

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

		The Group		
		30 June 2012	31 Dec 2011	1 Jan 2011
			(Restated)	(Restated)
	Note	RM'000	RM'000	RM'000
ASSETS				
Cash and short-term funds		25,411,694	34,668,845	27,185,260
Reverse repurchase agreements		4,217,082	4,230,482	3,804,662
Deposits and placements with banks and other financial institutions		5,005,005	4,174,012	11,745,823
Financial investments at fair value through profit or loss		23,092,624	13,665,700	17,082,596
Derivative financial instruments	A21 (i)	4,701,861	4,274,073	3,577,155
Financial investments available-for-sale	A9	23,294,219	18,421,118	15,115,438
Financial investments held-to-maturity	A10	10,740,189	12,460,832	10,820,500
Loans, advances and financing	A11	193,178,754	183,838,777	159,181,385
Other assets	A12	7,911,091	6,518,355	7,353,522
Deferred tax assets		51,009	49,998	15,269
Tax recoverable		115,064	139,258	98,358
Statutory deposits with central banks		5,127,166	5,084,105	1,410,436
Investment in associates and jointly controlled entities		1,377,537	1,357,866	680,293
Property, plant and equipment		1,471,653	1,458,400	1,442,948
Investment properties		8,310	8,653	61,216
Prepaid lease payments		165,912	170,564	185,542
Goodwill		8,177,530	8,242,489	8,151,432
Intangible assets		1,624,525	1,611,879	1,551,332
		315,671,225	300,375,406	269,463,167
Non-current assets held for sale		16,143	17,248	59,050
TOTAL ASSETS		315,687,368	300,392,654	269,522,217
LIABILITIES AND EQUITY				
Deposits from customers	A13	226,421,628	221,933,142	199,845,664
Deposits and placements of banks and other financial institutions	A14	21,781,860	12,964,309	13,092,157
Repurchase agreements		1,688,106	1,067,946	33,087
Derivative financial instruments	A21 (i)	4,454,373	4,217,291	3,748,516
Bills and acceptances payable		6,283,075	7,566,691	4,532,446
Other liabilities	A15	7,906,701	6,827,810	8,624,668
Deferred tax liabilities		119,563	181,475	49,590
Current tax liabilities		551,059	483,820	322,789
Amount due to Cagamas Berhad		-	-	107,523
Bonds	B7	695,938	521,225	423,982
Other borrowings	B7	5,636,739	5,324,032	3,783,587
Subordinated notes	B7	11,245,759	11,417,980	9,675,340
Non-cumulative guaranteed and redeemable preference shares		877,494	881,016	860,162
TOTAL LIABILITIES		287,662,295	273,386,737	245,099,511
Ordinary share capital		7,432,775	7,432,775	7,432,775
Reserves		19,643,925	18,647,045	15,917,282
Less: Shares held under trust		(563)	(563)	(563)
Treasury shares, at cost		(30)	(30)	(21)
		27,076,107	26,079,227	23,349,473
Perpetual preference shares		200,000	200,000	200,000
Non-controlling interests		748,966	726,690	873,233
TOTAL EQUITY		28,025,073	27,005,917	24,422,706
TOTAL EQUITY AND LIABILITIES		315,687,368	300,392,654	269,522,217
COMMITMENTS AND CONTINGENCIES	A21 (ii)	437,222,655	414,197,407	349,069,257
Net assets per share attributable to owners of the Parent (RM)		3.64	3.51	3.14

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 GROUP HOLDINGS BERHAD
 (Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED 30 JUNE 2012

	Note	The Group			
		2nd quarter ended		Six months ended	
		30 June 2012	30 June 2011	30 June 2012	30 June 2011
		RM'000	RM'000	RM'000	RM'000
Interest income	A16	3,362,281	3,117,622	6,663,510	6,075,175
Interest expense	A17	(1,497,521)	(1,457,802)	(3,061,072)	(2,821,249)
Net interest income		1,864,760	1,659,820	3,602,438	3,253,926
Income from Islamic Banking operations	A24(c)	451,931	379,495	827,810	719,972
Net non-interest income	A18	1,006,287	919,876	2,148,283	1,735,676
		3,322,978	2,959,191	6,578,531	5,709,574
Gain on disposal of net assets and interest in subsidiaries		2,628	-	2,628	-
		3,325,606	2,959,191	6,581,159	5,709,574
Overheads	A19	(1,846,553)	(1,661,845)	(3,639,026)	(3,207,277)
Profit before allowances		1,479,053	1,297,346	2,942,133	2,502,297
Allowance for impairment losses on loans, advances and financing	A20	(51,538)	(86,244)	(195,323)	(92,418)
Allowance (made)/written back for impairment losses on other receivables		(15,910)	2,125	(26,510)	2,616
Allowance written back for commitments and contingencies		11,096	13,066	11,834	14,971
Allowance (made)/written back for other impairment losses		(1,567)	4,115	(3,578)	3,337
		1,421,134	1,230,408	2,728,556	2,430,803
Share of results of jointly controlled entities		2,012	14,755	3,835	24,861
Share of results of associates		46,381	32,766	78,358	54,836
Profit before taxation		1,469,527	1,277,929	2,810,749	2,510,500
Taxation	B4	(350,739)	(296,901)	(668,992)	(596,218)
Profit for the period		1,118,788	981,028	2,141,757	1,914,282
Profit for the period attributable to :					
Owners of the Parent		1,109,688	970,015	2,120,355	1,886,526
Non-controlling interests		9,100	11,013	21,402	27,756
		1,118,788	981,028	2,141,757	1,914,282
Earnings per share (sen):					
- Basic	B9(a)	14.9	13.1	28.5	25.4
- Fully diluted	B9(b)	N/A	N/A	N/A	N/A

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 GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2012

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,118,788	981,028	2,141,757	1,914,282
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	37,016	74,554	6,749	18,685
- Net gain from change in fair value				
- as previously reported	-	129,588	-	72,357
- movement during the period/effect of adopting MFRS 1	27,391	26,170	126,721	16,562
- Realised gain transferred to statement of income on disposal and impairment	6,849	(67,391)	(142,066)	(68,332)
- Income tax effects				
- as previously reported	-	(8,146)	-	34
- movement during the period/effect of adopting MFRS 1	3,353	(6,558)	25,828	(3,783)
- Currency translation difference	(577)	891	(3,734)	1,847
Net investment hedge	(79,183)	(30,489)	(9,510)	28,669
Hedging reserve- cash flow hedge				
- Net gain from change in fair value	(7)	-	(20)	-
Exchange fluctuation reserve				
- Currency translation differences in respect of foreign operations	183,690	95,805	(306,583)	72,714
Share of other comprehensive income of associate	(10,890)	-	(19,503)	-
Other comprehensive expense for the period, net of tax	130,626	139,870	(328,867)	120,068
Total comprehensive income for the period	1,249,414	1,120,898	1,812,890	2,034,350
Total comprehensive income for the period attributable to:				
Owners of the Parent	1,235,790	1,108,713	1,798,736	2,005,777
Non-controlling interests	13,624	12,185	14,154	28,573
	1,249,414	1,120,898	1,812,890	2,034,350

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 GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2012

Attributable to owners of the Parent

The Group 30 June 2012	Share capital RM'000	Share premium- ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available- for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve* RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2012, as previously reported	7,432,775	4,192,596	4,103,591	137,104	(172,673)	(563)	(30)	535,762	20,094	374,332	490,627	8,822,855	25,936,470	200,000	726,690	26,863,160
Effect of adopting MFRS1	-	-	-	-	-	-	-	142,757	-	-	-	-	142,757	-	-	142,757
As restated	7,432,775	4,192,596	4,103,591	137,104	(172,673)	(563)	(30)	678,519	20,094	374,332	490,627	8,822,855	26,079,227	200,000	726,690	27,005,917
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	2,120,355	2,120,355	-	21,402	2,141,757
Other comprehensive income (net of tax)	-	-	(24)	-	(296,860)	-	-	(14,586)	(9,469)	(680)	-	-	(321,619)	-	(7,248)	(328,867)
- financial investments available-for-sales	-	-	-	-	-	-	-	4,917	-	-	-	-	4,917	-	1,832	6,749
- net investment hedge	-	-	-	-	-	-	-	-	(9,449)	-	-	-	(9,449)	-	(61)	(9,510)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(20)	-	-	-	(20)	-	-	(20)
- currency translation difference	-	-	(24)	-	(296,860)	-	-	-	-	(680)	-	-	(297,564)	-	(9,019)	(306,583)
- share of other comprehensive income of associate	-	-	-	-	-	-	-	(19,503)	-	-	-	-	(19,503)	-	-	(19,503)
Total comprehensive income for the period	-	-	(24)	-	(296,860)	-	-	(14,586)	(9,469)	(680)	-	2,120,355	1,798,736	-	14,154	1,812,890
Dividend for the financial year ended 31 December 2011	-	-	-	-	-	-	-	-	-	-	-	(743,277)	(743,277)	-	-	(743,277)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(790)	(790)
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	90,377	-	-	-	-	-	-	-	-	(90,377)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	193,186	(193,186)	-	-	-	-
Arising from accretion/(dilution) of equity	-	-	-	-	-	-	-	-	-	-	-	(2,088)	(2,088)	-	8,912	6,824
Share-based payment expense	-	-	-	-	-	-	-	-	-	33,529	-	-	33,529	-	-	33,529
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	(20,434)	-	-	(20,434)	-	-	(20,434)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(71,955)	-	-	-	(71,955)	-	-	(71,955)
Arising from staffs resigned under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	2,369	2,369	-	-	2,369
Expiry of Manangement Equity Scheme	-	-	-	-	-	-	-	-	-	(335,467)	-	335,467	-	-	-	-
At 30 June 2012	7,432,775	4,192,596	4,193,944	137,104	(469,533)	(563)	(30)	663,933	(61,330)	51,280	683,813	10,252,118	27,076,107	200,000	748,966	28,025,073

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

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

Attributable to owners of the Parent

	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve ⁸ RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2011	7,432,775	4,192,596	3,935,308	136,954	(347,337)	(563)	(21)	474,673	131,736	318,071	117,595	6,838,179	23,229,966	200,000	873,233	24,303,199
Effect of adopting MFRS1	-	-	-	-	-	-	-	119,507	-	-	-	-	119,507	-	-	119,507
As restated	7,432,775	4,192,596	3,935,308	136,954	(347,337)	(563)	(21)	594,180	131,736	318,071	117,595	6,838,179	23,349,473	200,000	873,233	24,422,706
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,886,526	1,886,526	-	27,756	1,914,282
Other comprehensive income (net of tax)	-	-	(32)	-	72,344	-	-	17,976	28,597	366	-	-	119,251	-	817	120,068
- financial investments available-for-sales	-	-	-	-	-	-	-	17,976	-	-	-	-	17,976	-	709	18,685
- net investment hedge	-	-	-	-	-	-	-	-	28,597	-	-	-	28,597	-	72	28,669
- currency translation difference	-	-	(32)	-	72,344	-	-	-	-	366	-	-	72,678	-	36	72,714
Total comprehensive income for the period	-	-	(32)	-	72,344	-	-	17,976	28,597	366	-	1,886,526	2,005,777	-	28,573	2,034,350
Dividend for the financial year ended 31 December 2010	-	-	-	-	-	-	-	-	-	-	-	(594,622)	(594,622)	-	-	(594,622)
- second interim dividend	-	-	-	-	-	-	-	-	-	-	-	(594,622)	(594,622)	-	-	(594,622)
Transfer to statutory reserve	-	-	99,382	-	-	-	-	-	-	-	-	(99,382)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	151,409	(151,409)	-	-	-	-
Arising from reorganisation of investment in subsidiaries and deemed disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(120)	(120)	-	(201,315)	(201,435)
Rights issue of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(500)	(500)	-	10,290	9,790
Bonus issue and capital repayment of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1,795)	(1,795)	-	(9,111)	(10,906)
Purchase of treasury shares	-	-	-	-	-	-	(5)	-	-	-	-	-	(5)	-	-	(5)
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,228)	(1,228)
Share-based payment expense	-	-	-	-	-	-	-	-	-	30,022	-	-	30,022	-	-	30,022
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(85,592)	-	-	-	(85,592)	-	-	(85,592)
At 30 June 2011	7,432,775	4,192,596	4,034,658	136,954	(274,993)	(563)	(26)	612,156	74,741	348,459	269,004	7,876,877	24,702,638	200,000	700,442	25,603,080

