

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 50841-W)  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011**

	Note	The Group	
		30 June 2011 RM'000	31 Dec 2010 RM'000
<b>ASSETS</b>			
Cash and short-term funds		28,556,623	27,185,260
Reverse repurchase agreements		4,124,475	3,804,662
Deposits and placements with banks and other financial institutions		9,290,784	11,745,823
Financial investments at fair value through profit or loss	A8(a),(b)	14,401,283	17,082,596
Financial investments available-for-sale	A9	12,191,533	11,658,702
Financial investments held-to-maturity	A10	15,719,739	14,120,263
Derivative financial instruments	A21 (i)	3,482,618	3,577,155
Loans, advances and financing	A11	168,851,939	159,181,385
Other assets	A12	9,716,167	7,353,522
Deferred tax assets		-	15,269
Tax recoverable		96,142	98,358
Statutory deposits with central banks		3,413,520	1,410,436
Investment in associates and jointly controlled entities		956,419	680,293
Property, plant and equipment		1,381,595	1,442,948
Investment properties		6,859	61,216
Prepaid lease payments		178,071	185,542
Goodwill		8,126,855	8,159,469
Intangible assets		1,566,539	1,543,295
		<b>282,061,161</b>	<b>269,306,194</b>
Non-current assets held for sale		14,710	59,050
<b>TOTAL ASSETS</b>		<b>282,075,871</b>	<b>269,365,244</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	A13	210,943,412	199,845,664
Deposits and placements of banks and other financial institutions	A14	13,782,083	13,092,157
Repurchase agreements		-	33,087
Derivative financial instruments	A21 (i)	3,570,421	3,748,516
Bills and acceptances payable		4,506,061	4,831,366
Other liabilities	A15	8,973,782	8,624,668
Deferred tax liabilities		58,149	12,124
Current tax liabilities		483,424	322,789
Amount due to Cagamas Berhad		-	107,523
Bonds	B7	-	423,982
Other borrowings	B7	3,440,787	3,484,667
Subordinated notes	B7	9,988,828	9,675,340
Non-cumulative guaranteed and redeemable preference shares		858,130	860,162
<b>TOTAL LIABILITIES</b>		<b>256,605,077</b>	<b>245,062,045</b>
Ordinary share capital		7,432,775	7,432,775
Reserves		17,223,758	15,797,775
Less: Shares held under trust		(563)	(563)
Treasury shares, at cost		(85,618)	(21)
		<b>24,570,352</b>	<b>23,229,966</b>
Perpetual preference shares		200,000	200,000
Non-controlling interests		700,442	873,233
<b>TOTAL EQUITY</b>		<b>25,470,794</b>	<b>24,303,199</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>282,075,871</b>	<b>269,365,244</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A21 (ii)	<b>404,170,890</b>	<b>349,069,257</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<b>3.31</b>	<b>3.13</b>

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

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2011**

	Note	The Group			
		2nd quarter ended		Six months ended	
		30 June 2011	30 June 2010	30 June 2011	30 June 2010
		RM'000	RM'000	RM'000	RM'000
Interest income	A16	3,117,622	2,774,981	6,075,175	5,351,606
Interest expense	A17	<b>(1,457,802)</b>	(1,093,967)	<b>(2,821,249)</b>	(2,052,641)
Net interest income		<b>1,659,820</b>	1,681,014	<b>3,253,926</b>	3,298,965
Income from Islamic Banking operations	A24(c)	<b>347,116</b>	308,176	<b>687,593</b>	537,946
Net non-interest income (excluding gain on disposal of net assets and interest in subsidiaries)	A18	<b>952,255</b>	997,105	<b>1,768,055</b>	1,951,126
		<b>2,959,191</b>	2,986,295	<b>5,709,574</b>	5,788,037
Gain on disposal of net assets and interest in subsidiaries		-	7,076	-	7,076
		<b>2,959,191</b>	2,993,371	<b>5,709,574</b>	5,795,113
Overheads	A19	<b>(1,661,845)</b>	(1,593,536)	<b>(3,207,277)</b>	(3,116,396)
Profit before allowances		<b>1,297,346</b>	1,399,835	<b>2,502,297</b>	2,678,717
Allowance for impairment losses on loans, advances and financing	A20	<b>(86,244)</b>	(122,356)	<b>(92,418)</b>	(272,181)
Allowance written back/(made) for losses on other receivables		<b>2,125</b>	(30,762)	<b>2,616</b>	(43,302)
Allowance written back/(made) for commitments and contingencies		<b>13,066</b>	(947)	<b>14,971</b>	(640)
Losses from investment management and securities services		-	(50,000)	-	(50,000)
Allowance written back/(made) for other impairment losses		<b>4,115</b>	(26,795)	<b>3,337</b>	(38,571)
		<b>1,230,408</b>	1,168,975	<b>2,430,803</b>	2,274,023
Share of results of jointly controlled entities		<b>14,755</b>	1,798	<b>24,861</b>	3,962
Share of results of associates		<b>32,766</b>	14,200	<b>54,836</b>	35,737
Profit before taxation and zakat		<b>1,277,929</b>	1,184,973	<b>2,510,500</b>	2,313,722
Taxation and zakat	B4	<b>(296,901)</b>	(237,891)	<b>(596,218)</b>	(454,341)
Profit for the period		<b>981,028</b>	947,082	<b>1,914,282</b>	1,859,381
Profit for the period attributable to :					
Owners of the Company		<b>970,015</b>	889,460	<b>1,886,526</b>	1,727,543
Non-controlling interests		<b>11,013</b>	57,622	<b>27,756</b>	131,838
		<b>981,028</b>	947,082	<b>1,914,282</b>	1,859,381
Earnings per share (sen):					
- Basic *	B9(a)	<b>13.1</b>	12.6	<b>25.4</b>	24.5
- Fully diluted *	B9(b)	N/A	12.5	N/A	24.3

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

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2011**

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	<b>981,028</b>	947,082	<b>1,914,282</b>	1,859,381
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	<b>54,942</b>	(79,618)	<b>5,906</b>	(189,965)
- Net gain from change in fair value	129,588	69,176	72,357	216,364
- Realised gain transferred to income statement on disposal and impairment	(67,391)	(161,347)	(68,332)	(340,900)
- Income tax effects	(8,146)	11,422	34	(64,012)
- Currency translation difference	891	1,131	1,847	(1,417)
Net investment hedge	<b>(30,489)</b>	31,783	<b>28,669</b>	140,496
Hedging reserve- cash flow hedge				
- Net loss from change in fair value	-	(1,028)	-	16,695
Exchange fluctuation reserve				
- Currency translation differences in respect of foreign operations	<b>95,805</b>	(76,326)	<b>72,714</b>	(340,663)
Other comprehensive income for the period, net of tax	<b>120,258</b>	(125,189)	<b>107,289</b>	(373,437)
Total comprehensive income for the period	<b>1,101,286</b>	821,893	<b>2,021,571</b>	1,485,944
Total comprehensive income for the period attributable to:				
Owners of the Company	<b>1,089,101</b>	767,114	<b>1,992,998</b>	1,350,138
Non-controlling interests	<b>12,185</b>	54,779	<b>28,573</b>	135,806
	<b>1,101,286</b>	821,893	<b>2,021,571</b>	1,485,944

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

Attributable to equity holders of the Company

The Group 30 June 2011	Share capital RM'000	Share premium- ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available- for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve* RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2011, as previously reported	7,432,775	4,192,596	3,935,308	136,954	(347,337)	(563)	(21)	474,673	131,736	-	117,595	7,156,250	23,229,966	200,000	873,233	24,303,199
Effects of adopting Amendments to FRS 2 Adjusted 1 January 2011	-	-	-	-	-	-	-	-	-	310,903	-	(310,903)	-	-	-	-
	7,432,775	4,192,596	3,935,308	136,954	(347,337)	(563)	(21)	474,673	131,736	310,903	117,595	6,845,347	23,229,966	200,000	873,233	24,303,199
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,886,526	1,886,526	-	27,756	1,914,282
Other comprehensive income (net of tax)	-	-	(32)	-	72,344	-	-	5,197	28,597	366	-	-	106,472	-	817	107,289
- financial investments available-for-sales	-	-	-	-	-	-	-	5,197	-	-	-	-	5,197	-	709	5,906
- net investment hedge	-	-	-	-	-	-	-	-	28,597	-	-	-	28,597	-	72	28,669
- currency translation difference	-	-	(32)	-	72,344	-	-	-	-	366	-	-	72,678	-	36	72,714
Total comprehensive income for the period	-	-	(32)	-	72,344	-	-	5,197	28,597	366	-	1,886,526	1,992,998	-	28,573	2,021,571
Dividend for the financial year ended 31 December 2010	-	-	-	-	-	-	-	-	-	-	-	(594,622)	(594,622)	-	(1,228)	(595,850)
- second interim dividend	-	-	-	-	-	-	-	-	-	-	-	(594,622)	(594,622)	-	(1,228)	(595,850)
Transfer to statutory reserve	-	-	99,382	-	-	-	-	-	-	-	-	(99,382)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	151,409	(151,409)	-	-	-	-
Arising from reorganisation of investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(120)	(120)	-	(201,315)	(201,435)
Rights issue of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(500)	(500)	-	10,290	9,790
Bonus issue and capital repayment of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,795)	(1,795)	-	(9,111)	(10,906)
Purchase of treasury shares	-	-	-	-	-	-	(5)	-	-	-	-	-	(5)	-	-	(5)
Share-based payment expense	-	-	-	-	-	-	-	-	-	30,022	-	-	30,022	-	-	30,022
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	(85,592)	-	-	-	-	-	(85,592)	-	-	(85,592)
At 30 June 2011	7,432,775	4,192,596	4,034,658	136,954	(274,993)	(563)	(85,618)	479,870	160,333	341,291	269,004	7,884,045	24,570,352	200,000	700,442	25,470,794

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

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 (Company Number 50841-W)  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2010**

Attributable to equity holders of the Company

The Group 30 June 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	Share-based payment reserve RM'000	Regulatory reserve* RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2010, as previously reported	3,531,766	5,586,751	3,415,780	136,954	361,780	(563)	-	766,500	(64,386)	-	-	6,265,787	20,000,369	200,000	2,079,035	22,279,404
Effects of adopting Amendments to FRS 2 Adjusted 1 January 2010	-	-	-	-	-	-	-	-	-	290,501	-	(290,501)	-	-	-	-
	3,531,766	5,586,751	3,415,780	136,954	361,780	(563)	-	766,500	(64,386)	290,501	-	5,975,286	20,000,369	200,000	2,079,035	22,279,404
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,727,543	1,727,543	-	131,838	1,859,381
Other comprehensive income (net of tax)	-	-	-	-	(321,860)	-	-	(212,878)	157,333	-	-	-	(377,405)	-	3,968	(373,437)
- financial investments available-for-sales	-	-	-	-	-	-	-	(212,878)	-	-	-	-	(212,878)	-	22,913	(189,965)
- net investment hedge	-	-	-	-	-	-	-	-	140,496	-	-	-	140,496	-	-	140,496
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	16,837	-	-	-	16,837	-	(142)	16,695
- currency translation difference	-	-	-	-	(321,860)	-	-	-	-	-	-	-	(321,860)	-	(18,803)	(340,663)
Total comprehensive income for the period	-	-	-	-	(321,860)	-	-	(212,878)	157,333	-	-	1,727,543	1,350,138	-	135,806	1,485,944
Dividend for the financial year ended 31 December 2009	-	-	-	-	-	-	-	-	-	-	-	(653,376)	(653,376)	-	(4,324)	(657,700)
Transfer to statutory reserve	-	-	251,366	-	-	-	-	-	-	-	-	(251,366)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	102,614	(102,614)	-	-	-	-
Arising from accretion/(dilution) of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,618	22,618
Capital repayment of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Purchase of treasury shares	-	-	-	-	-	-	(13)	-	-	-	-	-	(13)	-	-	(13)
Issuance of bonus shares	3,531,764	(3,531,764)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2010	7,063,530	2,054,987	3,667,146	136,954	39,920	(563)	(13)	553,622	92,947	290,501	102,614	6,695,473	20,697,118	200,000	2,213,135	23,110,253

