

**CIMB ISLAMIC BANK BERHAD**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012**

<u>Assets</u>		31-Mar-12 RM'000	31-Dec-11 (Restated) RM'000	1-Jan-11 (Restated) RM'000
Cash and short term funds	1	6,690,699	7,554,885	7,744,407
Deposits and placements with banks and other financial institutions	2	773,999	1,090,383	950,000
Financial assets held for trading	3	4,289,108	2,753,069	2,347,894
Financial investments available-for-sale	4	1,686,341	1,243,668	654,357
Financial investments held-to-maturity	5	1,089,339	690,066	898,714
Islamic derivative financial instruments	12(i)	126,600	147,608	150,688
Financing, advances and other financing/loans	6	28,805,926	28,074,104	22,424,577
Other assets	7	541,760	299,017	334,227
Deferred taxation		8,710	6,359	4,720
Amount due from holding company		126,538	-	245,034
Amount due from related companies		976	1,760	828
Statutory deposits with Bank Negara Malaysia		1,212,484	1,097,797	143,406
Property, plant and equipment		2,633	3,899	1,862
Intangible assets		4,801	4,170	4,287
Goodwill		136,000	136,000	136,000
<b>Total Assets</b>		<b>45,495,914</b>	<b>43,102,785</b>	<b>36,041,001</b>
 <u>Liabilities</u>				
Deposits from customers	8	30,848,824	29,238,470	22,677,955
Deposits and placements of banks and other financial institutions	9	10,901,759	10,250,833	11,125,028
Other liabilities	10	859,966	308,946	384,555
Islamic derivative financial instruments	12(i)	290,854	395,854	199,199
Provision for tax and Zakat		3,109	16,614	12,989
Subordinated Sukuk	11	559,704	564,679	300,000
Amount due to holding company		-	393,673	-
Amount due to related companies		3,275	139	-
<b>Total liabilities</b>		<b>43,467,491</b>	<b>41,169,208</b>	<b>34,699,726</b>
 <u>Equity</u>				
<b>Capital and reserves attributable to equity holder of the Bank</b>				
Ordinary share capital		1,000,000	1,000,000	750,000
Reserves		958,423	863,577	521,275
		1,958,423	1,863,577	1,271,275
Perpetual preference shares		70,000	70,000	70,000
<b>Total equity</b>		<b>2,028,423</b>	<b>1,933,577</b>	<b>1,341,275</b>
<b>Total equity and liabilities</b>		<b>45,495,914</b>	<b>43,102,785</b>	<b>36,041,001</b>
 <b>Commitments and contingencies</b>	 12(ii)	 15,885,858	 16,924,373	 17,877,382
Net assets per share (RM)		1.96	1.86	1.70

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

**CIMB ISLAMIC BANK BERHAD**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2012**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER	QUARTER	3 MONTHS	3 MONTHS
		ENDED	ENDED	ENDED	ENDED
		31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	14	411,094	373,941	411,094	373,941
Income derived from investment of shareholders' funds	15	97,814	70,097	97,814	70,097
(Net allowances)/write-back of impairment for losses on financing	16	(10,728)	8,196	(10,728)	8,196
Allowances for other receivables		(19)	(333)	(19)	(333)
Total distributable income		498,161	451,901	498,161	451,901
Income attributable to depositors	17	(264,137)	(225,017)	(264,137)	(225,017)
Total net income		234,024	226,884	234,025	226,884
Personnel expenses	18	(17,973)	(10,059)	(17,973)	(10,059)
Other overheads and expenditures	19	(89,114)	(70,393)	(89,114)	(70,393)
Profit for the financial period		126,937	146,432	126,937	146,432
Taxation	20	(32,112)	(36,707)	(32,112)	(36,707)
Net profit for the period		94,825	109,725	94,825	109,725

**CIMB ISLAMIC BANK BERHAD**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2012**

Profit for the period	94,825	109,725	94,825	109,725
Other comprehensive income:				
Revaluation reserve financial investments available-for-sale				
- Net (loss)/gain from change in fair value				
- as previously reported	-	(1,187)	-	(1,187)
- movement during the period/effect of adopting MFRS 1	2,556	(1,651)	2,556	(1,651)
- Realised gain transferred to comprehensive income	(2,626)	-	(2,626)	-
- Income tax effects				
- as previously reported	-	297	-	297
- movement during the period/effect of adopting MFRS 1	18	(413)	18	(413)
Other comprehensive income for the period, net of tax	(52)	(2,954)	(52)	(2,954)
Total comprehensive income for the period	94,773	106,771	94,774	106,771
Earnings per share (sen)	9.48	14.63	9.48	14.63

