

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Notes	The Group		The Bank	
		31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Assets					
Cash and short term funds		2,126,042	2,068,460	1,951,032	1,943,954
Reverse repurchase agreements		90,113	273,423	90,113	273,423
Deposits and placements with banks and other financial institutions		367,574	252,100	361,279	250,833
Financial assets held for trading	A5	74,365	79,110	74,365	79,110
Derivative financial instruments	A17(i)	37,932	48,441	37,932	48,441
Financial investments available-for-sale	A6	2,702	2,703	-	-
Loans, advances and financing	A7	42,457	40,956	42,457	40,956
Other assets	A8	1,029,317	1,211,719	1,028,221	1,210,580
Tax recoverable		50,462	26,304	50,462	26,304
Deferred tax assets		43,082	40,460	42,896	40,274
Amount due from subsidiaries		-	-	214	3
Amount due from related companies		7,836	5,092	7,836	5,092
Amount due from immediate holding company		-	1,529	-	1,529
Amount due from ultimate holding company		1	-	1	-
Statutory deposits with Bank Negara Malaysia		3,730	1,520	3,730	1,520
Investment in subsidiaries		-	-	9,050	9,050
Investment in associates		5,068	5,007	-	-
Property, plant and equipment		109,448	105,620	110,497	106,810
Goodwill		964	964	-	-
Total assets		3,991,093	4,163,408	3,810,085	4,037,879
Liabilities					
Deposits from customers	A9	896,602	829,133	896,602	829,133
Deposits and placements of banks and other financial institutions	A10	1,127,112	1,212,833	1,127,112	1,212,833
Derivative financial instruments	A17(i)	78,014	81,521	78,014	81,521
Other liabilities	A11	1,455,642	1,517,425	1,302,006	1,407,588
Other borrowing		10,090	-	-	-
Provision for taxation and zakat		655	684	607	607
Amount due to subsidiaries		-	-	3,185	3,185
Amount due to related companies		3,527	9,482	2,379	9,480
Amount due to ultimate holding company		-	22	-	22
Total Liabilities		3,571,642	3,651,100	3,409,905	3,544,369
Capital and reserves attributable to equity holders of the Bank					
Share capital		100,000	100,000	100,000	100,000
Redeemable preference shares		10	10	10	10
Reserves		319,441	412,298	300,170	393,500
Total equity		419,451	512,308	400,180	493,510
Total equity and liabilities		3,991,093	4,163,408	3,810,085	4,037,879
Commitment and contingencies					
Principal	A17(ii)	1,339,214	1,483,613	1,339,214	1,483,613
Net assets per share (RM)		4.2	5.1	4.0	4.9

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

	Notes	The Group				The Bank			
		1st quarter ended		Three months ended		1st quarter ended		Three months ended	
		31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	A12	9,987	13,537	9,987	13,537	9,561	13,280	9,561	13,280
Interest expense	A13	(12,102)	(13,010)	(12,102)	(13,010)	(12,012)	(13,010)	(12,012)	(13,010)
Net interest (expense)/income		(2,115)	527	(2,115)	527	(2,451)	270	(2,451)	270
Income from Islamic Banking operations	A20b	4,765	(9,539)	4,765	(9,539)	4,765	(9,539)	4,765	(9,539)
Non-interest income	A14	63,043	91,293	63,043	91,293	61,933	90,264	61,933	90,264
Total income		65,693	82,281	65,693	82,281	64,247	80,995	64,247	80,995
Overheads	A15	(57,899)	(67,344)	(57,899)	(67,344)	(57,000)	(66,592)	(57,000)	(66,592)
Profit before allowances		7,794	14,937	7,794	14,937	7,247	14,403	7,247	14,403
Write back of/(allowance for) impairment losses on loans and advances	A16	115	(32)	115	(32)	115	(32)	115	(32)
Allowance for other receivables (net)		(4,182)	(2,565)	(4,182)	(2,565)	(4,187)	(2,565)	(4,187)	(2,565)
		3,727	12,340	3,727	12,340	3,175	11,806	3,175	11,806
Share of results of associates		61	121	61	121	-	-	-	-
Profit before taxation		3,788	12,461	3,788	12,461	3,175	11,806	3,175	11,806
Taxation		(2,609)	(4,258)	(2,609)	(4,258)	(2,469)	(4,124)	(2,469)	(4,124)
Profit for the period		1,179	8,203	1,179	8,203	706	7,682	706	7,682
Profit for the period attributable to : Owners of the Group/Bank		1,179	8,203	1,179	8,203	706	7,682	706	7,682
Earnings per share (sen) -Basic	B4	1.18	8.20	1.18	8.20	0.71	7.68	0.71	7.68