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

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2011**

	<b>The Group</b>	
	<b>30 June 2011</b>	<b>30 June 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation and zakat	2,510,500	2,313,722
Adjustments for non-operating and non-cash items	(138,633)	(290,771)
Operating profit before changes in working capital	2,371,867	2,022,951
Net changes in operating assets	(8,877,973)	(20,100,032)
Net changes in operating liabilities	11,670,873	13,581,227
	2,792,900	(6,518,805)
Cash flows used in operations	5,164,767	(4,495,854)
Taxation paid	(475,716)	(462,689)
Net cash flows generated from/(used in) operating activities	4,689,051	(4,958,543)
Net cash flows used in investing activities	(2,136,440)	(221,111)
Net cash flows used in financing activities	(877,413)	(653,389)
Net increase/(decrease) in cash and cash equivalents during the financial period	1,675,198	(5,833,043)
Effects of exchange rate changes	(303,835)	259,533
Cash and short-term funds at beginning of the financial period	27,185,260	28,274,687
<b>Cash and short-term funds at end of the financial period</b>	<b>28,556,623</b>	<b>22,701,177</b>
Statutory deposits with Bank Indonesia*	(3,851,897)	(1,706,492)
<b>Cash and cash equivalents at end of the financial period</b>	<b>24,704,726</b>	<b>20,994,685</b>

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

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010*

## **PART A - EXPLANATORY NOTES**

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

The unaudited condensed interim financial statements for the financial period ended 30 June 2011 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. The unaudited condensed interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2010. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

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

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

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

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

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

The Amendments to FRS 2 effective 1 Jan 2011 clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. Previously, the Group has a cash settled share based arrangement whereby a substantial shareholder of the Company grants entitlements to the employees of the Group. Prior to the adoption of the Amendments to FRS 2, the Group does not account for the transaction in its financial statements. The Group has changed its accounting policy upon adoption of Amendments to FRS 2 on 1 January 2011 retrospectively. As the Group does not have an obligation to settle the transaction with its employees, the Group has accounted for the transaction as equity settled in accordance with the Amendments to FRS 2. The impact of the change in accounting policy to the prior period presented is disclosed in Note A26.

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

#### **A1. BASIS OF PREPARATION (CONTINUED)**

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

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

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

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

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

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the six-month period ended 30 June 2011:-

a) From 7 January 2011 to 30 June 2011, the Company purchased 538 of its own shares from the open market at an average market price of RM8.80 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM4.73 thousand.

Subsequent to the financial period ended 30 June 2011, the Company purchased 251 of its own shares from the open market at an average market price of RM8.95 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM2.25 thousand.

The shares purchased were held as treasury shares in accordance with Section 67A subsection 3(A)(b) of the Companies Act, 1965.

b) On 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.

On 22 March 2011, the Company has submitted to the SC an application for a further extension of six months up to 6 October 2011 for the Company to complete the Proposed SET Listing, which is currently pending the decision of the SC. On 25 May 2011, the Company announced the postponement of its proposed listing on the Stock Exchange of Thailand ("SET"). Concurrently, the Company retracted its application for a six-month extension from the SC.

c) On 15 November 2010, CIMB Niaga announced a 1-for-20 rights issue of up to 1,196,743,183 new CIMB Niaga shares at IDR1,250 each. The rights issue was completed and the new CIMB Niaga shares were listed on 12 January 2011.

d) On 3 March 2011, the Company announced that it will be seeking its shareholders' approval at its 54th 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 22 April 2011.



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

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

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

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

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

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

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

### A4. DIVIDENDS PAID AND PROPOSED

A second single tier interim dividend of 8 sen per ordinary share, on 7,432,772,311 ordinary shares amounting to RM594,621,785 in respect of the financial year ended 31 December 2010, which was approved by the Board of Directors on 22 February 2011, was paid on 31 March 2011.

The Directors have proposed a single tier interim dividend of 12 sen per ordinary share, on 7,432,774,646 ordinary shares amounting to RM891,932,958 in respect of the financial year ending 31 December 2011, to be paid on 30 September 2011. The single tier interim dividend was approved by the Board of Directors on 18 August 2011.

### A5. STATUS OF CORPORATE PROPOSAL

a) On 18 April 2011, the Company has acquired the entire issued and paid-up share capital of a company known as CIMB Southeast Asia Research Sdn. Bhd. ("CARI Sdn Bhd"), at a total cash consideration of RM2.00 for 2 shares of RM1.00 each. The shares are to be held directly by CIMB Group Sdn Bhd, a wholly-owned subsidiary of the Company. CARI Sdn Bhd will be principally involved in thought leadership, research support and advocacy to promote ASEAN intergration.

b) On 31 May 2011, the Company announced that it had received Bank Negara Malaysia ("BNM") approval via its letter dated 31 May 2011, to commence negotiations with RHB Capital Berhad ("RHB") for a possible merger of the businesses of both banking groups. The approval to commence negotiations is valid for a period of 3 months from the date of BNM's letter. On 23 June 2011, the Company announced the cessation of negotiations with RHB for a possible merger.

c) On 4 August 2011, CIMB Securities International Pte. Ltd. ("CIMBSI"), an indirect wholly-owned subsidiary of the Company, has entered into a Joint Venture and Shareholders' Agreement with its partners, Mr. Alex Lovell and Ms. Reshani Dangalia to establish an investment banking advisory joint venture in Sri Lanka ("Joint Venture"). Pursuant to the Agreement, the shareholders have committed up to USD2 million for the venture and it will be a subsidiary of CIMBSI upon its incorporation. The Joint Venture company shall provide investment banking services such as corporate, equity and debt capital market and general advisory on mergers and acquisitions, initial public offerings and secondary offerings, primary and dual listings, privatisations, corporate restructuring and capital management, as well as such other related businesses that the Joint Venture company may choose to undertake in the future.

### A6. EVENTS DURING THE REPORTING PERIOD

a) Due to a realignment of the board of directors in two of the Group's insurance subsidiaries of the Group, the insurance subsidiaries are now jointly controlled with the joint venture partners with effect from 1 January 2011, without a change to the Group's existing 51% equity interest held in the mentioned companies. Consequent thereto, the insurance companies have ceased to be subsidiaries and have been accounted for as investment in jointly controlled entities of the Company. The financial results of the insurance companies are now equity accounted for in the financial statements of the Group.

b) On 10 May 2011, CIMB Strategic Assets Sdn Bhd ("CIMB SA"), a wholly owned subsidiary of the Group, had acquired 200,000 ordinary issued shares of Capital Advisors Partners Asia Sdn Bhd (formerly known as CIMB Standard Strategic Asset Advisors Sdn Bhd) ("CAPA") for a cash consideration of RM1,522,299, representing the remaining 40% of issued share capital not owned by CIMB SA. As a result, CAPA became a wholly owned subsidiary of CIMB SA and indirect wholly-owned subsidiary of the Group.

c) On 19 May 2011, Semantan Investment Holding Ltd ("SIHL"), an indirect wholly owned subsidiary of the Group, had acquired 1 ordinary issued share of CapAsia ASEAN Infrastructure Fund III (General Partner) Limited ("CAIF III GP") for a cash consideration of USD0.01, representing 100% of issued share capital of CAIF III GP. Accordingly, CAIF III GP became a wholly owned subsidiary of SIHL and indirect wholly-owned subsidiary of the Group.

d) On 23 May 2011, CIMB Strategic Assets Sdn Bhd ("CIMB SA"), a wholly owned subsidiary of the Group, acquired the remaining 40% ordinary issued shares of its subsidiary, CapAsia Islamic Infrastructure Fund (General Partner) Limited ("CIIF") (formerly known as CIMB Standard Islamic Infrastructure Fund (General Partner) Limited), for a cash consideration of USD247,620. Upon completion of the acquisition, CIIF became a wholly-owned subsidiary of CIMB SA and indirect wholly-owned subsidiary of the Group.

### A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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 June 2011 and the date of this announcement.

**PART A - EXPLANATORY NOTES**

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

**A8(a). FINANCIAL ASSETS HELD FOR TRADING**

	The Group	
	30 June 2011 RM'000	31 Dec 2010 RM'000
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	281,913	360,214
Cagamas bonds	10,010	13,186
Malaysian Government treasury bills	266,672	57,779
Bank Negara Malaysia bills	9,886	2,597,966
Bank Negara Malaysia negotiable notes	1,285,617	2,226,623
Negotiable instruments of deposit	1,746,810	1,778,088
Bankers' acceptances and Islamic accepted bills	947,819	740,811
Credit-linked notes	75,584	123,158
Other Government's securities	2,303,981	2,053,218
Commercial papers	99,282	163,033
Government investment issues	65,512	320,534
	<b>7,093,086</b>	<b>10,434,610</b>
<b>Quoted securities:</b>		
<i>In Malaysia:</i>		
Warrants	-	5
Shares	1,085,722	1,210,166
<i>Outside Malaysia:</i>		
Shares	28,966	26,102
Private and Islamic debt securities	339,217	57,525
Other Government bonds	171,422	79,143
Bank Indonesia certificates	1,495,747	1,478,043
Investment linked funds	161,346	54,017
	<b>3,282,420</b>	<b>2,905,001</b>
<b>Unquoted securities:</b>		
<i>In Malaysia:</i>		
Private and Islamic debt securities	2,059,859	1,628,798
Shares	6,076	5,948
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	1,959,842	1,246,789
	<b>4,025,777</b>	<b>2,881,535</b>
<b>Total financial assets held-for-trading</b>	<b>14,401,283</b>	<b>16,221,146</b>

**A8. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)****A8(b). FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>The Group</b>	
	<b>30 June 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	-	223,810
Cagamas bonds	-	22,536
Khazanah bonds	-	8,012
Government investment issues	-	195,523
	-	449,881
<b>Quoted securities:</b>		
<i>In Malaysia:</i>		
Shares	-	81,637
Unit trusts	-	10,797
	-	92,434
<b>Unquoted securities:</b>		
<i>In Malaysia:</i>		
Private and Islamic debt securities	-	265,410
Shares	-	2,334
Investment linked fund	-	51,391
	-	319,135
 Total financial assets designated at fair value through profit or loss	 -	 861,450

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**

<b>14,401,283</b>	<b>17,082,596</b>
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**A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE**

