

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

| <u>Assets</u> | | 30-Sep-11 | 31-Dec-10 |
|---|--------|-------------------|-------------------|
| | | RM'000 | RM'000 |
| Cash and short term funds | 1 | 6,217,984 | 7,744,407 |
| Deposits and placements with banks and other financial institutions | 2 | 1,161,354 | 950,000 |
| Financial assets held for trading | 3 | 2,108,011 | 2,347,894 |
| Financial investments available-for-sale | 4 | 782,059 | 455,959 |
| Financial investments held-to-maturity | 5 | 1,192,438 | 1,093,635 |
| Islamic derivative financial instruments | 12(i) | 174,888 | 150,688 |
| Financing, advances and other loans | 6 | 24,993,121 | 22,424,577 |
| Other assets | 7 | 472,379 | 334,227 |
| Deferred taxation | | 6,899 | 5,589 |
| Amount due from holding company | | - | 245,034 |
| Amount due from related companies | | 1,821 | 828 |
| Statutory deposits with Bank Negara Malaysia | | 686,047 | 143,406 |
| Property, plant and equipment | | 2,398 | 1,862 |
| Intangible assets | | 4,336 | 4,287 |
| Goodwill | | 136,000 | 136,000 |
| Total Assets | | 37,939,735 | 36,038,393 |
| | | | |
| <u>Liabilities</u> | | | |
| Deposits from customers | 8 | 25,044,630 | 22,677,955 |
| Deposits and placements of banks and other financial institutions | 9 | 9,605,844 | 11,125,028 |
| Other liabilities | 10 | 384,577 | 384,555 |
| Islamic derivative financial instruments | 12(i) | 394,811 | 199,199 |
| Provision for tax and zakat | | 82,686 | 12,989 |
| Subordinated Sukuk | 11 | 561,130 | 300,000 |
| Amount due to holding company | | 2,729 | - |
| Amount due to related companies | | 72 | - |
| Total liabilities | | 36,076,479 | 34,699,726 |
| | | | |
| <u>Equity</u> | | | |
| Capital and reserves attributable to equity holder of the Bank | | | |
| Ordinary share capital | | 1,000,000 | 750,000 |
| Reserves | | 793,256 | 518,667 |
| | | 1,793,256 | 1,268,667 |
| Perpetual preference shares | | 70,000 | 70,000 |
| Total equity | | 1,863,256 | 1,338,667 |
| | | | |
| Total equity and liabilities | | 37,939,735 | 36,038,393 |
| | | | |
| Commitments and contingencies | 12(ii) | 17,920,698 | 17,877,382 |
| Net assets per share (RM) | | 1.79 | 1.69 |

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

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|----|---|---|--|--|
| | | QUARTER ENDED 30-Sep-11 RM'000 | QUARTER ENDED 30-Sep-10 RM'000 | 9 MONTHS ENDED 30-Sep-11 RM'000 | 9 MONTHS ENDED 30-Sep-10 RM'000 |
| Income derived from investment of depositors' funds and others | 14 | 402,224 | 407,415 | 1,179,658 | 1,019,131 |
| Income derived from investment of shareholders' funds | 15 | 61,272 | 14,260 | 157,910 | 65,947 |
| Impairment for losses on financing | 16 | (45,210) | (18,584) | (49,454) | (126,083) |
| Allowances for other receivables | | 4 | - | (9) | - |
| Total distributable income | | <u>418,290</u> | 403,091 | <u>1,288,105</u> | 958,995 |
| Income attributable to depositors | 17 | <u>(242,092)</u> | (228,108) | <u>(687,679)</u> | (514,825) |
| Total net income | | <u>176,198</u> | 174,983 | <u>600,426</u> | 444,170 |
| Personnel expenses | 18 | (54,096) | (28,410) | (149,644) | (83,761) |
| Other overheads and expenditures | 19 | (27,599) | (26,401) | (92,251) | (81,148) |
| Profit for the financial period | | <u>94,503</u> | 120,172 | <u>358,531</u> | 279,261 |
| Taxation and zakat | 20 | (23,408) | (30,498) | (89,515) | (71,586) |
| Net profit for the period | | <u><u>71,095</u></u> | <u><u>89,674</u></u> | <u><u>269,016</u></u> | <u><u>207,675</u></u> |
| Earnings per share (sen) | | 7.11 | 11.96 | 26.90 | 27.69 |

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

| | | | | |
|--|----------------------|----------------------|-----------------------|-----------------------|
| Profit for the period | 71,095 | 89,674 | 269,016 | 207,675 |
| Other comprehensive income: | | | | |
| Revaluation reserve financial investments available-for-sale | | | | |
| - Net gain from change in fair value | 905 | 2,905 | 6,965 | 6,055 |
| - Realised gain transferred to income statement on disposal | (682) | - | (620) | (530) |
| - Transfer to deferred tax assets | 1,214 | (727) | (1,587) | (1,381) |
| Other comprehensive income for the period, net of tax | <u>1,437</u> | <u>2,178</u> | <u>4,758</u> | <u>4,144</u> |
| Total comprehensive income for the period | <u><u>72,532</u></u> | <u><u>91,852</u></u> | <u><u>273,774</u></u> | <u><u>211,819</u></u> |

