

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	Notes	The Group		The Bank	
		30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
ASSETS					
Cash and short term funds		1,703,088	2,173,609	1,579,056	2,074,296
Reverse repurchase agreements		259,671	300,067	259,671	300,067
Deposits and placements with banks and other financial institutions		386,962	689,196	385,697	687,992
Financial assets held for trading	A5	75,768	82,127	75,768	82,127
Financial investments at fair value through profit or loss	A6	72,115	-	-	-
Financial investments available-for-sale	A7	8,413	8,979	5,711	6,331
Derivative financial instruments	A18(i)	46,724	42,089	46,724	42,089
Loans, advances and financing	A8	42,607	42,710	42,607	42,710
Other assets	A9	1,266,674	806,243	1,265,480	805,114
Tax recoverable		2	1	-	-
Deferred tax assets		49,158	44,329	49,099	44,270
Statutory deposits with Bank Negara Malaysia		1,653	280	1,653	280
Investment in subsidiaries		-	-	9,050	9,050
Investment in associates		4,967	5,280	-	-
Amount due from subsidiaries		-	-	2	2
Amount due from related companies		6,408	6,564	6,408	6,564
Amount due from ultimate holding company		3	60	3	60
Property, plant and equipment		106,834	92,977	108,011	94,116
Goodwill		963	964	-	-
TOTAL ASSETS		4,032,010	4,295,475	3,834,940	4,195,068
LIABILITIES					
Deposits from customers	A10	841,401	1,207,639	841,401	1,207,639
Deposits and placements of banks and other financial institutions	A11	983,799	1,494,000	983,799	1,494,000
Derivative financial instruments	A18(i)	78,962	61,710	78,962	61,710
Other liabilities	A12	1,596,823	1,026,891	1,415,599	940,985
Provision for taxation and zakat		23,567	46,408	23,351	46,348
Amount due to related companies		7,943	12,105	7,849	12,105
Amount due to subsidiaries		-	-	3,185	3,185
TOTAL LIABILITIES		3,532,495	3,848,753	3,354,146	3,765,972
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK					
Share capital		100,000	100,000	100,000	100,000
Reserves		399,505	346,712	380,784	329,086
Redeemable preference shares		10	10	10	10
TOTAL EQUITY		499,515	446,722	480,794	429,096
TOTAL EQUITY AND LIABILITIES		4,032,010	4,295,475	3,834,940	4,195,068
Commitment and contingencies					
Principal	A18(ii)	1,443,192	2,286,857	1,443,192	2,286,857
NET ASSETS PER SHARE (RM)		5.0	4.5	4.8	4.3

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

	Notes	The Group				The Bank			
		3rd quarter ended		Nine months ended		3rd quarter ended		Nine months ended	
		30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Interest income	A13	11,354	13,356	39,012	39,351	11,061	13,139	38,202	38,721
Interest expense	A14	(10,553)	(13,369)	(37,522)	(37,114)	(10,553)	(13,369)	(37,522)	(37,114)
Net interest income		801	(13)	1,490	2,237	508	(230)	680	1,607
Income from Islamic Banking operations	A21b	4,051	1,942	2,047	8,542	4,051	1,942	2,047	8,542
Non-interest income	A15	88,051	63,676	314,091	225,377	87,142	63,067	311,335	220,405
Total income		92,903	65,605	317,628	236,156	91,701	64,779	314,062	230,554
Write back on losses from investment management and securities services		30,000	-	30,000	-	30,000	-	30,000	-
Overheads	A16	(71,697)	(60,210)	(222,771)	(196,391)	(70,879)	(59,606)	(220,408)	(194,560)
Profit before allowances		51,206	5,395	124,857	39,765	50,822	5,173	123,654	35,994
(Allowance for) / write back of impairment losses on loans and advances	A17	(73)	(11)	(17)	65	(73)	(11)	(17)	65
(Allowance for) / write back of other receivables (net)		(1,296)	1,475	(4,738)	562	(1,309)	1,475	(4,792)	421
		49,837	6,859	120,102	40,392	49,440	6,637	118,845	36,480
Share of results of associates		35	280	148	643	-	-	-	-
Profit before taxation		49,872	7,139	120,250	41,035	49,440	6,637	118,845	36,480
Taxation		(15,439)	(4,377)	(35,563)	(14,471)	(15,339)	(4,322)	(35,253)	(13,635)
Profit for the period		34,433	2,762	84,687	26,564	34,101	2,315	83,592	22,845
Profit for the period attributable to : Owners of the Group/Bank		34,433	2,762	84,687	26,564	34,101	2,315	83,592	22,845
Earnings per share (sen) -Basic	B4	34.4	2.8	84.7	26.6	34.1	2.3	83.6	22.8

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

	The Group				The Bank			
	3rd quarter ended		Nine months ended		3rd quarter ended		Nine months ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the period	34,433	2,762	84,687	26,564	34,101	2,315	83,592	22,845
Other Comprehensive Income:								
Revaluation reserves on financial investments available-for-sale	(465)	-	(465)	-	(465)	-	(465)	-
- Net loss from change in fair value	(620)	-	(620)	-	(620)	-	(620)	-
- Income tax effects	155	-	155	-	155	-	155	-
Total comprehensive income for the period	33,968	2,762	84,687	26,564	34,101	2,315	83,592	22,845
Total comprehensive income attributable to:								
Owners of the Group/Bank	33,968	2,762	84,687	26,564	34,101	2,315	83,592	22,845