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 GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2012

	The Group	
	30 June 2012	30 June 2011
	RM'000	RM'000
Profit before taxation	2,810,749	2,510,500
Adjustments for non-operating and non-cash items	(75,949)	(138,633)
Operating profit before changes in working capital	2,734,800	2,371,867
Net changes in operating assets	(21,348,807)	(8,877,973)
Net changes in operating liabilities	13,721,469	11,670,873
	(7,627,338)	2,792,900
Cash flows used in/generated from operations	(4,892,538)	5,164,767
Taxation paid	(588,629)	(475,716)
Net cash flows used in/generated from operating activities	(5,481,167)	4,689,051
Net cash flows used in investing activities	(2,964,850)	(2,136,440)
Net cash flows (used in)/generated from financing activities	(414,084)	(877,413)
Net decrease in cash and cash equivalents during the financial period	(8,860,101)	1,675,198
Effects of exchange rate changes	(397,050)	(303,835)
Cash and short-term funds at beginning of the financial period	34,668,845	27,185,260
Cash and short-term funds at end of the financial period	25,411,694	28,556,623
Statutory deposits with Bank Indonesia*	(3,060,821)	(3,851,897)
Monies held in trust	(420,829)	(332,168)
Cash and cash equivalents at end of the financial period	21,930,044	24,372,558

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

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 30 June 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 Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

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

These unaudited condensed interim financial statements are the Group's MFRS condensed interim financial statements for part of the period covered by the Group'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 Group and the Company.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group 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 A26(i).

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 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 Group and Company's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

A2. CHANGES IN ESTIMATES

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 loans, advances and financing following the change in accounting estimate. The change in accounting estimate has been applied prospectively.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the six-month period ended 30 June 2012:-

a) From 25 January 2012 to 30 June 2012, the Company purchased 35 of its own shares from the open market at an average market price of RM9.35 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM0.33 thousand.

Subsequent to the financial period ended 30 June 2012, the Company purchased 1 of its own shares from the open market at an average market price of RM20.61 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM0.021 thousand.

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

b) On 23 February 2012, the Company announced that it will be seeking its shareholders' approval at its 55th Annual General Meeting ("AGM") to be convened on a later announced date for the proposed renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up capital of the Company. Shareholders' approval was subsequently obtained at the AGM which was held on 17 April 2012.

c) CIMB Thai Bank, a subsidiary of CIMB Bank, had fully settled its USD 40 million subordinated notes on 21 February 2012.

d) On 8 March 2012, CIMB Thai Bank announced a 3-for-10 rights issue at THB1 per share. The exercise was approved at the AGM and approved by Thailand's Ministry of Finance on 12 April 2012 and 21 June 2012 respectively. The exercise was completed on 7 August 2012 and CIMB Thai Bank successfully raised a total capital of THB 4.769 billion.

e) CIMB Bank Berhad, acting through its Labuan Offshore Branch, issued a HKD462 million 5-year senior unsecured notes (the "Notes") under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011. The Notes were issued on 8 May 2012 and will mature on 8 May 2017. The Notes bear a coupon rate of 2.55% per annum payable annually in arrears.

f) CIMB Bank Berhad issued a USD350 million 5-year senior unsecured notes (the "Notes") under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011. The Notes were issued on 26 July 2012 and will mature on 26 July 2017. The Notes bear a coupon rate of 2.375% per annum payable semi-annually in arrears.

A4. DIVIDENDS PAID AND PROPOSED

A single tier second interim dividend of 10.0 sen per ordinary share, on 7,432,771,631 ordinary shares amounting to RM743,277,163 in respect of the financial year ended 31 December 2011, which was approved by the Board of Directors on 27 February 2012, was paid on 30 March 2012.

The Directors have proposed a single tier interim dividend of 5 sen per ordinary share, on 7,432,774,644 ordinary shares amounting to RM371,638,732 in respect of the financial year ending 31 December 2012, to be paid in September 2012.

A5. STATUS OF CORPORATE PROPOSAL

(a) On 8 May 2012, CIMB Bank has entered into share purchase agreements ("SPA") with San Miguel Properties, Inc., San Miguel Corporation Retirement Plan, Q-Tech Alliance Holdings, Inc. and various minority shareholders for the proposed acquisition of 59.98% of the issued and paid-up share capital of Bank of Commerce ("BOC") ("Proposed Acquisition"), which is equivalent to 67,325,197 fully paid ordinary shares of PHP100 par value each, for a total cash consideration of PHP12,203 million (equivalent to approximately RM881 million).

The Proposed Acquisition is expected to complete in the second half of year 2012, barring any unforeseen circumstances.

(b) On 15 February 2012, CIMB Securities International Pte. Ltd. ("CSI"), an indirect wholly-owned subsidiary of the Company, completed the acquisition of 70.06% interest in SICCO Securities Public Company Limited ("SSEC") at a total cash consideration of THB767,907,519 (equivalent to RM78,426,395) or cash consideration of THB1.72 per ordinary share of SSEC. Consequently, CSI owned approximately 82.07% of the total issued and outstanding shares of SSEC as at 15 February 2012.

CSI made a tender offer under the laws of Thailand to acquire the remaining SSEC shares not owned by CSI which represents approximately 17.93% of the total issued and outstanding shares of SSEC ("Tender Offer"). The Tender Offer was completed on 11 April 2012, and CSI had acquired 14.93% of the total issued and outstanding shares. As a result, CSI currently own approximately 97% of the total issued shares of SSEC.

A5. STATUS OF CORPORATE PROPOSAL (Continued)

(c) On 21 February 2012, CIMB Bank entered into a sale and purchase agreement with a third party for the disposal of 6.8% stake in The South East Asian Strategic Assets Fund LP.

(d) On 28 February 2012, CIMB Securities International Pte. Ltd ("CIMBSI") has entered into a Deed of Accession to the Joint Venture and Shareholders' Agreement to facilitate the entry of Vista Knowledge Pte Ltd ("Vista Knowledge"), a wholly-owned subsidiary of Genting Berhad, as a new shareholder of the Joint Venture company. The new shareholding structure following Vista Knowledge's entry is; CIMB (45%), Mr. Alex Lovell (20%), Vista Knowledge (20%) and Ms Reshani Dangalla (15%).

(e) On 2 April 2012, the Group has entered into a Sale and Purchase Agreement with the RBS for the acquisition of selected cash equities business in Australia, China, Hong Kong, India and Taiwan, equity capital markets business and M&A corporate finance business in Australia, China (excluding any activities carried on by Hua Ying Securities Co., Ltd.), Hong Kong, India, Indonesia, Malaysia, Singapore, Taiwan and Thailand for a total cash consideration of GBP88.4 million (or equivalent to approximately RM431.8 million) ("Proposed Acquisition").

The acquisition of selected equity capital markets and M&A corporate finance businesses in Indonesia, Malaysia, Singapore and Thailand has been completed on 27 April 2012. The acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in China and Hong Kong was completed on 30 June 2012.

On 12 July 2012, CIMB Group Sdn Bhd, a wholly-owned subsidiary of the Group, terminated the proposed acquisition of the cash equities, equity capital markets and M&A corporate finance business of RBS in India ("India business") due to an unexpected legal issue arising in connection with the sale of the India Business by RBS.

(f) On 12 April 2012, the Group entered into a cooperation letter agreement with RBS to confirm their mutual understanding to explore cooperation in various areas, which include capital markets activities, mergers and acquisitions, equities, derivatives, loan markets, trade advisory and trade financing solutions, cash management services and agent/custodian bank arrangements.

(g) On 5 March 2012, CIMB Securities (Singapore) Pte Ltd, an indirect wholly-owned subsidiary of the Company, has entered into a strategic collaboration agreement with John Keells Stock Brokers (Pvt) Ltd ("JKSB") to facilitate the Company's stock broking business in Sri Lanka.

A6. EVENTS DURING THE REPORTING PERIOD

a) On 29 March 2012, CIMB Strategic Assets Sdn Bhd ("CIMB SA"), a wholly owned subsidiary of the Group, had disposed 300,000 ordinary issued shares of Capital Advisors Partners Asia Sdn Bhd ("CAPA"), representing 60% of issued share capital, for a cash consideration of RM2,000,000.00. As a result, CAPA became a joint venture of CIMB SA and indirect owned joint venture of the Group.

b) On 29 March 2012, CIMB SA, a wholly owned subsidiary of the Group, had disposed 6 ordinary issued shares of its subsidiary, CapAsia Islamic Infrastructure Fund (General Partner) Limited ("CIIF"), representing 60% of the issued share capital, for a cash consideration of RM3,999,000.00. Upon completion of the disposal, CIIF became a joint venture of CIMB SA and indirect owned joint venture of the Group.

c) On 29 March 2012, CIMB SA, a wholly owned subsidiary of the Group, had disposed 3 ordinary issued shares of CapAsia ASEAN Infrastructure Fund III (General Partner) Limited ("CAIF III GP"), representing 60% of the issued share capital, for a cash consideration of RM1,000.00. Upon completion of the disposal, CAIF III GP became a joint venture of CIMB SA and indirect owned joint venture of the Group.

A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events that had occurred between 30 June 2012 and the date of this announcement, other than those disclosed under Issuance and Repayment of Debt and Equity Securities, and Status of Corporate Proposal.