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

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

| | Non-distributable | | | | | | Distributable | | | | |
|--|-------------------------|-----------------------------|--|--------------------------|---------------------------|-------------------------------|---------------------------------------|-------------------------------|------------------|---------------------------------------|------------------------|
| | Share capital RM'000 | Statutory reserve RM'000 | Revaluation reserve - financial investments available-for-sale RM'000 | Merger deficit RM'000 | Capital reserve RM'000 | Regulatory reserve* RM'000 | Share-based payment reserve RM'000 | Accumulated profits RM'000 | Total RM'000 | Perpetual preference shares RM'000 | Total equity RM'000 |
| 30 September 2011 | | | | | | | | | | | |
| At 1 January 2011, as previously reported | 750,000 | 286,521 | 5,082 | (2,457) | 458 | 7,405 | - | 221,658 | 1,268,667 | 70,000 | 1,338,667 |
| Effect of adopting Amendments to FRS 2 | - | - | - | - | - | - | 15,159 | (15,159) | - | - | - |
| As restated | 750,000 | 286,521 | 5,082 | (2,457) | 458 | 7,405 | 15,159 | 206,499 | 1,268,667 | 70,000 | 1,338,667 |
| Issuance of shares | 250,000 | - | - | - | - | - | - | - | 250,000 | - | 250,000 |
| Net profit for the financial period | - | - | - | - | - | - | - | 269,016 | 269,016 | - | 269,016 |
| Other comprehensive income (net of tax) | - | - | 4,758 | - | - | - | - | - | 4,758 | - | 4,758 |
| - Financial investments available-for-sale | - | - | 4,758 | - | - | - | - | - | 4,758 | - | 4,758 |
| Total comprehensive income for the period | - | - | 4,758 | - | - | - | - | 269,016 | 273,774 | - | 273,774 |
| Share-based payment expense | - | - | - | - | - | - | 815 | - | 815 | - | 815 |
| Transfer to regulatory reserve | - | - | - | - | - | 22,501 | - | (22,501) | - | - | - |
| Transfer to statutory reserve | - | 98,962 | - | - | - | - | - | (98,962) | - | - | - |
| At 30 September 2011 | 1,000,000 | 385,483 | 9,840 | (2,457) | 458 | 29,906 | 15,974 | 354,052 | 1,793,256 | 70,000 | 1,863,256 |
| 30 September 2010 | | | | | | | | | | | |
| At 1 January 2010, as previously reported | 550,000 | 135,635 | 194 | (2,457) | 458 | - | - | 117,228 | 801,058 | 70,000 | 871,058 |
| Effect of adopting FRS 139 on 1 January 2010 | - | - | - | - | - | - | - | (39,050) | (39,050) | - | (39,050) |
| As restated | 550,000 | 135,635 | 194 | (2,457) | 458 | - | - | 78,178 | 762,008 | 70,000 | 832,008 |
| Issuance of shares | 200,000 | - | - | - | - | - | - | - | 200,000 | - | 200,000 |
| Net profit for the financial period | - | - | - | - | - | - | - | 207,675 | 207,675 | - | 207,675 |
| Other comprehensive income (net of tax) | - | - | 4,144 | - | - | - | - | - | 4,144 | - | 4,144 |
| - Financial investments available-for-sale | - | - | 4,144 | - | - | - | - | - | 4,144 | - | 4,144 |
| Total comprehensive income for the period | - | - | 4,144 | - | - | - | - | 207,675 | 211,819 | - | 211,819 |
| Transfer to regulatory reserve | - | - | - | - | - | 3,208 | - | (3,208) | - | - | - |
| Transfer to statutory reserve | - | 59,000 | - | - | - | - | - | (59,000) | - | - | - |
| At 30 September 2010 | 750,000 | 194,635 | 4,338 | (2,457) | 458 | 3,208 | - | 223,645 | 1,173,827 | 70,000 | 1,243,827 |

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

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



Company Number :671380-H

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2011

| | 30-Sep-11 RM'000 | 30-Sep-10 RM'000 |
|---|-------------------------|-------------------------|
| Profit before taxation | 358,531 | 279,261 |
| Adjustments for non-cash items | <u>(44,329)</u> | <u>95,843</u> |
| Operating profit before changes in working capital | 314,202 | 375,104 |
| Net increase in operating assets | (3,014,825) | (6,932,937) |
| Net increase in operating liabilities | 1,044,798 | 7,158,424 |
| Tax paid | <u>(18,690)</u> | <u>(32,544)</u> |
| Net cash (used in)/generated from operating activities | (1,674,515) | 568,047 |
| Net cash flows (used in)/generated from investing activities | (363,037) | (245,994) |
| Net cash flows from financing activities | <u>511,129</u> | <u>200,000</u> |
| Net (decrease)/increase in cash and cash equivalents | (1,526,423) | 522,053 |
| Cash and cash equivalents at beginning of the financial period | 7,744,407 | 4,680,918 |
| Cash and cash equivalents at end of the financial period | <u>6,217,984</u> | <u>5,202,971</u> |

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

EXPLANATORY NOTES

A. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 30 September 2011 have been prepared under the historical cost convention, except for financial assets held for trading, financial investments available-for-sale and Islamic derivative financial instruments, that have been measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with FRS134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements. The unaudited condensed interim financial statements should be read in conjunction with the Bank's audited financial statements for the financial year ended 31 December 2010. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 December 2010.

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

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

The amendment to FRS 2 effective 1 Jan 2011 clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. Previously, the Bank have a cash settled share based arrangement whereby a substantial shareholder of CIMB Group grants entitlements to the employees of the Bank. Prior to the adoption of the amendment to FRS 2, the Bank do not account for the transaction in its financial statements. The Bank have changed its accounting policy upon adoption of amendment to FRS 2 on 1 January 2011 retrospectively. As the Bank do not have an obligation to settle the transaction with its employees, the Bank have accounted for the transaction as equity settled in accordance with the amendment to FRS 2. The impact of the change in accounting policy to the prior period presented is disclosed in Note 21.

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

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

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

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

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

B. CHANGES IN ESTIMATES

There were no material changes to financial estimates made in respect of the current financial period that had previously been announced or disclosed.

C. ISSUANCE AND REPAYMENT OF DEBT EQUITY SECURITIES

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

On 30 May 2011, the Bank had issued additional RM250 million ordinary shares of RM1 par value.