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

The Group 30 September 2011	← Attributable to the equity holders of the Bank →						Total RM'000
	Share capital RM'000	Statutory reserve RM'000	Share-based payments reserve RM'000	Revaluation reserves on financial investments available-for-sale RM'000	Retained profits RM'000	Redeemable preference shares RM'000	
At 1 January 2011	100,000	155,805	-	-	190,907	10	446,722
- Effect of adopting Amendments to FRS 2	-	-	39,900	-	(39,900)	-	-
As restated	100,000	155,805	39,900	-	151,007	10	446,722
Profit for the period	-	-	-	-	84,687	-	84,687
Other comprehensive income (net of tax)	-	-	-	(465)	-	-	(465)
- financial investments available-for-sales	-	-	-	(465)	-	-	(465)
Total comprehensive income for the period	-	-	-	(465)	84,687	-	84,222
Share-based payments expense	-	-	22,071	-	-	-	22,071
Dividend paid in respect of the financial year ended 31 December 2010	-	-	-	-	(53,500)	-	(53,500)
Balance as at 30 September 2011	100,000	155,805	61,971	(465)	182,194	10	499,515

The Group 30 September 2010	← Attributable to the equity holders of the Bank →						Total RM'000
	Share capital RM'000	Statutory reserve RM'000	Share-based payments reserve RM'000	Revaluation reserves on financial investments available-for-sale RM'000	Retained profits RM'000	Redeemable preference shares RM'000	
At 1 January 2010	100,000	155,805	-	-	160,697	10	416,512
- Effect of adopting Amendments to FRS 2	-	-	18,588	-	(18,588)	-	-
As restated	100,000	155,805	18,588	-	142,109	10	416,512
Profit for the period	-	-	-	-	26,564	-	26,564
Total comprehensive income for the period	-	-	-	-	26,564	-	26,564
Dividend paid in respect of the financial year ended 31 December 2009	-	-	-	-	(52,300)	-	(52,300)
Balance as at 30 September 2010	100,000	155,805	18,588	-	116,373	10	390,776

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

The Bank 30 September 2011	← Non-Distributable →				← Distributable →				
	Share capital RM'000	Statutory reserve RM'000	Merger reserve RM'000	Revaluation reserves on financial investments available-for-sale RM'000	Share-based payments reserve RM'000	Capital reserve RM'000	Retained profits RM'000	Preference shares RM'000	Total RM'000
At 1 January 2011	100,000	155,805	(272,007)	-	-	271,377	173,911	10	429,096
Effect of adopting FRS 2	-	-	-	-	39,900	-	(39,900)	-	-
As restated	100,000	155,805	(272,007)	-	39,900	271,377	134,011	10	429,096
Profit for the period	-	-	-	-	-	-	83,592	-	83,592
Other comprehensive income (net of tax)	-	-	-	(465)	-	-	-	-	(465)
- financial investments available-for-sales	-	-	-	(465)	-	-	-	-	(465)
Total comprehensive income for the period	-	-	-	(465)	-	-	83,592	-	83,127
Share-based payments expense	-	-	-	-	22,071	-	-	-	22,071
Dividend paid in respect of the financial year ended 31 December 2010	-	-	-	-	-	-	(53,500)	-	(53,500)
Balance as at 30 September 2011	100,000	155,805	(272,007)	(465)	61,971	271,377	164,103	10	480,794

The Bank 30 September 2010	← Non-Distributable →				← Distributable →				
	Share capital RM'000	Statutory reserve RM'000	Merger reserve RM'000	Revaluation reserves on financial investments available-for-sale RM'000	Share-based payments reserve RM'000	Capital reserve RM'000	Retained profits RM'000	Preference shares RM'000	Total RM'000
At 1 January 2010	100,000	155,805	(272,007)	-	-	271,377	146,289	10	401,474
Effect of adopting FRS 2	-	-	-	-	18,588	-	(18,588)	-	-
As restated	100,000	155,805	(272,007)	-	18,588	271,377	127,701	10	401,474
Profit for the period	-	-	-	-	-	-	22,845	-	22,845
Total comprehensive income for the period	-	-	-	-	-	-	22,845	-	22,845
Dividend paid in respect of the financial year ended 31 December 2009	-	-	-	-	-	-	(52,300)	-	(52,300)
Balance as at 30 September 2010	100,000	155,805	(272,007)	-	18,588	271,377	98,246	10	372,019