PART A - EXPLANATORY NOTES

A8. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

FINANCIAL ASSETS HELD FOR TRADING

	The Group	
	30 June 2012 RM'000	31 Dec 2011 (Restated) RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	660,718	253,409
Cagamas bonds	16,178	52,511
Khazanah bonds	6,161	-
Malaysian Government treasury bills	319,340	90,484
Bank Negara Malaysia bills	2,994,347	156,856
Bank Negara Malaysia negotiable notes	6,653,678	1,817,293
Negotiable instruments of deposit	2,784,725	2,069,683
Bankers' acceptances and Islamic accepted bills	579,960	575,819
Credit-linked notes	46,624	46,059
Other Government's securities	2,484,691	2,933,501
Commercial papers	428,330	168,458
Government investment issues	298,898	147,201
	17,273,650	8,311,274
Quoted securities:		
<i>In Malaysia:</i>		
Shares	863,667	904,743
<i>Outside Malaysia:</i>		
Shares	24,236	6,534
Private and Islamic debt securities	328,220	305,183
Other Government bonds	400,720	448,161
Bank Indonesia certificates	146,865	67,775
Investment linked funds	454,524	299,213
	2,218,232	2,031,609
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	1,813,432	1,925,800
Shares	6,421	6,243
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	1,711,468	1,322,944
Shares	59,958	58,157
Unit trust	9,463	9,673
	3,600,742	3,322,817
Total financial assets held-for-trading	23,092,624	13,665,700

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	The Group	
	30 June 2012	31 Dec 2011
	(Restated)	
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	499,014	1,422,455
Cagamas bonds	492,854	453,651
Khazanah bonds	162,992	190,187
Other Government securities	99,360	25,874
Bank Negara Malaysia bills	588,853	-
Government investment issues	1,474,996	1,198,283
Commercial papers	9,997	-
	3,328,066	3,290,450
Quoted securities:		
<i>In Malaysia:</i>		
Shares	35,677	26,504
Unit trusts	143,299	122,654
<i>Outside Malaysia:</i>		
Shares	120,035	21,319
Private and Islamic debt securities	763,819	371,387
Other Government bonds	3,241,620	2,807,382
Unit trusts	291,657	292,209
	4,596,107	3,641,455
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	10,858,976	8,940,133
Shares	986,015	976,604
Loan stocks	12,806	19,774
Property funds	193	188
Bond funds	61,147	12,611
<i>Outside Malaysia:</i>		
Shares	270,109	207,581
Private equity and unit trust funds	87,522	81,604
Private and Islamic debt securities	3,461,650	1,622,114
Loan stocks	180	1,568
	15,738,598	11,862,177
	23,662,771	18,794,082
Allowance for impairment loss:		
Private debt securities	(205,853)	(210,510)
Quoted shares	(12,201)	(16,854)
Quoted bonds	(7,937)	(3,411)
Unquoted shares	(127,985)	(128,270)
Unit trusts	(1,770)	(1,113)
Loan stocks	(12,806)	(12,806)
	(368,552)	(372,964)
Total financial investments available-for-sale	23,294,219	18,421,118

On 1 January 2012, the Group designated a previously held financial investments held-to-maturity to financial investments available-for-sale, as allowed under MFRS 1. The fair value and the carrying amount of the financial investments at the date of designation is RM4,647,899,111 and RM4,457,951,926 respectively.

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group	
	30 June 2012	31 Dec 2011
	(Restated)	
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	-	13,252
Cagamas bonds	4,834	5,977
Other government securities	748,774	490,820
Bank Negara negotiable notes	9,990	9,986
Malaysian Government investment issues	20,683	11,655
	784,281	531,690
Quoted securities		
<i>Outside Malaysia</i>		
Private debt securities	3,026,719	3,602,677
Islamic bonds	23,092	23,818
Medium term notes - Islamic	3,419	3,527
Other Government bonds	250,734	204,816
Bank Indonesia certificates	262,259	363,350
	3,566,223	4,198,188
Unquoted securities		
<i>In Malaysia</i>		
Private debt securities	4,582,635	4,686,499
Loan stocks	30,781	30,781
Danaharta Urus Sdn Bhd ("DUSB") bonds	130,139	795,335
<i>Outside Malaysia</i>		
Private debt securities	1,645,054	1,927,081
	6,388,609	7,439,696
	10,739,113	12,169,574
Accretion of discount net of amortisation of premium	46,014	337,881
Less : Allowance for impairment losses	(44,938)	(46,623)
Total financial investments held-to-maturity	10,740,189	12,460,832

On 1 January 2012, the Group designated a previously held financial investments held-to-maturity to financial investments available-for-sale, as allowed under MFRS 1. The fair value and the carrying amount of the financial investments at the date of designation is RM4,647,899,111 and RM4,457,951,926 respectively.

Included in the financial investments held-to-maturity of the Group as at 30 June 2012 are 10-year promissory notes of THB423 million (2011: THB450 million) maturing between 2012 to 2015, which were received from Thai Asset Management Corporation ("TAMC") for settlement of impaired loans transferred by CIMB Thai Bank to TAMC. Such promissory notes are non-transferable, bear interest at the average deposit rate of 5 major banks in Thailand and availed by the Financial Institutions Development Fund. As part of the agreement to transfer the impaired loans to TAMC, CIMB Thai Bank has a gain and loss sharing arrangement with TAMC arising from the recovery of the impaired loans. During the previous year, CIMB Bank Thai has recognised a gain of approximately RM101 million arising from the sharing agreement.

A11. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
At amortised cost		
Overdrafts	5,862,360	6,052,496
Term loans/financing		
- Housing loans/financing	50,521,614	48,812,565
- Syndicated term loans	9,631,079	9,656,325
- Hire purchase receivables	12,069,502	11,614,260
- Lease receivables	182,749	109,868
- Factoring receivables	18,449	12,172
- Other term loans/financing	76,456,930	72,727,971
Bills receivable	3,190,867	3,740,413
Trust receipts	2,381,072	1,300,741
Claims on customers under acceptance credits	4,709,260	4,578,277
Staff loans *	703,504	706,835
Credit card receivables	5,458,438	5,604,180
Revolving credits	26,346,854	24,593,593
Share margin financing	2,437,029	1,882,615
Other loans	741	890
Gross loans, advances and financing	199,970,448	191,393,201
Fair value changes arising from fair value hedge	487,381	398,797
	200,457,829	191,791,998
Less: Allowance for impairment losses		
- Individual impairment allowance	(3,616,702)	(3,988,345)
- Portfolio impairment allowance	(3,662,373)	(3,964,876)
	(7,279,075)	(7,953,221)
Total net loans, advances and financing	193,178,754	183,838,777

* Included in staff loans of the Group are loans to Directors amounting to RM2,302,236 (31 December 2011: RM10,050,224).

Included in the Group's loans, advances and financing balances are RM66,719,000 (31 December 2011: RM69,977,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM6,565,662,000 (31 December 2011: RM7,237,885,000) of its loan exposure using interest rate swaps.

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Gross loan hedged	6,565,662	7,237,885
Fair value changes arising from fair value hedges	487,381	398,797
	7,053,043	7,636,682

The fair value loss of interest rate swaps as at 30 June 2012 was RM428,407,326 (2011: fair value loss of RM445,176,674).

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

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Domestic banking financial institutions	53,692	57,963
Domestic non-bank financial institutions		
- stockbroking companies	140	-
- others	2,051,461	1,705,420
Domestic business enterprises		
- small medium enterprises	31,145,000	29,824,771
- others	44,914,745	44,209,093
Government and statutory bodies	12,919,079	12,657,089
Individuals	92,949,670	89,303,602
Other domestic entities	4,466,947	3,515,254
Foreign entities	11,469,714	10,120,009
Gross loans, advances and financing	199,970,448	191,393,201

(iii) By interest/profit rate sensitivity

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Fixed rate		
- Housing loans	1,902,462	2,124,114
- Hire-purchase receivables	12,129,335	11,606,719
- Other fixed rate loans	39,136,630	40,419,100
Variable rate		
- BLR plus	98,575,066	91,771,906
- Cost plus	23,974,754	23,129,879
- Other variable rates	24,252,201	22,341,483
Gross loans, advances and financing	199,970,448	191,393,201

(iv) By economic purpose

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Personal use	6,868,960	6,781,937
Credit card	5,458,437	5,604,180
Purchase of consumer durables	3,472	954
Construction	6,332,306	5,217,186
Residential property (Housing)	50,532,081	48,808,900
Non-residential property	13,546,030	12,758,609
Purchase of fixed assets other than land and building	15,969,677	16,528,217
Mergers and acquisitions	3,654,830	5,186,293
Purchase of securities	10,712,756	9,103,875
Purchase of transport vehicles	16,678,365	15,845,666
Working capital	51,890,394	46,078,495
Other purpose	18,323,140	19,478,889
Gross loans, advances and financing	199,970,448	191,393,201

(v) By geographical distribution

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Malaysia	122,444,635	118,894,085
Indonesia	48,622,263	46,022,974
Thailand	13,461,965	13,077,940
Singapore	9,775,253	9,514,291
United Kingdom	846,015	996,344
Hong Kong	912,255	598,442
Other countries	3,908,062	2,289,125
Gross loans, advances and financing	199,970,448	191,393,201

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

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Within one year	42,694,810	42,579,113
One year to less than three years	48,490,083	44,274,774
Three years to less than five years	21,883,607	21,348,048
Five years and more	86,901,948	83,191,266
Gross loans, advances and financing	199,970,448	191,393,201

(vii) Impaired loans by economic purpose

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Personal use	255,447	355,210
Credit card	104,785	127,609
Purchase of consumer durables	213	570
Construction	1,211,977	1,343,284
Residential property (Housing)	1,696,564	1,781,704
Non-residential property	390,330	406,835
Purchase of fixed assets other than land and building	622,960	556,579
Purchase of securities	198,534	123,855
Purchase of transport vehicles	411,138	424,208
Working capital	3,027,087	3,566,045
Other purpose	930,474	1,118,782
Gross impaired loan	8,849,509	9,804,681

(viii) Impaired loans by geographical distribution

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Malaysia	5,501,693	6,058,318
Indonesia	1,623,159	1,846,522
Thailand	1,392,660	1,442,422
Singapore	70,848	62,500
United Kingdom	4,061	54,025
Other countries	257,088	340,894
Gross impaired loan	8,849,509	9,804,681

(ix) Movements in impaired loans

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
At 1 January	9,804,681	10,284,379
Classified as impaired during the period / year	1,924,688	3,973,790
Reclassified as not impaired during the period / year	(952,289)	(1,967,542)
Amount written back in respect of recoveries	(788,711)	(1,380,212)
Arising from deemed disposal of a subsidiary	-	(942)
Amount written off	(1,334,970)	(1,202,023)
Purchase of impaired loans from third party	-	126
Reclassification from unwinding income	172,182	-
Exchange fluctuation	23,928	97,105
At 30 June / 31 December	8,849,509	9,804,681
Ratio of gross impaired loans to gross loans, advances and financing	4.43%	5.12%

A11. LOANS, ADVANCES AND FINANCING (Continued)

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

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
<u>Individual impairment allowance</u>		
At 1 January	3,988,345	4,079,367
Net allowance made during the period / year	109,799	348,005
Amount written off	(573,759)	(339,739)
Allowance made and charged to deferred assets	728	140
Amount transferred from/(to) portfolio impairment allowance	14,332	(1,970)
Allowance written off in relation to deemed disposal of a subsidiary	-	(942)
Unwinding income	98,120	(73,737)
Exchange fluctuation	(20,863)	(22,779)
At 30 June / 31 December	3,616,702	3,988,345
 <u>Portfolio impairment allowance</u>		
At 1 January	3,964,876	4,262,959
Net allowance made during the period / year	301,047	539,855
Amount transferred (to)/from individual impairment allowance	(14,332)	1,970
Amount written off	(645,550)	(828,307)
Allowance (written back)/made and charged to deferred assets	(1,094)	844
Unwinding income	78,583	(20,293)
Exchange fluctuation	(21,157)	7,848
At 30 June / 31 December	3,662,373	3,964,876
 Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing less individual impairment allowance	 2.37%	 2.55%