D. PROPOSED DIVIDEND

There were no dividends paid or proposed for the period ended 30 September 2011.

E. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

F. PERFORMANCE REVIEW

For the third quarter ended 30 September 2011, the Bank registered a profit after tax of RM71.1 million, a decrease of 21% from a profit after tax of RM89.7 million in the previous year corresponding period. This is mainly attributable to an increase in impairment for losses on financing by 143% to RM45.2 million from RM18.6 million during the current period under review. However, year-on-year profit after tax increased by 30% to RM269 million. Year-on-year impairment for losses on financing decreased by 61%.

G. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Bank posted a satisfactory profit in 3Q 2011. For the fourth quarter, the markets are expected to be volatile and regional economic indicators are softening, so the Bank remains conservative on capital, liquidity and credit standards.

| | 30-Sep-11 RM'000 | 31-Dec-10 RM'000 |
|--|-------------------------|-------------------------|
| <u>Notes to the accounts</u> | | |
| 1 Cash and short-term funds | | |
| Cash and balances with banks and other financial institutions | 99,114 | 73,353 |
| Money at call and deposit placements maturing within one month | <u>6,118,869</u> | <u>7,671,054</u> |
| | <u><u>6,217,984</u></u> | <u><u>7,744,407</u></u> |
| 2 Deposits and placements with banks and other financial institutions | | |
| Licensed Islamic banks | 737,031 | 400,000 |
| Licensed Investment banks | 215,326 | - |
| Other financial institutions | <u>208,996</u> | <u>550,000</u> |
| | <u><u>1,161,354</u></u> | <u><u>950,000</u></u> |
| 3 Financial assets held for trading | | |
| Money market instruments | | |
| Unquoted | | |
| Government investment issues | 92,554 | 194,227 |
| Islamic negotiable instruments of deposits | 229,348 | 638,001 |
| Islamic accepted bills | 99,502 | 98,364 |
| Bank Negara negotiable notes | <u>1,538,316</u> | <u>1,283,823</u> |
| | <u>1,959,719</u> | <u>2,214,415</u> |
| Unquoted securities | | |
| Islamic private debt securities | <u>148,292</u> | <u>133,479</u> |
| | <u><u>2,108,011</u></u> | <u><u>2,347,894</u></u> |
| 4 Financial investments available-for-sale | | |
| Money market instruments | | |
| Unquoted | | |
| Government investment issues | 96,539 | 65,526 |
| Malaysian Government Securities | 33,001 | - |
| Islamic Cagamas bonds | <u>35,616</u> | <u>35,423</u> |
| | <u>165,156</u> | <u>100,949</u> |
| Unquoted securities | | |
| Islamic private debt securities | 616,328 | 354,435 |
| Placement with IBFIM | 575 | 575 |
| | <u>782,059</u> | <u>455,959</u> |
| 5 Financial investments held-to-maturity | | |
| Money market instruments | | |
| Unquoted securities | | |
| Government investment issues | 353,112 | 100,056 |
| Islamic private debt securities | 847,909 | 1,001,081 |
| Amortisation of premium less accretion of discount | <u>(8,584)</u> | <u>(7,502)</u> |
| | <u><u>1,192,438</u></u> | <u><u>1,093,635</u></u> |

| | 30-Sep-11 RM'000 | 31-Dec-10 RM'000 |
|---|--------------------------|--------------------------|
| 6 Financing, advances and other loans | | |
| (i) By type of financing: | | |
| Cash line | 309,481 | 322,529 |
| Term financing | | |
| - House financing | 6,629,598 | 5,532,014 |
| - Syndicated financing | 191,980 | 380,986 |
| - Hire purchase receivables | 5,347,085 | 5,234,598 |
| - Other term financing | 12,070,296 | 10,518,830 |
| Bills receivable | 2,469 | 2,235 |
| Islamic trust receipts | 25,024 | 59,091 |
| Claims on customer under Islamic accepted bills | 255,716 | 191,657 |
| Credit card receivables | 102,657 | 90,472 |
| Revolving credits | 368,425 | 407,330 |
| Others | - | 11 |
| Gross financing, advances and other loans | <u>25,302,733</u> | <u>22,739,753</u> |
| Fair value changes arising from fair value hedges | 212,430 | 17,997 |
| Less : Allowance for impairment losses | | |
| - Individual impairment allowance | (102,852) | (92,683) |
| - Portfolio impairment allowance | (419,190) | (240,490) |
| Total net financing, advances and other loans | <u><u>24,993,121</u></u> | <u><u>22,424,577</u></u> |
| The Bank has undertaken fair value hedges on financing using profit rate swaps. | | |
| Gross financing hedged | 3,929,615 | 4,400,000 |
| Fair value changes arising from fair value hedges | 212,430 | 17,997 |
| | <u>4,142,045</u> | <u>4,417,997</u> |
| The fair value loss on profit rate swaps as at 30 September 2011 were RM252.0 million (31 December 2010 : fair value loss of RM49.0 million). | | |
| (ii) By geographical distribution: | | |
| Malaysia | <u>25,302,733</u> | <u>22,739,753</u> |
| | <u><u>25,302,733</u></u> | <u><u>22,739,753</u></u> |
| (iii) By contract : | | |
| Bai' Bithaman Ajil (<i>deferred payment sale</i>) | 11,126,137 | 10,320,341 |
| Ijarah Muntahiyah Bittamlik/AITAB (<i>lease ended with ownership</i>) | 6,273,341 | 5,979,854 |
| Murabahah (<i>cost-plus</i>) | 31,638 | 303,903 |
| Bai' al-'inah (<i>sale and buy back</i>) | 7,465,430 | 5,827,671 |
| Others | 406,187 | 307,984 |
| | <u>25,302,733</u> | <u>22,739,753</u> |