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	The Group		The Bank	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Profit before taxation	120,250	41,035	118,845	36,480
Adjustments for non-operating and non-cash items	35,045	(23,145)	40,770	(19,691)
Cash flow from operating profit before changes in working capital	155,295	17,890	159,615	16,789
Net changes in operating assets	(122,658)	983,584	(122,580)	983,722
Net changes in operating liabilities	(724,995)	(2,528,631)	(748,292)	(2,525,417)
Cash used in operating activities	(692,358)	(1,527,157)	(711,257)	(1,524,906)
Taxation paid	(66,168)	(43,556)	(66,016)	(43,556)
Net cash used in operating activities	(758,526)	(1,570,713)	(777,273)	(1,568,462)
Net cash used in investing activities	(32,851)	(34,381)	(33,172)	(37,369)
Net cash generated from financing activities	(31,428)	(52,300)	(31,428)	(52,300)
	(64,279)	(86,681)	(64,600)	(89,669)
Net decrease in cash and cash equivalents during the financial period	(822,805)	(1,657,394)	(841,873)	(1,658,131)
Cash and cash equivalents at beginning of the financial period	2,173,609	3,989,771	2,074,296	3,919,473
Effects of exchange rate changes	12,491	(7,512)	6,840	(7,512)
Cash and cash equivalents at end of the period	1,363,295	2,324,865	1,239,263	2,253,830
Cash and cash equivalents comprise the following:				
Cash and short term funds	1,703,088	2,606,175	1,579,056	2,535,140
Adjustment for monies held in trust:				
Clients' trust and dealers' representatives' balances	(313,445)	(261,390)	(313,445)	(261,390)
Remisiers' balances	(26,348)	(19,920)	(26,348)	(19,920)
Cash and cash equivalents at end of the period	1,363,295	2,324,865	1,239,263	2,253,830

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

EXPLANATORY NOTES

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 30 September 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 and derivative financial instruments that have been measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements. These financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 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 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 7 "Improving Disclosures about Financial Instruments"
- FRS 127 "Consolidated and Separate Financial Statements"
- Amendments to FRS 132 "Financial instruments: Presentation"
- Amendments to IC Interpretation 9 "Reassessment of Embedded Derivatives"
- 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 and the Bank 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 acquirer'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 amendment 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 CIMB Group Holdings Berhad grants entitlements to the employees of the Group. Prior to the adoption of the amendment 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 amendment 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 amendment to FRS 2. The impact of the change in accounting policy to the prior period presented is disclosed in Note A22.

The Amendment 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 and the Bank.

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 Bank:

- FRS 124 "Related Party Transactions"
- Amendments to IC Interpretation 14 "Prepayments of a Minimum Funding Requirement" (effective 1 July 2011)
- IC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective 1 July 2011)

EXPLANATORY NOTES (Continued)

A1. Basis of preparation (continued)

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

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

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

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. Dividends paid and proposed

A final dividend comprising tax exempt dividend of 43.62 sen per ordinary share, amounting to RM43,621,245 and single tier dividend of 9.88sen per ordinary share, amounting to RM9,878,755 in respect of financial year ended 31 December 2010 was paid on 14 April 2011.

No dividend have been proposed during the financial period ended 30 September 2011.

A4. Significant events after balance sheet date

There were no significant events that had occurred between 30 September 2011 and the date of this announcement.

A5. Financial assets held for trading

	The Group and The Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
<u>At fair value</u>		
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	390	3,691
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Private debt securities	75,378	78,436
Total financial assets held for trading	<u>75,768</u>	<u>82,127</u>

A6. Financial investments at fair value through profit or loss

	The Group		The Bank	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
<u>At fair value</u>				
<u>Quoted securities</u>				
<i>In Malaysia</i>				
Shares	72,115	-	-	-
Total financial investments at fair value through profit or loss	<u>72,115</u>	<u>-</u>	<u>-</u>	<u>-</u>

EXPLANATORY NOTES (Continued)

A7. Financial investments available-for-sale

	The Group		The Bank	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
At fair value				
Unquoted securities				
In Malaysia				
Shares	2,200	2,200	-	-
Outside Malaysia				
Shares	6,213	6,779	5,711	6,331
Total financial investments available-for-sale	8,413	8,979	5,711	6,331

A8. Loans, advances and financing

	The Group and The Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
(i) By type		
Staff loans *	43,255	43,359
Other loans	831	823
Gross loans, advances and financing	44,086	44,182
Allowance for impairment losses:		
- Individual impairment allowance	(831)	(822)
- Portfolio impairment allowance	(648)	(650)
Total net loans, advances and financing	42,607	42,710

* Included in staff loans of the Group and the Bank are loans to Directors amounting to RM213,533 (2010: RM235,667).

(ii) By type of customers

Individuals	44,086	44,182
-------------	---------------	---------------

(iii) By interest/profit rate sensitivity

Fixed rate		
- Other fixed rate loan/financing	44,086	44,182

(iv) By economic purposes

Personal use	221	220
Purchase of residential landed property	31,357	32,161
Purchase of securities	1	1
Purchase of transport vehicles	12,507	11,800
Gross loans, advances and financing	44,086	44,182

(v) By geographical distribution

Malaysia	44,086	44,182
----------	---------------	---------------

(vi) By residual contractual maturity

Within one year	444	238
One year to less than three years	2,370	2,163
Three years to less than five years	4,928	4,966
Five years and more	36,344	36,815
	44,086	44,182

EXPLANATORY NOTES (Continued)

