

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

		The Group	
	Note	31 Mar 2011 RM'000	31 Dec 2010 RM'000
ASSETS			
Cash and short-term funds		24,660,481	27,185,260
Reverse repurchase agreements		2,634,107	3,804,662
Deposits and placements with banks and other financial institutions		10,522,222	11,745,823
Financial investments at fair value through profit or loss	A8(a),(b)	18,083,513	17,082,596
Financial investments available-for-sale	A9	11,602,150	11,658,702
Financial investments held-to-maturity	A10	14,760,112	14,120,263
Derivative financial instruments	A21 (i)	3,845,343	3,577,155
Loans, advances and financing	A11	164,170,490	159,181,385
Other assets	A12	7,354,781	7,353,522
Deferred tax assets		41,498	15,269
Tax recoverable		83,098	98,358
Statutory deposits with central banks		2,377,234	1,410,436
Investment in associates and jointly controlled entities		889,479	680,293
Property, plant and equipment		1,343,653	1,442,948
Investment properties		13,469	61,216
Prepaid lease payments		197,247	185,542
Goodwill		8,115,074	8,159,469
Intangible assets		1,552,518	1,543,295
		272,246,469	269,306,194
Non-current assets held for sale		64,808	59,050
TOTAL ASSETS		272,311,277	269,365,244
LIABILITIES AND EQUITY			
Deposits from customers	A13	202,111,513	199,845,664
Deposits and placements of banks and other financial institutions	A14	14,966,391	13,092,157
Repurchase agreements		-	33,087
Derivative financial instruments	A21 (i)	4,054,425	3,748,516
Bills and acceptances payable		4,769,968	4,831,366
Other liabilities	A15	6,422,355	8,624,668
Deferred tax liabilities		7,400	12,124
Current tax liabilities		396,762	322,789
Amount due to Cagamas Berhad		59,844	107,523
Bonds	B7	434,996	423,982
Other borrowings	B7	3,993,034	3,484,667
Subordinated notes	B7	9,795,950	9,675,340
Non-cumulative guaranteed and redeemable preference shares		858,787	860,162
TOTAL LIABILITIES		247,871,425	245,062,045
Ordinary share capital		7,432,775	7,432,775
Reserves		16,111,305	15,797,775
Less: Shares held under trust		(563)	(563)
Treasury shares, at cost		(25)	(21)
		23,543,492	23,229,966
Perpetual preference shares		200,000	200,000
Non-controlling interests		696,360	873,233
TOTAL EQUITY		24,439,852	24,303,199
TOTAL LIABILITIES AND EQUITY		272,311,277	269,365,244
COMMITMENTS AND CONTINGENCIES	A21 (ii)	391,731,494	349,069,257
Net assets per share attributable to owners of the Company (RM)		3.17	3.13

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 31 MARCH 2011

	Note	The Group			
		1st quarter ended		Three months ended	
		31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
		RM'000	RM'000	RM'000	RM'000
Interest income	A16	2,957,553	2,576,625	2,957,553	2,576,625
Interest expense	A17	(1,363,447)	(972,824)	(1,363,447)	(972,824)
Net interest income		1,594,106	1,603,801	1,594,106	1,603,801
Income from Islamic Banking operations	A24(b)	340,477	229,770	340,477	229,770
Net non-interest income (excluding gain on disposal of net assets and interest in subsidiaries)	A18	815,800	954,021	815,800	954,021
Overheads	A19	2,750,383 (1,545,432)	2,787,592 (1,508,710)	2,750,383 (1,545,432)	2,787,592 (1,508,710)
Profit before allowances		1,204,951	1,278,882	1,204,951	1,278,882
Allowance for impairment losses on loans, advances and financing	A20	(6,174)	(149,825)	(6,174)	(149,825)
Allowance written back/(made) for losses on other receivables		491	(12,540)	491	(12,540)
Allowance written back for commitments and contingencies		1,905	307	1,905	307
Allowance made for other impairment losses		(778)	(11,776)	(778)	(11,776)
Share of results of jointly controlled entities		1,200,395	1,105,048	1,200,395	1,105,048
Share of results of associates		10,106	2,164	10,106	2,164
Profit before taxation and zakat		22,070	21,537	22,070	21,537
Taxation and zakat	B4	1,232,571 (299,317)	1,128,749 (216,450)	1,232,571 (299,317)	1,128,749 (216,450)
Profit for the period		933,254	912,299	933,254	912,299
Other comprehensive income:					
Revaluation reserve-financial investments available-for-sale		(49,036)	(110,347)	(49,036)	(110,347)
- Net (loss)/gain from change in fair value		(57,231)	147,188	(57,231)	147,188
- Realised gain transferred to comprehensive income on disposal and impairment		(941)	(179,553)	(941)	(179,553)
- Income tax effects		8,180	(75,434)	8,180	(75,434)
- Currency translation difference		956	(2,548)	956	(2,548)
Net investment hedge		59,158	108,713	59,158	108,713
Hedging reserve- cash flow hedge					
- Net loss from change in fair value		-	17,723	-	17,723
Exchange fluctuation reserve					
- Currency translation differences in respect of foreign operations		(23,091)	(264,337)	(23,091)	(264,337)
Other comprehensive income for the period, net of tax		(12,969)	(248,248)	(12,969)	(248,248)
Total comprehensive income for the period		920,285	664,051	920,285	664,051

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2011

(Continued)

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to :				
Owners of the Company	916,511	838,083	916,511	838,083
Non-controlling interests	16,743	74,216	16,743	74,216
	933,254	912,299	933,254	912,299
Total comprehensive income for the period attributable to:				
Owners of the Company	903,897	583,024	903,897	583,024
Non-controlling interests	16,388	81,027	16,388	81,027
	920,285	664,051	920,285	664,051
Earnings per share (sen):				
- Basic *	B9(a)	12.3	11.9	12.3
- Fully diluted *	B9(b)	N/A	11.8	N/A

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

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2011

Attributable to equity holders of the Company

The Group
31 March 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	7,432,775	4,192,596	3,935,308	136,954	(347,337)	(563)	(21)	474,673	131,736	310,903	117,595	(310,903)	-	-	-	-
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	916,511	916,511	-	16,743	933,254
Other comprehensive income (net of tax)	-	-	6	-	(23,324)	-	-	(48,335)	59,063	(24)	-	-	(12,614)	-	(355)	(12,969)
- financial investments available-for-sales	-	-	-	-	-	-	-	(48,335)	-	-	-	-	(48,335)	-	(701)	(49,036)
- net investment hedge	-	-	-	-	-	-	-	-	59,063	-	-	-	59,063	-	95	59,158
- currency translation difference	-	-	6	-	(23,324)	-	-	-	-	(24)	-	-	(23,342)	-	251	(23,091)
Total comprehensive income for the period	-	-	6	-	(23,324)	-	-	(48,335)	59,063	(24)	-	916,511	903,897	-	16,388	920,285
Dividend for the financial year ended 31 December 2010	-	-	-	-	-	-	-	-	-	-	-	(594,622)	(594,622)	-	(7)	(594,629)
- second interim dividend	-	-	-	-	-	-	-	-	-	-	-	(594,622)	(594,622)	-	(7)	(594,629)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	91,401	(91,401)	-	-	-	
Arising from reorganisation of investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(205,339)	(205,339)
Rights issue of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(500)	(500)	-	10,290	9,790
Bonus issue and capital repayment of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1,795)	(1,795)	-	1,795	-
Purchase of treasury shares	-	-	-	-	-	-	(4)	-	-	-	-	-	(4)	-	-	(4)
Share-based payment expense	-	-	-	-	-	-	-	-	-	6,550	-	-	6,550	-	-	6,550
At 31 March 2011	7,432,775	4,192,596	3,935,314	136,954	(370,661)	(563)	(25)	426,338	190,799	317,429	208,996	7,073,540	23,543,492	200,000	696,360	24,439,852

* 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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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2010