A12. OTHER ASSETS

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Due from brokers and clients net of allowance for doubtful debts	2,188,827	1,352,950
Other debtors, deposits and prepayments net of allowance for doubtful debts	3,129,414	2,471,597
Due from jointly controlled entity	1,306,293	1,371,367
Due from insurers, brokers and reinsurers	20,202	28,716
Option premium receivable	249,309	249,461
Deferred assets	124,291	131,204
Foreclosed properties net of allowance for impairment losses	159,799	167,765
Collateral pledged for derivative transactions	732,956	745,295
	7,911,091	6,518,355

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	52,325,828	51,191,447
Savings deposits	26,711,696	25,380,012
Fixed deposits	104,047,369	98,439,974
Negotiable instruments of deposit	4,362,724	3,017,584
Others	38,974,011	43,904,125
	226,421,628	221,933,142
 <u>By type of customer</u>		
Government and statutory bodies	10,532,216	12,579,786
Business enterprises	107,906,957	95,100,954
Individuals	89,413,356	84,078,467
Others	18,569,099	30,173,935
	226,421,628	221,933,142

The maturity structure of fixed deposits and negotiable instruments of deposit is as follows:

One year or less (short term)	104,877,144	98,006,686
More than one year (medium/long term)	3,532,949	3,450,872
	108,410,093	101,457,558

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Licensed banks	14,112,459	8,549,707
Licensed finance companies	271,308	129,555
Licensed investment banks	297,798	200,041
Bank Negara Malaysia	1,270,036	372,677
Other financial institutions	5,830,259	3,712,329
	21,781,860	12,964,309

A15. OTHER LIABILITIES

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Due to brokers and clients	2,519,592	1,732,776
Expenditure payable	1,625,080	1,534,593
Provision for legal claims	128,556	128,254
Sundry creditors	867,563	882,476
Insurance fund - life and takaful insurance business	50,201	45,397
Allowance for commitments and contingencies	20,103	33,061
Post employment benefit obligations	269,163	282,427
Credit card expenditure payable	130,250	125,537
Call deposit borrowing	405,109	402,705
Others	1,891,084	1,660,584
	7,906,701	6,827,810

A16. INTEREST INCOME

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries	2,698,129	2,482,333	5,316,327	4,835,251
- Unwinding income [^]	36,968	48,403	75,165	92,029
Money at call and deposit placements with financial institutions	124,226	135,796	287,874	236,212
Reverse repurchase agreements	37,647	22,314	70,500	44,804
Financial assets held for trading	89,239	79,946	193,802	186,440
Financial investments available-for-sale	207,753	143,211	400,318	275,379
Financial investments held-to-maturity	104,045	167,432	206,177	320,695
Others	3,072	3,071	5,580	7,165
	3,301,079	3,082,506	6,555,743	5,997,975
Accretion of discounts less amortisation of premiums	61,202	35,116	107,767	77,200
	3,362,281	3,117,622	6,663,510	6,075,175

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

A17. INTEREST EXPENSE

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	34,064	27,127	62,475	51,483
Deposits from other customers	1,191,112	1,193,908	2,459,465	2,300,409
Repurchase agreements	8,295	432	14,058	764
Bonds	10,214	-	20,707	-
Subordinated notes	139,531	136,801	277,205	275,632
Loans sold to Cagamas	-	511	-	1,635
Negotiable certificates of deposits	19,798	32,225	36,078	76,612
Other borrowings	63,400	30,997	124,662	68,383
Others	31,107	35,801	66,422	46,331
	1,497,521	1,457,802	3,061,072	2,821,249

A18. NET NON-INTEREST INCOME

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
(a) Net fee income and commission income:				
Commissions	130,178	138,916	250,448	260,885
Fee on loans, advances and financing	111,663	97,146	213,304	186,237
Portfolio management fees	3,509	3,492	7,334	7,647
Service charges and fees	130,964	103,908	259,625	223,613
Corporate advisory fees	39,274	59,820	58,053	93,360
Guarantee fees	10,397	11,192	23,257	40,974
Other fee income	71,938	72,632	143,794	119,907
Placement fees	22,961	11,414	26,257	19,431
Underwriting commission	1,873	10,011	3,462	22,476
Fee and commission income	522,757	508,531	985,534	974,530
Fee and commission expense	(100,950)	(89,923)	(202,737)	(174,923)
Net fee and commission income	421,807	418,608	782,797	799,607
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	7,465	5,956	11,490	12,529
- Financial investments available-for-sale	6,536	10,997	9,136	12,401
<i>Outside Malaysia</i>				
- Financial assets held for trading	886	417	965	1,186
- Financial investments available-for-sale	-	913	2,451	9,922
	14,887	18,283	24,042	36,038
(c) Net gain/(loss) arising from financial assets held for trading	(19,788)	(69,708)	61,288	(105,314)
- realised	(17,083)	(59,989)	62,138	(76,047)
- unrealised	(2,705)	(9,719)	(850)	(29,267)
(d) Net gain/(loss) arising from derivative financial instruments	263,630	217,044	441,495	366,620
- realised	61,050	73,853	395,770	210,905
- unrealised	202,580	143,191	45,725	155,715
(e) Net loss arising from hedging derivatives	(4,332)	(23,021)	(38,317)	(39,158)
(f) Net gain from sale of financial investments available-for-sale	45,642	66,793	193,047	68,399
(g) Net gain from redemption / maturity of financial investment held-to-maturity	2,076	1,222	5,588	1,558
(h) Income from assets management and securities services	44,958	47,451	94,151	97,570
(i) Brokerage income	96,586	74,430	188,094	172,431
(j) Other non-interest income:				
Foreign exchange gain	7,365	42,000	143,589	102,808
- realised	25,287	(57,842)	139,802	(114,291)
- unrealised	(17,922)	99,842	3,787	217,099
Rental income	2,370	3,625	4,485	7,643
Gain on disposal of property, plant and equipment	1,618	13,016	2,585	14,007
Underwriting surplus before management expenses	2,773	3,998	6,268	8,314
Loss on disposal of foreclosed properties	4,303	(7,559)	224	(9,945)
Other non-operating income	122,392	113,694	238,947	215,098
	140,821	168,774	396,098	337,925
Total other operating income	1,006,287	919,876	2,148,283	1,735,676

A19. OVERHEADS

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	767,293	635,370	1,524,451	1,300,111
- Pension cost	53,474	56,450	116,274	65,547
- Overtime	9,717	8,526	19,420	17,327
- Staff incentives and other staff payments	56,479	43,507	74,247	80,265
- Medical expenses	20,650	21,859	40,236	37,192
- Others	74,281	93,703	183,700	181,801
	981,894	859,415	1,958,328	1,682,243
Establishment costs				
- Depreciation of property, plant and equipment	88,334	75,006	176,627	162,760
- Amortisation of prepaid lease payments	3,149	3,702	6,315	7,451
- Rental	80,309	76,353	157,937	147,065
- Repair and maintenance	66,739	54,450	163,180	116,258
- Outsourced services	67,207	70,204	150,567	125,543
- Security expenses	23,273	24,380	46,035	47,096
- Others	50,529	46,535	101,674	91,376
	379,540	350,630	802,335	697,549
Marketing expenses				
- Sales commission	4,247	3,387	8,373	5,529
- Advertisement	90,441	94,189	156,756	140,921
- Others	16,806	12,112	30,026	26,672
	111,494	109,688	195,155	173,122
Administration and general expenses				
- Amortisation of intangible assets	61,874	60,039	121,892	120,054
- Legal and professional fees	61,218	52,255	96,505	86,551
- Stationery	19,587	23,041	40,110	43,895
- Communication	41,780	38,665	82,225	76,481
- Incidental expenses on banking operations	10,914	(2,860)	19,963	17,217
- Insurance	31,423	37,714	70,844	76,448
- Others	146,829	133,258	251,669	233,717
	373,625	342,112	683,208	654,363
	1,846,553	1,661,845	3,639,026	3,207,277

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

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Allowance for impaired loans and financing :				
Net allowance made/(written back) during the financial period				
- Individual impairment allowance	6,511	16,084	109,798	10,905
- Portfolio impairment allowance	170,393	147,338	301,047	260,146
Impaired loans and financing :				
- recovered	(128,439)	(83,568)	(220,965)	(186,332)
- written off	3,073	6,390	5,443	7,699
	51,538	86,244	195,323	92,418

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

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

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

	The Group		
	Principal amount	Fair values	
		Assets	Liabilities
	RM'000	RM'000	RM'000
At 30 June 2012			
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	13,084,961	155,535	(177,920)
- Less than 1 year	10,725,074	112,862	(125,422)
- 1 year to 3 years	1,114,726	39,069	(27,352)
- More than 3 years	1,245,161	3,604	(25,146)
Currency swaps	49,283,829	484,057	(429,913)
- Less than 1 year	48,844,868	464,014	(424,443)
- 1 year to 3 years	252,249	7,775	(4,656)
- More than 3 years	186,712	12,268	(814)
Currency spot	6,827,536	8,845	(10,111)
- Less than 1 year	6,827,536	8,845	(10,111)
Currency options	2,758,356	12,852	(8,938)
- Less than 1 year	2,758,356	12,852	(8,938)
Cross currency interest rate swaps	19,112,831	537,684	(333,847)
- Less than 1 year	3,734,440	52,254	(107,395)
- 1 year to 3 years	5,987,412	241,373	(78,313)
- More than 3 years	9,390,979	244,057	(148,139)
	91,067,513	1,198,973	(960,729)
<u>Interest rate derivative</u>			
Interest rate swaps	241,343,289	2,694,155	(2,317,233)
- Less than 1 year	35,287,357	97,151	(89,848)
- 1 year to 3 years	154,401,926	1,019,736	(1,011,696)
- More than 3 years	51,654,006	1,577,268	(1,215,689)
Interest rate futures	10,690,616	28,407	(682)
- Less than 1 year	5,850,116	12,937	(670)
- 1 year to 3 years	3,631,822	12,853	(12)
- More than 3 years	1,208,678	2,617	-
Interest rate options	150,000	1,388	(2)
- 1 year to 3 years	150,000	1,388	(2)
	252,183,905	2,723,950	(2,317,917)
<u>Equity related derivatives</u>			
Index futures	16,316	-	(111)
- Less than 1 year	16,316	-	(111)
Equity options	10,020,394	341,766	(536,070)
- Less than 1 year	2,850,302	263,629	(463,958)
- 1 year to 3 years	2,686,249	64,059	(11,098)
- More than 3 years	4,483,843	14,078	(61,014)
Equity swaps	569,990	520	(449)
- More than 3 years	569,990	520	(449)
	10,606,700	342,286	(536,630)
<u>Commodity related derivatives</u>			
Commodity swaps	201,496	38,420	(39,754)
- Less than 1 year	155,317	34,510	(35,963)
- 1 year to 3 years	46,179	3,910	(3,791)
Commodity futures	19,852	1,564	(18)
- Less than 1 year	19,852	1,564	(18)
Commodity options	424,707	36,305	(36,300)
- Less than 1 year	76,890	8,319	(8,314)
- 1 year to 3 years	347,817	27,986	(27,986)
	646,055	76,289	(76,072)
<u>Credit related contract</u>			
Credit default swaps	1,679,180	33,133	(39,762)
- Less than 1 year	234,100	600	(487)
- 1 year to 3 years	509,120	344	(5,196)
- More than 3 years	935,960	32,189	(34,079)
<u>Hedging derivatives</u>			
Interest rate swaps	15,157,122	319,156	(512,113)
- Less than 1 year	793,559	16,261	(5,000)
- 1 year to 3 years	394,578	7,063	(3,301)
- More than 3 years	13,968,985	295,832	(503,812)
Cross currency interest rate swaps	801,850	8,074	(11,150)
- 1 year to 3 years	295,852	5,654	-
- More than 3 years	505,998	2,420	(11,150)
	15,958,972	327,230	(523,263)
Total derivative assets/(liabilities)	372,142,325	4,701,861	(4,454,373)