| | 30-Sep-11 RM'000 | 31-Dec-10 RM'000 |
|---|---------------------|---------------------|
| (iv) By type of customer : | | |
| Domestic non-bank financial institutions | | |
| - Others | 167,891 | 213,028 |
| Domestic business enterprises | | |
| - Small medium enterprises | 1,209,807 | 1,267,220 |
| - Others | 3,055,552 | 3,131,681 |
| Government and statutory bodies | 4,575,160 | 4,539,837 |
| Individuals | 16,041,547 | 13,353,200 |
| Other domestic entities | 1,078 | 5,467 |
| Foreign entities | 251,698 | 229,320 |
| | <u>25,302,733</u> | <u>22,739,753</u> |
| (v) By profit rate sensitivity : | | |
| Fixed rate | | |
| - House financing | 415,234 | 417,942 |
| - Hire purchase receivables | 5,347,085 | 5,234,598 |
| - Others | 9,521,297 | 8,024,882 |
| Variable rate | | |
| - House financing | 6,214,364 | 5,114,072 |
| - Other financing | 3,804,753 | 3,948,259 |
| | <u>25,302,733</u> | <u>22,739,753</u> |
| (vi) By economic purpose : | | |
| Personal use | 3,082,190 | 1,710,557 |
| Credit card | 102,662 | 90,472 |
| Construction | 984,964 | 759,803 |
| Residential property | 6,655,611 | 5,579,762 |
| Non-residential property | 1,758,990 | 1,651,458 |
| Purchase of fixed assets other than land and building | 441,660 | 391,915 |
| Purchase of securities | 318 | 20,606 |
| Purchase of transport vehicles | 5,354,472 | 5,234,598 |
| Working capital | 6,729,040 | 7,039,034 |
| Other purpose | 192,826 | 261,548 |
| | <u>25,302,733</u> | <u>22,739,753</u> |
| (vii) By residual contractual maturity : | | |
| Within one year | 277,227 | 1,754,853 |
| One year to less than three years | 751,606 | 860,224 |
| Three years to less than five years | 1,697,852 | 1,770,618 |
| Five years and more | 22,576,048 | 18,354,058 |
| | <u>25,302,733</u> | <u>22,739,753</u> |

| | 30-Sep-11 RM'000 | 31-Dec-10 RM'000 |
|--|---------------------|---------------------|
| (viii) Impaired financing by economic purpose : | | |
| Personal use | 19,356 | 17,165 |
| Credit card | 4,533 | 2,616 |
| Construction | 3,770 | 1,584 |
| Residential property | 86,156 | 85,002 |
| Non-residential property | 23,830 | 16,131 |
| Purchased of fixed assets other than land & building | 2,579 | 1,738 |
| Purchase of securities | 3 | 19,364 |
| Purchase of transport vehicles | 134,874 | 86,560 |
| Working capital | 106,125 | 101,590 |
| Other purpose | 8,106 | 4,129 |
| | <u>389,332</u> | <u>335,879</u> |
| (ix) Impaired financing by geographical distribution: | | |
| Malaysia | <u>389,332</u> | <u>335,879</u> |
| | <u>389,332</u> | <u>335,879</u> |
| (x) Movement in impaired financing, advances and other loans : | | |
| Balance as at 1 January | 335,879 | 278,259 |
| Impaired during the period/year | 269,794 | 337,853 |
| Reclassified as non-impaired during the period/year | (89,306) | (74,091) |
| Recoveries | (70,233) | (121,592) |
| Amount written off | (56,802) | (84,550) |
| Balance as at 30 September/31 December | <u>389,332</u> | <u>335,879</u> |
| Ratio of gross impaired financing to total financing advances, and other loans | 1.54% | 1.48% |

| | 30-Sep-11 RM'000 | 31-Dec-10 RM'000 |
|---|---------------------|---------------------|
| (xi) Movements in allowance for impaired financing/bad and doubtful financing : | | |
| Individual impairment allowance | | |
| Balance as at 1 January | 92,683 | 105,851 |
| Allowance made during the period/year | 13,786 | - |
| Amount written back in respect of recoveries | (2,745) | (273) |
| Unwinding income | (759) | (2,613) |
| Amount written off | (114) | (10,282) |
| Balance as at 30 September/31 December | <u>102,852</u> | <u>92,683</u> |
| Portfolio impairment allowance | | |
| Balance as at 1 January | 240,490 | 260,926 |
| Net allowance made during the period/year | 66,407 | 162,884 |
| Transfer from/(to) CIMB Bank | 166,234 | (119,980) |
| Unwinding income | (1,396) | (1,838) |
| Amount written off | (52,545) | (61,502) |
| Balance as at 30 September/31 December | <u>419,190</u> | <u>240,490</u> |
| Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance | 2.30% | 2.30% |
| 7 Other assets | | |
| Deposits and prepayments | 944 | 308 |
| Sundry debtors | 303,937 | 53,235 |
| Collateral pledged for derivative transactions | 68,470 | 68,470 |
| Clearing accounts | 99,028 | 212,214 |
| | <u>472,379</u> | <u>334,227</u> |
| 8 Deposits from customers | | |
| (i) By type of deposit | | |
| <u>Mudharabah</u> | | |
| Demand deposits | 2,176,100 | 1,497,390 |
| Savings deposits | 371,468 | 289,034 |
| General investment deposits | 1,069,329 | 1,067,781 |
| Special general investment deposits | 7,891,056 | 7,574,239 |
| Specific investment deposits | 2,418,308 | 2,352,764 |
| | <u>13,926,261</u> | <u>12,781,208</u> |
| <u>Non-Mudharabah</u> | | |
| Demand deposits | 2,148,049 | 2,941,557 |
| Savings deposits | 889,128 | 701,147 |
| Fixed return investment deposit | 4,847,341 | 5,126,454 |
| Negotiable instruments of deposit | 1,605,823 | 1,033,019 |
| Commodity Murabahah | 98,738 | 69,379 |
| Short term money market deposit-i | 1,496,109 | - |
| Others | 33,181 | 25,191 |
| | <u>11,118,369</u> | <u>9,896,747</u> |
| | <u>25,044,630</u> | <u>22,677,955</u> |