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

**CIMB ISLAMIC BANK BERHAD**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 31 MARCH 2012**

	← Non-distributable						Distributable →				
	Share capital RM'000	Statutory reserve RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Merger deficit RM'000	Capital reserve RM'000	Regulatory reserve	Share-based payment reserve RM'000	Accumulated profits RM'000	Total RM'000	Perpetual preference shares RM'000	Total equity RM'000
<b>31 March 2012</b>											
At 1 January 2012, as previously reported	1,000,000	454,387	8,268	(2,457)	458	59,113	16,499	322,282	1,858,550	70,000	1,928,550
Effect of adopting Amendments to MFRS 1	-	-	5,027	-	-	-	-	-	5,027	-	5,027
As restated	1,000,000	454,387	13,295	(2,457)	458	59,113	16,499	322,282	1,863,577	70,000	1,933,577
Net profit for the financial period	-	-	-	-	-	-	-	94,825	94,825	-	94,825
Other comprehensive income (net of tax)	-	-	(52)	-	-	-	-	-	(52)	-	(52)
- Financial investments available-for-sale	-	-	(52)	-	-	-	-	-	(52)	-	(52)
Total comprehensive income for the period	-	-	(52)	-	-	-	-	94,825	94,773	-	94,773
Share-based payment expense	-	-	-	-	-	-	73	-	73	-	73
Transfer to regulatory reserve	-	-	-	-	-	25,936	-	(25,936)	-	-	-
<b>At 31 March 2012</b>	<b>1,000,000</b>	<b>454,387</b>	<b>13,243</b>	<b>(2,457)</b>	<b>458</b>	<b>85,049</b>	<b>16,572</b>	<b>391,171</b>	<b>1,958,423</b>	<b>70,000</b>	<b>2,028,423</b>
			0								
<b>31 March 2011</b>											
At 1 January 2011, as previously reported	750,000	286,521	5,082	(2,457)	458	7,405	-	221,658	1,268,667	70,000	1,338,667
Effect of adopting Amendments to MFRS 1	-	-	2,608	-	-	-	-	-	2,608	-	2,608
As restated	750,000	286,521	7,690	(2,457)	458	7,405	-	221,658	1,271,275	70,000	1,341,275
Net profit for the financial period	-	-	-	-	-	-	-	109,725	109,725	-	109,725
Other comprehensive income (net of tax)	-	-	(2,954)	-	-	-	-	-	(2,954)	-	(2,954)
- Financial investments available-for-sale	-	-	(2,954)	-	-	-	-	-	(2,954)	-	(2,954)
Total comprehensive income for the period	-	-	(2,954)	-	-	-	-	109,725	106,771	-	106,771
Share-based payment expense	-	-	-	-	-	-	178	-	178	-	178
Transfer to regulatory reserve	-	-	-	-	-	27,458	-	(27,458)	-	-	-
<b>At 31 March 2011, as restated</b>	<b>750,000</b>	<b>286,521</b>	<b>4,736</b>	<b>(2,457)</b>	<b>458</b>	<b>34,863</b>	<b>178</b>	<b>303,925</b>	<b>1,378,224</b>	<b>70,000</b>	<b>1,448,224</b>

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



Company Number :671380-H

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

	<b>31-Mar-12</b>	31-Mar-11
	<b>RM'000</b>	RM'000
Profit before taxation	<b>126,937</b>	146,432
Adjustments for non-cash items	<u><b>(74,343)</b></u>	<u>(70,958)</u>
Operating profit before changes in working capital	<b>52,594</b>	75,474
Net changes in operating assets	<b>(2,399,123)</b>	(2,383,974)
Net changes in operating liabilities	<b>2,346,014</b>	125,978
Tax paid	<u><b>(47,658)</b></u>	<u>(12,173)</u>
<b>Net cash used in operating activities</b>	<b>(48,173)</b>	(2,194,695)
Net cash flows (used in)/generated from investing activities	<u><b>(816,013)</b></u>	<u>10,409</u>
<b>Net change in cash and cash equivalents</b>	<b>(864,186)</b>	(2,184,286)
Cash and cash equivalents at beginning of the financial period	<b>7,554,885</b>	7,744,407
<b>Cash and cash equivalents at end of the financial period</b>	<u><u><b>6,690,699</b></u></u>	<u><u>5,560,121</u></u>

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

## EXPLANATORY NOTES

### A. BASIS OF PREPARATION

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

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

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

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

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

MFRS 139 "Financial instruments: recognition and measurement"  
Revised MFRS 124 "Related party disclosures"  
Amendment to MFRS 112 "Income taxes"  
IC Interpretation 19 "Extinguishing financial liabilities with equity instruments"  
Amendment to IC Interpretation 14 "MFRS 19 - The limit on a defined benefit assets, minimum funding requirements and their interaction"  
Amendment to MFRS 101 "Presentation of items of other comprehensive income"  
Amendment to MFRS 1 "First time adoption on fixed dates and hyperinflation"  
Amendment to MFRS 7 "Financial instruments: Disclosures on transfers of financial assets"

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

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Bank has adjusted the amounts previously reported in Financial Statements prepared in accordance with FRS. The impact of the adoption of MFRS 1 "First time adoption of MFRS" is disclosed in Note 21.

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

### B. CHANGES IN ESTIMATES

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

### C. ISSUANCE AND REPAYMENT OF DEBT EQUITY SECURITIES

There were no issuance and repayment of debt securities during the period.

### D. PROPOSED DIVIDEND

There were no dividends paid or proposed for the period ended 31 March 2012.