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

(i) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
At 31 December 2011			
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	11,664,292	152,198	(172,128)
- Less than 1 year	9,407,525	107,872	(126,346)
- 1 year to 3 years	971,908	40,641	(22,110)
- More than 3 years	1,284,859	3,685	(23,672)
Currency swaps	38,210,727	412,086	(328,753)
- Less than 1 year	37,870,738	394,071	(324,315)
- 1 year to 3 years	128,276	6,806	(4,081)
- More than 3 years	211,713	11,209	(357)
Currency spot	3,185,666	2,100	(2,329)
- Less than 1 year	3,185,666	2,100	(2,329)
Currency options	2,246,845	9,030	(14,226)
- Less than 1 year	2,246,845	9,030	(14,226)
Cross currency interest rate swaps	16,993,262	535,129	(393,016)
- Less than 1 year	3,516,246	90,581	(130,104)
- 1 year to 3 years	6,199,649	255,084	(106,253)
- More than 3 years	7,277,367	189,464	(156,659)
	72,300,792	1,110,543	(910,452)
<u>Interest rate derivative</u>			
Interest rate swaps	244,561,024	2,711,995	(2,338,891)
- Less than 1 year	32,606,090	85,636	(60,632)
- 1 year to 3 years	131,899,721	1,010,775	(1,050,691)
- More than 3 years	80,055,213	1,615,584	(1,227,568)
Interest rate futures	11,930,771	31,861	(2,279)
- Less than 1 year	5,734,380	10,485	(2,279)
- 1 year to 3 years	4,844,425	17,375	-
- More than 3 years	1,351,966	4,001	-
Interest rate options	150,000	10,407	(4,549)
- 1 year to 3 years	100,000	9,730	(4,542)
- More than 3 years	50,000	677	(7)
	256,641,795	2,754,263	(2,345,719)
<u>Equity related derivatives</u>			
Index futures	17,121	1	(132)
- Less than 1 year	17,121	1	(132)
Equity options	8,651,175	60,008	(392,563)
- Less than 1 year	1,839,406	50,392	(290,103)
- 1 year to 3 years	3,087,134	351	(69,162)
- More than 3 years	3,724,635	9,265	(33,298)
Equity swaps	525,927	416	(385)
- More than 3 years	525,927	416	(385)
	9,194,223	60,425	(393,080)
<u>Commodity related derivatives</u>			
Commodity swaps	80,961	4,456	(5,498)
- Less than 1 year	44,312	3,730	(3,663)
- 1 year to 3 years	36,649	726	(1,835)
Commodity futures	39,642	782	(863)
- Less than 1 year	38,235	684	(845)
- 1 year to 3 years	1,407	98	(18)
Commodity options	203,200	48,048	(48,048)
- Less than 1 year	34,947	10,075	(10,075)
- 1 year to 3 years	168,253	37,973	(37,973)
	323,803	53,286	(54,409)
<u>Credit related contract</u>			
Credit default swaps	1,344,019	38,374	(40,744)
- Less than 1 year	158,850	24	-
- 1 year to 3 years	839,250	3,613	(10,290)
- More than 3 years	345,919	34,737	(30,454)
<u>Hedging derivatives</u>			
Interest rate swaps	14,221,710	257,182	(472,290)
- Less than 1 year	20,911	318	(329)
- 1 year to 3 years	1,163,570	32,874	(10,503)
- More than 3 years	13,037,229	223,990	(461,458)
Cross currency interest rate swaps	71,131	-	(597)
- More than 3 years	71,131	-	(597)
	14,292,841	257,182	(472,887)
Total derivative assets/(liabilities)	354,097,473	4,274,073	(4,217,291)

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

(i) **DERIVATIVE FINANCIAL INSTRUMENTS** (continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 June 2012, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM 4,701,861,000 (31 December 2011: RM4,274,073,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group are discussed in the audited annual financial statements for the financial year ended 31 December 2011 and the Risk Management section of the 2011 Annual Report.

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

(ii) COMMITMENTS AND CONTINGENCIES

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

<u>The Group</u>	30 June 2012	31 Dec 2011
	Principal	Principal
	Amount	Amount
	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	5,894,128	5,255,701
Certain transaction-related contingent items	5,824,667	5,464,748
Short-term self-liquidating trade-related contingencies	2,898,344	2,549,245
Obligations under underwriting agreement	362,721	226,887
Irrevocable commitments to extend credit		
- maturity not exceeding one year	42,059,717	36,370,852
- maturity exceeding one year	6,537,573	6,710,863
Miscellaneous commitments and contingencies	3,533,405	4,941,508
Total credit-related commitments and contingencies	67,110,555	61,519,804
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	64,394,213	50,683,044
- one year to less than five years	15,030,824	11,901,101
- five years and above	4,772,910	4,523,518
	84,197,947	67,107,663
<u>Interest rate related contracts</u>		
- less than one year	56,282,668	49,632,388
- one year to less than five years	150,178,875	162,478,157
- five years and above	39,526,008	37,636,526
	245,987,551	249,747,071
<u>Equity related contracts</u>		
- less than one year	2,840,633	1,852,206
- one year to less than five years	5,628,756	4,949,209
- five years and above	2,137,312	2,392,808
	10,606,701	9,194,223
Other treasury related contracts	29,319,901	26,628,646
Total treasury-related commitments and contingencies	370,112,100	352,677,603
	437,222,655	414,197,407

A22. CAPITAL ADEQUACY

30 June 2012

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

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

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

	CIMB Bank	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC *
Before deducting proposed dividend							
Core capital ratio	13.69%	10.14%	7.93%	10.94%	16.82%	12.05%	N/A
Risk-weighted capital ratio	15.66%	13.46%	12.43%	15.21%	16.85%	15.08%	33.97%
After deducting proposed dividend							
Core capital ratio	13.11%	10.14%	7.93%	10.49%	16.82%	12.05%	N/A
Risk-weighted capital ratio	15.08%	13.46%	12.43%	14.76%	16.85%	15.08%	33.97%

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

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Tier I capital							
Paid-up capital	3,764,469	1,000,000	815,797	3,764,469	100,000	544,752	117,734
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier I Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier I capital	1,636,400	-	-	1,636,400	-	-	-
Share premium	5,033,633	-	148,327	5,033,633	-	2,737,137	-
Other reserves	7,712,428	929,745	226,108	9,044,875	380,075	2,778,073	(15,933)
Non-controlling interests	-	-	-	266,468	-	-	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(42,612)	-
Deferred tax assets	(134,916)	(10,791)	-	(107,369)	(39,474)	-	-
Intangible assets	-	-	-	-	-	-	(2,224)
Goodwill	(3,555,075)	(136,000)	-	(4,891,433)	-	-	-
Total Tier I capital	15,656,939	1,852,954	1,190,232	15,947,043	440,601	6,017,350	99,577
Tier II capital							
Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	5,000,000	550,000	300,000	5,778,550	-	-	-
Subordinated loans	-	-	-	-	-	1,024,915	-
Revaluation reserve	-	-	75,979	-	-	-	-
Regulatory reserve	584,750	99,063	-	683,813	-	-	-
Portfolio impairment allowance [√]	160,923	55,058	43,797	322,697	751	490,092	2,100
Surplus of total eligible provision over expected loss under the IRB approach	93,739	(97,940)	-	-	-	-	-
Others	-	-	255,984	-	-	38,790	-
Total Tier II capital	5,869,152	606,181	675,760	6,814,800	761	1,553,797	2,100
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	(3,542,738)	-	-	(470,040)	(50)	(42,612)	-
Excess of total eligible liabilities over total eligible provision under the IRB approach	-	-	-	(57,104)	-	-	-
Securitisation exposures subject to deductions**	(70,109)	-	-	(70,109)	-	-	-
Investment in associates	-	-	-	-	-	-	-
Total Eligible Tier II capital	2,256,305	606,181	675,760	6,217,547	711	1,511,185	2,100
Total capital base	17,913,244	2,459,135	1,865,992	22,164,590	441,312	7,528,535	101,677
Less :							
Proposed dividends	(660,000)	-	-	(660,000)	-	-	-
Total capital base (net of proposed dividend)	17,253,244	2,459,135	1,865,992	21,504,590	441,312	7,528,535	101,677

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

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	93,018,771	16,361,059	13,600,259	120,589,964	1,177,955	43,913,393	299,310
Market risk	10,803,362	364,499	475,854	11,704,008	578,966	633,048	-
Operational risk	10,154,591	1,549,971	931,920	13,037,012	862,749	5,388,667	-
Large exposure risk	398,312	-	-	398,312	-	-	-
	114,375,036	18,275,529	15,008,033	145,729,296	2,619,670	49,935,108	299,310

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

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

[√] The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 30 June 2012 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM352,179,563, RM333,213,019 and RM[] respectively.

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

A22. CAPITAL ADEQUACY (continued)
31 December 2011

	CIMB Bank	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC *
Before deducting proposed dividend							
Core capital ratio	15.26%	10.44%	7.65%	11.97%	21.02%	10.17%	N/A
Risk-weighted capital ratio	17.59%	14.42%	13.00%	16.87%	21.04%	13.09%	56.33%
After deducting proposed dividend							
Core capital ratio	14.45% +	10.44%	7.65%	11.33% +	16.51% @	10.17%	N/A
Risk-weighted capital ratio	16.78% +	14.42%	13.00%	16.24% +	16.53% @	13.09%	56.33%

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

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Tier I capital							
Paid-up capital	3,764,469	1,000,000	809,961	3,764,469	100,000	561,888	117,549
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier 1 Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier 1 capital	1,635,400	-	-	1,635,400	-	-	-
Share premium	5,033,633	-	147,266	5,033,633	-	2,823,236	-
Other reserves	7,642,406	791,169	141,948	8,783,032	402,127	1,948,607	(12,130)
Non-controlling interests	-	-	-	266,211	-	-	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(35,245)	-
Deferred tax assets	(118,506)	(10,791)	-	(89,327)	(40,460)	-	-
Intangible assets	-	-	-	-	-	-	(2,916)
Goodwill	(3,555,075)	(136,000)	-	(4,899,904)	-	-	-
Total Tier I capital	15,602,327	1,714,378	1,099,175	15,693,514	461,667	5,298,486	102,503
Tier II capital							
Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	5,000,000	550,000	439,728	5,813,057	-	-	-
Subordinated loans	-	-	-	-	-	1,051,495	-
Revaluation reserve	-	-	36,571	-	-	-	-
Regulatory reserve	431,514	59,113	-	490,627	-	-	-
Portfolio impairment allowance √	188,389	64,585	41,044	397,291	623	464,878	1,346
Surplus of total eligible provision over expected loss under the IRB approach	359,190	(18,719)	-	255,860	-	-	-
Others	-	-	251,674	-	-	40,010	-
Total Tier II capital	6,008,833	654,979	769,017	6,986,575	633	1,556,383	1,346
Less :							
Investment in subsidiaries and holding of other banking	(3,249,823)	-	-	(177,125)	(50)	(35,245)	-
Securitisation exposures subject to deductions**	(70,116)	-	-	(70,116)	-	-	-
Investment in associates	(306,061)	-	-	(306,061)	-	-	-
Total Eligible Tier II capital	2,382,833	654,979	769,017	6,433,273	583	1,521,138	1,346
Total capital base	17,985,160	2,369,357	1,868,192	22,126,787	462,250	6,819,624	103,849
Less :							
Proposed dividends	(827,000)	-	-	(827,000)	(99,034)	-	-
Total capital base (net of dividend)	17,158,160	2,369,357	1,868,192	21,299,787	363,216	6,819,624	103,849

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

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	83,785,262	14,677,578	13,168,819	109,351,226	1,081,967	46,387,969	184,352
Market risk	8,105,302	346,673	339,155	8,785,131	307,315	611,862	-
Operational risk	9,949,736	1,402,324	862,316	12,620,584	807,424	5,117,613	-
Large exposure risk	400,148	-	-	400,148	-	-	-
	102,240,448	16,426,575	14,370,290	131,157,089	2,196,706	52,117,444	184,352

@ Interim dividend for financial year ended 31 December 2011, which was paid in March 2012.