	<b>The Group</b>	
	<b>30 June 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	221,210	346,720
Cagamas bonds	184,966	184,494
Government investment issues	331,764	282,022
	<b>737,940</b>	<b>813,236</b>
<b>Quoted securities:</b>		
<i>In Malaysia:</i>		
Shares	38,255	115,676
Unit trusts	226,264	240,949
<i>Outside Malaysia:</i>		
Shares	11,751	12,074
Private and Islamic debt securities	62,157	24,582
Other Government bonds	2,719,814	2,635,564
Unit trusts	298,830	318,435
	<b>3,357,071</b>	<b>3,347,280</b>
<b>Unquoted securities:</b>		
<i>In Malaysia:</i>		
Private and Islamic debt securities	6,595,815	6,477,787
Shares	893,124	905,404
Loan stocks	25,338	26,624
Property funds	176	175
Investment-linked funds	-	6,947
Unit trusts	51,000	-
Bond funds	12,206	12,380
<i>Outside Malaysia:</i>		
Shares	73,081	80,480
Private equity and unit trust funds	246,016	224,453
Private and Islamic debt securities	586,991	176,323
Loan stocks	183	1,531
	<b>8,483,930</b>	<b>7,912,104</b>
	<b>12,578,941</b>	<b>12,072,620</b>
<b>Allowance for impairment loss:</b>		
Private debt securities	(216,165)	(240,661)
Quoted shares	(25,111)	(27,413)
Unquoted shares	(112,371)	(109,860)
Unit trusts	(20,955)	(21,892)
Loan stocks	(12,806)	(14,092)
	<b>(387,408)</b>	<b>(413,918)</b>
<b>Total financial investments available-for-sale</b>	<b>12,191,533</b>	<b>11,658,702</b>

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

	<b>The Group</b>	
	<b>30 June 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	1,240,060	1,123,977
Cagamas bonds	255,948	254,817
Bank Negara negotiable notes	9,914	9,948
Khazanah bonds	135,859	-
Malaysian Government investment issues	609,311	600,245
	<b>2,251,092</b>	<b>1,988,987</b>
<b>Quoted securities</b>		
<i>Outside Malaysia</i>		
Private debt securities	1,648,438	1,411,355
Islamic bonds	24,607	23,983
Medium term notes - Islamic	3,557	8,565
Other Government bonds	191,279	116,807
Bank Indonesia certificates	65,610	127,309
Structured notes	258,090	154,859
	<b>2,191,581</b>	<b>1,842,878</b>
<b>Unquoted securities</b>		
<i>In Malaysia</i>		
Private debt securities	7,952,991	7,190,838
Loan stocks	31,814	31,814
Danaharta Urus Sdn Bhd ("DUSB") bonds	795,335	795,335
	<b>2,219,169</b>	<b>2,036,903</b>
<i>Outside Malaysia</i>		
Private debt securities	10,999,309	10,054,890
	<b>15,441,982</b>	<b>13,886,755</b>
Accretion of discount net of amortisation of premium	319,996	279,020
Less : Allowance for impairment losses	(42,239)	(45,512)
<b>Total financial investments held-to-maturity</b>	<b>15,719,739</b>	<b>14,120,263</b>

Also included in the financial investments held-to-maturity of the Group as at 30 June 2011 are 10-year promissory notes of THB783 million (2010: THB746 million) maturing between 2011 to 2015, which were received from Thai Asset Management Corporation ("TAMC") for settlement of impaired loans transferred by CIMB Thai Bank 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 loss will be calculated at the end of the agreement.

## A11. LOANS, ADVANCES AND FINANCING

### (i) By type

	The Group	
	30 June 2011	31 Dec 2010
At amortised cost	RM'000	RM'000
Overdrafts	6,010,677	6,317,493
Term loans/financing		
- Housing loans/financing	46,008,029	42,496,812
- Syndicated term loans	6,287,615	6,996,472
- Hire purchase receivables	11,464,227	11,384,643
- Lease receivables	95,102	32,087
- Factoring receivables	16,307	23,655
- Other term loans/financing	70,010,309	60,588,953
Bills receivable	2,911,160	2,636,548
Trust receipts	1,084,850	1,145,109
Claims on customers under acceptance credits	4,532,447	4,548,433
Staff loans *	716,063	728,594
Credit card receivables	5,236,060	4,981,667
Revolving credits	21,216,840	24,289,359
Share margin financing	1,243,477	1,299,816
Other loans	764	9,730
Gross loans, advances and financing	176,833,927	167,479,371
Fair value changes arising from fair value hedge	128,381	44,340
	<b>176,962,308</b>	<b>167,523,711</b>
Less: Allowance for impairment losses		
- Individual impairment allowance	(3,903,684)	(4,079,367)
- Portfolio impairment allowance	(4,206,685)	(4,262,959)
	<b>(8,110,369)</b>	<b>(8,342,326)</b>
<b>Total net loans, advances and financing</b>	<b>168,851,939</b>	<b>159,181,385</b>

\* Included in staff loans of the Group are loans to Directors amounting to RM6,237,814 (31 December 2010: RM6,473,245).

Included in the Group's loans, advances and financing balances are RM72,849,000 (31 December 2010: RM75,347,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM8,534,896,000 (31 December 2010: RM7,663,278,000) of its loan exposure using interest rate swaps.

	The Group	
	30 June 2011	31 Dec 2010
	RM'000	RM'000
Gross loan hedged	8,534,896	7,663,278
Fair value changes arising from fair value hedges	128,381	44,340
	<b>8,663,277</b>	<b>7,707,618</b>

The fair value loss of interest rate swaps as at 30 June 2011 was RM212,658,194 (2010: fair value loss of RM127,755,094).

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

**(ii) By type of customers**

	The Group	
	30 June 2011 RM'000	31 Dec 2010 RM'000
Domestic banking financial institutions	53,561	65,091
Domestic non-bank financial institutions		
- others	2,342,332	2,645,801
Domestic business enterprises		
- small medium enterprises	27,468,916	25,456,138
- others	38,816,215	36,564,980
Government and statutory bodies	10,647,358	10,666,029
Individuals	85,830,641	80,444,833
Other domestic entities	3,393,601	3,878,422
Foreign entities	8,281,303	7,758,077
Gross loans, advances and financing	<u>176,833,927</u>	<u>167,479,371</u>

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

	The Group	
	30 June 2011 RM'000	31 Dec 2010 RM'000
Fixed rate		
- Housing loans	3,176,629	3,718,109
- Hire-purchase receivables	11,496,229	11,403,949
- Other fixed rate loans	35,860,435	33,221,004
Variable rate		
- BLR plus	85,791,658	78,907,553
- Cost plus	19,972,180	20,198,388
- Other variable rates	20,536,796	20,030,368
Gross loans, advances and financing	<u>176,833,927</u>	<u>167,479,371</u>

**(iv) By economic purpose**

	The Group	
	30 June 2011 RM'000	31 Dec 2010 RM'000
Personal use	6,053,394	5,161,725
Credit card	5,235,157	4,975,702
Purchase of consumer durables	1,396	1,216
Construction	4,818,329	4,360,535
Residential property (Housing)	46,720,765	43,056,292
Non-residential property	12,093,247	11,671,665
Purchase of fixed assets other than land and building	16,693,365	10,175,685
Mergers and acquisitions	2,244,012	2,620,451
Purchase of securities	7,135,993	7,372,586
Purchase of transport vehicles	20,641,021	15,780,118
Working capital	39,798,850	47,496,572
Other purpose	15,398,398	14,806,824
Gross loans, advances and financing	<u>176,833,927</u>	<u>167,479,371</u>

**(v) By geographical distribution**

	The Group	
	30 June 2011 RM'000	31 Dec 2010 RM'000
Malaysia	111,189,504	111,065,224
Indonesia	42,976,295	37,428,349
Thailand	11,071,576	9,906,698
Singapore	7,833,875	6,666,705
United Kingdom	833,458	597,461
Hong Kong	301,040	552,120
Other countries	2,628,179	1,262,814
Gross loans, advances and financing	<u>176,833,927</u>	<u>167,479,371</u>

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

**(vi) By residual contractual maturity**

	<b>The Group</b>	
	<b>30 June 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	39,139,848	35,403,191
One year to less than three years	41,588,096	38,204,037
Three years to less than five years	22,047,995	22,449,382
Five years and more	74,057,988	71,422,761
Gross loans, advances and financing	<b>176,833,927</b>	<b>167,479,371</b>

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

	<b>The Group</b>	
	<b>30 June 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Personal use	330,301	399,960
Credit card	105,514	98,523
Purchase of consumer durables	597	251
Construction	1,405,358	1,380,526
Residential property (Housing)	1,935,931	1,909,586
Non-residential property	414,841	491,942
Purchase of fixed assets other than land and building	579,723	365,872
Purchase of securities	165,452	101,641
Purchase of transport vehicles	472,162	322,967
Working capital	3,675,453	4,123,317
Other purpose	1,006,351	1,089,794
Gross impaired loan	<b>10,091,683</b>	<b>10,284,379</b>

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

	<b>The Group</b>	
	<b>30 June 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	6,543,896	6,781,354
Indonesia	1,795,695	1,687,775
Thailand	1,377,133	1,466,154
Singapore	109,925	116,176
United Kingdom	53,785	48,095
Other countries	211,249	184,825
Gross impaired loan	<b>10,091,683</b>	<b>10,284,379</b>

**(ix) Movements in impaired loans**

	<b>The Group</b>	
	<b>30 June 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	10,284,379	11,490,890
Classified as impaired during the period/year	2,046,019	5,433,418
Reclassified as not impaired during the period/year	(1,072,149)	(3,346,847)
Amount written back in respect of recoveries	(701,533)	(1,446,918)
Arising from deconsolidation of a subsidiary	(942)	-
Amount written off	(423,748)	(1,500,162)
Purchase of impaired loans from third party	123	294
Sale of impaired loans	-	(145,981)
Exchange fluctuation	(40,466)	(200,315)
At 30 June / 31 December	<b>10,091,683</b>	<b>10,284,379</b>
Ratio of gross impaired loans to gross loans, advances and financing	<b>5.71%</b>	<b>6.14%</b>





**A12. OTHER ASSETS**

	The Group	
	30 June 2011	31 Dec 2010
	RM'000	RM'000
Due from brokers and clients net of allowance for doubtful debts	1,942,094	1,250,003
Other debtors, deposits and prepayments net of allowance for doubtful debts	5,191,711	3,196,836
Due from jointly controlled entity	1,421,102	1,671,488
Due from insurers, brokers and reinsurers	15,092	25,476
Option financing	278,322	278,032
Deferred assets	161,325	170,961
Foreclosed properties net of allowance for impairment losses	182,732	228,785
Collateral pledged for derivative transactions	523,789	531,941
	<b>9,716,167</b>	<b>7,353,522</b>

**A13. DEPOSITS FROM CUSTOMERS**

	The Group	
	30 June 2011	31 Dec 2010
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	49,454,467	43,982,722
Savings deposits	24,509,818	22,242,066
Fixed deposits	95,331,367	90,291,236
Negotiable instruments of deposit	1,248,109	1,545,997
Others	40,399,651	41,783,643
	<b>210,943,412</b>	<b>199,845,664</b>
 <u>By type of customer</u>		
Government and statutory bodies	13,538,817	14,123,891
Business enterprises	96,006,123	95,496,601
Individuals	79,071,734	70,213,582
Others	22,326,738	20,011,590
	<b>210,943,412</b>	<b>199,845,664</b>
 <u>The maturity structure of fixed deposits and negotiable instruments of deposit is as follows:</u>		
One year or less (short term)	93,056,091	88,610,604
More than one year (medium/long term)	3,523,385	3,226,629
	<b>96,579,476</b>	<b>91,837,233</b>