### E. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events that had occurred between 31 March 2012 and the date of this announcement.

### F. PERFORMANCE REVIEW

For the first quarter 31 March 2012, the Bank registered a profit after tax of RM94.8 million, a decrease of 13.58% from a profit after tax of RM109.7 million in the previous year corresponding period.

### G. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

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

	31-Mar-12 RM'000	31-Dec-11 RM'000
<b>Notes to the accounts</b>		
<b>1 Cash and short-term funds</b>		
Cash and balances with banks and other financial institutions	63,177	142,823
Money at call and deposit placements maturing within one month	6,627,522	7,412,062
	<u>6,690,699</u>	<u>7,554,885</u>
<b>2 Deposits and placements with banks and other financial institutions</b>		
Licensed Islamic banks	457,731	574,739
Licensed banks	-	286,280
Licensed Investment banks	166,228	229,364
Other financial institutions	150,040	-
	<u>773,999</u>	<u>1,090,383</u>
<b>3 Financial assets held for trading</b>		
<b>Money market instruments</b>		
<b>Unquoted</b>		
Malaysian Government treasury bills	19,546	9,734
Government investment issues	140,558	95,456
Islamic negotiable instruments of deposits	149,691	504,157
Islamic accepted bills	93,854	146,891
Bank Negara negotiable notes	3,401,725	1,806,188
Malaysian Government Securities	-	20,163
	<u>3,805,374</u>	<u>2,582,589</u>
<b>Unquoted securities</b>		
Islamic private debt securities	483,734	170,480
	<u>4,289,108</u>	<u>2,753,069</u>
	<b>31-Mar-12</b>	<b>31-Dec-11</b>
	<b>RM'000</b>	<b>(Restated)</b>
		<b>RM'000</b>
<b>4 Financial investments available-for-sale</b>		
<b>Money market instruments</b>		
<b>Unquoted</b>		
Government investment issues	714,801	451,966
Islamic Cagamas bonds	35,830	35,857
Malaysian Government Securities	32,593	33,697
	<u>783,224</u>	<u>521,520</u>
<b>Unquoted securities</b>		
Islamic private debt securities	902,542	721,573
Placement with IBFIM	575	575
	<u>1,686,341</u>	<u>1,243,668</u>
On 1 January 2012, the Bank designated a previously held financial investments held-to-maturity to financial investments available-for-sale, as allowed under MFRS 1. The carrying amount of the financial investments held-to-maturity of the Bank at the date of designation is RM 487,291,490.		
	<b>31-Mar-12</b>	<b>31-Dec-11</b>
	<b>RM'000</b>	<b>(Restated)</b>
		<b>RM'000</b>
<b>5 Financial investments held-to-maturity</b>		
<b>Money market instruments</b>		
<b>Unquoted securities</b>		
Islamic private debt securities	1,089,373	691,817
Amortisation of premium less accretion of discount	(34)	(1,751)
	<u>1,089,339</u>	<u>690,066</u>

	31-Mar-12 RM'000	31-Dec-11 RM'000
<b>6 Financing, advances and other financing/loans</b>		
<b>(i) By type of financing:</b>		
Cash line	347,591	373,056
Term financing		
- House financing	7,482,500	7,134,214
- Syndicated financing	185,769	192,065
- Hire purchase receivables	5,509,950	5,410,652
- Other term financing	14,813,679	14,444,297
Bills receivable	2,383	2,581
Islamic trust receipts	19,613	35,391
Claims on customer under Islamic accepted bills	252,785	233,479
Credit card receivables	100,198	104,078
Revolving credits	394,272	423,325
Gross financing, advances and other financing/loans	<u>29,108,740</u>	<u>28,353,138</u>
Fair value changes arising from fair value hedges	162,287	241,966
Less : Allowance for impairment losses		
- Individual impairment allowance	(58,402)	(103,256)
- Portfolio impairment allowance	(406,699)	(417,744)
Total net financing, advances and other financing/loans	<u><u>28,805,926</u></u>	<u><u>28,074,104</u></u>
The Bank has undertaken fair value hedges on financing using Islamic profit rate swaps.		
Gross financing hedged	5,250,000	4,350,000
Fair value changes arising from fair value hedges	162,287	241,966
	<u>5,412,287</u>	<u>4,591,966</u>
The fair value loss on Islamic profit rate swaps in this hedge transaction as at 31 March 2012 were RM218 million (31 December 2011 : fair value loss of RM262 million).		
<b>(ii) By geographical distribution:</b>		
Malaysia	<u>29,108,740</u>	<u>28,353,138</u>
	<u><u>29,108,740</u></u>	<u><u>28,353,138</u></u>
<b>(iii) By contract :</b>		
Bai' Bithaman Ajil ( <i>deferred payment sale</i> )	11,770,728	11,569,606
Ijarah Muntahiyah Bittamlik/AITAB ( <i>lease ending with ownership</i> )	6,364,354	6,299,331
Murabahah ( <i>cost plus sale</i> )	226,612	226,767
Bai' al-'inah ( <i>sale and repurchase</i> )	10,555,974	9,913,017
Others	191,072	344,417
	<u>29,108,740</u>	<u>28,353,138</u>
<b>(iv) By type of customer :</b>		
Domestic non-bank financial institutions		
- Others	335,225	357,211
Domestic business enterprises		
- Small medium enterprises	1,299,232	1,332,710
- Others	3,485,584	3,146,765
Government and statutory bodies	6,601,414	6,545,671
Individuals	17,133,327	16,714,078
Other domestic entities	12,386	12,445
Foreign entities	241,571	244,258
	<u>29,108,740</u>	<u>28,353,138</u>