+ Interim dividend for financial year ended 31 December 2011, which was paid in March 2012

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

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

√ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 December 2011 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM463,064,140, RM441,690,248 and RM21,373,892 respectively.

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

A23. SEGMENTAL REPORT

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

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

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

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

Business segment reporting

Definition of segments:

During the end of financial year 2011, an internal reorganisation has resulted in a change in business segment reporting. The Group has been reorganised into the following four major operating divisions:

Consumer Banking

Consumer Banking provides full-fledged financial services to individual and commercial customer. Its encompass the banking services across the Group's main operating markets of Malaysia, Indonesia, Singapore, Thailand and Cambodia. The divisions which make up the Consumer Banking are Consumer Sales & Distribution, Retail Financial Services, Commercial Banking, Group Cards & Personal Financing and Group Insurance.

Consumer Sales & Distribution oversees the Group's sales network including branches and mobile sales teams.

Retail Financial Services is responsible for most of the products and services to individual and micro enterprise customers. It offers products covering lending, deposit, wealth management, remittance and other services.

Commercial Banking is responsible for the development of products and services for small and medium-scale enterprises (SMEs) and mid-sized corporation.

Group Cards & Personal Financing is responsible for the Group's credit card business and personal loans portfolio.

Group Insurance is responsible of manufacturing and distribution of life and takaful insurance products.

Wholesale Banking

Wholesale Banking comprises Investment Banking and Corporate Banking, Treasury & Markets.

Investment Banking includes client coverage, advisory, equities and asset management businesses. Client coverage focuses on marketing and delivering solutions to corporate and institutional clients.

Advisory offers financial advisory services to corporations, advising issuance of equity and equity-linked products, debt restructuring, mergers and acquisitions, initial public offerings, secondary offerings and general corporate advisory. Equities, provides services including acting as underwriter, global co-ordinator, book runner or lead manager for equity and equity-linked transactions, originating, structuring, pricing and executing equity and equity-linked issues and executing programme trades, block trades and market making, as well as provides nominee services and stock broking services to retail and corporate clients.

A23. SEGMENTAL REPORT (continued)

Wholesale Banking (Continued)

Asset Management comprises wholesale fund management and unit trust.

Corporate Banking, Treasury and Markets (CBTM) is responsible for corporate lending and deposit taking, transaction banking, treasury and markets activities. Treasury focuses on treasury activities and services which include foreign exchange, money market, derivatives and trading of capital market instruments. It includes the Group's equity derivatives which develops and issues new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues.

Investment

Investments focus on Group Strategy and Strategic Investments (GSSI) including funding operations for the group. GSSI consists of Group Strategy, Private Equity and Strategic Investment which focus in defining and formulating strategies at the corporate and business unit levels, oversee the Group's strategic, private equity fund management and Strategic Investments. It also invests in the Group's proprietary capital.

Support and others

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

A23. SEGMENTAL REPORT (continued)

	Consumer Banking	Wholesale Banking		Investment	Support and others	Total
	RM'000	Investment Banking RM'000	Corporate Banking, Treasury and Markets RM'000	RM'000	RM'000	RM'000
30 June 2012						
Net interest income						
-external income / (expense)	2,268,919	27,009	1,281,099	63,439	(38,028)	3,602,438
-inter-segment income	106,814	(5,537)	(46,670)	(36,869)	(17,738)	-
	2,375,733	21,472	1,234,429	26,570	(55,766)	3,602,438
Income from Islamic Banking operations	366,152	80,272	183,998	197,307	81	827,810
Net non-interest income	835,049	430,540	672,674	192,448	17,572	2,148,283
Gain on deemed disposal of interest in subsidiaries	-	2,628	-	-	-	2,628
Net income/(expense)	3,576,934	534,912	2,091,101	416,325	(38,113)	6,581,159
Overheads	(2,398,852)	(382,807)	(689,589)	(188,208)	20,430	(3,639,026)
of which:						
- Depreciation of property, plant and equipment	(122,873)	(23,712)	(11,297)	(4,659)	(14,086)	(176,627)
- Amortisation of prepaid lease payments	(25)	-	(5)	(16)	(6,269)	(6,315)
- Amortisation of intangible assets	(63,240)	(1,582)	(5,810)	(44,425)	(6,835)	(121,892)
Profit/(loss) before allowances	1,178,082	152,105	1,401,512	228,117	(17,683)	2,942,133
Allowance (made)/written back for impairment losses on loans, advances and financing	(54,544)	1,700	(89,410)	(73)	(52,996)	(195,323)
Allowance (made)/written back for losses on other receivables	(8,972)	(5,062)	206	(5,401)	(7,281)	(26,510)
Allowance written back for commitments and contingencies	11,831	-	3	-	-	11,834
Recoveries written back from investment management and securities services	-	-	-	-	-	-
Allowance (made)/written back for other impairment losses	-	-	1,122	(4,730)	30	(3,578)
Segment results	1,126,397	148,743	1,313,433	217,913	(77,930)	2,728,556
Share of results of jointly controlled entities	(526)	(686)	-	5,047	-	3,835
Share of results of associates	27,417	79	-	50,862	-	78,358
Profit/(loss) before taxation	1,153,288	148,136	1,313,433	273,822	(77,930)	2,810,749
% of profit before taxation	41.0	5.3	46.7	9.7	(2.8)	100.0
Taxation						(668,992)
Profit after taxation before non-controlling interests						2,141,757

A23. SEGMENTAL REPORT (continued)

	Consumer Banking	Wholesale Banking		Investment	Support and others	Total
		Investment Banking	Corporate Banking, Treasury and Markets			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2011						
Net interest income						
-external income / (expense)	2,142,523	22,919	1,101,158	25,149	(37,823)	3,253,926
-inter-segment income	8,579	(4,516)	24,275	(16,575)	(11,763)	-
	2,151,102	18,403	1,125,433	8,574	(49,586)	3,253,926
Income from Islamic Banking operations	350,064	32,966	149,812	186,875	255	719,972
Non-interest income	707,895	475,424	385,408	152,413	14,536	1,735,676
Net income/(expense)	3,209,061	526,793	1,660,653	347,862	(34,795)	5,709,574
Overheads	(2,155,137)	(345,346)	(629,199)	(94,741)	17,146	(3,207,277)
of which:						
- Depreciation of property, plant and equipment	(106,656)	(22,900)	(19,790)	(5,049)	(8,365)	(162,760)
- Amortisation of prepaid lease payments	(97)	-	(1)	-	(7,353)	(7,451)
- Amortisation of intangible assets	(56,147)	(2,228)	(10,031)	(45,304)	(6,344)	(120,054)
Profit/(loss) before allowances	1,053,924	181,447	1,031,454	253,121	(17,649)	2,502,297
Allowance (made)/written back for impairment losses on loans, advances and financing	(41,690)	168	(5,869)	(39)	(44,988)	(92,418)
Allowance (made)/written back for losses on other receivables	(6,767)	(282)	773	7,917	975	2,616
Allowance (made)/written back for commitment and contingencies	(377)	-	(115)	694	14,769	14,971
Allowance written back/(made) for other impairment losses	-	-	440	1,431	1,466	3,337
Segment results	1,005,090	181,333	1,026,683	263,124	(45,427)	2,430,803
Share of results of jointly controlled entities	23,721	(397)	-	1,537	-	24,861
Share of results of associates	-	-	-	54,836	-	54,836
Profit/(loss) before taxation	1,028,811	180,936	1,026,683	319,497	(45,427)	2,510,500
% of profit before taxation	41.0	7.2	40.9	12.7	(1.8)	100.0
Taxation						(596,218)
Profit after taxation before non-controlling interests						<u>1,914,282</u>

A24. OPERATIONS OF ISLAMIC BANKING

A24a. UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	The Group		
		30 June 2012 RM'000	31 Dec 2011 (Restated) RM'000	1 Jan 2011 (Restated) RM'000
Assets				
Cash and short-term funds		5,635,802	8,391,678	7,934,045
Deposits and placements with banks and other financial institutions		1,106,044	1,557,983	1,340,924
Financial assets held for trading		5,213,926	2,911,603	2,549,533
Islamic derivative financial instruments		245,255	249,169	284,789
Financial investments available-for-sale		1,880,554	1,436,119	659,172
Financial investments held-to-maturity		1,699,384	1,397,598	1,230,451
Financing, advances and other financing/loans	A24d(i)	32,121,129	29,500,400	23,368,509
Deferred tax assets		9,895	6,359	4,307
Amount due from related companies		30,684	55,439	48,835
Amount due from holding company		705,914	568,921	514,680
Statutory deposits with Bank Negara Malaysia		1,243,519	1,097,797	143,406
Property, plant and equipment		8,063	9,567	7,314
Other assets		589,167	545,199	764,109
Goodwill		136,000	136,000	136,000
Intangible assets		4,491	4,170	4,287
TOTAL ASSETS		50,629,827	47,868,002	38,990,361
Liabilities and Islamic banking capital funds				
Deposits from customers	A24(e)	30,643,436	31,565,815	24,923,994
Deposits and placements of banks and other financial institutions		13,175,343	10,726,368	10,244,515
Islamic derivative financial instruments		523,752	452,582	265,725
Amount due to holding company		433,564	402,487	184,519
Amount due to related companies		22,956	1,112	247
Provision for taxation and zakat		126,664	112,330	86,284
Other liabilities		1,663,570	1,005,532	853,473
Other borrowings		57,440	-	-
Subordinated Sukuk		564,400	564,679	300,000
TOTAL LIABILITIES		47,211,125	44,830,905	36,858,757
Equity				
Ordinary share capital		1,000,000	1,000,000	750,000
Islamic banking funds		55,000	55,000	91,693
Perpetual preference shares		70,000	70,000	70,000
Reserves		2,285,527	1,902,052	1,180,466
		3,410,527	3,027,052	2,092,159
Non-controlling interests		8,175	10,045	39,445
TOTAL EQUITY		3,418,702	3,037,097	2,131,604
TOTAL LIABILITIES AND EQUITY		50,629,827	47,868,002	38,990,361