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

	The Group	
	30 June 2011	31 Dec 2010
	RM'000	RM'000
Licensed banks	8,483,611	7,241,711
Licensed finance companies	120,110	145,025
Licensed investment banks	279,904	529,845
Bank Negara Malaysia	969,810	1,598,400
Other financial institutions	3,928,648	3,577,176
	<b>13,782,083</b>	<b>13,092,157</b>

**A15. OTHER LIABILITIES**

	<b>The Group</b>	
	<b>30 June 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Due to brokers and clients	<b>2,109,733</b>	1,317,617
Expenditure payable	<b>801,684</b>	1,717,302
Provision for legal claims	<b>130,018</b>	138,319
Sundry creditors	<b>2,789,053</b>	900,913
Insurance fund - life and takaful insurance business	<b>35,528</b>	998,019
Insurance fund - general insurance business	-	541,062
Allowance for commitments and contingencies	<b>73,417</b>	88,631
Post employment benefit obligations	<b>101,130</b>	271,273
Credit card expenditure payable	<b>131,747</b>	221,237
Call deposit borrowing	<b>355,824</b>	281,833
Others	<b>2,445,648</b>	2,148,462
	<b>8,973,782</b>	8,624,668

**A16. INTEREST INCOME**

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries	2,480,304	2,203,157	4,829,427	4,297,783
- Recoveries from impaired loans/non-performing loans	2,029	6,424	5,824	8,946
- Unwinding income <sup>^</sup>	48,403	58,850	92,029	80,849
Money at call and deposit placements with financial institutions	135,796	86,365	236,212	164,961
Reverse repurchase agreements	22,314	18,098	44,804	35,919
Financial assets held for trading	79,946	39,857	186,440	82,165
Financial assets designated at fair value through profit or loss	-	854	-	1,707
Financial investments available-for-sale	143,211	93,643	275,379	210,008
Financial investments held-to-maturity	167,432	213,753	320,695	372,434
Others	3,071	6,413	7,165	9,202
	<b>3,082,506</b>	<b>2,727,414</b>	<b>5,997,975</b>	<b>5,263,974</b>
Accretion of discounts less amortisation of premiums	35,116	47,567	77,200	87,632
	<b>3,117,622</b>	<b>2,774,981</b>	<b>6,075,175</b>	<b>5,351,606</b>

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

**A17. INTEREST EXPENSE**

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	27,127	18,009	51,483	33,537
Deposits from other customers	1,193,908	913,067	2,300,409	1,707,085
Repurchase agreements	432	80	764	366
Subordinated notes	136,801	97,972	275,632	184,177
Loans sold to Cagamas	511	2,295	1,635	5,286
Negotiable certificates of deposits	32,225	31,405	76,612	57,741
Other borrowings	30,997	20,220	68,383	42,036
Others	35,801	10,919	46,331	22,413
	<b>1,457,802</b>	<b>1,093,967</b>	<b>2,821,249</b>	<b>2,052,641</b>

**A18. NET NON-INTEREST INCOME**

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
(a) Net fee income and commission income:				
Commissions	138,916	91,083	260,885	176,562
Fee on loans, advances and financing	90,879	76,637	175,044	136,724
Portfolio management fees	6,319	4,455	12,785	11,446
Service charges and fees	72,992	90,629	163,648	179,573
Corporate advisory fees	59,820	24,517	93,360	57,538
Guarantee fees	11,192	12,636	40,974	25,170
Other fee income	105,296	82,256	185,927	169,191
Placement fees	41,794	19,464	49,811	29,191
Underwriting commission	11,970	9,390	24,435	22,785
Al-Wakalah fee	-	6,935	-	14,427
Fee and commission income	539,178	418,002	1,006,869	822,607
Fee and commission expense	(89,923)	(72,153)	(174,923)	(152,644)
Net fee and commission income	449,255	345,849	831,946	669,963
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	5,956	4,521	12,529	6,860
- Financial investments available-for-sale	11,910	7,375	22,323	17,902
<i>Outside Malaysia</i>				
- Financial assets held for trading	417	437	1,186	495
	18,283	12,333	36,038	25,257
(c) Net loss arising from financial assets held for trading	(60,062)	(25,989)	(95,668)	(298)
- realised	(59,989)	(2,713)	(76,047)	(1,341)
- unrealised	(73)	(23,276)	(19,621)	1,043
(d) Net gain/(loss) arising from derivative financial instruments	208,184	60,708	371,094	(199,726)
- realised	74,608	(137,811)	224,994	(241,499)
- unrealised	133,576	198,519	146,100	41,773
(e) Net loss arising from hedging derivatives	(23,807)	(14,816)	(53,278)	(32,259)
(f) Net gain from sale of financial investments available-for-sale	66,793	185,866	68,399	401,551
(g) Net gain from redemption / maturity of financial investment held-to-maturity	1,222	12,040	1,558	87,864
(h) Net gain from financial assets designated at fair value through profit or loss	-	1,542	-	2,921
(i) Income from assets management and securities services	47,451	40,530	97,570	81,486
(j) Brokerage income	80,694	86,638	178,695	170,371
(k) Other non-interest income:				
Foreign exchange gain	42,000	73,762	102,808	465,262
Rental income	3,625	4,476	7,643	9,982
Gain on disposal of property, plant and equipment	13,016	143,586	14,007	156,806
Net (loss)/gain from insurance business	(7,142)	15,976	(7,337)	15,674
Underwriting surplus before management expenses	6,608	3,328	9,427	3,328
Other non-operating income	106,135	51,276	205,153	92,944
	164,242	292,404	331,701	743,996
Total other operating income	952,255	997,105	1,768,055	1,951,126

**A19. OVERHEADS**

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	635,370	628,825	1,300,111	1,231,476
- Pension cost	56,450	57,426	65,547	111,051
- Overtime	8,526	8,113	17,327	16,355
- Staff incentives and other staff payments	43,507	34,776	80,265	68,022
- Medical expenses	21,859	13,477	37,192	31,884
- Others	93,703	40,948	181,801	108,197
	<b>859,415</b>	<b>783,565</b>	<b>1,682,243</b>	<b>1,566,985</b>
Establishment costs				
- Depreciation of property, plant and equipment	75,006	83,219	162,760	168,000
- Amortisation of prepaid lease payments	3,702	16,610	7,451	27,677
- Rental	76,353	65,017	147,065	132,454
- Repair and maintenance	54,450	77,855	116,258	140,048
- Outsourced services	70,204	74,707	125,543	138,947
- Security expenses	24,380	18,586	47,096	47,424
- Others	46,535	41,685	91,376	83,399
	<b>350,630</b>	<b>377,679</b>	<b>697,549</b>	<b>737,949</b>
Marketing expenses				
- Sales commission	3,387	11,510	5,529	24,220
- Advertisement	94,189	68,689	140,921	114,654
- Others	12,112	12,450	26,672	25,258
	<b>109,688</b>	<b>92,649</b>	<b>173,122</b>	<b>164,132</b>
Administration and general expenses				
- Amortisation of intangible assets	60,039	65,487	120,054	130,010
- Impairment of intangible assets	-	-	-	1,302
- Legal and professional fees	52,255	43,324	86,551	88,823
- Stationery	23,041	22,280	43,895	45,367
- Communication	38,665	32,892	76,481	69,176
- Incidental expenses on banking operations	2,871	6,385	17,217	19,441
- Insurance	37,714	32,380	76,448	74,522
- Others	127,527	136,895	233,717	218,689
	<b>342,112</b>	<b>339,643</b>	<b>654,363</b>	<b>647,330</b>
	<b>1,661,845</b>	<b>1,593,536</b>	<b>3,207,277</b>	<b>3,116,396</b>

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

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans and financing :				
Individual impairment allowance				
- made during the period	16,084	22,353	10,905	55,924
Portfolio impairment allowance				
- made during the period	147,338	229,910	260,146	408,795
Bad debts on loans and financing :				
- recovered	(83,568)	(130,876)	(186,332)	(194,336)
- written off	6,390	969	7,699	1,798
	<b>86,244</b>	<b>122,356</b>	<b>92,418</b>	<b>272,181</b>

**A21. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES**
**(i) DERIVATIVE FINANCIAL INSTRUMENTS**

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

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

	The Group		
	Principal amount	Fair values	
		RM'000	Assets RM'000
<b>At 30 June 2011</b>			
<b><u>Trading derivatives</u></b>			
<b><u>Foreign exchange derivatives</u></b>			
Currency forward	<b>14,544,333</b>	<b>163,695</b>	<b>(113,194)</b>
- Less than 1 year	12,152,364	56,640	(73,377)
- 1 year to 3 years	643,959	36,832	(18,262)
- More than 3 years	1,748,010	70,223	(21,555)
Currency swaps	<b>39,646,870</b>	<b>280,776</b>	<b>(253,108)</b>
- Less than 1 year	39,320,315	271,433	(249,759)
- 1 year to 3 years	93,053	2,259	(551)
- More than 3 years	233,502	7,084	(2,798)
Currency spot	<b>5,833,704</b>	<b>7,121</b>	<b>(9,782)</b>
- Less than 1 year	5,833,704	7,121	(9,782)
Currency options	<b>2,385,744</b>	<b>8,355</b>	<b>(8,951)</b>
- Less than 1 year	2,385,744	8,355	(8,951)
Cross currency interest rate swap	<b>15,120,590</b>	<b>645,979</b>	<b>(631,882)</b>
- Less than 1 year	3,966,690	206,264	(172,260)
- 1 year to 3 years	5,344,928	254,922	(258,136)
- More than 3 years	5,808,972	184,793	(201,486)
	<b>77,531,241</b>	<b>1,105,926</b>	<b>(1,016,917)</b>
<b><u>Interest rate derivative</u></b>			
Interest rate swaps	<b>223,568,616</b>	<b>1,698,988</b>	<b>(1,309,555)</b>
- Less than 1 year	37,878,100	103,706	(89,986)
- 1 year to 3 years	117,960,187	552,040	(521,718)
- More than 3 years	67,730,329	1,043,242	(697,851)
Interest rate futures	<b>15,134,988</b>	<b>15,022</b>	<b>(6,734)</b>
- Less than 1 year	4,477,709	3,195	(4,188)
- 1 year to 3 years	8,331,045	8,322	(2,466)
- More than 3 years	2,326,234	3,505	(80)
Interest rate options	<b>150,000</b>	<b>6,638</b>	<b>(2,843)</b>
- Less than 1 year	-	-	-
- 1 year to 3 years	100,000	5,529	(2,797)
- More than 3 years	50,000	1,109	(46)
	<b>238,853,604</b>	<b>1,720,648</b>	<b>(1,319,132)</b>
<b><u>Equity related derivatives</u></b>			
Index futures	<b>3,585</b>	<b>19</b>	<b>(5)</b>
- Less than 1 year	3,585	19	(5)
Equity options	<b>9,667,345</b>	<b>407,901</b>	<b>(771,574)</b>
- Less than 1 year	6,522,380	375,668	(691,042)
- 1 year to 3 years	1,059,276	3,413	(3,413)
- More than 3 years	2,085,689	28,820	(77,119)
Equity swaps	<b>579,506</b>	<b>6,768</b>	<b>(97,446)</b>
- Less than 1 year	-	-	-
- 1 year to 3 years	-	-	-
- More than 3 years	579,506	6,768	(97,446)
	<b>10,250,436</b>	<b>414,688</b>	<b>(869,025)</b>
<b><u>Commodity related derivatives</u></b>			
Commodity swaps	<b>47,267</b>	<b>19,870</b>	<b>(21,343)</b>
- Less than 1 year	10,618	4,784	(4,505)
- 1 year to 3 years	36,649	15,086	(16,838)
Commodity futures	<b>40,293</b>	<b>3,554</b>	<b>-</b>
- Less than 1 year	28,538	2,599	-
- 1 year to 3 years	11,755	955	-
Commodity options	<b>102,663</b>	<b>27,757</b>	<b>(27,757)</b>
- Less than 1 year	102,663	27,757	(27,757)
- 1 year to 3 years	-	-	-
	<b>190,223</b>	<b>51,181</b>	<b>(49,100)</b>
<b><u>Credit related contract</u></b>			
Credit default swaps	<b>2,427,272</b>	<b>32,289</b>	<b>(44,075)</b>
- Less than 1 year	748,639	1,425	(1,149)
- 1 year to 3 years	679,388	173	(9,081)
- More than 3 years	999,245	30,691	(33,845)
<b><u>Hedging derivatives</u></b>			
Interest rate swaps	<b>13,908,047</b>	<b>157,886</b>	<b>(272,172)</b>
- Less than 1 year	516,996	16,633	-
- 1 year to 3 years	2,595,882	30,200	(12,727)
- More than 3 years	10,795,169	111,053	(259,445)
	<b>13,908,047</b>	<b>157,886</b>	<b>(272,172)</b>
Total derivative assets/(liabilities)	<b>343,160,823</b>	<b>3,482,618</b>	<b>(3,570,421)</b>