Attributable to equity holders of the Company

The Group
31 March 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	-	-	-	-	-	-	-	-	-	-	-	838,083	838,083	-	74,216	912,299
Other comprehensive income (net of tax)	-	-	-	-	(249,725)	-	-	(131,770)	126,436	-	-	-	(255,059)	-	6,811	(248,248)
- financial investments available-for-sales	-	-	-	-	-	-	-	(131,770)	-	-	-	-	(131,770)	-	21,423	(110,347)
- net investment hedge	-	-	-	-	-	-	-	-	108,713	-	-	-	108,713	-	-	108,713
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	17,723	-	-	-	17,723	-	-	17,723
- currency translation difference	-	-	-	-	(249,725)	-	-	-	-	-	-	-	(249,725)	-	(14,612)	(264,337)
Total comprehensive income for the period	-	-	-	-	(249,725)	-	-	(131,770)	126,436	-	-	838,083	583,024	-	81,027	664,051
Transfer from statutory reserve	-	-	(54,524)	-	-	-	-	-	-	-	-	54,524	-	-	-	-
Arising from accretion/(dilution) of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,857	22,857
Capital repayment of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Purchase of treasury shares	-	-	-	-	-	-	(13)	-	-	-	-	-	(13)	-	-	(13)
At 31 March 2010	3,531,766	5,586,751	3,361,256	136,954	112,055	(563)	(13)	634,730	62,050	290,501	-	6,867,893	20,583,380	200,000	2,162,919	22,946,299

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 31 MARCH 2011

	The Group	
	31 Mar 2011 RM'000	31 Mar 2010 RM'000
Profit before taxation and zakat	1,232,571	1,128,749
Adjustments for non-operating and non-cash items	(44,647)	(117,649)
Operating profit before changes in working capital	1,187,924	1,011,100
Net changes in operating assets	(4,284,514)	(9,039,634)
Net changes in operating liabilities	1,795,606	5,274,477
	(2,488,908)	(3,765,157)
Cash flows used in operations	(1,300,984)	(2,754,057)
Taxation paid	(226,125)	(315,652)
Net cash flows used in operating activities	(1,527,109)	(3,069,709)
Net cash flows (used in)/generated from investing activities	(708,797)	1,018,935
Net cash flows generated from/(used in) financing activities	41,500	(13)
Net decrease in cash and cash equivalents during the financial period	(2,194,406)	(2,050,787)
Effects of exchange rate changes	(330,373)	(371,962)
Cash and short-term funds at beginning of the financial period	27,185,260	28,274,687
Cash and short-term funds at end of the financial period	24,660,481	25,851,938
Statutory deposits with Bank Indonesia*	(3,284,314)	(1,459,736)
Cash and cash equivalents at end of the financial period	21,376,167	24,392,202

* 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 31 March 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 A25.

A1. BASIS OF PREPARATION (CONTINUED)

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

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 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 three-month period ended 31 March 2011:-

a) From 7 January 2011 to 31 March 2011, the Company purchased 442 of its own shares from the open market at an average market price of RM8.63 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM3.81 thousand.

Subsequent to the financial period ended 31 March 2011, the Company purchased 85 of its own shares from the open market at an average market price of RM9.28 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM0.79 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.

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

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.

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.

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.

No dividend has been proposed during the financial period ended 31 March 2011.

A5. STATUS OF CORPORATE PROPOSAL

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.

A6. EVENTS DURING THE REPORTING PERIOD

Due to a realignment of the board of directors in insurance subsidiaries of the Group, the insurance subsidiaries will now be 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.

A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a) 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 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.

b) 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.

c) On 19 May 2011, CIMB Strategic Assets Sdn Bhd ("CIMB SA"), a wholly owned subsidiary of the Group, is in progress of acquiring 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 will become a wholly-owned subsidiary of CIMB SA and indirect wholly-owned subsidiary of the Group.

PART A - EXPLANATORY NOTES

A8. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

A8(a). FINANCIAL ASSETS HELD FOR TRADING

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	533,295	360,214
Cagamas bonds	13,214	13,186
Malaysian Government treasury bills	406,267	57,779
Bank Negara Malaysia bills	1,566,698	2,597,966
Bank Negara Malaysia negotiable notes	3,285,017	2,226,623
Negotiable instruments of deposit	2,509,347	1,778,088
Bankers' acceptances and Islamic accepted bills	829,166	740,811
Credit-linked notes	121,594	123,158
Other Government's securities	1,576,131	2,053,218
Commercial papers	29,832	163,033
Government investment issues	360,988	320,534
	11,231,549	10,434,610
Quoted securities:		
<i><u>In Malaysia:</u></i>		
Warrants	-	5
Shares	1,213,436	1,210,166
<i><u>Outside Malaysia:</u></i>		
Shares	36,030	26,102
Private and Islamic debt securities	244,606	57,525
Other Government bonds	261,153	79,143
Bank Indonesia certificates	2,064,835	1,478,043
Investment linked funds	111,248	54,017
	3,931,308	2,905,001
Unquoted securities:		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	1,443,649	1,628,798
Shares	5,998	5,948
<i><u>Outside Malaysia:</u></i>		
Private and Islamic debt securities	1,471,009	1,246,789
	2,920,656	2,881,535
Total financial assets held-for-trading	18,083,513	16,221,146

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

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	-	223,810
Cagamas bonds	-	22,536
Khazanah bonds	-	8,012
Government investment issues	-	195,523
	-	449,881
Quoted securities:		
<i>In Malaysia:</i>		
Shares	-	81,637
Unit trusts	-	10,797
	-	92,434
Unquoted securities:		
<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

18,083,513	17,082,596
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A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	220,720	346,720
Cagamas bonds	184,776	184,494
Government investment issues	283,671	282,022
	689,167	813,236
Quoted securities:		
<i><u>In Malaysia:</u></i>		
Shares	44,087	115,676
Unit trusts	179,467	240,949
<i><u>Outside Malaysia:</u></i>		
Shares	17,276	12,074
Private and Islamic debt securities	48,485	24,582
Other Government bonds	2,665,705	2,635,564
Unit trusts	304,529	318,435
	3,259,549	3,347,280
Unquoted securities:		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	6,625,086	6,477,787
Shares	905,502	905,404
Loan stocks	25,338	26,624
Property funds	175	175
Investment-linked funds	-	6,947
Unit trusts	16,830	-
Bond funds	12,433	12,380
<i><u>Outside Malaysia:</u></i>		
Shares	76,631	80,480
Private equity and unit trust funds	223,814	224,453
Private and Islamic debt securities	180,440	176,323
Loan stocks	182	1,531
	8,066,431	7,912,104
	12,015,147	12,072,620
<u>Allowance for impairment loss:</u>		
Private debt securities	(240,525)	(240,661)
Quoted shares	(27,345)	(27,413)
Unquoted shares	(111,000)	(109,860)
Unit trusts	(21,321)	(21,892)
Loan stocks	(12,806)	(14,092)
	(412,997)	(413,918)
Total financial investments available-for-sale	11,602,150	11,658,702

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	1,128,711	1,123,977
Cagamas bonds	255,919	254,817
Bank Negara negotiable notes	9,941	9,948
Malaysian Government investment issues	604,360	600,245
	1,998,931	1,988,987
Quoted securities		
<i>Outside Malaysia</i>		
Private debt securities	1,574,618	1,411,355
Islamic bonds	24,305	23,983
Medium term notes - Islamic	8,722	8,565
Other Government bonds	145,296	116,807
Bank Indonesia certificates	57,304	127,309
Structured notes	168,919	154,859
	1,979,164	1,842,878
Unquoted securities		
<i>In Malaysia</i>		
Private debt securities	7,362,846	7,190,838
Loan stocks	31,814	31,814
Danaharta Urus Sdn Bhd ("DUSB") bonds	795,335	795,335
<i>Outside Malaysia</i>		
Private debt securities	2,335,203	2,036,903
	10,525,198	10,054,890
	14,503,293	13,886,755
Accretion of discount net of amortisation of premium	302,636	279,020
Less : Allowance for impairment losses	(45,817)	(45,512)
Total financial investments held-to-maturity	14,760,112	14,120,263

Also included in the financial investments held-to-maturity of the Group as at 31 March 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 losses will be calculated at the end of the agreement.