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

	The Group				The Bank			
	1st quarter ended		Three months ended		1st quarter ended		Three months ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Profit for the period	1,179	8,203	1,179	8,203	706	7,682	706	7,682
Total comprehensive income for the period	1,179	8,203	1,179	8,203	706	7,682	706	7,682
Total comprehensive income attributable to:								
Owners of the Group/Bank	1,179	8,203	1,179	8,203	706	7,682	706	7,682

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

The Group 31 March 2012	← Attributable to owners of Parent →						Total RM'000
	Share capital RM'000	Redeemable preference shares RM'000	Statutory reserve RM'000	Revaluation reserves - financial investments available-for-sale RM'000	Share-based payment reserve RM'000	Retained profits RM'000	
At 1 January 2012	100,000	10	155,805	(1)	54,115	202,379	512,308
Net profit for the period	-	-	-	-	-	1,179	1,179
Total comprehensive income for the period	-	-	-	-	-	1,179	1,179
Share-based payment expense	-	-	-	-	4,999	-	4,999
Interim dividend paid in respect of the financial year ended 31 December 2011	-	-	-	-	-	(99,035)	(99,035)
Balance as at 31 March 2012	100,000	10	155,805	(1)	59,114	104,523	419,451

The Group 31 March 2011	← Attributable to owners of the Parent →						Total RM'000
	Share capital RM'000	Redeemable preference shares RM'000	Statutory reserve RM'000	Revaluation reserves - financial investments available-for-sale RM'000	Share-based payments reserve RM'000	Retained profits RM'000	
At 1 January 2011	100,000	10	155,805	-	35,235	155,672	446,722
Net profit for the period	-	-	-	-	-	8,203	8,203
Total comprehensive income for the period	-	-	-	-	-	8,203	8,203
Share-based payment expense	-	-	-	-	948	-	948
Balance as at 31 March 2011	100,000	10	155,805	-	36,183	163,875	455,873

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

The Bank 31 March 2012	← Non-Distributable →				← Distributable →			Total RM'000
	Share capital RM'000	Preference shares RM'000	Statutory reserve RM'000	Merger reserve RM'000	Share-based payment reserve RM'000	Capital reserve RM'000	Retained profits RM'000	
At 1 January 2012	100,000	10	155,805	(272,007)	54,115	271,377	184,210	493,510
Profit for the period	-	-	-	-	-	-	706	706
Total comprehensive income for the period	-	-	-	-	-	-	706	706
Share-based payments expense	-	-	-	-	4,999	-	-	4,999
Interim dividend paid in respect of the financial year ended 31 December 2011	-	-	-	-	-	-	(99,035)	(99,035)
Balance as at 31 March 2012	100,000	10	155,805	(272,007)	59,114	271,377	85,881	400,180

The Bank 31 March 2011	← Non-Distributable →				← Distributable →			Total RM'000
	Share capital RM'000	Preference shares RM'000	Statutory reserve RM'000	Merger reserve RM'000	Share-based payment reserve RM'000	Capital reserve RM'000	Retained profits RM'000	
At 1 January 2011	100,000	10	155,805	(272,007)	35,235	271,377	138,676	429,096
Net profit for the period	-	-	-	-	-	-	7,682	7,682
Total comprehensive income for the period	-	-	-	-	-	-	7,682	7,682
Share-based payment expense	-	-	-	-	948	-	-	948
Balance as at 31 March 2011	100,000	10	155,805	(272,007)	36,183	271,377	146,358	437,726