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

(i) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
At 31 December 2010			
<b>Trading derivatives</b>			
<u>Foreign exchange derivatives</u>			
Currency forward	10,433,718	159,990	(154,949)
- Less than 1 year	8,158,063	52,501	(127,590)
- 1 year to 3 years	423,654	13,602	(4,281)
- More than 3 years	1,852,001	93,887	(23,078)
Currency swaps	34,993,961	515,653	(489,576)
- Less than 1 year	34,684,832	507,854	(486,527)
- 1 year to 3 years	49,362	2,018	-
- More than 3 years	259,767	5,781	(3,049)
Currency spot	462,152	387	(400)
- Less than 1 year	462,152	387	(400)
Currency options	3,405,312	16,694	(20,901)
- Less than 1 year	3,405,312	16,694	(20,901)
Cross currency interest rate swap	15,962,201	626,336	(746,157)
- Less than 1 year	4,521,983	145,670	(239,900)
- 1 year to 3 years	6,239,274	266,962	(294,195)
- More than 3 years	5,200,944	213,704	(212,062)
	65,257,344	1,319,060	(1,411,983)
<u>Interest rate derivative</u>			
Interest rate swaps	183,436,844	1,791,631	(1,344,587)
- Less than 1 year	54,389,510	339,772	(308,923)
- 1 year to 3 years	63,610,038	441,927	(357,772)
- More than 3 years	65,437,296	1,009,932	(677,892)
Interest rate futures	13,746,090	18,185	(15,428)
- Less than 1 year	7,276,246	8,610	(13,457)
- 1 year to 3 years	5,273,591	6,772	(1,971)
- More than 3 years	1,196,253	2,803	-
Interest rate options	750,000	7,179	(3,602)
- Less than 1 year	600,000	-	-
- 1 year to 3 years	100,000	5,314	(2,818)
- More than 3 years	50,000	1,865	(784)
	197,932,934	1,816,995	(1,363,617)
<u>Equity related derivatives</u>			
Index futures	10,845	-	(145)
- Less than 1 year	10,845	-	(145)
Equity options	10,545,680	223,081	(606,369)
- Less than 1 year	3,593,370	168,358	(571,441)
- 1 year to 3 years	3,606,018	3,849	(3,849)
- More than 3 years	3,346,292	50,874	(31,079)
Equity swaps	273,717	1,777	(51,329)
- Less than 1 year	272,086	1,433	(51,023)
- More than 3 years	1,631	344	(306)
	10,830,242	224,858	(657,843)
<u>Commodity related derivatives</u>			
Commodity swaps	60,480	4,085	-
- Less than 1 year	20,400	1,624	-
- 1 year to 3 years	40,080	2,461	-
Commodity futures	60,553	1	(3,653)
- Less than 1 year	60,553	1	(3,653)
Commodity options	104,840	15,028	(15,028)
- Less than 1 year	70,921	12,068	(12,068)
- 1 year to 3 years	33,919	2,960	(2,960)
	225,873	19,114	(18,681)
<u>Credit related contract</u>			
Credit default swaps	1,397,612	31,585	(37,674)
- Less than 1 year	580,483	2,805	(175)
- 1 year to 3 years	169,593	143	(2,386)
- More than 3 years	647,536	28,637	(35,113)
<u>Hedging derivatives</u>			
Interest rate swaps	13,426,998	165,543	(215,376)
- Less than 1 year	1,428,650	31,058	-
- 1 year to 3 years	1,180,155	30,646	(6,211)
- More than 3 years	10,818,193	103,839	(209,165)
Cross currency interest rate swaps	218,378	-	(43,342)
- More than 3 years	218,378	-	(43,342)
	13,645,376	165,543	(258,718)
Total derivative assets/(liabilities)	289,289,381	3,577,155	(3,748,516)



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

(i) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

**Market Risk**

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

**Credit Risk**

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 June 2011, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM3,482,618,000 (31 December 2010: RM3,577,155,000). 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 2010 and the Risk Management section of the 2010 Annual Report.

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

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

<b><u>The Group</u></b>	<b>30 June 2011 Principal Amount RM'000</b>	<b>31 Dec 2010 Principal Amount RM'000</b>
<b><u>Credit-related</u></b>		
Direct credit substitutes	5,253,224	4,929,234
Certain transaction-related contingent items	5,692,253	5,468,256
Short-term self-liquidating trade-related contingencies	2,838,673	3,511,093
Obligations under underwriting agreement	306,391	235,000
Irrevocable commitments to extend credit		
- maturity not exceeding one year	35,360,316	33,812,453
- maturity exceeding one year	6,135,433	6,778,430
Forward assets purchases	3,336	303,084
Miscellaneous commitments and contingencies	6,619,386	5,609,923
Total credit-related commitments and contingencies	<b>62,209,012</b>	<b>60,647,473</b>
<b><u>Treasury-related</u></b>		
<b><u>Foreign exchange related contracts</u></b>		
- less than one year	56,759,834	47,207,625
- one year to less than five years	10,013,978	10,641,952
- five years and above	3,891,327	3,353,629
	<b>70,665,139</b>	<b>61,203,206</b>
<b><u>Interest rate related contracts</u></b>		
- less than one year	53,014,486	55,274,126
- one year to less than five years	134,117,791	88,003,758
- five years and above	36,840,415	41,825,221
	<b>223,972,692</b>	<b>185,103,105</b>
<b><u>Equity related contracts</u></b>		
- less than one year	2,516,444	3,616,346
- one year to less than five years	4,951,923	5,121,018
- five years and above	2,782,069	2,092,883
	<b>10,250,436</b>	<b>10,830,247</b>
Other treasury related contracts	<b>37,073,611</b>	<b>31,285,226</b>
Total treasury-related commitments and contingencies	<b>341,961,878</b>	<b>288,421,784</b>
	<b>404,170,890</b>	<b>349,069,257</b>

## A22. CAPITAL ADEQUACY

**30 June 2011**

The capital adequacy ratios of the banking subsidiaries of the Group are computed as follows:

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

- 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 capital adequacy ratio of CIMB Bank PLC is completed based on National Bank of Cambodia's requirements.

	CIMB Bank	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC *
<b>Before deducting proposed dividend</b>							
Core capital ratio	14.75%	10.93%	8.43%	11.81%	21.19%	10.57%	N/A
Risk-weighted capital ratio	15.44%	15.00%	13.72%	15.25%	21.33%	13.66%	130.16%
<b>After deducting proposed dividend</b>							
Core capital ratio	13.89% +	10.93%	8.43%	11.13% +	21.19% @	10.57%	N/A
Risk-weighted capital ratio	14.59% +	15.00%	13.72%	14.57% +	21.33% @	13.66%	130.16%

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
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Components of Tier I and Tier II capitals are as follows:

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
<b>Tier I capital</b>							
Paid-up capital	3,764,469	1,000,000	830,656	3,764,469	100,000	566,763	111,722
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier I Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier I capital	1,603,900	-	-	1,603,900	-	-	-
Share premium	5,033,633	-	151,028	5,033,633	-	2,847,732	-
Other reserves	7,645,157	693,612	92,575	8,607,798	344,725	1,743,057	(1,366)
Non-controlling interests	-	-	-	260,821	-	-	-
Less:							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(26,498)	-
Deferred tax assets	(142,712)	(7,923)	-	(110,666)	(43,230)	-	-
Intangible assets	-	-	-	-	-	-	(3,392)
Goodwill	(3,555,075)	(136,000)	-	(4,870,404)	-	-	-
Total Tier I capital	15,549,372	1,619,689	1,074,259	15,489,551	401,495	5,131,054	106,964
<b>Tier II capital</b>							
Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	3,500,000	550,000	339,728	4,106,559	-	-	-
Subordinated loans	-	-	-	-	-	1,061,823	-
Revaluation reserve	-	-	37,817	-	-	-	-
Regulatory reserve	250,628	18,376	-	269,004	-	-	-
Portfolio impairment allowance <sup>√</sup>	180,926	58,856	34,685	356,088	643	421,437	460
Surplus of total eligible provision over expected loss under the IRB approach	299,210	(24,372)	-	202,339	2,043	-	-
Others	-	-	262,329	-	-	40,357	-
Total Tier II capital	4,260,504	602,860	674,559	4,963,730	2,696	1,523,617	460
Less:							
Investment in subsidiaries and holding of other banking institutions' capital	(3,212,397)	-	-	(139,699)	(50)	(26,498)	-
Securitisation exposures subject to deductions**	(70,109)	-	-	(70,109)	-	-	-
Investment in associates	(245,134)	-	-	(245,134)	-	-	-
Total Eligible Tier II capital	732,864	602,860	674,559	4,508,788	2,646	1,497,119	460
Total capital base	16,282,236	2,222,549	1,748,818	19,998,339	404,141	6,628,173	107,424
Less:							
Proposed dividends	(900,000)	-	-	(900,000)	-	-	-
Total capital base (net of proposed dividend)	15,382,236	2,222,549	1,748,818	19,098,339	404,141	6,628,173	107,424

Breakdown of risk-weighted assets ("RWA") by each major risk category:

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	85,914,400	13,146,755	11,461,640	108,471,020	865,029	42,850,353	82,533
Market risk	9,711,832	441,717	345,722	10,507,141	252,276	516,196	-
Operational risk	9,460,238	1,230,993	-	11,781,387	777,414	5,162,016	-
Large exposure risk	362,848	-	934,812	362,848	-	-	-
	105,449,318	14,819,464	12,742,174	131,122,396	1,894,719	48,528,565	82,533

@ Final dividend for financial year ended 31 December 2010 was paid on 14 April 2011

+ Interim dividend for financial year ending 31 December 2011 to be paid in September 2011

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

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

<sup>√</sup> The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 30 June 2011 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM480,017,502, RM460,926,459 and RM19,091,043 respectively.