A11. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	31 Mar 2011	31 Dec 2010
At amortised cost	RM'000	RM'000
Overdrafts	9,406,967	9,383,540
Term loans/financing		
- Housing loans/financing	44,306,679	42,496,812
- Syndicated term loans	6,815,550	6,996,472
- Hire purchase receivables	11,454,381	11,384,643
- Lease receivables	47,993	32,087
- Factoring receivables	20,295	23,655
- Other term loans/financing	64,509,962	57,522,906
Bills receivable	2,888,003	2,636,548
Trust receipts	1,015,417	1,145,109
Claims on customers under acceptance credits	4,716,845	4,548,433
Staff loans *	719,990	728,594
Credit card receivables	4,957,782	4,981,667
Revolving credits	20,324,084	24,289,359
Share margin financing	1,211,019	1,299,816
Other loans	864	9,730
Gross loans, advances and financing	172,395,831	167,479,371
Fair value changes arising from fair value hedge	(9,374)	44,340
	172,386,457	167,523,711
Less: Allowance for impairment losses		
- Individual impairment allowance	(3,975,852)	(4,079,367)
- Portfolio impairment allowance	(4,240,115)	(4,262,959)
	(8,215,967)	(8,342,326)
Total net loans, advances and financing	164,170,490	159,181,385

* Included in staff loans of the Group are loans to Directors amounting to RM6,694,471 (31 December 2010: RM6,473,245).

Included in the Group's loans, advances and financing balances are RM74,052,000 (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 RM7,735,877,000 (31 December 2010: RM7,663,278,000) of its loan exposure using interest rate swaps.

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Gross loan hedged	7,735,877	7,663,278
Fair value changes arising from fair value hedges	(9,374)	44,340
	7,726,503	7,707,618

The fair value loss of interest rate swaps as at 31 March 2011 were RM119,101,187 (2010: fair value loss of RM127,755,094).

A11. LOANS, ADVANCES AND FINANCING (Continued)
(ii) By type of customers

	The Group	
	31 Mar 2011 RM'000	31 Dec 2010 RM'000
Domestic banking financial institutions	57,764	65,091
Domestic non-bank financial institutions		
- others	2,513,852	2,645,801
Domestic business enterprises		
- small medium enterprises	26,024,529	25,456,138
- others	37,770,756	36,564,980
Government and statutory bodies	10,688,656	10,666,029
Individuals	83,269,956	80,444,833
Other domestic entities	4,430,236	3,878,422
Foreign entities	7,640,082	7,758,077
Gross loans, advances and financing	172,395,831	167,479,371

(iii) By interest/profit rate sensitivity

	The Group	
	31 Mar 2011 RM'000	31 Dec 2010 RM'000
Fixed rate		
- Housing loans	3,437,902	3,655,433
- Hire-purchase receivables	11,481,066	11,403,949
- Other fixed rate loans	30,781,016	29,866,224
Variable rate		
- BLR plus	86,033,552	82,325,009
- Cost plus	20,711,001	20,198,388
- Other variable rates	19,951,294	20,030,368
Gross loans, advances and financing	172,395,831	167,479,371

(iv) By economic purpose

	The Group	
	31 Mar 2011 RM'000	31 Dec 2010 RM'000
Personal use	5,657,469	5,161,725
Credit card	4,968,327	4,975,702
Purchase of consumer durables	1,444	1,216
Construction	4,764,828	4,360,535
Residential property (Housing)	44,608,545	43,056,292
Non-residential property	11,882,421	11,671,665
Purchase of fixed assets other than land and building	15,540,422	10,175,685
Mergers and acquisitions	2,547,837	2,620,451
Purchase of securities	7,239,406	7,372,586
Purchase of transport vehicles	16,209,562	15,780,118
Working capital	43,824,269	47,496,572
Other purpose	15,151,301	14,806,824
Gross loans, advances and financing	172,395,831	167,479,371

(v) By geographical distribution

	The Group	
	31 Mar 2011 RM'000	31 Dec 2010 RM'000
Malaysia	111,535,065	111,065,224
Indonesia	40,050,108	37,428,349
Thailand	10,880,897	9,906,698
Singapore	6,982,147	6,666,705
United Kingdom	528,394	597,461
Hong Kong	260,266	552,120
Other countries	2,158,954	1,262,814
Gross loans, advances and financing	172,395,831	167,479,371

A11. LOANS, ADVANCES AND FINANCING (Continued)
(vi) By residual contractual maturity

	The Group	
	31 Mar 2011 RM'000	31 Dec 2010 RM'000
Within one year	40,894,174	35,403,191
One year to less than three years	39,127,172	38,204,037
Three years to less than five years	20,205,666	22,449,382
Five years and more	72,168,819	71,422,761
Gross loans, advances and financing	172,395,831	167,479,371

(vii) Impaired loans by economic purpose

	The Group	
	31 Mar 2011 RM'000	31 Dec 2010 RM'000
Personal use	332,352	399,960
Credit card	102,561	98,523
Purchase of consumer durables	677	251
Construction	1,386,154	1,380,526
Residential property (Housing)	1,933,209	1,909,586
Non-residential property	437,651	491,942
Purchase of fixed assets other than land and building	572,740	365,872
Purchase of securities	139,636	101,641
Purchase of transport vehicles	416,209	322,967
Working capital	3,784,884	4,061,647
Other purpose	1,090,948	1,151,464
Gross impaired loan	10,197,021	10,284,379

(viii) Impaired loans by geographical distribution

	The Group	
	31 Mar 2011 RM'000	31 Dec 2010 RM'000
Malaysia	6,744,715	6,781,354
Indonesia	1,734,334	1,687,775
Thailand	1,383,495	1,466,154
Singapore	111,082	116,176
United Kingdom	49,243	48,095
Other countries	174,152	184,825
Gross impaired loan	10,197,021	10,284,379

(ix) Movements in impaired loans

	The Group	
	31 Mar 2011 RM'000	31 Dec 2010 RM'000
At 1 January	10,284,379	11,490,890
Classified as impaired during the period/year	2,254,229	5,433,418
Reclassified as not impaired during the period/year	(1,762,846)	(3,346,847)
Amount written back in respect of recoveries	(317,270)	(1,446,918)
Arising from disposal of a subsidiary	(942)	-
Amount written off	(183,055)	(1,500,162)
Purchase of impaired loans from third party	125	294
Sale of impaired loans	-	(145,981)
Exchange fluctuation	(77,599)	(200,315)
At 31 March / 31 December	10,197,021	10,284,379
Ratio of gross impaired loans to gross loans, advances and financing	5.91%	6.14%

A11. LOANS, ADVANCES AND FINANCING (Continued)

**(x) Movements in the allowance for impaired loans
are as follows:**

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
<u>Individual impairment allowance</u>		
At 1 January	4,079,367	4,988,992
Net allowance (written back)/made during the period/year	(5,179)	157,058
Amount written off	(42,966)	(873,331)
Allowance made and charged to deferred assets	10	2,431
Amount transferred to portfolio impairment allowance	(1,957)	(5,795)
Allowance made in relation to jointly controlled entity	(942)	-
Unwinding income	(28,921)	(110,843)
Exchange fluctuation	(23,560)	(79,145)
At 31 March / 31 December	3,975,852	4,079,367
<u>Portfolio impairment allowance</u>		
At 1 January	4,262,959	4,252,946
Net allowance made during the period/year	112,808	816,418
Amount transferred from individual impairment allowance	1,957	5,795
Amount written off	(143,828)	(702,457)
Allowance made/(written back) and charged to deferred assets	1,161	(3,352)
Unwinding income	(10,096)	(89,698)
Exchange fluctuation	15,154	(16,693)
At 31 March / 31 December	4,240,115	4,262,959
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing less individual impairment allowance	2.82%	2.87%

A12. OTHER ASSETS

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Due from brokers and clients net of allowance for doubtful debts	2,027,894	1,250,003
Other debtors, deposits and prepayments net of allowance for doubtful debts	2,625,330	3,196,836
Due from jointly controlled entity	1,453,305	1,671,488
Due from insurers, brokers and reinsurers	15,273	25,476
Option financing	277,589	278,032
Deferred assets	166,942	170,961
Foreclosed properties net of allowance for impairment losses	221,634	228,785
Collateral pledged for derivative transactions	566,814	531,941
	7,354,781	7,353,522