A8. Loans, advances and financing (continued)	The Group and The Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
(vii) Impaired loans by economic purpose		
Purchase of residential landed property	612	690
Purchase of transport vehicles	219	132
Gross impaired loans	831	822
(viii) Impaired loans by geographical distribution		
Malaysia	831	822
(ix) Movement in the impaired loans, advances and financing:		
At 1 January	822	877
Impaired during the period/year	133	214
Amount written back in respect of recoveries	(114)	(269)
Amount written off	(10)	-
At 30 September/31 December	831	822
Gross impaired loans as a percentage of gross loans, advances and financing	1.9%	1.9%

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

Individual impairment allowance

At 1 January	822	877
Allowance made during the year	133	214
Amounts written back during the year	(114)	(269)
Amounts written off during the year	(10)	-
At 30 September/31 December	831	822

Portfolio impairment allowance

At 1 January	650	679
Amounts written back during the year	(2)	(29)
At 30 September/31 December	648	650

Portfolio impairment allowance as % of gross loans, advances and financing less individual impairment allowance	1.5%	1.5%
---	-------------	-------------

A9. Other assets	The Group		The Bank	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
Due from brokers and clients, net of allowance for impairment loss	951,166	533,925	951,108	533,880
Other debtors, deposits and prepayments, net of allowance for doubtful debts	126,705	51,915	125,569	50,831
Collateral pledged for derivative transactions	188,803	220,403	188,803	220,403
	1,266,674	806,243	1,265,480	805,114

A10. Deposits from customers	The Group and The Bank	
	30 September 2011	31 Dec 2010
	RM'000	RM'000
Fixed deposits	188,001	640,634
Negotiable instruments of deposit	83,487	378,840
Others	569,913	188,165
	841,401	1,207,639

EXPLANATORY NOTES (Continued)

	The Group and The Bank	
	30 September	31 December
	2011	2010
	RM'000	RM'000
A10. Deposits from customers (continued)		
(i) <u>The maturity structure of fixed deposits and negotiable instruments of deposit</u>		
Due within six months	-	707,307
One year to less than three years	163,710	197,045
More than five years	107,778	115,122
	271,488	1,019,474
(ii) <u>By type of customers</u>		
Local government and statutory authorities	54,650	69,400
Business enterprises	586,763	729,876
Individuals	196,237	404,362
Others	3,751	4,001
	841,401	1,207,639
A11. Deposits and placements of banks and other financial institutions		
Licensed banks	887,475	1,147,692
Other financial institutions	96,324	346,308
	983,799	1,494,000

	The Group		The Bank	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
A12. Other liabilities				
Due to brokers and clients	1,336,581	845,346	1,229,248	761,186
Others	260,242	181,545	186,351	179,799
	1,596,823	1,026,891	1,415,599	940,985

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
A13. Interest income				
Group				
Loans, advances and financing				
- interest income other than recoveries	408	409	1,194	1,180
- recoveries from impaired loans	(3)	-	(1)	-
Money at call and deposits placements with banks and other financial institutions	6,361	9,556	26,020	27,791
Reverse repurchase agreements	1,687	1,723	4,775	4,301
Financial assets held for trading	1,550	1,116	3,844	3,450
Others	252	16	796	786
	10,255	12,820	36,628	37,508
Accretion of discount less amortisation of premium	1,099	536	2,384	1,843
	11,354	13,356	39,012	39,351
Bank				
Loans, advances and financing				
- interest income other than recoveries	408	409	1,194	1,180
- recoveries from impaired loans	(3)	-	(1)	-
Money at call and deposits placements with banks and other financial institutions	6,068	9,338	25,210	27,161
Reverse repurchase agreements	1,687	1,723	4,775	4,301
Financial assets held for trading	1,550	1,116	3,844	3,450
Others	252	17	796	786
	9,962	12,603	35,818	36,878
Accretion of discount less amortisation of premium	1,099	536	2,384	1,843
	11,061	13,139	38,202	38,721

A14. Interest expense				
Group				
Deposits and placements of banks and other financial institutions	3,754	6,412	12,916	20,415
Deposits from customers	6,799	6,957	24,606	16,699
	10,553	13,369	37,522	37,114
Bank				
Deposits and placements of banks and other financial institutions	3,754	6,412	12,916	20,415
Deposits from customers	6,799	6,957	24,606	16,699
	10,553	13,369	37,522	37,114

EXPLANATORY NOTES (Continued)

A15. Non interest income

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Group				
a) Fee income:				
Fee on loans ,advances and financing	-	7,148	-	14,202
Portfolio management fees	2,647	2,208	7,034	8,832
Advisory and arrangement fees	26,142	7,490	112,108	31,769
Underwriting commissions	1,930	1,318	5,498	11,067
Placement fees	12,914	5,799	47,425	30,857
Other fee income	132	1,744	6,517	8,601
	43,765	25,707	178,582	105,328
b) Net trading income:				
(Loss) / gain arising from trading in financial assets held for trading	(4,433)	3,970	(4,489)	6,447
- realised gain	39	1,597	1,382	1,788
- unrealised (loss)/gain	(4,472)	2,373	(5,871)	4,659
(Loss)/gain arising from trading in derivative financial instruments	620	2,945	(1,281)	3,043
- realised gain	236	2,912	866	3,002
- unrealised (loss)/ gain	384	33	(2,147)	41
	(3,813)	6,915	(5,770)	9,490
c) Dividend income from:				
Financial assets held for trading	1	-	21	2
	1	-	21	2
d) Other income:				
Foreign exchange (loss)/gain	(972)	(2,156)	(1,261)	(7,573)
Gain on disposal of property, plant and equipment	205	169	1,836	1,037
Income from asset management and securities services	4,376	6,188	13,094	18,433
Brokerage income	43,502	31,627	125,542	101,578
Other non-operating income	987	(4,774)	2,047	(2,918)
	48,098	31,054	141,258	110,557
Total non interest income	88,051	63,676	314,091	225,377

