gross impaired loans ratio was 6.6% for 9MFY10 down from 7.2% three months ago, with an impairment allowance coverage of 79.3%. The Group's cost to income ratio rose slightly to 54.8% compared to 53.0% in 9MFY09.

Under the new Basel II framework, CIMB Bank's risk weighted capital ratio stood at 15.0% while its Core Tier 1 capital ratio was 12.4% as at 30th September 2010. At the same time, CIMB Group's double leverage and gearing stood at 116.7% and 21.8% respectively.

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

CIMB Group Q-on-Q Results

The Group's 3Q10 revenues of RM2.911 billion were 4.1% lower versus 2Q10, but net profits were 3.0% higher on a Q-o-Q basis at RM916 million.

The Group's Malaysian Consumer Banking division PBT fell by 13.9% Q-o-Q due to lower recoveries at GSAM and higher provisions for business banking accounts. Corporate and Investment Banking declined by 6.8% but Treasury and Investments surged 32.0%. CIMB Niaga's PBT contribution was 13.6% lower Q-o-Q due to the higher gains from legacy bond sales in 2Q10. GAM and Insurance PBT contributions declined 7.1% to RM26 million. CIMB Thai's PBT contribution (after GAAP adjustments) jumped by 75.0% Q-o-Q to RM35 million versus RM20 million in 2Q10.

CIMB Niaga Results

On 29 October 2010, CIMB Niaga reported a 9MFY10 net profit of IDR1,795 billion, a 55.8% Y-o-Y growth with a 9MFY10 net ROE of 19.8%. The stronger performance was attributed to the strong loans growth and lower provisions. On a sequential basis, the 3Q10 net profit of IDR666 billion was 10.1% higher than 2Q10 primarily due to stronger revenue and lower provisions.

CIMB Niaga's gross loans grew 29.2% Y-o-Y in 9MFY10 driven by strong performances from all retail and corporate segments. Gross NPL of 2.7% as at end-September 2010 was unchanged from end-March 2010 but was a slight improvement compared to 2.8% as at the corresponding period last year. CIMB Niaga continues to retain the 2nd lowest position in net NPL ratios amongst Indonesian banks while loan loss coverage was increased to 136.4% as at end-September 2010 compared to 96.8% as at end-September 2009.

CIMB Niaga's Tier 1 capital and risk weighted capital ratios stood at 10.0% and 12.6% respectively as at 30 September 2010.

CIMB Thai Results

On 19 October 2010, CIMB Thai announced a 9MFY10 net profit of THB894 million compared to a THB41 million loss in 9MFY09. This had included a THB508 million gain from the sale of the Sathorn building and BT Asset Management. For the 9-month period, CIMB Thai chalked revenue of THB5.245 billion, which was 1.9% lower Y-o-Y.

As at 30 September 2010, CIMB Thai's Tier 1 capital and risk weighted capital ratios (based on Basel II framework) were at 6.7% and 12.4% respectively.

CIMB Islamic

CIMB Islamic's Y-o-Y PBT jumped 128.7% to RM279 million as Shariah-compliant banking products continue to gain ground. CIMB Islamic's gross financing assets grew 83.4% Y-o-Y, accounting for 14.0% of total Group loans. Total deposits grew by 37.3% Y-o-Y to RM21.3 billion.

Market Shares

CIMB Group's market shares in key areas remain strong for 9MFY10.

CIMB Investment Bank is the leading stockbroker in Malaysia and top of the league tables for Malaysian M&A's, Debt Capital Markets, Initial Public Offering's ("IPO") and loan syndications.

With its total assets at RM37.4 billion as at 30 June 2010, CIMB Islamic is the second largest Islamic bank in Malaysia with a 12% market share and the second largest Islamic mortgage player with a 17.7% market share. CIMB Islamic remained no 1 for Malaysian sukuk and is also the world's leading sukuk player.

CIMB Bank is the second largest mortgage lender in Malaysia, third largest player in other key areas such as retail deposits, credit cards and SME loans and fourth in hire purchase financing.

In Singapore, CIMB Securities has the 3rd largest share of SGX trades and is number 4 in corporate advisory for mid-sized companies.

In Indonesia, CIMB Niaga, the country's 5th largest bank, is the 2nd largest mortgage lender while PT CIMB Securities is now the number 1 stockbroker in Indonesia with the largest share of IDX trades.

CIMB Principal Asset Management remains the second largest asset manager in Malaysia.

B2. CORPORATE DEVELOPMENTS

The significant corporate developments in 9M10 were:

(a) Mergers and Acquisitions

- On 26 March 2010, CIMB Group completed the acquisition of the 32.22% interest in Touch N' Go Sdn Bhd ("TnG") for RM53.8 million. CIMB Group now holds a 52.22% equity interest in TnG.
- On 14 May 2010, CIMB Group entered into a conditional share sale and purchase agreement with Khazanah Nasional to acquire up to 19.67% equity interest in CIMB Niaga for up to RM1.94 billion via the issue of up to 268 million CIMB Group shares at RM7.25 per share. Upon completion, CIMB Group will hold up to 97.93% in CIMB Niaga. The exercise received shareholder approval at the EGM on 26 July 2010 and was completed on 19 August 2010.