A24b. UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED 30 JUNE 2012

	The Group			
	1st quarter ended		Three months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	526,406	453,466	982,622	882,278
Net income derived from investment of shareholders' funds	126,821	100,996	255,794	182,051
Allowance made for impairment losses on financing, advances and other financing/loans	(28,210)	(15,993)	(62,910)	(9,126)
Allowance made for impairment losses on other receivables	(262)	(46)	(218)	(441)
Allowance made for commitments and contingencies	-	(265)	-	(265)
Allowance made for other impairment losses	(84)	-	(84)	-
Total distributable income	624,671	538,158	1,175,204	1,054,497
Income attributable to the depositors	(201,296)	(174,967)	(410,606)	(344,357)
Total net income	423,375	363,191	764,598	710,140
Other operating expenses	(129,799)	(91,605)	(248,941)	(183,559)
Profit before taxation	293,576	271,586	515,657	526,581
Taxation	(70,194)	(33,985)	(127,489)	(69,084)
Profit for the period	223,382	237,601	388,168	457,497
Profit for the period attributable to:				
Owners of the Parent	223,094	237,990	387,732	458,128
Non-controlling interests	288	(389)	436	(631)
	223,382	237,601	388,168	457,497

A24c. UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2012

	The Group			
	1st quarter ended		Three months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	223,382	237,601	388,168	457,497
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	(1,921)	(685)	(4,300)	(2,720)
- Net gain/(loss) from change in fair value				
- as previously reported	-	7,774	-	6,680
- movement during the period/effect of adopting MFRS 1	70	(3,477)	123	(5,128)
- Realised gain transferred to income statement on disposal and impairment	(2,844)	(189)	(5,625)	(189)
- Income tax effects				
- as previously reported	-	(3,098)	-	(2,801)
- movement during the period/effect of adopting MFRS 1	853	(1,695)	1,202	(1,282)
Exchange fluctuation reserve	(2,082)	318	(2,368)	555
Other comprehensive income for the period, net of tax	(4,003)	(367)	(6,668)	(2,165)
Total comprehensive income for the period	219,379	237,234	381,500	455,332
Total comprehensive income for the period attributable to:				
Owners of the Parent	220,321	237,837	383,806	456,811
Non-controlling interests	(942)	(603)	(2,306)	(1,479)
	219,379	237,234	381,500	455,332
Income from Islamic operations (per page 2)				
Total net income	423,375	363,191	764,598	710,140
Add: Allowance made for impairment losses on financing, advances and other financing/loans	28,210	15,993	62,910	9,126
Add: Allowance made for impairment losses on other receivables	262	46	218	441
Add: Allowance made for commitments and contingencies	-	265	-	265
Add: Allowance made for other impairment losses	84	-	84	-
	451,931	379,495	827,810	719,972

A24d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS**(i) By type**

	The Group	
	30 June 2012	31 Dec 2011
At amortised cost	RM'000	RM'000
Cash line	370,762	373,056
Term financing	30,579,094	28,345,701
Bills receivable	2,515	2,581
Trust receipts	79,786	35,391
Claims on customers under acceptance credits	253,455	233,479
Revolving credits	603,974	502,124
Credit card receivables	111,246	111,886
Share margin financing	281,065	167,485
Other financing	54,279	55,172
Gross financing, advances and other financing/loans	32,336,176	29,826,875
Fair value changes arising from fair value hedge	333,280	241,966
	32,669,456	30,068,841
Less: Allowance for impairment losses		
- Individual impairment allowance	(120,517)	(139,775)
- Portfolio impairment allowance	(427,810)	(428,666)
	(548,327)	(568,441)
Net financing, advances and other financing/loans	32,121,129	29,500,400

(a) During the financial period, the Group has undertaken fair value hedges on RM5,250 million (31 December 2011: RM4,350 million) financing using profit rate swaps.

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Gross financing hedged	5,250,000	4,350,000
Fair value changes arising from fair value hedges	333,280	241,966
	5,583,280	4,591,966

The fair value loss on profit rate swaps in the hedge transaction as at 30 June 2012 were RM356.0 million (31 December 2011: RM262.0 million).

(ii) By geographical distribution

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Malaysia	30,301,272	28,353,137
Indonesia	1,450,865	1,158,232
Other countries	584,039	315,506
Gross financing, advances and other financing/loans	32,336,176	29,826,875

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

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Malaysia	422,438	441,331
Indonesia	43,187	31,301
Gross impaired financing, advances and other financing/loans	465,625	472,632

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

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

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
At 1 January	472,632	342,173
Classified as impaired during the period / year	218,457	505,090
Reclassified as not impaired during the period / year	(76,796)	(127,965)
Amount recovered	(33,402)	(90,543)
Amount written off	(131,375)	(130,641)
Reclassification from unwinding income	16,825	-
Exchange fluctuation	(716)	(25,482)
At 30 June / 31 December	465,625	472,632
Ratio of gross impaired financing, advances and other financing/loans to gross financing, advances and other financing/loans	1.44%	1.58%

(v) Movements in the allowance for impaired financing:

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Individual impairment allowance		
At 1 January	139,775	97,021
Net allowance made during the period / year	24,249	48,229
Amount written off	(48,206)	(8,135)
Amount transferred from portfolio impairment allowance	-	3,001
Unwinding income	4,090	(1,477)
Exchange fluctuation	609	1,136
At 30 June / 31 December	120,517	139,775
	(0)	
Portfolio impairment allowance		
At 1 January	428,666	246,352
Allowance made during the period / year	67,066	143,075
Amount transferred to individual impairment allowance	-	(3,001)
Amount written off	(73,660)	(119,912)
Allowance transferred from conventional operations	-	166,234
Unwinding income	6,019	(4,181)
Exchange fluctuation	(281)	99
At 30 June / 31 December	427,810	428,666
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	2.17%	2.21%

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

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Non-Mudharabah		
Demand deposits	2,849,368	3,204,849
Savings deposits	1,389,142	1,169,598
General investment deposits	379,893	419,745
Commodity Murabahah	511	440,600
Fixed return investment account	4,915,109	5,564,248
Islamic negotiable instruments of deposit	3,385,932	2,510,276
Variable rate deposits	145,683	77,340
Equity Linked Sukuk	175,050	286,629
Short term money market deposit-i	8,281,387	3,994,930
Others	39,887	37,489
	21,561,962	17,705,704
Mudharabah		
Demand deposits	3,169,453	2,550,795
Savings deposits	556,875	478,449
General investment deposits	1,995,352	2,086,941
Special general investment deposits	2,014,586	6,987,965
Specific investment deposits	1,345,208	1,755,961
	9,081,474	13,860,111
	30,643,436	31,565,815

A25. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Outstanding credit exposures with connected parties	12,929,089	11,984,397
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	5.09%	5.13%
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	-	-

A26. CHANGE IN ACCOUNTING POLICIES

- (i) During the financial period, the Group changed the following accounting policies 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 Group 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 the Group's consolidated statement of financial position as at 31 December 2011 and 1 January 2011:

	Balance as at 31 December 2011		
	As previously reported	Effect of adopting MFRS1	As restated
	RM'000	RM'000	RM'000
Assets			
Financial investments available-for-sale	13,773,219	4,647,899	18,421,118
Financial investments held-to-maturity	16,918,784	(4,457,952)	12,460,832
Liabilities			
Deferred tax liabilities	134,285	47,190	181,475
Reserves			
Revaluation reserve-financial investments available-for-sale	535,762	142,757	678,519
Balance as at 1 January 2011			
	As previously reported	Effect of adopting MFRS1	As restated
	RM'000	RM'000	RM'000
Assets			
Financial investments available-for-sale	11,658,702	3,456,736	15,115,438
Financial investments held-to-maturity	14,120,263	(3,299,763)	10,820,500
Liabilities			
Deferred tax liabilities	12,124	37,466	49,590
Reserves			
Revaluation reserve-financial investments available-for-sale	474,673	119,507	594,180

Impact on the Group's consolidated statement of changes in equity as at 31 December 2011 and 1 January 2011:

	Balances as at 31 December 2011		
	As previously reported	Effect of adopting MFRS1	As restated
	RM'000	RM'000	RM'000
Revaluation reserve-financial investments available-for-sale	535,762	142,757	678,519
Balance as at 1 January 2011			
	As previously reported	Effect of adopting MFRS1	As restated
	RM'000	RM'000	RM'000
Revaluation reserve-financial investments available-for-sale	474,673	119,507	594,180

- (ii) During the end of financial year 2011, an internal re-organisation has resulted to a change in business segment reporting. The change in business segment reporting is only effective from 1 January 2012 onwards, and the comparatives for segment reporting have been restated to reflect this new Group structure.

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

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

CIMB Group Holdings ("CIMB Group") Results

CIMB Group Holdings Berhad ("CIMB Group") today reported another record half year net profit of RM2.120 billion for the first half of 2012 ("1H12"), representing a 12.3% year-on-year ("Y-o-Y") growth and equivalent to net earnings per share ("EPS") of 28.5 sen. The annualised 1H12 net return on average equity ("ROE") was 16.0%. The Group declared an interim net dividend of 5 sen per share amounting to a net payment of RM372 million.

The Group posted another solid performance in 1H12, underpinned by continued strong growth at CIMB Niaga and CIMB Singapore and outperformance at Corporate Banking and Treasury Markets ("CBTM"). On Overall, the Group's top line grew very well to offset higher operating and credit costs which were anticipated.

CIMB Group Y-o-Y Results

CIMB Group's 1H12 revenues increased by 15.3% Y-o-Y to RM6.581 billion attributed to sharp improvement in non-interest income coupled with a steady growth in net interest income. The Group's profit before tax ("PBT") was 11.9% higher at RM2.811 billion as the revenue improvement was partially offset by increased credit charges and overhead expenses.

For 1H12, the Group's regional Consumer Bank PBT expanded by 12.4% Y-o-Y to RM1.122 billion. The Malaysia & Singapore consumer operations PBT grew 6.9% Y-o-Y as growth continued to moderate. The consumer operations in Indonesia rose 31.7% Y-o-Y from a combination of higher assets and better margins. The Thai consumer operations lost RM4 million partly due to the retrospective implementation of a new deposit insurance framework.

In 1H12, the Group's regional Wholesale Banking PBT rose 19.1% Y-o-Y to RM1.418 billion principally driven by the jump in the Markets division PBT to RM717 million as debt capital markets and foreign exchange flows were strong and synergies from the "CIMB 2.0" reorganisation started to show. Investment Banking PBT was 18.1% Y-o-Y lower despite a strong 2Q due to lower M&A income. Corporate Banking PBT fell 16.4% Y-o-Y due to higher provisions. Investments PBT were lower by 15.6% Y-o-Y at RM271 million due to one-off write-backs in 1H11.

Consumer Banking operations remain the largest contributor to Group PBT at 40% (no change from 1H11). Markets contribution to Group PBT jumped to 25% from 14% in 1H11. Corporate Banking, Investment Banking and Investments contributed 20%, 5% and 10% respectively.