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	44,805,610	43,982,722
Savings deposits	25,167,996	22,242,066
Fixed deposits	88,814,026	90,291,236
Negotiable instruments of deposit	2,014,745	1,545,997
Others	41,309,136	41,783,643
	202,111,513	199,845,664
 <u>By type of customer</u>		
Government and statutory bodies	13,417,448	14,123,891
Business enterprises	86,971,266	95,496,601
Individuals	75,018,434	70,213,582
Others	26,704,365	20,011,590
	202,111,513	199,845,664
 <u>The maturity structure of fixed deposits and negotiable instruments of deposit is as follows:</u>		
One year or less (short term)	87,777,852	88,610,604
More than one year (medium/long term)	3,050,919	3,226,629
	90,828,771	91,837,233

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Licensed banks	9,069,696	7,241,711
Licensed finance companies	117,555	145,025
Licensed investment banks	610,179	529,845
Bank Negara Malaysia	1,788,953	1,598,400
Other financial institutions	3,380,008	3,577,176
	14,966,391	13,092,157

A15. OTHER LIABILITIES

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Due to brokers and clients	2,080,106	1,317,617
Expenditure payable	768,921	1,717,302
Provision for legal claims	128,226	138,319
Sundry creditors	283,909	900,913
Insurance fund - life and takaful insurance business	-	998,019
Insurance fund - general insurance business	30,382	541,062
Allowance for commitments and contingencies	86,175	88,631
Post employment benefit obligations	101,000	271,273
Credit card expenditure payable	134,452	221,237
Call deposit borrowing	262,143	281,833
Others	2,547,041	2,148,462
	6,422,355	8,624,668

A16. INTEREST INCOME

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries	2,349,123	2,094,626	2,349,123	2,094,626
- Recoveries from impaired loans/non-performing loans	3,795	2,522	3,795	2,522
- Unwinding income [^]	43,626	21,999	43,626	21,999
Money at call and deposit placements with financial institutions	100,416	78,596	100,416	78,596
Reverse repurchase agreements	22,490	17,821	22,490	17,821
Financial assets held for trading	106,494	42,308	106,494	42,308
Financial assets designated at fair value through profit or loss	-	853	-	853
Financial investments available-for-sale	132,168	116,365	132,168	116,365
Financial investments held-to-maturity	153,263	158,681	153,263	158,681
Others	4,094	2,789	4,094	2,789
	2,915,469	2,536,560	2,915,469	2,536,560
Accretion of discounts less amortisation of premiums	42,084	40,065	42,084	40,065
	2,957,553	2,576,625	2,957,553	2,576,625

[^] Unwinding income is interest income earned on impaired financial assets

A17. INTEREST EXPENSE

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	24,356	15,528	24,356	15,528
Deposits from other customers	1,106,501	794,018	1,106,501	794,018
Repurchase agreements	332	286	332	286
Loan stocks	583	-	583	-
Subordinated notes	138,831	86,205	138,831	86,205
Loans sold to Cagamas	1,124	2,991	1,124	2,991
Negotiable certificates of deposits	44,387	26,336	44,387	26,336
Other borrowings	37,386	21,816	37,386	21,816
Others	9,947	25,644	9,947	25,644
	1,363,447	972,824	1,363,447	972,824

A18. NET NON-INTEREST INCOME

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
(a) Net fee income and commission income:				
Commissions	121,969	79,131	121,969	79,131
Fee on loans, advances and financing	84,165	60,087	84,165	60,087
Portfolio management fees	6,466	6,991	6,466	6,991
Service charges and fees	90,656	88,944	90,656	88,944
Corporate advisory fees	33,540	33,021	33,540	33,021
Guarantee fees	29,782	12,534	29,782	12,534
Other fee income	80,631	86,935	80,631	86,935
Placement fees	8,017	9,727	8,017	9,727
Underwriting commission	12,465	13,395	12,465	13,395
Al-Wakalah fee	-	7,492	-	7,492
Fee and commission income	467,691	398,257	467,691	398,257
Fee and commission expense	(85,000)	(74,143)	(85,000)	(74,143)
Net fee and commission income	382,691	324,114	382,691	324,114
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	6,573	2,339	6,573	2,339
- Financial investments available-for-sale	10,413	10,527	10,413	10,527
<i>Outside Malaysia</i>				
- Financial assets held for trading	769	58	769	58
	17,755	12,924	17,755	12,924
(c) Net (loss)/gain arising from financial assets held for trading	(53,630)	25,691	(53,630)	25,691
- realised	(16,058)	1,372	(16,058)	1,372
- unrealised	(37,572)	24,319	(37,572)	24,319
(d) Net gain/(loss) arising from derivative financial instruments	162,910	(277,564)	162,910	(277,564)
- realised	150,386	(106,699)	150,386	(106,699)
- unrealised	12,524	(170,865)	12,524	(170,865)
(e) Net loss arising from hedging derivatives	(11,447)	(313)	(11,447)	(313)
(f) Net gain from sale of financial investments available-for-sale	1,606	215,685	1,606	215,685
(g) Net gain from redemption / maturity of financial investment held-to-maturity	336	75,824	336	75,824
(h) Net gain from financial assets designated at fair value through profit or loss	-	1,379	-	1,379
(i) Income from assets management and securities services	50,119	40,956	50,119	40,956
(j) Brokerage income	98,001	83,733	98,001	83,733
(k) Other non-interest income:				
Foreign exchange gain	60,808	391,500	60,808	391,500
Rental income	4,018	5,506	4,018	5,506
Gain on disposal of property, plant and equipment	991	13,220	991	13,220
Net loss from insurance business	(195)	(302)	(195)	(302)
Underwriting surplus before management expenses	2,819	-	2,819	-
Other non-operating income	99,018	41,668	99,018	41,668
	167,459	451,592	167,459	451,592
Total other operating income	815,800	954,021	815,800	954,021

A19. OVERHEADS

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	664,741	602,651	664,741	602,651
- Pension cost	9,097	53,625	9,097	53,625
- Overtime	8,801	8,242	8,801	8,242
- Staff incentives and other staff payments	36,758	33,246	36,758	33,246
- Medical expenses	15,333	18,407	15,333	18,407
- Others	88,098	67,249	88,098	67,249
	822,828	783,420	822,828	783,420
Establishment costs				
- Depreciation of property, plant and equipment	87,183	84,781	87,183	84,781
- Amortisation of prepaid lease payments	4,320	11,067	4,320	11,067
- Rental	70,712	67,437	70,712	67,437
- Repair and maintenance	61,808	62,193	61,808	62,193
- Outsourced services	49,186	63,809	49,186	63,809
- Security expenses	22,716	28,838	22,716	28,838
- Others	44,841	41,714	44,841	41,714
	340,766	359,839	340,766	359,839
Marketing expenses				
- Sales commission	2,142	12,710	2,142	12,710
- Advertisement	46,732	45,965	46,732	45,965
- Others	14,560	12,808	14,560	12,808
	63,434	71,483	63,434	71,483
Administration and general expenses				
- Amortisation of intangible assets	60,015	64,523	60,015	64,523
- Impairment of intangible assets	-	1,302	-	1,302
- Legal and professional fees	34,296	45,499	34,296	45,499
- Stationery	20,854	23,087	20,854	23,087
- Communication	37,816	36,284	37,816	36,284
- Incidental expenses on banking operations	14,346	13,056	14,346	13,056
- Insurance	38,734	27,992	38,734	27,992
- Others	112,343	82,225	112,343	82,225
	318,404	293,968	318,404	293,968
	1,545,432	1,508,710	1,545,432	1,508,710

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

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans and financing :				
Individual impairment allowance				
- (written back)/made during the period	(5,179)	33,571	(5,179)	33,571
Portfolio impairment allowance				
- made during the period	112,808	178,885	112,808	178,885
Bad debts on loans and financing :				
- recovered	(102,764)	(63,460)	(102,764)	(63,460)
- written off	1,309	829	1,309	829
	6,174	149,825	6,174	149,825