| | 30-Sep-11 RM'000 | 31-Dec-10 RM'000 |
|---|---------------------|---------------------|
| (ii) Maturity structure of investment deposits and negotiable instruments of deposit | | |
| One year or less (short term) | 15,971,360 | 15,049,260 |
| More than one year (medium/long term) | 1,860,497 | 2,104,997 |
| | <u>17,831,857</u> | <u>17,154,257</u> |
| (iii) By type of customers | | |
| Government and statutory bodies | 4,854,505 | 5,685,744 |
| Business enterprises | 14,099,012 | 12,465,878 |
| Individuals | 4,151,053 | 3,573,972 |
| Others | 1,940,060 | 952,361 |
| | <u>25,044,630</u> | <u>22,677,955</u> |
| 9 Deposits and placements of banks and other financial institutions | | |
| <u>Mudharabah</u> | | |
| Licensed Islamic banks | 300,695 | 390,000 |
| Licensed banks | 1,099,984 | 8,459,878 |
| Licensed investment banks | 722,127 | 571,200 |
| | <u>2,122,806</u> | <u>9,421,078</u> |
| <u>Non-Mudharabah</u> | | |
| Licensed Islamic banks | - | 4,625 |
| Licensed banks | 7,441,432 | 1,649,076 |
| Other financial institutions | 41,607 | 50,249 |
| | <u>7,483,039</u> | <u>1,703,950</u> |
| | <u>9,605,844</u> | <u>11,125,028</u> |
| 10 Other liabilities | | |
| Accruals and other payables | 37,199 | 25,099 |
| Clearing accounts | 167,278 | 327,463 |
| Others | 180,100 | 31,993 |
| | <u>384,577</u> | <u>384,555</u> |
| 11 Subordinated sukuk | | |

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

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

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

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

12 Islamic derivative financial instruments, commitments and contingencies

(i) Islamic derivative financial instruments

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

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

| | 30-Sep-11 | | | 31-Dec-10 | | |
|--|----------------------------|---------------------------------|--------------------------------------|----------------------------|---------------------------------|--------------------------------------|
| | Principal amount RM'000 | Fair values Assets RM'000 | Fair values Liabilities RM'000 | Principal amount RM'000 | Fair values Assets RM'000 | Fair values Liabilities RM'000 |
| <u>Foreign exchange derivatives</u> | | | | | | |
| Currency forwards | | | | | | |
| - Less than 1 year | 324,469 | 9,267 | (992) | 33,825 | 42 | (460) |
| Currency swaps | | | | | | |
| - Less than 1 year | 1,412,096 | 32,062 | (11,809) | 1,621,195 | 8,235 | (20,753) |
| Currency spot | | | | | | |
| - Less than 1 year | 17,404 | 5 | (3) | 245 | 1 | - |
| Currency options | | | | | | |
| - Less than 1 year | 67,665 | 572 | (572) | - | - | - |
| Cross currency profit rate swaps | | | | | | |
| - 1 year to 3 years | 90,118 | 2,929 | (2,929) | 88,549 | 2,653 | (2,653) |
| - More than 3 years | 240,400 | 10,509 | (10,509) | - | - | - |
| | 2,152,152 | 55,344 | (26,814) | 1,743,814 | 10,931 | (23,866) |
| <u>Islamic profit rate derivatives</u> | | | | | | |
| Islamic profit rate swaps | 6,620,391 | 101,545 | (98,008) | 5,799,537 | 122,279 | (108,850) |
| - Less than 1 year | 1,493,209 | 13,298 | (1,095) | 377,279 | 2,390 | - |
| - 1 year to 3 years | 1,578,703 | 28,531 | (2,947) | 4,315,158 | 91,132 | (15,490) |
| - More than 3 years | 3,548,479 | 59,716 | (93,966) | 1,107,100 | 28,757 | (93,360) |
| <u>Equity related derivatives</u> | | | | | | |
| Equity options | 2,013,440 | 10,808 | (10,808) | 2,219,544 | 6,342 | (6,342) |
| - Less than 1 year | 277,580 | 730 | (730) | 637,740 | 1,937 | (1,937) |
| - 1 year to 3 years | 839,414 | 442 | (442) | 1,075,479 | 3,728 | (3,728) |
| - More than 3 years | 896,446 | 9,636 | (9,636) | 506,325 | 677 | (677) |
| <u>Held for hedging purpose</u> | | | | | | |
| Islamic profit rate swaps | 3,929,615 | 7,191 | (259,181) | 4,400,000 | 11,136 | (60,141) |
| - More than 3 years | 3,929,615 | 7,191 | (259,181) | 4,400,000 | 11,136 | (60,141) |
| Total derivative assets/(liabilities) | 14,715,598 | 174,888 | (394,811) | 14,162,895 | 150,688 | (199,199) |

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as profit rate swaps, are not able to or willing to fulfil their obligation to pay the Bank the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2011, the amount of credit risk in the Bank, measured in terms of the cost to replace the profitable contracts, was RM175 million (31 December 2010: RM151 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Bank are discussed in the audited annual financial statements for the financial year ended 31 December 2010 .