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

A22. CAPITAL ADEQUACY (continued)  
**31 December 2010**

	CIMB Bank RM '000	CIMB Islamic Bank RM '000	CIMB Thai Bank RM '000	CIMB Bank Group RM '000	CIMB Investment Bank Group RM '000	Bank CIMB Niaga RM '000	CIMB Bank PLC * RM '000
<b>Before deducting proposed dividend</b>							
Core capital ratio	14.47%	13.24%	9.04%	11.89%	19.76%	9.53%	N/A
Risk-weighted capital ratio	15.36%	17.21%	14.69%	15.37%	19.80%	13.24%	636.20%
<b>After deducting proposed dividend</b>							
Core capital ratio	13.90% +	13.24%	9.04%	11.42% +	17.06% @	9.53%	N/A
Risk-weighted capital ratio	14.80% +	17.21%	14.69%	14.89% +	17.11% @	13.24%	636.20%

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
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Components of Tier I and Tier II capitals are as follows:

**Tier I capital**

Paid-up capital	3,764,469	750,000	837,999	3,764,469	100,000	531,876	114,090
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier I Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier I capital	1,616,700	-	-	1,616,700	-	-	-
Share premium	5,033,633	-	152,364	5,033,633	-	2,283,429	-
Other reserves	7,351,412	506,180	95,115	8,051,484	336,741	1,053,455	(1,395)
Non-controlling interests	-	-	-	260,586	-	-	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(56,634)	-
Deferred tax assets	(22,096)	(5,589)	-	-	(44,329)	-	-
Intangible assets	-	-	-	-	-	-	(3,374)
Goodwill	(3,555,075)	(136,000)	-	(4,923,428)	-	-	-
Total Tier I capital	15,389,043	1,184,591	1,085,478	15,003,444	392,412	3,812,126	109,321

**Tier II capital**

Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	3,500,000	300,000	342,732	3,936,919	-	-	-
Subordinated loans	-	-	-	-	-	1,108,000	-
Revaluation reserve	-	-	38,336	-	-	-	-
Regulatory reserve	110,190	7,405	-	117,595	-	-	-
Portfolio impairment allowance <sup>√</sup>	221,940	30,892	30,840	381,876	650	391,631	-
Surplus of total eligible provision over expected loss under the IRB approach	404,989	17,577	-	409,200	209	-	-
Others	-	-	265,240	-	-	39,333	-
Total Tier II capital	4,266,859	355,874	677,148	4,875,330	869	1,538,964	-
Less :							
Investment in subsidiaries and holding of other banking	(3,000,892)	-	-	(178,194)	(50)	(56,634)	-
Securitisation exposures subject to deductions**	(70,116)	-	-	(70,116)	-	-	-
Investment in associates	(245,134)	-	-	(245,134)	-	-	-
Total Eligible Tier II capital	950,717	355,874	677,148	4,381,886	819	1,482,330	-
Total capital base	16,339,760	1,540,465	1,762,626	19,385,330	393,231	5,294,456	109,321
Less :							
Proposed dividends	(600,903)	-	-	(600,903)	(53,500)	-	-
Total capital base (net of dividend)	15,738,857	1,540,465	1,762,626	18,784,427	339,731	5,294,456	109,321

Breakdown of risk-weighted assets ("RWA") by each major risk category:

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	87,236,173	7,623,657	10,911,021	104,892,665	1,028,430	36,364,455	17,184
Market risk	9,176,183	285,115	313,670	9,658,308	192,321	394,887	-
Operational risk	9,604,531	1,041,278	-	11,242,737	765,308	3,230,655	-
Large exposure risk	360,424	-	777,097	360,424	-	-	-
	106,377,311	8,950,050	12,001,788	126,154,134	1,986,059	39,989,997	17,184

+ Net of dividend for financial year ended 31 December 2010, which was paid on 28 March 2011.

@ Final dividend for financial year ended 31 December 2010 was paid on 14 April 2011

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

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

<sup>√</sup> The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 December 2010 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM495,950,492, RM476,240,986 and RM19,709,506 respectively.

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

## A23. SEGMENTAL REPORT

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

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

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

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

### Business segment reporting

Definition of segments:

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, CIMB Thai Bank Public Company Limited, CIMB Bank PLC and Bank of Yinkou Co Ltd, which are involved in the provision in the commercial banking and related services.

**Support and others** comprise unallocated 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
<b>30 June 2011</b>							
Net interest income							
-external income / (expense)	1,285,400	597,360	(90,601)	5,804	1,556,085	(100,122)	<b>3,253,926</b>
-inter-segment income	5,706	(251,205)	257,272	(12)	(8)	(11,753)	-
	1,291,106	346,155	166,671	5,792	1,556,077	(111,875)	<b>3,253,926</b>
Income from Islamic Banking operations	319,588	45,607	288,190	-	34,060	148	<b>687,593</b>
Net non-interest income (excluding gain on disposal of interest in a subsidiary)	411,521	556,764	203,646	139,703	462,150	(5,729)	<b>1,768,055</b>
Net income/(expense)	2,022,215	948,526	658,507	145,495	2,052,287	(117,456)	<b>5,709,574</b>
Overheads	(1,330,724)	(443,728)	(221,074)	(102,707)	(1,116,680)	7,636	<b>(3,207,277)</b>
of which:							
- Depreciation of property, plant and equipment	(67,635)	(19,901)	(6,345)	(5,063)	(57,261)	(6,555)	<b>(162,760)</b>
- Amortisation of prepaid lease payments	(5)	(1)	-	-	(7,362)	(83)	<b>(7,451)</b>
- Amortisation of intangible assets	(54,648)	(7,678)	(3,795)	(1,013)	(50,717)	(2,203)	<b>(120,054)</b>
Profit/(loss) before allowances	691,491	504,798	437,433	42,788	935,607	(109,820)	<b>2,502,297</b>
Allowance written back/(made) for impairment losses on loans, advances and financing	63,647	20,513	(39)	-	(176,593)	54	<b>(92,418)</b>
Allowance (made)/written back for losses on other receivables	(167)	1,805	1,417	(1,079)	2,012	(1,372)	<b>2,616</b>
Allowance written back for commitments and contingencies	-	-	-	-	14,971	-	<b>14,971</b>
Allowance written back/(made) for other impairment losses	-	451	(2,410)	-	3,830	1,466	<b>3,337</b>
Segment results	754,971	527,567	436,401	41,709	779,827	(109,672)	<b>2,430,803</b>
Share of results of jointly controlled entities	7,449	-	1,537	15,875	-	-	<b>24,861</b>
Share of results of associates	-	-	12,740	-	42,096	-	<b>54,836</b>
Profit/(loss) before taxation and zakat	762,420	527,567	450,678	57,584	821,923	(109,672)	<b>2,510,500</b>
% of profit before taxation and zakat	30.4	21.0	18.0	2.3	32.7	(4.4)	<b>100.0</b>
Taxation and zakat							<b>(596,218)</b>
<b>Profit after taxation before non-controlling interests</b>							<b>1,914,282</b>

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
<b>30 June 2010</b>							
Net interest income							
-external income / (expense)	1,386,377	722,864	(253,034)	7,195	1,506,416	(70,853)	3,298,965
-inter-segment income	(207,168)	(345,538)	572,465	(2)	-	(19,757)	-
	1,179,209	377,326	319,431	7,193	1,506,416	(90,610)	3,298,965
Income from Islamic Banking operations	246,001	56,614	201,497	7,204	27,512	(882)	537,946
Non-interest income (excluding gain on disposal of interest in a subsidiary)	382,150	380,750	412,759	127,585	607,239	40,643	1,951,126
Gain on disposal of interest in subsidiaries	-	-	7,076	-	-	-	7,076
Net income/(expense)	1,807,360	814,690	940,763	141,982	2,141,167	(50,849)	5,795,113
Overheads	(1,270,819)	(429,362)	(288,418)	(103,946)	(985,033)	(38,818)	(3,116,396)
of which:							
- Depreciation of property, plant and equipment	(66,584)	(19,686)	(6,071)	(5,547)	(62,527)	(7,585)	(168,000)
- Amortisation of prepaid lease payments	(167)	(29)	(10)	-	(27,471)	-	(27,677)
- Amortisation of intangible assets	(45,370)	(7,656)	(4,038)	(1,077)	(69,451)	(2,418)	(130,010)
Profit/(loss) before allowances	536,541	385,328	652,345	38,036	1,156,134	(89,667)	2,678,717
Allowance for impairment losses on loans, advances and financing	(105,365)	122,537	(17,568)	-	(269,929)	(1,856)	(272,181)
Allowance for losses on other receivables	-	(482)	(15,904)	(951)	(25,519)	(446)	(43,302)
Allowance written back for commitment and contingencies	-	-	-	-	(640)	-	(640)
Losses from investment management and securities services	-	-	(50,000)	-	-	-	(50,000)
Allowance made for other impairment losses	-	316	(31,936)	-	(7,381)	430	(38,571)
Segment results	431,176	507,699	536,937	37,085	852,665	(91,539)	2,274,023
Share of results of jointly controlled entities	-	-	3,962	-	-	-	3,962
Share of results of associates	4,112	-	10,111	(650)	21,352	812	35,737
Profit/(loss) before taxation and zakat	435,288	507,699	551,010	36,435	874,017	(90,727)	2,313,722
% of profit before taxation and zakat	18.8	21.9	23.8	1.6	37.8	(3.9)	100.0
Taxation and zakat							(454,341)
<b>Profit after taxation before non-controlling interests</b>							<u>1,859,381</u>

**A24. OPERATIONS OF ISLAMIC BANKING****A24a. UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011**

	Note	The Group	
		30 June 2011 RM'000	31 Dec 2010 RM'000
<b>Assets</b>			
Cash and short-term funds		7,214,315	7,934,045
Deposits and placements with banks and other financial institutions		1,781,249	1,340,924
Financial assets held for trading		1,878,910	2,549,533
Financial investments available-for-sale		701,466	459,123
Financial investments held-to-maturity		1,422,821	1,425,372
Islamic derivative financial instruments		247,240	284,789
Financing, advances and other loans	A24d(i)	25,193,572	23,368,509
Deferred tax assets		5,123	5,589
Amount due from related companies		1,578	48,835
Amount due from holding company		567,091	601,344
Statutory deposits with Bank Negara Malaysia		621,777	143,406
Property, plant and equipment		7,038	7,314
Other assets		507,216	764,109
Goodwill		136,000	136,000
Intangible assets		4,038	4,287
<b>TOTAL ASSETS</b>		<b>40,289,434</b>	<b>39,073,179</b>
<b>Liabilities and Islamic banking capital funds</b>			
Deposits from customers	A24(e)	25,344,364	24,923,994
Deposits and placements of banks and other financial institutions		9,818,731	10,244,515
Islamic derivative financial instruments		291,471	265,725
Amount due to holding company		441,898	184,519
Amount due to related companies		5,441	247
Provision for taxation and zakat		136,160	86,284
Other liabilities		799,580	853,473
Subordinated Sukuk		557,523	300,000
<b>TOTAL LIABILITIES</b>		<b>37,395,168</b>	<b>36,858,757</b>
<b>Equity</b>			
Ordinary share capital		750,000	750,000
Islamic banking funds		341,693	91,693
Perpetual preference shares		70,000	70,000
Reserves		1,694,179	1,263,284
		2,855,872	2,174,977
Non-controlling interests		38,394	39,445
<b>TOTAL EQUITY</b>		<b>2,894,266</b>	<b>2,214,422</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>40,289,434</b>	<b>39,073,179</b>