Bank

a) Fee income:				
Fee on loans, advances and financing	-	7,148	-	14,202
Portfolio management fees	2,647	2,208	7,034	8,832
Advisory and arrangement fees	26,143	7,490	112,109	31,769
Underwriting commissions	1,930	1,318	5,498	11,067
Placement fees	12,914	5,799	47,425	30,857
Other fee income	131	1,744	6,516	8,601
	43,765	25,707	178,582	105,328
b) Net trading income:				
(Loss) / gain arising from trading in financial assets held for trading	(4,433)	3,970	(4,489)	6,447
- realised gain	39	1,597	1,382	1,788
- unrealised (loss)/gain	(4,472)	2,373	(5,871)	4,659
(Loss)/gain arising from trading in derivative financial instruments	620	2,945	(1,281)	3,043
- realised gain	236	2,912	866	3,002
- unrealised (loss)/ gain	384	33	(2,147)	41
	(3,813)	6,915	(5,770)	9,490
c) Dividend income from:				
Financial assets held for trading	1	-	21	2
Subsidiary	-	-	-	(2,457)
	1	-	21	(2,455)

EXPLANATORY NOTES (Continued)

A15. Non interest income (continued)	3rd quarter ended		Nine months ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000
Bank				
d) Other income:				
Foreign exchange (loss)/gain	(972)	(2,156)	(1,261)	(7,573)
Gain on disposal of property, plant and equipment	205	169	1,836	1,037
Income from asset management and securities services	4,376	6,188	13,094	18,433
Brokerage income	42,593	31,021	122,785	99,691
Other non-operating income	987	(4,777)	2,048	(3,546)
	<u>47,189</u>	<u>30,445</u>	<u>138,502</u>	<u>108,042</u>
Total non interest income	87,142	63,067	311,335	220,405

A16. Overheads

	3rd quarter ended		Nine months ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000
Group				
Personnel costs				
- Salaries, allowances and bonuses	42,423	34,190	129,622	101,282
- EPF	3,942	5,306	11,922	15,199
- Others	(327)	3,214	4,485	10,267
Establishment costs				
- Depreciation of property, plant and equipment	7,715	6,038	20,637	18,792
- Rental	1,314	2,142	5,552	6,582
- Others	593	2,692	8,966	8,694
Marketing expenses				
- Advertisement	2,382	(3,010)	7,574	570
- Others	653	(794)	2,436	77
Administration and general expenses				
- Legal and other professional fees	1,841	1,142	5,555	5,548
- Others	11,161	9,290	26,022	29,380
	<u>71,697</u>	<u>60,210</u>	<u>222,771</u>	<u>196,391</u>
Bank				
Personnel costs				
- Salaries, allowances and bonuses	41,981	33,925	128,444	100,503
- EPF	3,895	5,275	11,806	15,105
- Others	(347)	3,195	4,417	10,202
Establishment costs				
- Depreciation of property, plant and equipment	7,697	6,016	20,508	18,725
- Rental	1,130	1,937	4,986	5,941
- Others	591	2,690	8,954	8,667
Marketing expenses				
- Advertisement	2,371	(3,010)	7,559	570
- Others	648	(798)	2,415	65
Administration and general expenses				
- Legal and other professional fees	1,834	1,135	5,528	5,537
- Others	11,079	9,241	25,791	29,245
	<u>70,879</u>	<u>59,606</u>	<u>220,408</u>	<u>194,560</u>

A17. (Allowance for)/ write back of impairment losses on loans, advances and financing

The Group and The Bank	3rd quarter ended		Nine months ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000
Individual impairment allowance				
- (made)/written back during the period	(67)	(4)	(19)	59
	<u>(67)</u>	<u>(4)</u>	<u>(19)</u>	<u>59</u>
Portfolio impairment allowance				
- (made)/written back during the period	(6)	(7)	2	6
	<u>(6)</u>	<u>(7)</u>	<u>(17)</u>	<u>65</u>

EXPLANATORY NOTES (Continued)