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 RM'000	Fair values	
		Assets RM'000	Liabilities RM'000
At 31 March 2011			
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	11,618,732	188,241	(151,987)
- Less than 1 year	9,252,500	51,627	(123,718)
- 1 year to 3 years	612,532	36,203	(15,350)
- More than 3 years	1,753,700	100,411	(12,919)
Currency swaps	38,984,104	374,827	(347,894)
- Less than 1 year	38,682,998	368,348	(342,818)
- 1 year to 3 years	48,763	1,439	-
- More than 3 years	252,343	5,040	(5,076)
Currency spot	10,714,204	7,137	(7,047)
- Less than 1 year	10,714,204	7,137	(7,047)
Currency options	3,030,156	13,753	(16,846)
- Less than 1 year	3,030,156	13,753	(16,846)
Cross currency interest rate swap	15,765,838	674,624	(885,252)
- Less than 1 year	5,170,370	189,559	(296,759)
- 1 year to 3 years	5,420,805	294,258	(339,344)
- More than 3 years	5,174,663	190,807	(249,149)
	80,113,034	1,258,582	(1,409,026)
<u>Interest rate derivative</u>			
Interest rate swaps	209,342,981	1,804,064	(1,298,878)
- Less than 1 year	40,271,333	143,396	(125,181)
- 1 year to 3 years	109,218,804	643,764	(500,966)
- More than 3 years	59,852,844	1,016,904	(672,731)
Interest rate futures	13,365,326	14,367	(8,707)
- Less than 1 year	5,502,550	5,811	(6,691)
- 1 year to 3 years	6,816,464	6,052	(2,016)
- More than 3 years	1,046,312	2,504	-
Interest rate options	750,000	7,362	(3,583)
- Less than 1 year	600,000	-	-
- 1 year to 3 years	100,000	5,187	(3,199)
- More than 3 years	50,000	2,175	(384)
	223,458,307	1,825,793	(1,311,168)
<u>Equity related derivatives</u>			
Index futures	9,392	5	(71)
- Less than 1 year	9,392	5	(71)
Equity options	10,131,348	549,535	(1,009,657)
- Less than 1 year	7,217,149	156,642	(558,125)
- 1 year to 3 years	1,092,443	359,357	(367,071)
- More than 3 years	1,821,756	33,536	(84,461)
Equity swaps	515,985	2,027	(54,604)
- Less than 1 year	257,909	-	(52,597)
- 1 year to 3 years	19,375	230	(223)
- More than 3 years	238,701	1,797	(1,784)
	10,656,725	551,567	(1,064,332)
<u>Commodity related derivatives</u>			
Commodity swaps	36,274	5,668	(5,389)
- Less than 1 year	5,990	764	(705)
- 1 year to 3 years	30,284	4,904	(4,684)
Commodity futures	42,510	1,344	(38)
- Less than 1 year	25,238	906	(14)
- 1 year to 3 years	17,272	438	(24)
Commodity options	102,884	14,089	(14,090)
- Less than 1 year	102,854	14,089	(14,089)
- 1 year to 3 years	30	-	(1)
	181,668	21,101	(19,517)
<u>Credit related contract</u>			
Credit default swaps	1,433,898	34,934	(40,419)
- Less than 1 year	756,174	3,205	(1,610)
- 1 year to 3 years	541,554	133	(5,271)
- More than 3 years	136,170	31,596	(33,538)
<u>Hedging derivatives</u>			
Interest rate swaps	13,174,676	153,366	(209,963)
- Less than 1 year	818,721	30,550	-
- 1 year to 3 years	2,146,298	26,059	(4,612)
- More than 3 years	10,209,657	96,757	(205,351)
	13,174,676	153,366	(209,963)
Total derivative assets/(liabilities)	329,018,308	3,845,343	(4,054,425)

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			
Trading derivatives			
<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 31 March 2011, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM3,845,343,000 (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.

<u>The Group</u>	31 Mar 2011	31 Dec 2010
	Principal	Principal
	Amount	Amount
	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	5,105,825	4,929,234
Certain transaction-related contingent items	5,887,621	5,468,256
Short-term self-liquidating trade-related contingencies	2,690,984	3,511,093
Obligations under underwriting agreement	225,000	235,000
Irrevocable commitments to extend credit		
- maturity not exceeding one year	35,324,331	33,812,453
- maturity exceeding one year	6,922,494	6,778,430
Forward assets purchases	1,189,299	303,084
Miscellaneous commitments and contingencies	6,408,584	5,609,923
Total credit-related commitments and contingencies	63,754,138	60,647,473
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	58,420,082	47,207,625
- one year to less than five years	9,578,721	10,641,952
- five years and above	3,653,063	3,353,629
	71,651,866	61,203,206
<u>Interest rate related contracts</u>		
- less than one year	52,179,602	55,274,126
- one year to less than five years	122,958,014	88,003,758
- five years and above	34,296,796	41,825,221
	209,434,412	185,103,105
<u>Equity related contracts</u>		
- less than one year	2,921,293	3,616,346
- one year to less than five years	5,102,754	5,121,018
- five years and above	2,632,677	2,092,883
	10,656,724	10,830,247
Other treasury related contracts	36,234,354	31,285,226
Total treasury-related commitments and contingencies	327,977,356	288,421,784
	391,731,494	349,069,257

A22. CAPITAL ADEQUACY

31 March 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 *
Before deducting proposed dividend							
Core capital ratio	13.39%	11.93%	8.45%	10.94%	20.87%	11.00%	N/A
Risk-weighted capital ratio	14.37%	15.77%	13.96%	14.34%	21.01%	14.38%	261.16%
After deducting proposed dividend							
Core capital ratio	13.39%	11.93%	8.45%	10.94%	18.03% @	11.00%	N/A
Risk-weighted capital ratio	14.37%	15.77%	13.96%	14.34%	18.17% @	14.38%	261.16%

	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:

Tier I capital

Paid-up capital	3,764,469	750,000	815,797	3,764,469	100,000	559,804	111,962
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier I Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier I capital	1,605,200	-	-	1,605,200	-	-	-
Share premium	5,033,633	-	148,327	5,033,633	-	2,812,765	-
Other reserves	6,750,504	506,180	48,978	7,450,576	336,741	1,514,171	(1,369)
Non-controlling interests	-	-	-	260,586	-	-	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(26,173)	-
Deferred tax assets	(22,096)	(5,589)	-	-	(44,329)	-	-
Intangible assets	-	-	-	-	-	-	(3,090)
Goodwill	(3,555,075)	(136,000)	-	(4,891,434)	-	-	-
Total Tier I capital	14,776,635	1,184,591	1,013,102	14,423,030	392,412	4,860,567	107,504

Tier II capital

Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	3,500,000	300,000	333,651	3,933,533	-	-	-
Subordinated loans	-	-	-	-	-	1,077,506	-
Revaluation reserve	-	-	37,257	-	-	-	-
Regulatory reserve	174,133	7,405	-	208,996	-	-	-
Portfolio impairment allowance √	282,256	56,361	32,266	467,084	640	404,776	162
Surplus of total eligible provision over expected loss under the IRB approach	412,017	17,022	-	347,700	2,002	-	-
Others	-	-	258,213	-	-	39,861	-
Total Tier II capital	4,398,146	380,788	661,387	4,987,053	2,652	1,522,143	162
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	(3,005,976)	-	-	(183,278)	(50)	(26,173)	-
Securitisation exposures subject to deductions**	(70,116)	-	-	(70,116)	-	-	-
Investment in associates	(245,134)	-	-	(245,134)	-	-	-
Total Eligible Tier II capital	1,076,920	380,788	661,387	4,488,525	2,602	1,495,970	162
Total capital base	15,853,555	1,565,379	1,674,489	18,911,555	395,014	6,356,537	107,666
Less :							
Proposed dividends	-	-	-	-	(53,500)	-	-
Total capital base (net of proposed dividend)	15,853,555	1,565,379	1,674,489	18,911,555	341,514	6,356,537	107,666

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	88,630,144	8,430,023	10,808,358	107,105,365	934,694	38,617,002	41,227
Market risk	11,987,687	363,020	427,868	12,883,167	171,068	485,534	-
Operational risk	9,368,138	1,135,438	-	11,518,216	774,057	5,098,633	-
Large exposure risk	362,848	-	756,508	362,848	-	-	-
	110,348,817	9,928,481	11,992,734	131,869,596	1,879,819	44,201,169	41,227

@ 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.

√ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 March 2011 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM398,728,411, RM378,818,738 and RM19,909,673 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
Before deducting proposed dividend							
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%
After deducting proposed dividend							
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 √	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.

√ 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 Yingkou 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
31 March 2011							
Net interest income							
-external income / (expense)	643,490	307,438	(66,736)	2,796	753,958	(46,840)	1,594,106
-inter-segment income	(413)	(125,243)	131,469	(2)	(3)	(5,808)	-
	643,077	182,195	64,733	2,794	753,955	(52,648)	1,594,106
Income from Islamic Banking operations	158,452	16,977	149,019	-	15,972	57	340,477
Net non-interest income (excluding gain on disposal of interest in a subsidiary)	193,339	242,283	103,766	64,384	210,077	1,951	815,800
Net income/(expense)	994,868	441,455	317,518	67,178	980,004	(50,640)	2,750,383
Overheads	(676,210)	(203,928)	(71,137)	(49,949)	(540,577)	(3,631)	(1,545,432)
of which:							
- Depreciation of property, plant and equipment	(41,649)	(9,258)	(2,209)	(2,584)	(27,948)	(3,535)	(87,183)
- Amortisation of prepaid lease payments	-	-	-	-	(4,227)	(93)	(4,320)
- Amortisation of intangible assets	(28,091)	(3,457)	(1,625)	(499)	(25,269)	(1,074)	(60,015)
Profit/(loss) before allowances	318,658	237,527	246,381	17,229	439,427	(54,271)	1,204,951
Allowance written back/(made) for impairment losses on loans, advances and financing	43,502	18,859	394	-	(68,898)	(31)	(6,174)
Allowance (made)/written back for losses on other receivables	(2)	2,391	1,725	(130)	(2,695)	(798)	491
Allowance written back for commitments and contingencies	-	-	-	-	1,905	-	1,905
Allowance written back/(made) for other impairment losses	-	451	(1,156)	-	(69)	(4)	(778)
Segment results	362,158	259,228	247,344	17,099	369,670	(55,104)	1,200,395
Share of results of jointly controlled entities	3,952	-	1,537	4,617	-	-	10,106
Share of results of associates	-	-	365	-	21,705	-	22,070
Profit/(loss) before taxation and zakat	366,110	259,228	249,246	21,716	391,375	(55,104)	1,232,571
% of profit before taxation and zakat	29.7	21.0	20.2	1.8	31.8	(4.5)	100.0
Taxation and zakat							(299,317)
Profit after taxation before non-controlling interests							933,254

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
31 March 2010							
Net interest income							
-external income / (expense)	608,362	323,462	(7,456)	3,397	711,596	(35,560)	1,603,801
-inter-segment income	(34,490)	(121,521)	157,303	(1)	-	(1,291)	-
	573,872	201,941	149,847	3,396	711,596	(36,851)	1,603,801
Income from Islamic Banking operations	116,675	32,102	74,459	(3,598)	13,160	(3,028)	229,770
Non-interest income (excluding gain on disposal of interest in a subsidiary)	193,538	174,748	180,970	60,937	323,954	19,874	954,021
Net income/(expense)	884,085	408,791	405,276	60,735	1,048,710	(20,005)	2,787,592
Overheads	(623,257)	(202,251)	(118,059)	(51,965)	(502,829)	(10,349)	(1,508,710)
of which:							
- Depreciation of property, plant and equipment	(35,366)	(9,224)	(2,390)	(2,909)	(31,567)	(3,325)	(84,781)
- Amortisation of prepaid lease payments	-	-	-	-	(11,067)	-	(11,067)
- Amortisation of intangible assets	(22,813)	(3,876)	(1,976)	(600)	(34,736)	(522)	(64,523)
Profit/(loss) before allowances	260,828	206,540	287,217	8,770	545,881	(30,354)	1,278,882
Allowance for impairment losses on loans, advances and financing	(61,413)	15,646	(3,080)	-	(100,718)	(260)	(149,825)
Allowance for losses on other receivables	-	(755)	(52)	(754)	(10,547)	(432)	(12,540)
Allowance written back for commitment and contingencies	-	-	-	-	307	-	307
Allowance made for other impairment losses	-	-	(6,002)	-	(5,774)	-	(11,776)
Segment results	199,415	221,431	278,083	8,016	429,149	(31,046)	1,105,048
Share of results of jointly controlled entities	2,448	-	28	(312)	-	-	2,164
Share of results of associates	-	-	10,523	-	10,201	813	21,537
Profit/(loss) before taxation and zakat	201,863	221,431	288,634	7,704	439,350	(30,233)	1,128,749
% of profit before taxation and zakat	17.9	19.6	25.6	0.7	38.9	(2.7)	100.0
Taxation and zakat							(216,450)
Profit after taxation before non-controlling interests							<u><u>912,299</u></u>

A24. OPERATIONS OF ISLAMIC BANKING

A24a. UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

		The Group	
	Note	31 Mar 2011 RM'000	31 Dec 2010 RM'000
Assets			
Cash and short-term funds		5,265,975	7,934,045
Deposits and placements with banks and other financial institutions		668,253	1,340,924
Financial assets held for trading		3,693,761	2,549,533
Financial investments available-for-sale		512,688	459,123
Financial investments held-to-maturity		1,363,048	1,425,372
Islamic derivative financial instruments		283,814	284,789
Financing, advances and other loans	A24c(i)	24,549,971	23,368,509
Deferred tax assets		6,527	5,589
Tax recoverable		1,761	-
Amount due from related companies		49,697	48,835
Amount due from holding company		462,749	601,344
Statutory deposits with Bank Negara Malaysia		290,441	143,406
Property, plant and equipment		8,173	7,314
Other assets		567,365	764,109
Goodwill		136,000	136,000
Intangible assets		3,223	4,287
TOTAL ASSETS		37,863,446	39,073,179
Liabilities and Islamic banking capital funds			
Deposits from customers	A24(d)	24,328,545	24,923,994
Deposits and placements of banks and other financial institutions		9,531,954	10,244,515
Islamic derivative financial instruments		266,838	265,725
Amount due to holding company		126,073	184,519
Amount due to related companies		1,017	247
Provision for taxation and zakat		111,586	86,284
Other liabilities		763,802	853,473
Subordinated Sukuk		300,332	300,000
TOTAL LIABILITIES		35,430,147	36,858,757
Equity			
Ordinary share capital		750,000	750,000
Islamic banking funds		91,693	91,693
Perpetual preference shares		70,000	70,000
Reserves		1,483,037	1,263,284
		2,394,730	2,174,977
Non-controlling interests		38,569	39,445
TOTAL EQUITY		2,433,299	2,214,422
TOTAL LIABILITIES AND EQUITY		37,863,446	39,073,179