**A24b. UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2011**

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	453,466	352,302	882,278	708,659
Net income derived from investment of shareholders' funds	68,617	63,754	149,672	94,705
Allowances made for impairment losses financing, advances and other loans	(15,993)	(73,293)	(9,126)	(110,077)
Allowance for losses on other receivables	(46)	(2)	(441)	(61)
Allowance for commitment and contingencies	(265)	-	(265)	-
<b>Total distributable income</b>	<b>505,779</b>	<b>342,761</b>	<b>1,022,118</b>	<b>693,226</b>
Income attributable to the depositors	(174,967)	(107,880)	(344,357)	(265,418)
<b>Total net income</b>	<b>330,812</b>	<b>234,881</b>	<b>677,761</b>	<b>427,808</b>
Other operating expenses	(91,605)	(68,130)	(183,559)	(132,490)
<b>Profit before taxation and zakat</b>	<b>239,207</b>	<b>166,751</b>	<b>494,202</b>	<b>295,318</b>
Taxation and zakat	(33,985)	(21,188)	(69,084)	(42,224)
<b>Profit for the period</b>	<b>205,222</b>	<b>145,563</b>	<b>425,118</b>	<b>253,094</b>
Profit for the period attributable to:				
Owners of the Company	205,611	145,060	425,749	252,326
Non-controlling interests	(389)	503	(631)	768
	<b>205,222</b>	<b>145,563</b>	<b>425,118</b>	<b>253,094</b>

**A24c. UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2011**

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	205,222	145,563	425,118	253,094
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	4,487	1,549	3,690	1,554
- Net gain from change in fair value	7,396	624	6,302	1,044
- Realised gain transferred to income statement on disposal and impairment	189	1,578	189	1,164
- Income tax effects	(3,098)	(653)	(2,801)	(654)
Exchange fluctuation reserve	318	4,704	555	909
Other comprehensive income for the period, net of tax	<b>4,805</b>	<b>6,253</b>	<b>4,245</b>	<b>2,463</b>
Total comprehensive income for the period	<b>210,027</b>	<b>151,816</b>	<b>429,363</b>	<b>255,557</b>
Total comprehensive income for the period attributable to:				
Owners of the Company	210,630	152,241	430,842	257,248
Non-controlling interests	(603)	(425)	(1,479)	(1,691)
	<b>210,027</b>	<b>151,816</b>	<b>429,363</b>	<b>255,557</b>
Income from Islamic operations (per page 2)				
Total net income	330,812	234,881	677,761	427,808
Add: Allowance made for impairment losses financing, advances and other loans	15,993	73,293	9,126	110,077
Add: Allowance for losses on other receivables	46	2	441	61
	<b>347,116</b>	<b>308,176</b>	<b>687,593</b>	<b>537,946</b>

## A24d. FINANCING, ADVANCES AND OTHER LOANS

### (i) By type

	The Group	
	30 June 2011 RM'000	31 Dec 2010 RM'000
<b>At amortised cost</b>		
Cash line	321,088	322,529
Term financing	24,353,885	22,509,813
Bills receivable	2,551	2,235
Trust receipts	42,063	59,091
Claims on customers under acceptance credits	214,851	191,657
Revolving credits	407,440	407,330
Credit card receivables	101,067	90,472
Share margin financing	127,448	92,962
Other financing	44,221	17,796
Gross financing, advances and other loans	25,614,614	23,693,885
Fair value changes arising from fair value hedge	79,851	17,997
	25,694,465	23,711,882
Less: Allowance for impairment losses		
- Individual impairment allowance	(95,558)	(97,021)
- Portfolio impairment allowance	(405,335)	(246,352)
	(500,893)	(343,373)
<b>Net financing, advances and other loans</b>	<b>25,193,572</b>	<b>23,368,509</b>

(a) During the financial year, the Group has undertaken fair value hedges on RM4,300 million (31 December 2010: RM4,400 million) financing using profit rate swaps.

	The Group	
	30 June 2011 RM'000	31 Dec 2010 RM'000
Gross financing hedged	4,300,000	4,400,000
Fair value changes arising from fair value hedges	79,851	17,997
	4,379,851	4,417,997

The fair value loss on profit rate swaps as at 30 June 2011 were RM111.47 million (31 December 2010: RM49.0 million).

### (ii) By geographical distribution

	The Group	
	30 June 2011 RM'000	31 Dec 2010 RM'000
Malaysia	24,439,898	22,739,752
Indonesia	836,477	614,211
Other countries	338,239	339,922
Gross financing, advances and other loans	25,614,614	23,693,885

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

	The Group	
	30 June 2011 RM'000	31 Dec 2010 RM'000
Malaysia	352,622	335,879
Indonesia	9,682	6,294
Gross impaired financing, advances and other loans	362,304	342,173

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

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

	The Group	
	30 June 2011 RM'000	31 Dec 2010 RM'000
At 1 January	342,173	506,348
Classified as impaired during the period/year	196,820	345,743
Reclassified as not impaired during the period/year	(57,522)	(174,234)
Amount recovered	(53,023)	(121,239)
Amount written off	(40,897)	(87,164)
Sale of impaired loans	-	(105,739)
Exchange fluctuation	(25,247)	(21,542)
At 30 June / 31 December	<b>362,304</b>	<b>342,173</b>
Ratio of gross impaired financing, advances and other loans to gross financing, advances and other loans	<b>1.41%</b>	<b>1.44%</b>

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

	The Group	
	30 June 2011 RM'000	31 Dec 2010 RM'000
<b>Individual impairment allowance</b>		
At 1 January	97,021	272,235
Net allowance made during the period/year	1,407	(93,419)
Amount written off	(3,789)	(77,163)
Amount transferred from portfolio impairment allowance	1,420	2,899
Unwinding income	(640)	(2,622)
Exchange fluctuation	139	(4,909)
At 30 June / 31 December	<b>95,558</b>	<b>97,021</b>
<b>Portfolio impairment allowance</b>		
At 1 January	246,352	264,540
Allowance made during the period/year	31,518	168,430
Amount transferred to individual impairment allowance	(1,420)	(2,899)
Amount written off	(32,930)	(61,605)
Allowance transferred from/(to) conventional operations	162,848	(119,980)
Unwinding income	(1,213)	(1,838)
Exchange fluctuation	180	(296)
At 30 June / 31 December	<b>405,335</b>	<b>246,352</b>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	<b>2.20%</b>	<b>2.16%</b>

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

	<b>The Group</b>	
	<b>30 June 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-Mudharabah</b>		
Demand deposits	3,040,580	3,055,079
Savings deposits	1,020,221	821,968
General investment deposits	816,666	634,517
Commodity Murabahah-i	302,353	69,379
Fixed return investment account	4,824,864	5,127,333
Negotiable instruments of deposit	323,787	1,033,019
Variable rate deposits	96,906	378,330
Equity Linked Sukuk	314,779	219,600
Others	75,565	25,192
	<b>10,815,721</b>	<b>11,364,417</b>
<b>Mudharabah</b>		
Demand deposits	1,979,710	1,497,380
Savings deposits	404,692	328,971
General investment deposits	1,693,856	1,806,223
Special general investment deposits	7,937,308	7,574,239
Specific investment deposits	2,513,077	2,352,764
	<b>14,528,643</b>	<b>13,559,577</b>
	<b>25,344,364</b>	<b>24,923,994</b>

**A25. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES**

	<b>The Group</b>	
	<b>30 June 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Outstanding credit exposures with connected parties	<b>11,710,703</b>	14,928,121
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	<b>5.28%</b>	7.22%
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<b>0.00%</b>	0.00%

## A26. CHANGE IN ACCOUNTING POLICIES

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

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

### Consolidated statement of changes in equity

	Balances as at 1 January 2011		
	As previously reported	Effects of adopting Amendments to FRS 2	As Restated
	RM'000	RM'000	RM'000
Retained earnings	7,156,250	(310,903)	6,845,347
Share-based payment reserve	-	310,903	310,903

	Balances as at 1 January 2010		
	As previously reported	Effects of adopting Amendments to FRS 2	As Restated
	RM'000	RM'000	RM'000
Retained earnings	6,265,787	(290,501)	5,975,286
Share-based payment reserve	-	290,501	290,501

## **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") reported a record half year net profit of RM1.887 billion for 1HFY11, representing a 9.3% year-on-year ("Y-o-Y") growth and equivalent to net earnings per share ("EPS") of 25.4 sen. The annualised 1H11 net return on equity ("ROE") was 15.8%. The Group declared an interim net dividend of 12 sen per share amounting to a net payment of RM892 million, translating to a dividend payout ratio of 47% of 1HFY11 net profits.

For 2Q11, the Group's net profit of RM970 million was 5.8% higher than 1Q11. On a Y-o-Y basis, this represented a 9.1% growth over the 2Q10 net profit of RM889 million.

The Group had another quarter of record profits in 2Q11, underpinned by a strong uplift from its Malaysian consumer banking operations and continued high growth at CIMB Niaga. The Group is however still behind its ROE and balance sheet growth targets for the year as it has been trading more cautiously given the uncertain global environment.

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

CIMB Group's 1H11 revenues decreased by 1.5% Y-o-Y to RM5.71 billion due to lower non-interest income as last year's revenues were boosted by sales of ex-Lippo Bank bonds (excluding this, revenues would have increased 3.5%). The Group's profit before tax ("PBT") was 8.5% higher at RM2.51 billion as credit losses remained subdued.

For 1H11, the Group's Malaysian consumer bank PBT increased by 83.3% Y-o-Y to RM715 million as the 11.9% improvement in revenue was enhanced by low credit charges. PBT at Corporate & Investment Banking ("CIB") rose 1.2% Y-o-Y to RM493 million, while Treasury & Investments declined 15.7% Y-o-Y to RM461 million.

CIMB Niaga's PBT rose 39.6% to IDR2,123 billion but its contribution to the Group was 11.1% lower Y-o-Y at RM736 million due to the absence of gains arising from the sale of ex-Lippo Bank bonds which occurred in 1H10. CIMB Thai's PBT contribution (after GAAP and FRS139 adjustments) surged to RM49 million from RM26 million in 1H10. Asset Management and Insurance PBT rose 57.9% Y-o-Y to RM57 million due to the non-recurrence of provisions for doubtful debts made at CIMB Aviva in 1H10.

CIMB Niaga was the largest contributor to Group PBT at 29% compared to 36% in 1H10. The Malaysian Consumer Bank's contribution to Group PBT was significantly higher at 28% versus 17% in 1H11. Treasury and Investments contributed 19%, CIB 20% Group Asset Management ("GAM") and Insurance 2%, while CIMB Thai's contribution was 2%.

Total non-Malaysian PBT declined to 37% in 1H11 from 44% in 1H10 due to absence of the ex-Lippo Bank bond gains at CIMB Niaga.

The Group's total gross loans expanded 11.0% Y-o-Y, underpinned by the strong 25.9% growth (in RM terms) at CIMB Niaga as well as the 13.7% increase in Malaysian consumer loans. Mortgages, credit cards and the Group's micro credit lending grew by 17.3%, 19.1% and 72.0% respectively Y-o-Y. Hire purchase loans grew at a modest 4.6% Y-o-Y but commercial banking loans declined 1.0% Y-o-Y. Corporate loans contracted 5.3% Y-o-Y. The Group's overall net interest margins eased to 3.11% from 3.38% last year.