A18. Derivative Financial Instruments and Commitment and Contingencies

i) Derivative Financial Instruments

The following tables summarise the contractual or underlying principal amounts of trading derivative. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the end of 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 and The Bank		
	Principal amount	Fair values	
	RM'000	Assets RM'000	Liabilities RM'000
At 30 September 2011			
Trading derivative			
<u>Interest rate derivatives</u>			
Interest rate swaps			
- 1 year to 3 years	326,960	5,677	-
- More than 3 years	564,000	40,670	(78,583)
	890,960	46,347	(78,583)
<u>Equity derivatives</u>			
Equity options			
- 1 year to 3 years	248,474	-	-
- More than 3 years	303,516	377	(377)
Index futures			
- Less than 1 year	206	-	(2)
	552,196	377	(379)
Total derivative assets/(liabilities)	1,443,156	46,724	(78,962)
At 31 December 2010			
Trading derivative			
<u>Interest rate derivatives</u>			
Interest rate swaps			
- Less than 1 year	181,550	1,637	-
- 1 year to 3 years	196,780	8,299	-
- More than 3 years	439,200	21,822	(51,371)
	817,530	31,758	(51,371)
<u>Equity derivatives</u>			
Equity options			
- Less than 1 year	223,117	-	-
- 1 year to 3 years	302,293	-	-
- More than 3 years	341,943	10,331	(10,331)
Index futures			
- Less than 1 year	1,756	-	(8)
	869,109	10,331	(10,339)
Total derivative assets/(liabilities)	1,686,639	42,089	(61,710)

EXPLANATORY NOTES (Continued)

A18. Derivative Financial Instruments and Commitment 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 and the Bank the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2011, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM46,724,000 (31 December 2010: RM42,089,000). 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:

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

The above information, policies and procedures in respect of derivative financial instruments of the Group and the Bank are discussed in the audited annual financial statements for the financial year ended 31 December 2010 and the Risk Management section of the 2010 in Annual Report of CIMB Group Holdings Berhad

ii) Commitment and Contingencies

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

The commitments and contingencies constitute the following :

	The Group and The Bank	
	30 September 2011	31 December 2010
	Principal amount RM'000	Principal amount RM'000
<u>Credit-related</u>		
Irrevocable commitments to extend credit:		
- Maturity exceeding 1 year	36	218
Forward asset purchase	-	300,000
Miscellaneous commitments and contingencies	-	300,000
Total credit-related commitments and contingencies	36	600,218
Interest rate related Contracts		
- Less than one year	-	181,550
- One year to less than 5 years	326,960	196,780
- Five years and above	564,000	439,200
Equity related contracts		
- Less than one year	206	224,873
- One year to less than 5 years	248,474	302,293
- Five years and above	303,516	341,943
Total treasury-related commitments and contingencies	1,443,156	1,686,639
	1,443,192	2,286,857

EXPLANATORY NOTES (Continued)

A19. Capital Adequacy

30 September 2011

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

	The Group	The Bank
Core capital ratio	22.34%	21.97%
Risk-weighted capital ratio	22.48%	21.97%
	The Group	The Bank
	RM'000	RM'000
Components of Tier I and Tier II capital :		
<u>Tier I capital</u>		
Paid-up capital	100,000	100,000
Retained profits	138,303	130,002
Other reserves	206,422	206,422
	444,725	436,424
Less: Deferred tax assets	(43,230)	(43,171)
Deduction in excess of Tier II Capital	-	(6,568) N1
Total Tier I capital	401,495	386,685
<u>Tier II capital</u>		
Cumulative preference shares	10	10
Portfolio impairment allowance	649	649
Surplus of total eligible provision over total expected loss under the IRB approach, subject to limit	1,823	1,823
Total Tier II capital	2,482	2,482
Less:		
Investments in subsidiaries	(50)	(9,050)
Total eligible Tier II capital	2,432	- N1
Total capital base	403,927	386,685

(b) Breakdown of risk-weighted assets by exposure in each major risk category is as follows:

	The Group	The Bank
	RM'000	RM'000
Credit risk	848,976	819,608
Market risk	154,939	155,004
Operational risk	793,036	785,461
	1,796,951	1,760,073

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

EXPLANATORY NOTES (Continued)

A19. Capital Adequacy (Continued)

31 December 2010

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

	The Group	The Bank
Before deducting proposed dividend		
Core capital ratio	19.76%	19.24%
Risk-weighted capital ratio	19.80%	19.24%
After deducting proposed dividend		
Core capital ratio	17.06%	16.51%
Risk-weighted capital ratio	17.11%	16.51%
	The Group	The Bank
	RM'000	RM'000
Components of Tier I and Tier II capital :		
<u>Tier I capital</u>		
Paid-up capital	100,000	100,000
Retained profits	181,566	173,911
Other reserves	155,175	155,175
	436,741	429,086
Less: Deferred tax assets	(44,329)	(44,270)
Deduction in excess of Tier II Capital	-	(8,181) N1
Total Tier I capital	392,412	376,635
<u>Tier II capital</u>		
Cumulative Preference Shares	10	10
Portfolio impairment allowance/General allowance and allowance for doubtful debts	650	650
Surplus of total eligible provision over total expected loss under the IRB approach, subject to limit	209	209
Total Tier II capital	869	869
Less:		
Investments in subsidiaries	(50)	(9,050)
Total eligible Tier II capital	819	- N1
Total capital base before proposed dividend	393,231	376,635
Proposed dividend	(53,500)	(53,500)
Total capital base after proposed dividend	339,731	323,135

(d) Breakdown of risk-weighted assets by exposure in each major risk category is as follows:

	The Group	The Bank
	RM'000	RM'000
Credit risk	1,028,430	1,008,040
Market risk	192,321	192,289
Operational risk	765,308	757,404
	1,986,059	1,957,733

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

EXPLANATORY NOTES (Continued)

A20. Segment reporting

Definition of segments

For management purposes, the Group is divided into five major business lines - Financial advisory, underwriting and other fees, Debt related, Equity related, Investments and securities services and Others. The business lines are the basis on which the Group reports its primary segment information.