A24b. UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2011

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	428,812	356,357	428,812	356,357
Net income derived from investment of shareholders' funds	81,055	30,951	81,055	30,951
Allowances written back/(made) for impairment losses financing, advances and other loans	6,867	(36,784)	6,867	(36,784)
Allowance for losses on other receivables	(395)	(59)	(395)	(59)
Total distributable income	516,339	350,465	516,339	350,465
Income attributable to the depositors	(169,390)	(157,538)	(169,390)	(157,538)
Total net income	346,949	192,927	346,949	192,927
Other operating expenses	(91,954)	(64,360)	(91,954)	(64,360)
Profit before taxation and zakat	254,995	128,567	254,995	128,567
Taxation and zakat	(35,099)	(21,036)	(35,099)	(21,036)
Profit for the period	219,896	107,531	219,896	107,531
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	(797)	5	(797)	5
- Net (loss)/gain from change in fair value	(1,094)	420	(1,094)	420
- Realised gain transferred to comprehensive income on disposal and impairment	-	(414)	-	(414)
- Income tax effects	297	(1)	297	(1)
Exchange fluctuation reserve	237	(3,795)	237	(3,795)
Other comprehensive income for the period, net of tax	(560)	(3,790)	(560)	(3,790)
Total comprehensive income for the period	219,336	103,741	219,336	103,741
Profit for the period attributable to:				
Owners of the Company	220,138	107,266	220,138	107,266
Non-controlling interests	(242)	265	(242)	265
	219,896	107,531	219,896	107,531
Total comprehensive income for the period attributable to:				
Owners of the Company	220,212	105,007	220,212	105,007
Non-controlling interests	(876)	(1,266)	(876)	(1,266)
	219,336	103,741	219,336	103,741
Income from Islamic operations (per page 2)				
Total net income	346,949	192,927	346,949	192,927
Add: Allowance (written back)/made for impairment losses financing, advances and other loans	(6,867)	36,784	(6,867)	36,784
Add: Allowance for losses on other receivables	395	59	395	59
	340,477	229,770	340,477	229,770

A24c. FINANCING, ADVANCES AND OTHER LOANS**(i) By type**

	The Group	
	31 Mar 2011	31 Dec 2010
At amortised cost	RM'000	RM'000
Cash line	306,410	322,529
Term financing	23,622,288	22,509,813
Bills receivable	1,670	2,235
Trust receipts	30,060	59,091
Claims on customers under acceptance credits	259,796	191,657
Revolving credits	446,482	407,330
Credit card receivables	94,714	90,472
Share margin financing	113,406	92,962
Other financing	18,607	17,796
Gross financing, advances and other loans	24,893,433	23,693,885
Fair value changes arising from fair value hedge	(9,127)	17,997
	24,884,306	23,711,882
Less: Allowance for impairment losses		
- Individual impairment allowance	(93,731)	(97,021)
- Portfolio impairment allowance	(240,604)	(246,352)
	(334,335)	(343,373)
Net financing, advances and other loans	24,549,971	23,368,509

(a) During the financial year, the Group has undertaken fair value hedges on RM3,800 million (31 December 2010: RM4,400 million) financing using profit rate swaps.

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Gross financing hedged	3,800,000	4,400,000
Fair value changes arising from fair value hedges	(9,127)	17,997
	3,790,873	4,417,997

The fair value loss on profit rate swaps as at 31 March 2011 were RM51.4 million (31 December 2010: RM49.0 million).

(ii) By geographical distribution

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Malaysia	23,893,066	22,739,752
Indonesia	666,111	614,211
Other countries	334,256	339,922
Gross financing, advances and other loans	24,893,433	23,693,885

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

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Malaysia	350,282	335,879
Indonesia	8,098	6,294
Gross impaired financing, advances and other loans	358,380	342,173

A24c. FINANCING, ADVANCES AND OTHER LOANS (Continued)**(iv) Movements in impaired financing, advances and other loans:**

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
At 1 January	342,173	506,348
Classified as impaired during the period/year	108,282	345,743
Reclassified as not impaired during the period/year	(32,380)	(174,234)
Amount recovered	(18,240)	(121,239)
Amount written off	(16,442)	(87,164)
Sale of impaired loans	-	(105,739)
Exchange fluctuation	(25,013)	(21,542)
Balance as at 31 March / 31 December	358,380	342,173
Ratio of gross impaired financing, advances and other loans to gross financing, advances and other loans	1.44%	1.44%

(v) Movements in the allowance for impaired financing:

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Individual impairment allowance		
At 1 January	97,021	272,235
Net allowance made during the period/year	(788)	(93,419)
Amount written off	(3,471)	(77,163)
Amount transferred from portfolio impairment allowance	1,413	2,899
Unwinding income	(501)	(2,622)
Exchange fluctuation	57	(4,909)
At 31 March / 31 December	93,731	97,021
Portfolio impairment allowance		
At 1 January	246,352	264,540
Allowance made during the period/year	9,731	168,430
Amount transferred to individual impairment allowance	(1,413)	(2,899)
Amount written off	(14,476)	(61,605)
Allowance transferred to conventional operations	-	(119,980)
Unwinding income	320	(1,838)
Exchange fluctuation	90	(296)
At 31 March / 31 December	240,604	246,352
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	2.17%	2.16%

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

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Non-Mudharabah		
Demand deposits	2,733,575	3,055,079
Savings deposits	948,627	821,968
General investment deposits	273,223	634,517
Commodity Murabahah-i	452,008	69,379
Fixed return investment account	3,914,409	5,127,333
Negotiable instruments of deposit	1,083,615	1,033,019
Variable rate deposits	364,050	378,330
Equity Linked Sukuk	213,601	219,600
Others	28,027	25,192
	10,011,135	11,364,417
Mudharabah		
Demand deposits	2,059,490	1,497,380
Savings deposits	375,842	328,971
General investment deposits	1,594,372	1,806,223
Special general investment deposits	7,825,903	7,574,239
Specific investment deposits	2,461,803	2,352,764
	14,317,410	13,559,577
	24,328,545	24,923,994

A25. 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 RM000	Effects of adopting Amendments to FRS 2 RM000	As Restated RM000
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 RM000	Effects of adopting Amendments to FRS 2 RM000	As Restated RM000
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") today reported a 9.4% year-on-year ("Y-o-Y") growth in 1Q11 net profit of RM917 million, equivalent to net earnings per share ("EPS") of 12.3 sen. The annualised 1Q11 net return on equity ("ROE") was 15.7%. Compared to 4Q10, the Group's net profit was 4.4% higher.

The Group had a good start to 2011 on the back of a strong showing by its Malaysian consumer banking operations and continued high growth at CIMB Niaga.

CIMB Group Y-o-Y Results

Although CIMB Group's 1Q11 revenues decreased by 1.3% Y-o-Y to RM2.75 billion due to lower non-interest income, the Group's profit before tax ("PBT") was 9.2% higher at RM1.23 billion as credit losses dropped sharply.

The Group's Malaysian consumer bank PBT increased by 83.4% Y-o-Y to RM343 million as a 12.6% improvement in revenues was accompanied by a write-back in provisions. PBT at Corporate & Investment Banking ("CIB") rose 13.6% Y-o-Y to RM243 million, while Treasury & Investments declined 13.1% Y-o-Y to RM253 million.

CIMB Niaga's PBT was up 39.2% to IDR980 billion but its contribution to the Group fell 20.6% Y-o-Y to RM336 million due to the absence of gains arising from the sale of available for sale ("AFS") bonds which occurred in 1Q10. Meanwhile, CIMB Thai's PBT contribution (after GAAP and FRS139 adjustments) surged to RM37 million from RM6 million in 1Q10. Asset Management and Insurance PBT rose 162.5% Y-o-Y to RM21 million due to the non-recurrence of provisions for doubtful debts made at CIMB Aviva in 1Q10.

The Malaysian Consumer Bank and CIMB Niaga were jointly the largest contributors to Group PBT at 27% compared to 17% and 37% respectively in 1Q10. Treasury and Investments fell to 21% from 25% previously. Contribution from CIB increased to 20% from 19% previously. Group Asset Management ("GAM") and Insurance rose to 2% from 1% last year, while CIMB Thai's contribution is now 3% compared to 1% in 1Q10.

Total non-Malaysian PBT declined to 37% in 1Q11 from 46% in 1Q10 due to absence of the AFS bond gains at CIMB Niaga.

The Group's total gross loans expanded 13.8% Y-o-Y, underpinned by the Malaysian consumer loans which grew 14.6% as well as a strong 27.5% expansion (in RM terms) in CIMB Niaga's gross loans. Mortgages, credit cards and the Group's micro credit lending grew by 18.5%, 23.0% and 47.6% respectively Y-o-Y. Hire purchase loans kept up a positive momentum with an 8.7% Y-o-Y growth although commercial banking loans continued to decline 2.3% Y-o-Y. Corporate loans were 2.6% higher Y-o-Y. The Group's overall net interest margins eased to 3.08% from 3.33% last year.