	31-Mar-12 RM'000	31-Dec-11 RM'000
<b>(v) By profit rate sensitivity :</b>		
Fixed rate		
- House financing	366,536	402,488
- Hire purchase receivables	5,509,950	5,410,652
- Others	11,662,260	11,924,643
Variable rate		
- House financing	7,115,965	6,731,726
- Other financing	4,454,029	3,883,629
	<u>29,108,740</u>	<u>28,353,138</u>
<b>(vi) By economic purpose :</b>		
Personal use	3,118,976	3,179,054
Credit card	100,196	104,078
Construction	1,344,237	1,014,686
Residential property	7,509,492	7,163,093
Non-residential property	1,973,562	1,926,886
Purchase of fixed assets other than land and building	412,784	428,357
Merger and acquisition	31,160	34,787
Purchase of securities	11	10
Purchase of transport vehicles	5,518,149	5,410,377
Working capital	6,609,232	6,641,897
Other purpose	2,490,941	2,449,913
	<u>29,108,740</u>	<u>28,353,138</u>
<b>(vii) By residual contractual maturity :</b>		
Within one year	1,840,409	651,916
One year to less than three years	863,086	638,507
Three years to less than five years	1,910,176	1,514,944
Five years and more	24,495,069	25,547,771
	<u>29,108,740</u>	<u>28,353,138</u>
<b>(viii) Impaired financing by economic purpose :</b>		
Personal use	16,817	19,240
Credit card	3,947	4,506
Construction	3,152	3,319
Residential property	80,526	85,570
Non-residential property	21,299	27,302
Purchased of fixed assets other than land & building	1,210	1,154
Purchase of securities	3	3
Purchase of transport vehicles	103,560	99,353
Working capital	56,917	96,005
Other purpose	9,350	9,326
	<u>296,781</u>	<u>345,778</u>
<b>(ix) Impaired financing by geographical distribution:</b>		
Malaysia	296,781	345,778
	<u>296,781</u>	<u>345,778</u>



	31-Mar-12 RM'000	31-Dec-11 RM'000
<b>(x) Movement in impaired financing, advances and other financing/loans :</b>		
Balance as at 1 January	345,778	335,879
Impaired during the period/year	86,923	349,997
Reclassification from unwinding income	16,825	-
Reclassified as non-impaired during the period/year	(36,571)	(122,608)
Recoveries	(18,560)	(90,543)
Amount written off	(97,614)	(126,947)
Balance as at 31 March/31 December	<u>296,781</u>	<u>345,778</u>
Ratio of gross impaired financing to total financing advances, and other financing/loans	1.02%	1.22%
<b>(xi) Movements in allowance for impaired financing :</b>		
<b>Individual impairment allowance</b>		
Balance as at 1 January	103,256	92,683
Net allowance made/(written back) during the period/year	(1,244)	16,491
Unwinding income	4,090	(1,477)
Amount written off	(47,700)	(4,441)
Balance as at 31 March/31 December	<u>58,402</u>	<u>103,256</u>
<b>Portfolio impairment allowance</b>		
Balance as at 1 January	417,744	240,490
Net allowance made during the period/year	27,541	135,113
Transfer from/(to) CIMB Bank	-	166,234
Unwinding income	6,019	(4,181)
Amount written off	(44,605)	(119,912)
Balance as at 31 March/31 December	<u>406,699</u>	<u>417,744</u>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other financing/loans (excluding RPSIA financing) less individual impairment allowance	2.30%	2.31%
<b>7 Other assets</b>		
Deposits and prepayments	690	150
Sundry debtors	399,117	153,626
Collateral pledged for derivative transactions	43,930	52,090
Clearing accounts	98,023	93,151
	<u>541,760</u>	<u>299,017</u>