Financial advisory, underwriting and other fees mainly comprise fees derived from structured financial solutions, origination of capital market products including debt and equity, mergers and acquisitions, secondary offerings, asset backed securities, debt restructurings, corporate advisory, Islamic capital market products and project advisory. In addition, this segment also includes underwriting of primary equities and debt products.

Debt related mainly comprises proprietary trading and market making in the secondary market for debt, debt related derivatives and structured products. It also invests in proprietary capital.

Equity related mainly comprises institutional and retail broking business for securities listed on the Exchange. It also includes income from trading and investing in domestic and regional equities market.

Investments and securities services mainly comprise annuity income derived from fund management, agency and securities services.

Support and others mainly comprise all middle and back-office processes and other related services which are non-core operations.

The following table presents an analysis of the Group's results by business segments:

The Group	Financial advisory, underwriting and other fees	Debt related	Equity related	Investments and securities services	Support and others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 September 2011						
External net interest income	-	1,490	-	-	-	1,490
Non interest income	141,219	30,677	125,542	13,244	3,409	314,091
Income from Islamic Banking operations	869	961	-	-	217	2,047
	<u>142,088</u>	<u>33,128</u>	<u>125,542</u>	<u>13,244</u>	<u>3,626</u>	<u>317,628</u>
Write back from investment management and securities services	-	-	-	30,000	-	30,000
Overheads	(30,882)	(93,275)	(71,585)	(17,678)	(9,351)	(222,771)
<i>of which :</i>						
<i>Depreciation of property, plant and equipment</i>	<i>(898)</i>	<i>(4,886)</i>	<i>(3,634)</i>	<i>(1,647)</i>	<i>(9,572)</i>	<i>(20,637)</i>
Profit/(loss) before allowances	<u>111,206</u>	<u>(60,147)</u>	<u>53,957</u>	<u>25,566</u>	<u>(5,725)</u>	<u>124,857</u>
Allowance of impairment losses on loans, advances and financing	-	(17)	-	-	-	(17)
Allowance for losses on other receivables	<u>(4,738)</u>	-	-	-	-	<u>(4,738)</u>
Segment result	<u>106,468</u>	<u>(60,164)</u>	<u>53,957</u>	<u>25,566</u>	<u>(5,725)</u>	<u>120,102</u>
Share of results of associates						<u>148</u>
Profit before taxation						<u>120,250</u>
Taxation						<u>(35,563)</u>
Net profit after taxation						<u><u>84,687</u></u>

EXPLANATORY NOTES (Continued)

A20. Segment reporting (Continued)

The following table presents an analysis of the Group's results by business segments: (continued)

The Group 30 September 2010	Financial advisory, underwriting and other fees RM'000	Debt related RM'000	Equity related RM'000	Investments and securities services RM'000	Support and others RM'000	Total RM'000
External net interest income	-	2,237	-	-	-	2,237
Non interest income	82,425	29,244	101,578	18,433	(6,303)	225,377
Income from Islamic Banking operations	210	8,332	-	-	-	8,542
	82,635	39,813	101,578	18,433	(6,303)	236,156
Overheads	(19,004)	(51,101)	(33,754)	(4,172)	(88,360)	(196,391)
<i>of which :</i>						
<i>Depreciation of property, plant and equipment</i>	<i>(950)</i>	<i>(4,028)</i>	<i>(4,488)</i>	<i>(1,087)</i>	<i>(8,239)</i>	<i>(18,792)</i>
Profit(loss) before allowances	63,631	(11,288)	67,824	14,261	(94,663)	39,765
Write back of impairment losses on loans, advances and financing	-	65	-	-	-	65
Write back of losses on other receivables	562	-	-	-	-	562
Segment result	64,193	(11,223)	67,824	14,261	(94,663)	40,392
Share of results of associates						643
Profit before taxation						41,035
Taxation						(14,471)
Net profit after taxation						26,564

EXPLANATORY NOTES (Continued)

A21. The operations of Islamic Banking

A21a. Unaudited Statement of Financial Position as at 30 September 2011

	Notes	The Group and The Bank	
		30 September	31 December
		2011	2010
		RM'000	RM'000
Assets			
Cash and short-term funds		336,744	201,408
Deposit and placements with banks and other financial institutions		385,591	370,000
Islamic derivative financial instruments		48,876	42,089
Other assets		190,592	337,528
Amount due from related companies		486	68
Property, plant and equipment		6	93
Total assets		962,295	951,186
Liabilities and Islamic Banking capital funds			
Deposits from customers	A21c	271,487	493,452
Deposits and placements of banks and other financial institutions		249,672	33,500
Islamic derivative financial instruments		78,959	61,702
Provision for taxation and zakat		81,633	80,440
Other liabilities		1,150	1,583
Amount due to related companies		-	308
Total liabilities		682,901	670,985
Islamic Banking capital funds		55,000	55,000
Reserves		224,394	225,201
Total Islamic Banking capital funds		279,394	280,201
Total liabilities and Islamic Banking capital funds		962,295	951,186