(b) Capital Management

- On 23 February 2010, CIMB Group proposed a 1-for-1 bonus issue of up to 3,582,387,823 new CIMB shares of RM1.00 each. To facilitate this issue CIMB Group's authorized share capital will be raised from RM5 billion to RM10 billion. The ex-date for the bonus issue was 19 May 2010.
- On 2 April 2010, CIMB Group increased the offering size of its Proposed listing on the Stock Exchange of Thailand ("SET"), from up to 35 million CIMB Shares to up to 50 million CIMB Shares (100 million after completion of the bonus issue).
- On 5 April 2010, CIMB Group completed the issuance of RM750 million cumulative subordinated fixed rate notes.
- On 29 June 2010, CIMB Niaga completed the issuance of Rp1.38 trillion of subdebt.
- On 15 October 2010, CIMB Group issued 101,244,826 net CIMB shares of RM1.00 each arising from the conversion of a similar number of warrants. The new CIMB Group shares were listed on 18 October 2010.
- On 26 March 2010, CIMB Thai announced a 2-for-9 rights issue of up to 2,966,533,592 new CIMB Thai shares at THB1 per share. The right issue was completed and the new CIMB Thai shares were listed on 27 October 2010.
- On 15 November 2010, CIMB Niaga announced a 1-for-17 rights issue of up to 1,407,933,156 new CIMB Niaga shares at IDR1,065 each.

(c) Others

- On 5 April 2010, CIMB Group announced its plans to set-up a research institute dedicated to promoting ASEAN integration, to be named CIMB ASEAN Research Institute.
- On 12 April 2010, CIMB Group announced the submission of the application to the SET in respect of the Proposed SET Listing. On 12 October 2010, CIMB Group received the approval from the Securities Commission for the extension of time of 6 months up to 6 April 2011 to complete the Proposed SET Listing.
- On 7 May 2010, MARC upgraded the long-term ratings for CIMB Bank and CIMB Islamic Bank to AAA(stable) from AA+ previously. On 28 June 2010, Fitch Ratings Indonesia upgraded the long term rating for CIMB Niaga to AAA(stable) from AA+ previously.
- On 9 May 2010, CIMB Group obtained an approval-in-principle to offer banking services in Cambodia by the National Bank of Cambodia. On 19 November 2010, CIMB Group officially received the banking licence and commenced operations with the opening of its first branch in Phnom Penh.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Group remains on course for another good year, as the Group is in line to meet its key targets after 9 months and the Group has had a good 4Q so far especially in investment banking with major deals successfully completed in Hong Kong, Malaysia and Indonesia.

The Group's focus is now on 2011 and how to build on its new benchmarks set this year, particularly in regional capital markets and Indonesian banking, and to revitalise some key areas including its Malaysian SME business and transaction banking in all its markets.

B4. TAXATION

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	(19,491)	228,646	514,384	581,498
Deferred tax expense	259,221	(5,786)	187,150	(12,137)
Over-accrual in prior years	(4,306)	(3,748)	(11,769)	(4,563)
	235,424	219,112	689,765	564,798
Reconciliation				
Profit before taxation and zakat	1,184,973	1,000,788	3,498,695	2,718,254
Tax at statutory income tax rate of 25% (2009: 25%)	296,243	250,197	874,674	679,564
Effect of different tax rates in other countries and change in tax rates	10,012	10,974	33,775	28,520
Due to income not subject to income tax and expenses not deductible for tax purposes	(66,525)	(38,311)	(206,915)	(138,723)
Over-accrual in prior years	(4,306)	(3,748)	(11,769)	(4,563)
	235,424	219,112	689,765	564,798

B5. PARTICULARS OF PURCHASE AND SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no material gains or losses on disposal of investments or properties during the period under review other than in the ordinary course of business.

B6. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	The Group	
	30 Sept 2010	31 Dec 2009
	RM'000	RM'000
Bonds and notes*		
Unsecured		
More than one year (medium/long term)	417,950	443,051
	417,950	443,051
* Included in bonds and notes for the current period is USD denominated bonds equivalent to USD140,000,000		
Other borrowings**		
Unsecured		
One year or less (short term)	2,016,613	1,624,154
More than one year (medium/long term)	1,582,756	1,594,132
	3,599,369	3,218,286
** Included in other borrowings for the current period is USD denominated syndicated term loans of USD300,000,000		
Subordinated Notes***		
Unsecured		
One year or less (short term)	-	308,562
More than one year (medium/long term)	7,155,945	6,034,176
	7,155,945	6,342,738
*** Includes US denominated Subordinated Notes of USD390,000,000		

B7. MATERIAL LITIGATION

At the date of this report, there are no pending material litigation not in the ordinary course of business which would have materially affected the Group's financial position.

B8. COMPUTATION OF EARNINGS PER SHARE (EPS)

Basic EPS

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

a) Basic EPS

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after minority interests	915,670	726,830	2,643,213	2,003,923
Weighted average number of ordinary shares in issue				
- proforma ('000) *	7,194,615	7,063,540	7,107,705	7,058,722
Basic earnings per share (expressed in sen per share)	12.7	10.3	37.2	28.4

b) Diluted EPS

Net profit for the financial period after minority interests	915,670	726,830	2,643,213	2,003,923
Income from investment of proceeds from exercise of warrants in money market instruments during the period	1,133	-	5,158	-
Net profit used to determine diluted EPS	916,803	726,830	2,648,371	2,003,923
Weighted average number of ordinary shares in issue ('000) *	7,194,615	7,063,540	7,107,705	7,058,722
Adjustments for:				
- Warrants	34,575	-	53,047	-
Weighted average number of ordinary shares for diluted EPS *	7,229,190	7,063,540	7,160,752	7,058,722
Diluted EPS	12.7	10.3	37.0	28.4

* The weighted average number of ordinary shares for the comparative period has been restated to reflect the bonus issue completed on 24 May 2010.