	31-Mar-12 RM'000	31-Dec-11 RM'000
<b>8 Deposits from customers</b>		
<b>(i) By type of deposit</b>		
<u>Mudharabah</u>		
Demand deposits	2,786,544	2,550,795
Savings deposits	422,247	397,201
General investment deposits	1,053,856	1,038,405
Special general investment deposits	3,493,792	6,987,965
Specific investment deposits	1,309,697	1,755,961
	<b>9,066,137</b>	12,730,327
 <u>Non-Mudharabah</u>		
Demand deposits	2,553,247	3,028,707
Savings deposits	1,007,685	932,787
Fixed return investment deposit	4,705,665	5,564,248
Negotiable instruments of deposit	5,558,662	2,510,276
Commodity Murabahah	507	440,600
Short term money market deposit-i	7,916,771	3,994,930
Others	40,150	36,595
	<b>21,782,687</b>	16,508,143
	<b>30,848,824</b>	29,238,470
 <b>(ii) Maturity structure of investment deposits and negotiable instruments of deposit</b>		
One year or less (short term)	23,159,227	21,120,979
More than one year (medium/long term)	879,724	1,171,406
	<b>24,038,951</b>	22,292,385
 <b>(iii) By type of customer</b>		
Government and statutory bodies	3,878,263	5,322,304
Business enterprises	19,553,230	15,853,178
Individuals	3,899,973	4,122,166
Others	3,517,358	3,940,822
	<b>30,848,824</b>	29,238,470
 <b>9 Deposits and placements of banks and other financial institutions</b>		
<u>Mudharabah</u>		
Licensed Islamic banks	666,220	301,187
Licensed banks	1,316,606	1,064,923
Licensed investment banks	842,216	853,083
	<b>2,825,042</b>	2,219,193
 <u>Non-Mudharabah</u>		
Licensed Islamic banks	807,821	15,887
Licensed banks	7,266,853	8,007,406
Other financial institutions	2,043	8,347
	<b>8,076,717</b>	8,031,640
	<b>10,901,759</b>	10,250,833

	<b>31-Mar-12</b>	31-Dec-11
	<b>RM'000</b>	RM'000
<b>10 Other liabilities</b>		
Accruals and other payables	<b>687,150</b>	78,679
Clearing accounts	<b>149,003</b>	215,259
Others	<b>23,813</b>	15,008
	<b><u>859,966</u></b>	<u>308,946</u>

**11 Subordinated sukuk**

The RM550 million subordinated Sukuk (“the Sukuk”) is part of the Tier-2 Junior Sukuk programme which was approved by the Securities Commission on 22 May 2009. Under the programme, the Bank is allowed to raise Tier-2 capital of up to RM2.0 billion in nominal value outstanding at any one time.

The Sukuk of RM300 million under the first issuance was issued at par on 25 September 2009 and is due on 25 September 2024, with optional redemption on 25 September 2019 or any periodic payment date thereafter. The Sukuk bears a profit rate of 5.85% per annum payable semi-annually in arrears.

The second tranche of the Sukuk of RM250 million was issued at par on 21 April 2011 and is due on 21 April 2021. The Sukuk bears a profit rate of 4.20% per annum payable semi-annually in arrears.

The RM550 million Sukuk qualify as Tier-2 capital for the purpose of the RWCR computation.

## 12 Islamic derivative financial instruments, commitments and contingencies

### (i) Islamic derivative financial instruments

The following tables summarise the contractual or underlying principal amounts of trading derivative 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 of 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.

	31-Mar-12			31-Dec-11		
	Principal amount	Fair values	Fair values	Principal amount	Fair values	Fair values
	RM'000	Assets	Liabilities	RM'000	Assets	Liabilities
<u>Foreign exchange derivatives</u>						
Currency forwards						
- Less than 1 year	496,848	1,038	(7,985)	463,003	8,586	(1,641)
Currency swaps						
- Less than 1 year	1,005,309	12,667	(1,121)	1,266,140	10,986	(8,785)
Currency spot						
- Less than 1 year	87,330	146	(1)	1,425	2	-
Currency options						
- Less than 1 year	17,498	184	(184)	67,409	714	(714)
Cross currency profit rate swaps						
- 1 year to 3 years	89,504	4,060	(4,060)	89,714	2,867	(2,867)
- More than 3 years	240,400	8,444	(8,444)	240,400	13,071	(13,072)
	<u>1,936,889</u>	<u>26,539</u>	<u>(21,795)</u>	<u>2,128,091</u>	<u>36,226</u>	<u>(27,079)</u>
<u>Islamic profit rate derivatives</u>						
Islamic profit rate swaps	4,170,510	77,341	(33,822)	5,290,799	92,632	(95,791)
- Less than 1 year	1,203,067	11,949	(508)	1,391,478	6,831	(618)
- 1 year to 3 years	1,422,886	15,584	(5,203)	1,593,464	26,473	(3,785)
- More than 3 years	1,544,557	49,808	(28,111)	2,305,857	59,328	(91,388)
<u>Equity related derivatives</u>						
Equity options	1,551,325	13,657	(13,657)	1,896,611	10,555	(10,555)
- Less than 1 year	654,729	2,849	(2,849)	208,568	-	-
- 1 year to 3 years	327,966	2,909	(2,909)	802,576	351	(351)
- More than 3 years	568,630	7,899	(7,899)	885,467	10,204	(10,204)
<u>Held for hedging purpose</u>						
Islamic profit rate swaps	5,528,454	9,063	(221,580)	4,629,498	8,195	(262,429)
- More than 3 years	5,528,454	9,063	(221,580)	4,629,498	8,195	(262,429)
<b>Total derivative assets/(liabilities)</b>	<u>13,187,178</u>	<u>126,600</u>	<u>(290,854)</u>	<u>13,944,999</u>	<u>147,608</u>	<u>(395,854)</u>