12 Islamic derivative financial instruments, commitments and contingencies

(ii) Commitments and contingencies

In the normal course of business, the Bank makes various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The commitments and contingencies constitute the following :

| | 30-Sep-11 | 31-Dec-10 |
|---|-------------------|-------------------|
| | Principal | Principal |
| | amount | amount |
| | RM'000 | RM'000 |
| <u>Credit-related</u> | | |
| Direct credit substitutes | 28,814 | 37,197 |
| Certain transaction-related contingent items | 343,827 | 374,102 |
| Short-term self-liquidating trade-related contingencies | 108,037 | 17,949 |
| Irrevocable commitments to extend credit : | | |
| - maturity not exceeding one year | 1,656,426 | 1,782,407 |
| - maturity exceeding one year | 1,050,703 | 1,411,601 |
| Miscellaneous commitments and contingencies | 17,293 | 91,231 |
| Total credit-related commitments and contingencies | <u>3,205,100</u> | <u>3,714,487</u> |
| <u>Treasury-related</u> | | |
| Foreign exchange related contracts : | | |
| - less than one year | 1,821,634 | 1,655,265 |
| - one year to less than five years | 90,118 | 88,549 |
| - above 5 years | 240,400 | - |
| Profit rate related contracts : | | |
| - less than one year | 1,493,209 | 377,279 |
| - one year to less than five years | 3,611,118 | 4,315,158 |
| - over five years | 5,445,679 | 5,507,100 |
| Equity related contracts : | | |
| - less than one year | 277,580 | 637,740 |
| - one year to less than five years | 997,634 | 1,075,479 |
| - above 5 years | 738,226 | 506,325 |
| Total treasury-related commitments and contingencies | <u>14,715,598</u> | <u>14,162,895</u> |
| | <u>17,920,698</u> | <u>17,877,382</u> |

13 CAPITAL ADEQUACY

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

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

| | 30-Sep-11 | 31-Dec-10 |
|-----------------------------|------------------|------------------|
| | RM'000 | RM'000 |
| Tier I capital | 1,619,689 | 1,184,591 |
| Eligible Tier II capital | 625,197 | 355,874 |
| Capital base | <u>2,244,886</u> | <u>1,540,465</u> |
| Core capital ratio | 10.42% | 13.24% |
| Risk-weighted capital ratio | 14.44% | 17.21% |

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

| | | |
|--|-------------------------|-------------------------|
| <u>Tier I capital</u> | | |
| Paid-up share capital | 1,000,000 | 750,000 |
| Perpetual preference share | 70,000 | 70,000 |
| Retained profits and other reserves | 693,613 | 506,180 |
| | <u>1,763,613</u> | <u>1,326,180</u> |
| Less : Goodwill | (136,000) | (136,000) |
| Less : Deferred taxation | (7,924) | (5,589) |
| Total Tier-I Capital | 1,619,689 | 1,184,591 |
| <u>Tier II capital</u> | | |
| Subordinated sukuk | 550,000 | 300,000 |
| Regulatory reserve | 29,906 | 7,405 |
| Portfolio impairment allowance [^] | 55,418 | 30,892 |
| Surplus of total eligible provision over expected loss | (10,127) | 17,577 |
| Total Tier II capital | 625,197 | 355,874 |
| Total capital base | <u>2,244,886</u> | <u>1,540,465</u> |

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

| | | |
|---|-------------------|------------------|
| Risk weighted assets for credit risk | 13,908,375 | 7,623,657 |
| Risk weighted assets for market risk | 318,196 | 285,115 |
| Risk weighted assets for operational risk | 1,320,169 | 1,041,278 |
| | <u>15,546,740</u> | <u>8,950,050</u> |

[^] The capital base of the Bank as at 30 September 2011 has excluded portfolio impairment allowance on impaired financings for standardise approach assets restricted from Tier II capital of RM 21,710,595 (2010 : RM19,709,506).

Notes to the accounts

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---------------------|---------------------|---------------------|---------------------|
| | QUARTER ENDED | QUARTER ENDED | 9 MONTHS ENDED | 9 MONTHS ENDED |
| | 30-Sep-11 RM'000 | 30-Sep-10 RM'000 | 30-Sep-11 RM'000 | 30-Sep-10 RM'000 |
| 14 Income derived from investment of depositors funds and others | | | | |
| Income derived from investment of : | | | | |
| - General investment deposits | 158,794 | 152,174 | 437,318 | 435,843 |
| - Specific investment deposits | 47,620 | 149,379 | 301,430 | 288,254 |
| - Other deposits | 195,810 | 105,862 | 440,909 | 295,034 |
| | <u>402,224</u> | <u>407,415</u> | <u>1,179,658</u> | <u>1,019,131</u> |
| 14a Income derived from investment of general investment deposits | | | | |
| Financing, advances and other loans | | | | |
| - Income other than recoveries | 141,317 | 107,741 | 366,347 | 335,113 |
| - Unwinding income [^] | 670 | 791 | 1,582 | 2,082 |
| Financial assets held for trading | 1,653 | 2,304 | 5,994 | 8,063 |
| Financial investments available-for-sale | 2,539 | 2,642 | 7,811 | 8,676 |
| Financial investments held-to-maturity | 1,672 | 1,357 | 4,447 | 4,637 |
| Money at call and deposit with financial institutions | 16,696 | 22,886 | 50,660 | 49,486 |
| | <u>164,547</u> | <u>137,721</u> | <u>436,842</u> | <u>408,057</u> |
| Accretion of discount less amortisation of premium | 2,592 | 5,283 | 12,623 | 13,637 |
| Total finance income and hibah | <u>167,139</u> | <u>143,004</u> | <u>449,465</u> | <u>421,694</u> |
| Other operating income | | | | |
| - Net gain/(loss) arising from financial assets held for trading | | | | |
| - realised gain/(loss) | 323 | 93 | 526 | (323) |
| - unrealised gain/(loss) | 411 | (90) | (227) | (947) |
| - Net gain/(loss) from sale of financial investments available-for-sale | 289 | (7) | 259 | 287 |
| - Net gain from sale of financial investments held-to-maturity | 212 | - | 84 | - |
| - Net (loss)/gain from foreign exchange transactions | (10,167) | 8,793 | (14,827) | 13,053 |
| | <u>(8,932)</u> | <u>8,789</u> | <u>(14,185)</u> | <u>12,070</u> |
| Fee and commission income | 586 | 381 | 2,038 | 2,079 |
| | <u>158,794</u> | <u>152,174</u> | <u>437,318</u> | <u>435,843</u> |
| 14b Income derived from investment of specific investment deposits | | | | |
| Financing, advances and other loans | | | | |
| - Income other than recoveries | 20,672 | 125,628 | 221,022 | 228,666 |
| Financial investments held-to-maturity | 8,838 | 12,042 | 28,855 | 30,803 |
| Money at call and deposit with financial institutions | 18,111 | 11,709 | 51,554 | 28,785 |
| | <u>47,620</u> | <u>149,379</u> | <u>301,430</u> | <u>288,254</u> |