CIMB Niaga's PBT rose 28.8% Y-o-Y to IDR2,735 billion while its contribution to the Group was 24.8% higher Y-o-Y at RM918 million, accounting for 33% of Group PBT. CIMB Thai's PBT fell 29.8% to THB395 million and after GAAP and FRS139 adjustments, its contribution to the Group was 33.7% lower at RM32 million, equivalent to 1% of Group PBT. CIMB Singapore's PBT rose 91.1% to RM108.3 million increasing its share of Group PBT to 4%. Total non-Malaysian PBT increased to 43% in 1H12 from 37% in 1H11.

The Group's total gross loans expanded 13.1% Y-o-Y. Excluding the declining bad bank loan book, the Group's total gross loans increased by 14.5% Y-o-Y. Corporate loans saw a large increase of 19.3% while retail loans grew by 9.8%. Within the retail segment, mortgages, term loans, credit cards and the Group's micro lending grew by 11.5%, 8.6%, 4.3% and 21.3% respectively Y-o-Y. Commercial banking loans were 19.8% higher Y-o-Y while auto loans rose 5.6%.

Total Group deposits grew by 7.3% Y-o-Y driven by an 11.6% expansion in retail deposits and a 14.8% growth in commercial banking deposits. Corporate and Treasury deposits were 0.2% higher Y-o-Y. Geographically, the deposit growth was strongest in Thailand at 20.2% from a low base, while Malaysian deposits expanded at 6.2%. Indonesia and Singapore deposits grew 7.2% and 13.1% respectively Y-o-Y. The Group's CASA ratio increased slightly to 34.9% from 34.3% last year. The Group's overall net interest margins were only marginally lower at 3.09% from 3.11% last year.

The Group's total loan impairment of RM195 million in 1H12 was a significant rise from the RM92 million in 1H11, which included substantial write-backs and recoveries. The Group's total annualised credit charge was 0.20% which is still below the 0.31% full year target. The Group's gross impairment ratio continued to improve to 4.4% for 1H12 from 5.7% as at 1H11, with an allowance coverage of 82.3%. The Group's cost to income ratio improved to 55.3% compared to 56.2% in 1H11.

CIMB Bank's risk weighted capital ratio stood at 15.1% while its Tier 1 capital ratio stood at 13.1% as at 30 June 2012 (after inclusion of 1H12 net profits and proposed dividends). CIMB Group's double leverage and gearing stood at 118.6% and 21.2% respectively as at end-June 2012.

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

CIMB Group Q-on-Q Results

The Group's 2Q12 revenues of RM3.326 billion were 2.2% higher than 1Q12, translating to a 9.7% Q-o-Q net profit improvement to RM1.109 billion. Net interest income was 5.6% higher while non-interest income was 3.7% lower Q-o-Q.

The Group's Consumer Banking PBT increased 13.2% Q-o-Q underlined by the 41.8% growth in Indonesia, where loan growth was coupled with NIM expansion. Singapore's consumer operations turned a maiden quarterly profit. Wholesale Banking PBT increased 19.5% Q-o-Q with Investment Banking showing a jump from RM14 million in 1Q to RM134 million. PBT from Investments were 39.8% lower Q-o-Q due to higher realised fixed income gains in 1Q12.

CIMB Niaga Results

On 26 July 2012, CIMB Niaga reported a 1H12 net profit of IDR1,984 billion, a 28.3% Y-o-Y growth, with an annualised 1H12 net ROE of 20.7%. The improved performance was attributed to strong loan growth, improved NIMs and higher non-interest income from Markets operations offset by higher overhead expenses and provisions. On a sequential basis, the 2Q12 net profit was 11.8% higher than 1Q12.

CIMB Niaga's gross loans grew 17.9% Y-o-Y for 1H12 mainly driven by continued growth at the corporate and business banking segments. The Gross NPL of 2.5% as at end-June 2012 was an improvement from the 2.7% in 1H11 and 1Q12. CIMB Niaga's loan loss coverage (based on BI definition) stood at 108.6% as at end-1H12 compared to 109.7% as at end-1H11.

CIMB Niaga's Tier 1 capital and risk weighted capital ratios stood at 12.1% and 15.1% respectively as at 30 June 2012.

CIMB Thai Results

On 20 July 2012, CIMB Thai announced a 1H12 net profit of THB373 million, a 30.5% decline from the THB536 million in 1H11. Sequentially, CIMB Thai's net profit declined by 91.7% owing to a THB136 million one-off legacy legal claim and increased deposit insurance. The annualised loan loss charge was 0.4% for 1H12 while the loan loss coverage ratio declined to 75.2% from 80.4% at end-1H11. For the 6-month period, CIMB Thai chalked revenue of THB3.215 billion, a 6.2% Y-o-Y increase.

As at 30 June 2012, CIMB Thai's Tier 1 capital and risk weighted capital ratios were at 7.9% and 12.4% respectively. CIMB Thai's net NPL ratio rose to 2.2% from 2.0% as at the previous corresponding period.

CIMB Islamic

CIMB Islamic's Y-o-Y PBT decreased 8.5% to RM242 million due to higher provisions. CIMB Islamic's gross financing assets grew 23.8% Y-o-Y, accounting for 15.1% of total Group loans. Total deposits grew by 23.0% Y-o-Y to RM28.5 billion.

B2. CORPORATE DEVELOPMENTS

The significant corporate developments in 2012 were:

(a) Capital Management

- On 21 February 2012, CIMB Thai fully redeemed its USD40 mil subordinated notes
- On 8 March 2012, CIMB Thai announced a 3-for-10 rights issue at THB1 per share. On 7 August 2012, the offering was completed and CIMB Thai successfully raised a total capital of THB4.769 billion.

(b) Mergers and Acquisitions

- On 15 February 2012, CIMB Securities International (“CSI”) completed acquisition of 70.06% interest in SICCO Securities plc (“SSEC”) in Thailand for THB767.9 million. On the same date, CSI announced the purchase of shares from the market bringing its interest to 82.07%. CSI subsequently made a tender offer for the remaining shares it does not own and upon completion of the tender offer on 11 April 2012, CSI owned approximately 97% of SSEC.
- On 2 April 2012, CIMB Group entered into a sales and purchase agreement with The Royal Bank of Scotland (“RBS”) for the proposed acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in Australia, China, Hong Kong, India, Taiwan, Indonesia, Malaysia, Singapore and Thailand for GBP88.4 million (approximately RM431.8 mil). On 30 June 2012, the acquisition of the businesses in Indonesia, Malaysia, Singapore and Thailand were completed. On 12 July 2012, the proposed acquisition of the business in India was terminated due to an unexpected legal issue arising in connection with the sale of the India Business by RBS.
- On 5 March 2012, CIMB Securities (Singapore) entered into a strategic collaboration agreement with John Keells Stock Brokers to facilitate CIMB Group’s stock broking business in Sri Lanka.
- On 8 May 2012, CIMB Bank entered into share purchase agreements with San Miguel Properties, San Miguel Corporation Retirement Plan, Q-Tech Alliance Holdings and various minority shareholders for the proposed acquisition of 59.98% in Bank of Commerce in the Philippines for PHP12,203 million (RM881 million).

(c) Others

- On 18 January 2012, Moody’s raised CIMB Niaga’s foreign currency long-term/short-term deposit to Baa3/Prime-3 from Ba2/Not Prime and foreign currency issuer to Baa3 from Ba1. The revised ratings have stable outlook.
- On 29 March 2012, CIMB Group entered into a 40:60 joint venture with The Rohatyn Group to jointly sponsor, manage and administer the CapAsia Funds.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

With the first half performance, the Group believes that it will be able to achieve its full year financial targets, even though it anticipates that the global environment will slow economic growth in ASEAN. The Group has seen performance improvements arising from "CIMB 2.0", especially in the wholesale divisions, and it expects more to come. The Group will nevertheless remain vigilant in navigating the firm through these uncertain economic times and rapidly changing regulatory environment for banks.

B4. TAXATION

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	373,585	270,685	678,981	588,889
Deferred tax expense	(24,134)	29,638	(11,071)	13,597
Over-accrual in prior years	1,288	(3,422)	1,082	(6,268)
	350,739	296,901	668,992	596,218
Reconciliation				
Profit before taxation	1,469,527	1,277,929	2,810,749	2,510,500
Tax at statutory income tax rate of 25% (2010: 25%)	367,382	319,482	702,687	627,625
Effect of different tax rates in other countries and change in tax rates	665	(12,336)	1,545	(2,770)
Due to income not subject to income tax and expenses not deductible for tax purposes	(18,596)	(6,823)	(36,322)	(22,369)
Over-accrual in prior years	1,288	(3,422)	1,082	(6,268)
	350,739	296,901	668,992	596,218

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

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

B6. REALISED AND UNREALISED PROFITS

	Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Total retained earnings of the Group and subsidiaries		
- Realised	8,897,587	8,555,184
- Unrealised	344,231	268,222
	9,241,818	8,823,406
Total share of retained earnings from associates		
- Realised	261,662	158,721
- Unrealised	1,921	26,503
Total share of retained earnings from jointly controlled entities		
- Realised	34,444	29,932
- Unrealised	1	677
	9,539,846	9,039,239
Consolidation adjustments	712,273	(216,384)
Total group retained earnings as per consolidated financial statements	10,252,119	8,822,855

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

The marked-to-market gains and losses on derivative contracts and financial investments at fair value through profit or loss that remain outstanding in the financial statements of the Group as at 30 June 2012 and 31 December 2011 are deemed unrealised and should be read together as it reflects the nature of the transactions and financial position of the Group. In addition, the unrealised retained profits of the Group as disclosed above excludes the translation gains and losses on monetary items denominated in a currency other than the functional currency, as these gains and losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

B7. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	The Group	
	30 June 2012	31 Dec 2011
	RM'000	RM'000
Bonds and notes*		
Unsecured		
More than one year (medium/long term)	695,938	521,225
	695,938	521,225

* Included in bonds and notes for the current year is IDR denominated bonds equivalent to IDR1,500,000 million. And HKD denominated bonds equivalent to HKD 462 million.

Other borrowings**

Unsecured		
One year or less (short term)	1,837,854	1,059,251
More than one year (medium/long term)	3,798,885	4,264,781
	5,636,739	5,324,032

** Included in other borrowings for the current year is USD denominated syndicated term loans of USD100,000,000.

Subordinated Notes***

Unsecured		
More than one year (medium/long term)	11,245,759	11,417,980
	11,245,759	11,417,980

*** Includes USD denominated Subordinated Notes of USD40,000,000, IDR denominated Subordinated Notes of IDR2,980,000,000,000 and THB denominated Subordinated Notes of THB3,544,000,000. The USD denominated Subordinated Notes of USD40,000,000 was fully settled on 21 February 2012.

B8. MATERIAL LITIGATION

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

B9. COMPUTATION OF EARNINGS PER SHARE (EPS)**Basic EPS**

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

a) Basic EPS

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests	1,109,688	970,015	2,120,355	1,886,526
Weighted average number of ordinary shares in issue				
- proforma ('000)	7,432,772	7,432,772	7,432,772	7,432,772
Basic earnings per share (expressed in sen per share)	14.9	13.1	28.5	25.4

b) Diluted EPS

The Group has no dilution in its earnings per ordinary share in the current period and the preceding year corresponding period as there are no dilutive potential ordinary shares.