#### Market Risk

Market risk is defined as any fluctuation in the value arising from changes in value of market risk factors such as profit 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 profit rate swaps, are not able to or willing to fulfil their obligation to pay the Bank the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2012 the amount of credit risk in the Bank, measured in terms of the cost to replace the profitable contracts, was RM127 million (31 December 2011: RM148 million). 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 Bank are discussed in the audited annual financial statements for the financial year ended 31 December 2011

## 12 Islamic derivative financial instruments, commitments and contingencies

### (ii) Commitments and contingencies

In the normal course of business, the Bank makes 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 constitute the following :

	<b>31-Mar-12</b>	31-Dec-11
	<b>Principal</b>	Principal
	<b>amount</b>	amount
	<b>RM'000</b>	RM'000
<u>Credit-related</u>		
Direct credit substitutes	31,502	28,627
Certain transaction-related contingent items	298,050	345,460
Short-term self-liquidating trade-related contingencies	225,199	249,517
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	1,484,196	1,469,541
- maturity exceeding one year	634,010	857,762
Miscellaneous commitments and contingencies	25,723	28,467
Total credit-related commitments and contingencies	<u>2,698,680</u>	<u>2,979,374</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	1,606,985	1,797,977
- one year to less than five years	89,504	89,714
- above 5 years	240,400	240,400
Profit rate related contracts :		
- less than one year	1,203,068	1,391,478
- one year to less than five years	2,314,588	2,712,481
- over five years	6,181,308	5,816,338
Equity related contracts :		
- less than one year	654,729	208,568
- one year to less than five years	418,814	962,110
- above 5 years	477,782	725,933
Total treasury-related commitments and contingencies	<u>13,187,178</u>	<u>13,944,999</u>
	<u>15,885,858</u>	<u>16,924,373</u>

### 13 CAPITAL ADEQUACY

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

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

	31-Mar-12	31-Dec-11
	RM'000	RM'000
Tier I capital	1,714,378	1,714,378
Eligible Tier II capital	<u>661,525</u>	<u>654,979</u>
Capital base	<u>2,375,903</u>	<u>2,369,357</u>
Core capital ratio	9.88%	10.44%
Risk-weighted capital ratio	13.70%	14.42%

(b) Components of Tier I and Tier II capitals are as follows :

<u>Tier I capital</u>		
Paid-up share capital	1,000,000	1,000,000
Perpetual preference share	70,000	70,000
Retained profits and other reserves	<u>791,169</u>	<u>791,169</u>
	1,861,169	1,861,169
Less : Goodwill	(136,000)	(136,000)
Less : Deferred taxation	<u>(10,791)</u>	<u>(10,791)</u>
<b>Total Tier-I Capital</b>	<b>1,714,378</b>	<b>1,714,378</b>
<u>Tier II capital</u>		
Subordinated sukuk	550,000	550,000
Regulatory reserve	7,405	59,113
Portfolio impairment allowance <sup>^</sup>	135,414	64,585
Surplus of total eligible provision over expected loss	<u>(31,294)</u>	<u>(18,719)</u>
<b>Total Tier II capital</b>	<b>661,525</b>	<b>654,979</b>
<b>Total capital base</b>	<b><u>2,375,903</u></b>	<b><u>2,369,357</u></b>

(c) Breakdown of risk-weighted assets in the various categories of risk-weights

Risk weighted assets for credit risk	15,177,386	14,677,578
Risk weighted assets for market risk	688,153	346,673
Risk weighted assets for operational risk	<u>1,478,002</u>	<u>1,402,324</u>
	<b><u>17,343,541</u></b>	<b><u>16,426,575</u></b>

<sup>^</sup> The capital base of the Bank as at 31 March 2012 has excluded portfolio impairment allowance on impaired financings for standardise approach assets restricted from Tier II capital of RM 17,868,187 (2011 : RM21,373,892).

**Notes to the accounts**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	3 MONTHS ENDED	3 MONTHS ENDED
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	RM'000	RM'000	RM'000	RM'000

**14 Income derived from investment of depositors funds and others**

Income derived from investment of :

- General investment deposits	175,421	125,605	175,421	125,605
- Specific investment deposits	23,370	141,533	23,370	141,533
- Other deposits	212,302	106,803	212,302	106,803
	<b>411,094</b>	<b>373,941</b>	<b>411,094</b>	<b>373,941</b>

**14a Income derived from investment of general investment deposits**

Financing, advances and other financing/loans

- Income other than recoveries	162,824	101,000	162,824	101,000
- Unwinding income <sup>^</sup>	554	486	554	486
Financial assets held for trading	2,067	2,288	2,067	2,288
Financial investments available-for-sale	5,873	2,559	5,873	2,559
Financial investments held-to-maturity	4,431	1,401	4,431	1,401
Money at call and deposit with financial institutions	22,555	17,724	22,555	17,724
	<b>198,305</b>	<b>125,458</b>	<b>198,304</b>	<b>125,458</b>
Accretion of discount less amortisation of premium	(4,005)	4,783	(4,005)	4,783
Total finance income and hibah	<b>194,299</b>	<b>130,241</b>	<b>194,299</b>	<b>130,241</b>