[^] Unwinding income is income earned on impaired financing, advances and other loans

Notes to the accounts

INDIVIDUAL QUARTER CUMULATIVE QUARTER

| QUARTER ENDED 30-Sep-11 RM'000 | QUARTER ENDED 30-Sep-10 RM'000 | 9 MONTHS ENDED 30-Sep-11 RM'000 | 9 MONTHS ENDED 30-Sep-10 RM'000 |
|--------------------------------|--------------------------------|---------------------------------|---------------------------------|
|--------------------------------|--------------------------------|---------------------------------|---------------------------------|

14c Income derived from investment of other deposits

| | | | | |
|--|-----------------|----------------|-----------------|----------------|
| Financing, advances and other loans | | | | |
| - Income other than recoveries | 174,260 | 76,180 | 372,310 | 229,088 |
| - Unwinding income [^] | 826 | 516 | 1,625 | 1,307 |
| Financial assets held for trading | 2,039 | 1,697 | 5,840 | 5,669 |
| Financial investments available-for-sale | 3,131 | 1,893 | 7,761 | 5,980 |
| Financial investments held-to-maturity | 2,061 | 973 | 4,496 | 3,184 |
| Money at call and deposit with financial institutions | 20,588 | 15,305 | 50,346 | 32,566 |
| | 202,904 | 96,564 | 442,378 | 277,794 |
| Accretion of discount less amortisation of premium | 3,197 | 3,670 | 12,009 | 9,318 |
| Total finance income and hibah | 206,101 | 100,234 | 454,387 | 287,112 |
| Other operating income | | | | |
| - Net gain/(loss) arising from financial assets held for trading | | | | |
| - realised gain/(loss) | 398 | 54 | 579 | (214) |
| - unrealised gain/(loss) | 506 | (94) | (53) | (696) |
| - Net gain from sale of financial investments available-for-sale | 357 | 8 | 329 | 218 |
| - Net gain from sale of financial investments held-to-maturity | 262 | - | 153 | - |
| - Net (loss)/gain from foreign exchange transactions | (12,537) | 5,396 | (16,475) | 7,284 |
| | (11,014) | 5,364 | (15,467) | 6,592 |
| Fee and commission income | 723 | 264 | 1,989 | 1,330 |
| | 195,810 | 105,862 | 440,909 | 295,034 |

15 Income derived from investment of shareholders' funds

| | | | | |
|---|---------------|-----------------|----------------|-----------------|
| Financing, advances and other loans | | | | |
| - Income other than recoveries | 17,494 | 7,484 | 42,883 | 25,500 |
| - Unwinding income [^] | 83 | 56 | 185 | 142 |
| Financial assets held for trading | 205 | 159 | 691 | 636 |
| Financial investments available-for-sale | 314 | 183 | 907 | 667 |
| Financial investments held-to-maturity | 207 | 94 | 519 | 355 |
| Money at call and deposit with financial institutions | 2,067 | 1,602 | 5,873 | 3,579 |
| | 20,369 | 9,578 | 51,058 | 30,879 |
| Accretion of discount less amortisation of premium | 321 | 368 | 1,450 | 1,036 |
| Total finance income and hibah | 20,690 | 9,946 | 52,508 | 31,915 |
| Other operating income | | | | |
| - Net gain/(loss) arising from financial assets held for trading | | | | |
| - realised gain/(loss) | 40 | 6 | 63 | (24) |
| - unrealised gain/(loss) | 51 | (6) | (21) | (79) |
| - Net gain/(loss) from sale of financial investments available-for-sale | 36 | (1) | 32 | 25 |
| - Net gain from sale of financial investments held-to-maturity | 26 | - | 13 | - |
| - Net (loss)/gain from foreign exchange transactions | (1,259) | 622 | (1,753) | 757 |
| - Net (loss) arising from hedging activities | (1,692) | (1,457) | (1,386) | (1,930) |
| - Net gain/(loss) arising from derivative financial instrument | | | | |
| - realised (loss)/gain | (7,274) | 114,842 | 27,677 | 139,060 |
| - unrealised gain/(loss) | 28,716 | (127,847) | 15,479 | (152,434) |
| | 18,644 | (13,841) | 40,105 | (14,625) |
| Fee and commission income | 21,261 | 16,366 | 62,909 | 42,454 |
| Less : fee and commission expense | (524) | (374) | (1,467) | (997) |
| Net fee and commission income | 20,737 | 15,992 | 61,442 | 41,457 |
| Other income | | | | |
| - Sundry income | 1,201 | 2,163 | 3,856 | 7,200 |
| | 61,272 | 14,260 | 157,910 | 65,947 |