A21b. Unaudited Statements of Comprehensive Income for Period Ended 30 September 2011

	The Group and The Bank			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	(2,255)	1,380	514	3,232
Income derived from investment of shareholders' funds	9,096	4,144	10,071	20,700
Allowance for other receivables	(8)	(8)	(72)	(69)
Total attributable income	6,833	5,516	10,513	23,863
Income attributable to the depositors	(2,790)	(3,582)	(8,538)	(15,390)
Total net income	4,043	1,934	1,975	8,473
Personnel expenses	(149)	(77)	(561)	(285)
Other overheads and expenditures	(335)	(254)	(1,030)	(2,043)
Profit before taxation and zakat	3,559	1,603	384	6,145
Taxation and zakat	(890)	(400)	(1,193)	(1,536)
Profit after taxation and zakat	2,669	1,203	(809)	4,609
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	2,669	1,203	(809)	4,609

A21c. Deposits from customers

By type of deposits

	The Group and The Bank	
	30 September	31 December
	2011	2010
	RM'000	RM'000
Non-Mudharabah Fund		
Variable rate deposits	83,487	378,330
Equity Linked Sukuk	188,000	115,122
	271,487	493,452

EXPLANATORY NOTES (Continued)

A22. CHANGE IN ACCOUNTING POLICIES

- (a) 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 CIMB Group Holdings Berhad 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

The Group	Balances as at 1 January 2010		
	As previously reported RM000	Effects of adopting Amendments to FRS 2 RM000	As restated RM000
Retained profits	160,697	(18,588)	142,109
Share-based payments reserve	-	18,588	18,588

The Group	Balances as at 1 January 2011		
	As previously reported RM000	Effects of adopting Amendments to FRS 2 RM000	As restated RM000
Retained profits	190,907	(39,900)	151,007
Share-based payments reserve	-	39,900	39,900

Statement of changes in equity

The Bank	Balances as at 1 January 2010		
	As previously reported RM000	Effects of adopting Amendments to FRS 2 RM000	Restated RM000
Retained profits	146,289	(18,588)	127,701
Share-based payments reserve	-	18,588	18,588

The Bank	Balances as at 1 January 2011		
	As previously reported RM000	Effects of adopting Amendments to FRS 2 RM000	As restated RM000
Retained profits	173,911	(39,900)	134,011
Share-based payments reserve	-	39,900	39,900

EXPLANATORY NOTES (Continued)

B1. Group Performance Review

The Group achieved a profit after tax of RM84.7million for the period ended 30 September 2011, 218.4% increase compared to profit after tax of RM26.6 million achieved in the same period of 2010 mainly due to higher fee income by 69.5% and higher brokerage income by 23.6%. However this was mitigated by decrease in trading income by 161% and decrease in income from asset management and securities services by 29%

B2. Prospects for the Current Financial Year

The Bank posted higher profit in 3Q11. However for the fourth quarter, the markets are expected to be volatile and regional economic indicators are softening, so the bank remain conservative on capital, liquidity and credit standards.

B3. Tax Expense

	The Group			
	3rd quarter ended		Nine months ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000
Current tax				
- Malaysian income tax	21,212	1,382	40,237	26,425
Deferred tax	(5,773)	2,995	(4,674)	(11,954)
	15,439	4,377	35,563	14,471
Reconciliation				
Profit before taxation	49,872	7,139	120,250	41,035
Tax calculated at a tax rate of 25% (2010: 25%)	12,468	1,785	30,063	10,259
Income not subject to tax, expenses not deductible for tax purposes and overprovision in prior years	2,971	2,592	5,500	4,212
	15,439	4,377	35,563	14,471

	The Bank			
	3rd quarter ended		Nine months ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000
Current tax				
- Malaysian income tax	25,461	1,327	44,276	25,609
Deferred tax	(5,773)	2,995	(4,674)	(11,974)
	15,339	4,322	35,253	13,635
Reconciliation				
Profit before taxation	49,440	6,637	118,845	36,480
Tax calculated at a tax rate of 25% (2010: 25%)	12,360	1,659	29,711	9,120
Income not subject to tax, expenses not deductible for tax purposes and overprovision in prior years	2,979	2,663	5,542	4,515
	15,339	4,322	35,253	13,635

EXPLANATORY NOTES (Continued)

B4. Computation of Earning Per Share (EPS)

Basic EPS

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

The Group	3rd quarter ended		Nine months ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Net profit for the financial period (RM '000)	34,433	2,762	84,687	26,564
Weighted average number of share ('000)	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	34.43	2.76	84.69	26.56
The Bank	3rd quarter ended		Nine months ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Net profit for the financial period (RM '000)	34,101	2,315	83,592	22,845
Weighted average number of share ('000)	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	34.10	2.32	83.59	22.85