Total Group deposits grew by 8.8% Y-o-Y underpinned by a 26.7% expansion in CIMB Bank's retail deposits. CIMB Niaga's focus on deposit accumulation resulted in a 14.6% Y-o-Y growth. CIMB Thai's deposits however, grew by only 2.0%.

The total loan impairment for the Group declined by 66.2% Y-o-Y at RM92 million in 1H11 versus RM272 million in 1H10. This brought about a lower Group total annualised credit charge of 0.10% compared to the 0.40% full year target. The Group's gross impairment ratio continued to improve to 5.7% for 1H11 from 5.9% as at end-1Q11 and 7.2% as at 1H10, with an impairment allowance coverage of 80.4%. The Group's cost to income ratio rose to 56.2% compared to 53.8% in 1H10.

CIMB Bank's risk weighted capital ratio stood at 14.6% while its core capital ratio stood at 13.9% as at 30 June 2011 (after inclusion of 1H11 net profits and after the proposed dividends). CIMB Group's double leverage and gearing stood at 120.0% and 22.4% respectively as at end-June 2011.

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

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

The Group's 2Q11 revenues of RM2.96 billion were 7.6% higher than 1Q11, translating to a 5.8% Q-o-Q net profit growth to RM970 million.

The Group's Malaysian Consumer Banking division PBT jumped 8.5% Q-o-Q mainly driven by the consumer "good bank" as recoveries from GSAM were lower in the current period. CIB was 3.1% higher from better advisory activities in 2Q11 but Treasury and Investments was 17.8% lower. CIMB Niaga's PBT contribution expanded 19.0% Q-o-Q to RM400 million. GAM and Insurance PBT surged 65.0% to RM36 million. CIMB Thai's PBT contribution (after GAAP adjustments) was 67.6% lower at RM12 million compared to a RM37 million profit in 1Q11.

**CIMB Niaga Results**

On 8 August 2011, CIMB Niaga reported a 1H11 net profit of IDR1,546 billion, a 37.0% Y-o-Y growth with an annualised 1H11 net ROE of 19.7%. The improved performance was attributed to the strong loans and deposits growth and lower provisions. On a sequential basis, the 2Q11 net profit of IDR818 billion was 12.5% higher than 1Q11 due to stronger revenues and lower overhead expenses and provisions.

CIMB Niaga's gross loans grew 27.1% Y-o-Y in 1H11 driven by markedly improved performances from all retail and corporate segments. The Gross NPL of 2.7% as at end-June 2011 was relatively unchanged from the previous corresponding period but lower than the 2.9% in 1Q11. CIMB Niaga's loan loss coverage (based on BI definition) stood at 109.7% as at end-1H11 compared to 137.4% as at end-1H10.

CIMB Niaga's Tier 1 capital and risk weighted capital ratios stood at 11.1% and 14.2% (after inclusion of 1H11 net profits) respectively as at 30 June 2011.

**CIMB Thai Results**

On 19 July 2011, CIMB Thai announced a 1H11 net profit of THB536 million, a 24.9% decline from the THB714 million in 1H10. Excluding the THB220 million net one-off gain arising from asset sales between the two periods, CIMB Thai's 1H11 net profit would have grown 9.9% Y-o-Y. The annualized loan loss charge of 0.3% for 1H11 was sharply improved from 0.8% in 1H10 while the loan loss coverage ratio rose from 57.4% at end-June 2010 to 80.4% currently. For the 6-month period, CIMB Thai chalked revenue of THB3.209 billion, a 3.5% Y-o-Y decline.

As at 30 June 2011, CIMB Thai's Tier 1 capital and risk weighted capital ratios (based on Basel II framework) were at 8.9% and 14.1% respectively (after inclusion of 1H11 net profits). Following various recovery efforts, CIMB Thai's net NPL ratio has dropped to 2.0% from 4.8% as at the previous corresponding period.

**CIMB Islamic**

CIMB Islamic's Y-o-Y PBT jumped 66.0% to RM264 million as Shariah-compliant banking products continue to gain ground. CIMB Islamic's gross financing assets grew 6.0% Y-o-Y, accounting for 13.8% of total Group loans. Total deposits grew by 13.7% Y-o-Y to RM23.1 billion.



## **B2. CORPORATE DEVELOPMENTS**

The significant corporate developments in 2011 were:

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

- On 15 November 2010, CIMB Niaga announced a 1-for-20 rights issue of up to 1,196,743,183 new CIMB Niaga shares at IDR1,250 each. The rights issue was completed and the new CIMB Niaga shares were listed on 12 January 2011.
- On 21 April 2011, CIMB Islamic completed the issuance of RM250 million 10-year Tier 2 Junior Sukuk.
- On 8 August 2011, CIMB Bank completed the issuance of RM1.5 billion (RM1.35 billion 10-year and RM150 million 15-year) subordinated debt.

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

- On 31 May 2011, CIMB Group announced that it had received Bank Negara Malaysia approval to commence negotiations with RHB Capital for a possible merger of the businesses of both banking groups.
- On 23 June 2011, CIMB Group announced the cessation of negotiations with RHB Capital for a possible merger.
- On 4 August 2011, CIMB Securities International entered into a joint venture to establish an investment banking advisory in Sri Lanka.

### **(c) Others**

- On 9 May 2011, Fitch Ratings revised the outlook for CIMB Bank and CIMB Investment Bank to Stable from Positive, while maintaining the long term rating for both entities at BBB+.
- On 13 May 2011, Fitch Ratings upgraded the foreign currency long-term ratings for CIMB Thai to BBB (stable) from BBB- (positive) previously. Concurrently, Fitch Ratings Thailand upgraded the local long-term rating for CIMB Thai to AA- from A+.
- On 25 May 2011, CIMB Group announced the postponement of its proposed listing on the Stock Exchange of Thailand ("SET"). Concurrently, CIMB Group retracted its application for a 6-month extension from the Securities Commission.
- On 3 July 2011, Dagong Global Credit Rating Co. Ltd assigned CIMB Bank a long term local currency rating of AA (positive), and a long term foreign currency rating of AA- (positive).
- On 2 August 2011, CIMB Group announced the opening of its Mumbai representative office and signed a Business Cooperation Arrangement with Kotak Mahindra Bank Ltd.

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

The Group retains its 17% ROE target for 2011 but has re-strategised for volatile financial markets and slower economic growth in the region. As the Group moderates its asset growth expectations, it will emphasise on internal efficiencies and sustaining its low credit costs to achieve this target.

Meanwhile, the Group would be undertaking a major internal reorganisation exercise to streamline its management structures, improve internal efficiencies and enhance customer focus. The main changes would be in the wholesale businesses, namely investment banking, treasury and asset management.

**B4. TAXATION**

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	270,685	337,481	588,889	533,875
Deferred tax expense	29,638	(94,621)	13,597	(72,071)
Over-accrual in prior years	(3,422)	(4,969)	(6,268)	(7,463)
	<b>296,901</b>	<b>237,891</b>	<b>596,218</b>	<b>454,341</b>
<b>Reconciliation</b>				
Profit before taxation and zakat	1,277,929	1,184,973	2,510,500	2,313,722
Tax at statutory income tax rate of 25% (2010: 25%)	319,482	296,243	627,625	578,431
Effect of different tax rates in other countries and change in tax rates	(9,768)	11,925	(202)	23,763
Due to income not subject to income tax and expenses not deductible for tax purposes	(6,823)	(65,308)	(22,369)	(140,390)
Over-accrual in prior years	(5,990)	(4,969)	(8,836)	(7,463)
	<b>296,901</b>	<b>237,891</b>	<b>596,218</b>	<b>454,341</b>

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

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

**B6. REALISED AND UNREALISED PROFITS**

	Group	
	30 June 2011	31 Dec 2010
	RM'000	RM'000
Total retained earnings of the Group and subsidiaries		
- Realised	6,663,249	5,690,235
- Unrealised	135,348	371,480
	<b>6,798,597</b>	<b>6,061,715</b>
Total share of retained earnings from associates		
- Realised	104,747	50,400
- Unrealised	1,275	786
Total share of retained earnings from jointly controlled entities		
- Realised	39,894	13,306
- Unrealised	(1,417)	310
	<b>6,943,096</b>	<b>6,126,517</b>
Consolidation adjustments	940,949	1,029,733
Total group retained earnings as per consolidated financial statements	<b>7,884,045</b>	<b>7,156,250</b>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The marked-to-market gains and losses on derivative contracts and financial investments at fair value through profit or loss that remain outstanding in the financial statements of the Group as at 30 June 2011 and 31 December 2010 are deemed unrealised and should be read together as it reflects the nature of the transactions and financial position of the Group. In addition, the unrealised retained profits of the Group as disclosed above excludes the translation gains and losses on monetary items denominated in a currency other than the functional currency, as these gains and losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

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

	<b>The Group</b>	
	<b>30 June 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Bonds and notes*</b>		
<b>Unsecured</b>		
More than one year (medium/long term)	-	423,982
	<u>-</u>	<u>423,982</u>
<p>* Included in bonds and notes for the current period is USD denominated bonds equivalent to USD140,000,000, which has matured on 15 April 2011.</p>		
<b>Other borrowings**</b>		
<b>Unsecured</b>		
One year or less (short term)	996,893	1,501,215
More than one year (medium/long term)	2,443,894	1,983,452
	<u>3,440,787</u>	<u>3,484,667</u>
<p>** Included in other borrowings for the current period is USD denominated syndicated term loans of USD400,000,000. Of this USD denominated syndicated term loans of USD400,000,000, USD300,000,000 has matured on 22 June 2011.</p>		
<b>Subordinated Notes***</b>		
<b>Unsecured</b>		
More than one year (medium/long term)	9,988,828	9,675,340
	<u>9,988,828</u>	<u>9,675,340</u>

\*\*\* Includes US denominated Subordinated Notes of USD290,000,000 and IDR denominated Subordinated Notes of IDR2,980,000,000,000.

## B8. MATERIAL LITIGATION

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

## B9. COMPUTATION OF EARNINGS PER SHARE (EPS)

### Basic EPS

The Group's basic EPS is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

#### a) Basic EPS

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period/year after non-controlling interests	970,015	889,460	1,886,526	1,727,543
Weighted average number of ordinary shares in issue				
- proforma ('000)	7,432,772	7,063,529	7,432,772	7,063,529
Basic earnings per share (expressed in sen per share)	13.1	12.6	25.4	24.5

#### b) Diluted EPS

Net profit for the financial period/year after non-controlling interests	970,015	889,460	1,886,526	1,727,543
Income from investment of proceeds from exercise of warrants in money market instruments during the period	-	1,426	-	3,074
Net profit used to determine diluted EPS	970,015	890,886	1,886,526	1,730,617
Weighted average number of ordinary shares in issue ('000)	7,432,772	7,063,529	7,432,772	7,063,529
Adjustments for:				
- Warrants	-	54,480	-	59,038
Weighted average number of ordinary shares for diluted EPS	7,432,772	7,118,009	7,432,772	7,122,568
Diluted EPS (expressed in sen per share)	N/A **	12.5	N/A **	24.3

\*\* The Group has no dilution in its earnings per ordinary share in the current financial period as there are no dilutive potential ordinary shares.