[^] Unwinding income is income earned on impaired financing, advances and other loans

Notes to the accounts

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---------------------|---------------------|---------------------|---------------------|
| | QUARTER ENDED | QUARTER ENDED | 9 MONTHS ENDED | 9 MONTHS ENDED |
| | 30-Sep-11 RM'000 | 30-Sep-10 RM'000 | 30-Sep-11 RM'000 | 30-Sep-10 RM'000 |
| 16 (Writeback of)/net allowances for impairment for losses on financing | | | | |
| (Writeback of)/net allowance for impaired financing/bad and doubtful financing : | | | | |
| Individual impairment allowance | | | | |
| - Made during the period | 13,786 | (2,892) | 13,786 | 7,598 |
| - Written back | - | - | (2,745) | - |
| Portfolio impairment allowance | | | | |
| - Made during the period | 38,350 | 26,575 | 66,407 | 133,329 |
| Bad debts on financing : | | | | |
| - recovered | (6,927) | (5,100) | (27,997) | (14,848) |
| - written off | 1 | 1 | 2 | 4 |
| | <u>45,210</u> | <u>18,584</u> | <u>49,454</u> | <u>126,083</u> |
| 17 Income attributable to depositors | | | | |
| Deposits from customers | | | | |
| - Mudharabah | 74,636 | 86,203 | 212,295 | 210,560 |
| - Non-Mudharabah | 69,667 | 32,635 | 172,706 | 72,935 |
| Deposits and placements of banks and other financial institutions | | | | |
| - Mudharabah | 27,358 | 95,679 | 181,450 | 186,764 |
| - Non-Mudharabah | 64,003 | 9,244 | 104,488 | 31,571 |
| Subordinated Sukuk | 6,427 | 4,347 | 16,740 | 12,995 |
| | <u>242,092</u> | <u>228,108</u> | <u>687,679</u> | <u>514,825</u> |
| 18 Personnel expenses | | | | |
| Salaries, allowances and bonuses | 13,409 | 5,090 | 35,563 | 17,491 |
| Management cost charged | 33,218 | 20,315 | 99,963 | 56,270 |
| Other staff related costs | 7,471 | 3,005 | 14,118 | 10,000 |
| | <u>54,097</u> | <u>28,410</u> | <u>149,644</u> | <u>83,761</u> |
| 19 Other overheads | | | | |
| Establishment | | | | |
| Rental | 324 | 500 | 915 | 804 |
| Depreciation of fixed assets | 292 | 278 | 856 | 823 |
| EDP expenses | (75) | 451 | 59 | 1,795 |
| Management cost charged | 16,137 | 8,119 | 45,489 | 26,576 |
| Others | (2,812) | 584 | (1,129) | 1,657 |
| Marketing | | | | |
| Advertisement and publicity | 540 | 1,539 | 832 | 6,045 |
| Management cost charged | 3,222 | 5,332 | 7,762 | 7,390 |
| Others | 1,303 | 952 | 2,732 | 2,135 |
| General expenses | | | | |
| Auditor's remuneration-statutory audit | 24 | 23 | 72 | 129 |
| Amortisation of intangible assets | 290 | 662 | 974 | 2,310 |
| Professional fees | 718 | 697 | 1,292 | 1,561 |
| Management cost charged | 4,486 | 5,175 | 24,006 | 18,397 |
| Others | 3,149 | 2,089 | 8,392 | 11,526 |
| | <u>27,599</u> | <u>26,401</u> | <u>92,251</u> | <u>81,148</u> |

Notes to the accounts

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---------------------|---------------------|---------------------|---------------------|
| | QUARTER ENDED | QUARTER ENDED | 9 MONTHS ENDED | 9 MONTHS ENDED |
| | 30-Sep-11 RM'000 | 30-Sep-10 RM'000 | 30-Sep-11 RM'000 | 30-Sep-10 RM'000 |
| 20 Taxation and zakat | | | | |
| Major components of tax and zakat expense: | | | | |
| Current tax and zakat expense | 25,689 | 28,957 | 92,324 | 71,392 |
| Deferred taxation | (1,594) | 900 | (2,896) | (447) |
| (Over)/under accrual in prior year | (687) | 641 | 87 | 641 |
| | <u>23,408</u> | <u>30,498</u> | <u>89,515</u> | <u>71,586</u> |
| Reconciliation | | | | |
| Profit before taxation and zakat | 94,503 | 120,172 | 358,531 | 279,261 |
| Tax calculated at a rate of 25% (2010: 25%) | 23,626 | 30,043 | 89,633 | 69,815 |
| Tax effects: | | | | |
| - income not subject to tax | 11 | - | (43) | - |
| - expenses not deductible for tax purposes | 494 | (1,718) | 638 | 498 |
| Over accrual in prior year | (722) | 2,173 | (713) | 1,273 |
| Tax expense | <u>23,408</u> | <u>30,498</u> | <u>89,515</u> | <u>71,586</u> |

21 CHANGE IN ACCOUNTING POLICIES

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

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

Statement of changes in equity

| | Balances as at 1 January 2010 | | |
|-----------------------------|-------------------------------|---------------------|-------------|
| | As previously reported | Effects of adopting | |
| | | Amendments to FRS 2 | As restated |
| | RM'000 | RM'000 | RM'000 |
| Accumulated profits | 78,178 | (14,573) | 63,605 |
| Share-based payment reserve | - | 14,573 | 14,573 |

| | Balances as at 1 January 2011 | | |
|-----------------------------|-------------------------------|---------------------|-------------|
| | As previously reported | Effects of adopting | |
| | | Amendments to FRS 2 | As restated |
| | RM'000 | RM'000 | RM'000 |
| Accumulated profits | 221,658 | (15,159) | 206,499 |
| Share-based payment reserve | - | 15,159 | 15,159 |