Other operating income

- Net gain/(loss) arising from financial assets held for trading				
- realised gain	201	56	201	56
- unrealised loss	(1,033)	(320)	(1,033)	(320)
- Net gain from sale of financial investments available-for-sale	1,133	-	1,133	-
- Net gain/(loss) from sale of financial investments held-to-maturity	106	(128)	106	(128)
- Net loss from foreign exchange transactions	(19,828)	(5,111)	(19,828)	(5,111)
	<b>(19,421)</b>	<b>(5,503)</b>	<b>(19,421)</b>	<b>(5,503)</b>
Fee and commission income	543	867	543	867
	<b>175,421</b>	<b>125,605</b>	<b>175,421</b>	<b>125,605</b>

**14b Income derived from investment of specific investment deposits**

Financing, advances and other financing/loans

- Income other than recoveries	13,075	115,993	13,075	115,993
Financial investments held-to-maturity	-	10,143	-	10,143
Money at call and deposit with financial institutions	10,296	15,397	10,296	15,397
	<b>23,370</b>	<b>141,533</b>	<b>23,370</b>	<b>141,533</b>

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

**Notes to the accounts**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER	QUARTER	3 MONTHS	3 MONTHS
	ENDED	ENDED	ENDED	ENDED
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	RM'000	RM'000	RM'000	RM'000

**14c Income derived from investment of other deposits**

Financing advances and other financing/loans				
- Income other than recoveries	197,057	85,882	197,057	85,882
- Unwinding income <sup>^</sup>	671	413	671	413
Financial assets held for trading	2,502	1,945	2,502	1,945
Financial investments available-for-sale	7,107	2,176	7,107	2,176
Financial investments held-to-maturity	5,362	1,191	5,362	1,191
Money at call and deposit with financial institutions	27,297	15,070	27,297	15,070
	<b>239,996</b>	<b>106,677</b>	<b>239,996</b>	<b>106,677</b>
Accretion of discount less amortisation of premium	(4,847)	4,067	(4,847)	4,067
Total finance income and hibah	<b>235,149</b>	<b>110,744</b>	<b>235,149</b>	<b>110,744</b>
Other operating income				
- Net gain/(loss) arising from financial assets held for trading				
- realised gain	243	48	243	48
- unrealised loss	(1,250)	(272)	(1,250)	(272)
- Net gain from sale of financial investments available-for-sale	1,371	-	1,371	-
- Net gain/(loss) from sale of financial investments held-to-maturity	128	(109)	128	(109)
- Net loss from foreign exchange transactions	(23,996)	(4,346)	(23,996)	(4,346)
	<b>(23,504)</b>	<b>(4,679)</b>	<b>(23,504)</b>	<b>(4,679)</b>
Fee and commission income	657	738	657	738
	<b>212,302</b>	<b>106,803</b>	<b>212,302</b>	<b>106,803</b>

**15 Income derived from investment of shareholders' funds**

Financing advances and other financing/loans				
- Income other than recoveries	17,504	10,812	17,504	10,812
- Unwinding income <sup>^</sup>	60	52	60	52
Financial assets held for trading	222	245	222	245
Financial investments available-for-sale	631	274	631	274
Financial investments held-to-maturity	476	150	476	150
Money at call and deposit with financial institutions	2,425	1,897	2,425	1,897
	<b>21,318</b>	<b>13,430</b>	<b>21,318</b>	<b>13,430</b>
Accretion of discount less amortisation of premium	(431)	512	(431)	512
Total finance income and hibah	<b>20,887</b>	<b>13,942</b>	<b>20,887</b>	<b>13,942</b>
Other operating income				
- Net gain/(loss) arising from financial assets held for trading				
- realised gain	22	6	22	6
- unrealised loss	(111)	(34)	(111)	(34)
- Net gain from sale of financial investments available-for-sale	122	-	122	-
- Net gain/(loss) from sale of financial investments held-to-maturity	11	(14)	11	(14)
- Net loss from foreign exchange transactions	(2,131)	(547)	(2,131)	(547)
- Net gain/(loss) arising from hedging activities	(7)	251	(7)	251
- Net gain/(loss) arising from derivative financial instrument				
- realised gain	13,034	26,333	13,034	26,333
- unrealised gain	38,804	9,918	38,804	9,918
	<b>49,744</b>	<b>35,913</b>	<b>49,744</b>	<b>35,913</b>
Fee and commission income	26,169	19,473	26,169	19,473
Less : fee and commission expense	(485)	(490)	(485)	(490)
Net fee and commission income	<b>25,684</b>	<b>18,983</b>	<b>25,684</b>	<b>18,983</b>
Other income				
- Sundry income	1,499	1,259	1,499	1,259
	<b>97,814</b>	<b>70,097</b>	<b>97,814</b>	<b>70,097</b>