Total Group deposits grew by 12.8% Y-o-Y underpinned by a 24.8% surge from CIMB Niaga as it continued to focus on deposit accumulation. CIMB Bank's retail deposits were equally strong, growing 18.7% Y-o-Y as the Malaysian and Singapore current and savings account balances picked up pace. CIMB Thai's deposits grew by 4.3%.

The total loan impairment for the Group stood at RM6 million in 1Q11. This was a significant 96.0% Y-o-Y decline versus the loan impairment of RM150 million in 1Q10. As such, the Group's total annualised credit charge was 0.01%, lower than the 0.40% full year target. The Group's gross impairment ratio continued to improve to 5.9% for 1Q11 from 6.1% as at end-2010 and 7.5% as at 1Q10, with an impairment allowance coverage of 80.6%. The Group's cost to income ratio rose to 56.2% compared to 54.1% in 1Q10.

CIMB Bank's risk weighted capital ratio stood at 14.7% while its Core Tier 1 capital ratio was 13.8% as at 31 March 2011 (assuming inclusion of 1Q11 net profits). CIMB Group's double leverage and gearing stood at 118.0% and 21.2% respectively as at end-March 2011.

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

CIMB Group Q-on-Q Results

The Group's 1Q11 revenues of RM2.75 billion was 13.2% lower versus 4Q10, but net profits were 4.4% higher Q-o-Q at RM917 million.

The Group's Malaysian Consumer Banking division PBT jumped 145.0% Q-o-Q due to the combination of stronger operations and better recoveries in 1Q11 and the higher provisions and overhead expenses in 4Q10. CIB was 36.8% lower in view of the strong deal flow in 4Q10 but Treasury and Investments was 15.5% higher. CIMB Niaga's PBT contribution declined 14.7% Q-o-Q to RM336 million. GAM and Insurance PBT was 16.0% lower at RM21 million. CIMB Thai's PBT contribution (after GAAP adjustments) was a profit of RM37 million compared to a RM14 million loss in 4Q10.

CIMB Niaga Results

On 26 April 2011, CIMB Niaga reported a 1Q11 net profit of IDR728 billion, a 38.9% Y-o-Y growth with a 1Q11 net ROE of 19.3%. The stronger performance was attributed to the strong loans and deposits growth and lower provisions. On a sequential basis, the net profit was 3.4% lower primarily due to the lower Net Interest Margin ("NIM") and higher overhead expenses.

CIMB Niaga's gross loans grew 31.4% Y-o-Y in 1Q11 driven by strong performances from all major retail and corporate segments. The Gross NPL of 2.9% as at end-March 2011 was an improvement from the 3.1% at the previous corresponding period. CIMB Niaga's loan loss coverage (based on BI definition) stood at 107.4% as at end-1Q11 compared to 116.0% as at end-1Q10.

CIMB Niaga's Tier 1 capital and risk weighted capital ratios stood at 11.0% and 14.4% respectively as at 31 March 2011.

CIMB Thai Results

On 19 April 2011, CIMB Thai announced a 1Q11 net profit of THB282 million, a 19.0% decline from the THB348 million profit in 1Q10. Excluding the THB290 million one-off gain arising from the sale of the Sathorn building in 1Q10, CIMB Thai's 1Q11 net profit would have grown 386.2% Y-o-Y. Additional provisions lifted its loan loss coverage ratio from 91.4% at end-December 2010 to 98.4% currently. For the 3-month period, CIMB Thai chalked revenue of THB1.590 billion, a 4.8% Y-o-Y decline.

As at 31 March 2011, CIMB Thai's Tier 1 capital and risk weighted capital ratios (based on Basel II framework) were at 8.5% and 14.0% respectively. Following various recovery efforts and the sale of Sathorn Asset Management Co. Ltd. to CIMB Group, CIMB Thai's net NPL ratio has dropped to 1.9% from 6.0% as at the previous corresponding period.

CIMB Islamic

CIMB Islamic's Y-o-Y PBT jumped 81.6% to RM146 million as Shariah-compliant banking products continue to gain ground. CIMB Islamic's gross financing assets grew 33.3% Y-o-Y, accounting for 13.9% of total Group loans. Total deposits grew by 27.3% Y-o-Y to RM22.4 billion.

Thailand Dual Listing

CIMB Group announced its decision to postpone the proposed listing on the Stock Exchange of Thailand ("SET") until further notice.

CIMB Group had in November 2009 announced its intention to pursue a dual listing of its shares on SET when the Securities and Exchange Commission of Thailand ("SEC") and SET approved their new guidelines for foreign listings in October 2009, which took effect from 1 December 2009.

However due to the uncertain timeline with respect to the full resolution of various key regulatory issues to facilitate the proposed listing on SET, which includes the tax treatment to investors of foreign companies on the SET, CIMB Group has decided to retract its application for a further extension of time of six months up to 6 October 2011 from the Securities Commission ("SC").

CIMB Group will continue to work closely with the relevant authorities on the issues, and will revisit the proposed listing once the outstanding issues have been resolved.

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.

(b) 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 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.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Group has set itself a 17% ROE target for the full year and this is a good start as it was driven by the Group's consumer bank operations across the region and the investment banking pipeline for the rest of the year is good.

B4. TAXATION

	The Group			
	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	318,204	196,394	318,204	196,394
Deferred tax expense	(16,041)	22,550	(16,041)	22,550
Over-accrual in prior years	(2,846)	(2,494)	(2,846)	(2,494)
	299,317	216,450	299,317	216,450
Reconciliation				
Profit before taxation and zakat	1,232,571	1,128,749	1,232,571	1,128,749
Tax at statutory income tax rate of 25% (2010: 25%)	308,143	282,187	308,143	282,187
Effect of different tax rates in other countries and change in tax rates	9,566	11,838	9,566	11,838
Due to income not subject to income tax and expenses not deductible for tax purposes	(15,546)	(75,081)	(15,546)	(75,081)
Over-accrual in prior years	(2,846)	(2,494)	(2,846)	(2,494)
	299,317	216,450	299,317	216,450

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	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Total retained earnings of the Group and subsidiaries		
- Realised	6,032,677	5,690,235
- Unrealised	(85,576)	371,480
	5,947,101	6,061,715
Total share of retained earnings from associates		
- Realised	66,404	50,400
- Unrealised	6,852	786
Total share of retained earnings from jointly controlled entities		
- Realised	22,177	13,306
- Unrealised	1,545	310
	6,044,079	6,126,517
Consolidation adjustments	1,029,461	1,029,733
Total group retained earnings as per consolidated financial statements	7,073,540	7,156,250

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 31 March 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

	The Group	
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Bonds and notes*		
Unsecured		
More than one year (medium/long term)	434,996	423,982
	434,996	423,982
* Included in bonds and notes for the current period is USD denominated bonds equivalent to USD140,000,000		
Other borrowings**		
Unsecured		
One year or less (short term)	1,041,706	1,501,215
More than one year (medium/long term)	2,951,328	1,983,452
	3,993,034	3,484,667
** Included in other borrowings for the current period is USD denominated syndicated term loans of USD400,000,000		
Subordinated Notes***		
Unsecured		
More than one year (medium/long term)	9,795,950	9,675,340
	9,795,950	9,675,340

*** 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			
	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period/year after non-controlling interests	916,511	838,083	916,511	838,083
Weighted average number of ordinary shares in issue				
- proforma ('000) *	7,432,772	7,063,530	7,432,772	7,063,530
Basic earnings per share (expressed in sen per share)	12.3	11.9	12.3	11.9

b) Diluted EPS

Net profit for the financial period/year after non-controlling interests	916,511	838,083	916,511	838,083
Income from investment of proceeds from exercise of warrants in money market instruments during the period	-	645	-	645
Net profit used to determine diluted EPS	916,511	838,728	916,511	838,728
Weighted average number of ordinary shares in issue ('000) *	7,432,772	7,063,530	7,432,772	7,063,530
Adjustments for:				
- Warrants	-	24,903	-	24,903
Weighted average number of ordinary shares for diluted EPS *	7,432,772	7,088,433	7,432,772	7,088,433
Diluted EPS (expressed in sen per share)	N/A **	11.8	N/A **	11.8

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

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