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



**Notes to the accounts**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	3 MONTHS ENDED	3 MONTHS ENDED
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	RM'000	RM'000	RM'000	RM'000
<b>16 Allowance for impairment losses on financing, advances and other financing/loans</b>				
Individual impairment allowance				
- Written back	(1,244)	(2,721)	(1,244)	(2,721)
Portfolio impairment allowance				
- Made during the period	27,541	7,549	27,541	7,549
Impaired financing :				
- recovered	(15,586)	(13,025)	(15,586)	(13,025)
- written off	17	1	17	1
	<u>10,728</u>	<u>(8,196)</u>	<u>10,728</u>	<u>(8,196)</u>
<b>17 Income attributable to depositors</b>				
<b>Deposits from customers</b>				
- Mudharabah	59,091	75,673	59,091	75,673
- Non-Mudharabah	104,040	46,655	104,040	46,655
<b>Deposits and placements of banks and other financial institutions</b>				
- Mudharabah	19,632	87,351	19,632	87,351
- Non-Mudharabah	74,861	10,937	74,861	10,937
Subordinated Sukuk	6,513	4,401	6,513	4,401
	<u>264,137</u>	<u>225,017</u>	<u>264,137</u>	<u>225,017</u>
<b>18 Personnel expenses</b>				
Salaries, allowances and bonuses	17,304	5,502	17,304	5,502
Other staff related costs	669	4,557	669	4,557
	<u>17,973</u>	<u>10,059</u>	<u>17,973</u>	<u>10,059</u>
<b>19 Other overheads</b>				
<b>Establishment</b>				
Rental	318	248	318	248
Depreciation of property, plant and equipment	331	280	331	280
EDP expenses	1,095	93	1,095	93
Others	703	888	703	888
<b>Marketing</b>				
Advertisement and publicity	1,702	182	1,702	182
Others	285	516	285	516
<b>General expenses</b>				
Auditor's remuneration-statutory audit	104	23	104	23
Amortisation of intangible assets	588	410	588	410
Professional fees	750	291	750	291
Others	1,484	2,430	1,484	2,430
	<u>7,360</u>	<u>5,361</u>	<u>7,360</u>	<u>5,361</u>
Shared service costs paid/payable to CIMB Bank/CIMB Investment Bank	81,754	65,032	81,754	65,032
	<u>89,114</u>	<u>70,393</u>	<u>89,114</u>	<u>70,393</u>

**Notes to the accounts**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER	QUARTER	3 MONTHS	3 MONTHS
	ENDED	ENDED	ENDED	ENDED
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	RM'000	RM'000	RM'000	RM'000

**20 Taxation and zakat**

Major components of tax and zakat expense:

Current tax and zakat expense

Deferred taxation

	<b>34,445</b>	37,349	<b>34,445</b>	37,349
	<b>(2,333)</b>	(642)	<b>(2,333)</b>	(642)
	<b>32,112</b>	36,707	<b>32,112</b>	36,707

**Reconciliation**

Profit before taxation and zakat

Tax calculated at a rate of 25% (2011: 25%)

Tax effects:

- income not subject to tax

- expenses not deductible for tax purposes

Over accrual in prior year

Tax expense

	<b>126,937</b>	146,432	<b>126,937</b>	146,432
	<b>31,734</b>	36,608	<b>31,734</b>	36,608
	<b>(11)</b>	(13)	<b>(11)</b>	(13)
	<b>405</b>	112	<b>405</b>	112
	<b>(16)</b>	-	<b>(16)</b>	-
	<b>32,112</b>	36,707	<b>32,112</b>	36,707

## 21 CHANGE IN ACCOUNTING POLICIES

During the financial period, the Bank changed the following accounting policy upon adoption of MFRS:

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

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

### Impact on statement of financial position for 31 December 2011 and 1 January 2011

	Balances as at 31 December 2011		
	As previously reported RM'000	Effects of adopting Amendments to MFRS 1 RM'000	As restated RM'000
<b>Assets</b>			
Financial investments available-for-sale	749,674	493,994	1,243,668
Financial investments held-to-maturity	1,177,357	(487,291)	690,066
Deferred taxation	8,035	(1,676)	6,359
<b>Reserves</b>			
Revaluation reserve- financial investments available-for-sale	8,268	5,027	13,295

	Balances as at 1 January 2011		
	As previously reported RM'000	Effects of adopting Amendments to MFRS 1 RM'000	As restated RM'000
<b>Assets</b>			
Financial investments available-for-sale	455,959	198,398	654,357
Financial investments held-to-maturity	1,093,635	(194,921)	898,714
Deferred taxation	5,589	(869)	4,720
<b>Reserves</b>			
Revaluation reserve- financial investments available-for-sale	5,082	2,608	7,690

### Impact on statement of changes in equity for 31 December 2011 and 1 January 2011

	Balances as at 31 December 2011		
	As previously reported RM'000	Effects of adopting Amendments to MFRS 1 RM'000	As restated RM'000
Revaluation reserve- financial investments available-for-sale	8,268	5,027	13,295
<b>Balances as at 1 January 2011</b>			
	As previously reported RM'000	Effects of adopting Amendments to MFRS 1 RM'000	As restated RM'000
Revaluation reserve- financial investments available-for-sale	5,082	2,608	7,690