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2012

	The Group		The Bank	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Profit before taxation	3,788	12,461	3,175	11,806
Adjustments for non-operating and non-cash items	20,578	25,825	20,629	30,847
Cash flow from operating profit before changes in operating assets and liabilities	24,366	38,286	23,804	42,653
Net changes in operating assets	247,632	(238,610)	252,311	(243,463)
Net changes in operating liabilities	(136,672)	(135,055)	(181,617)	(109,862)
Cash used in operating activities	135,326	(335,379)	94,498	(310,672)
Taxation paid	(29,418)	(33,866)	(29,250)	(33,776)
Net cash generated from/(used in) operating activities	105,908	(369,245)	65,248	(344,448)
Net cash used in investing activities	(9,954)	(7,778)	(9,797)	(7,863)
Net cash used in financing activities	(89,034)	-	(99,034)	-
	(98,988)	(7,778)	(108,831)	(7,863)
Net increase/(decrease) in cash and cash equivalents during the financial period	6,920	(377,023)	(43,583)	(352,311)
Cash and cash equivalents at beginning of the financial period	1,684,378	2,173,609	1,559,871	2,074,296
Cash and cash equivalents at end of the period	1,691,298	1,796,586	1,516,288	1,721,985
Cash and cash equivalents comprise the following:				
Cash and short term funds	2,126,042	2,128,754	1,951,032	2,034,448
Adjustment for monies held in trust:				
Clients' trust and dealers' representatives' balances	(404,737)	(308,388)	(404,737)	(288,683)
Remisiers' balances	(30,007)	(23,780)	(30,007)	(23,780)
Cash and cash equivalents at end of the period	1,691,298	1,796,586	1,516,288	1,721,985

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

EXPLANATORY NOTES

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 31 March 2012 have been prepared under the historical cost convention, except for financial assets held for trading, financial investments available-for-sale, and derivative financial instruments, 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 first 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"

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 Bank.

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

A2. Changes in estimates

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

A3. Dividends paid and proposed

An interim single tier dividend comprising gross dividend of 61.86 sen per ordinary share, amounting to RM61,864,000 and 3,717.05 sen per redeemable preference shares amounting to RM37,170,514 in respect of financial year ended 31 December 2011. The dividend was paid on 19 March 2012.

A4. Significant events after balance sheet date

There were no significant events that had occurred between 31 December 2011 and the date of this announcement.

EXPLANATORY NOTES (Continued)

A5. Financial assets held for trading

	The Group and The Bank	
	31 December	
	31 March 2012	2011
	RM'000	RM'000
At fair value		
Quoted securities		
<i>In Malaysia</i>		
Shares	49	46
Unquoted securities		
<i>In Malaysia</i>		
Private debt securities	74,316	79,064
Total financial assets held for trading	74,365	79,110

A6. Financial investments available-for-sale

	The Group		The Bank	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
At fair value				
Unquoted securities				
<i>In Malaysia</i>				
Shares	2,200	2,200	-	-
<i>Outside Malaysia</i>				
Shares	6,833	6,834	6,331	6,331
Total financial investments available-for-sale	9,033	9,034	6,331	6,331
Allowance for impairment losses :				
Unquoted shares outside Malaysia	(6,331)	(6,331)	(6,331)	(6,331)
	2,702	2,703	-	-

The table below shows the movements in allowance for impairment losses during the period/financial year for the Group and the Bank:

	The Group		The Bank	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
At 1 January	6,331	-	6,331	-
Allowance made during the financial year	-	6,331	-	6,331
At 31 March/31 December	6,331	6,331	6,331	6,331

A7. Loans, advances and financing

	The Group and The Bank	
	31 December	
	31 March 2012	2011
	RM'000	RM'000
(i) By type		
Staff loans *	43,103	41,579
Other loans	753	891
Gross loans, advances and financing	43,856	42,470
Less: allowance for impairment losses		
- Individual impairment allowance	(753)	(891)
- Portfolio impairment allowance	(646)	(623)
Total net loans, advances and financing	42,457	40,956

* Included in staff loans of the Group and the Bank are loans to Directors amounting to RM269,913 (2011: RM281,139).

EXPLANATORY NOTES (Continued)

A7. Loans, advances and financing (continued)

	The Group and The Bank	
	31 March 2012	31 December 2011
	RM'000	RM'000
(ii) By type of customers		
Individuals	43,856	42,470
Gross loans, advances and financing	<u>43,856</u>	<u>42,470</u>
(iii) By interest/profit rate sensitivity		
Fixed rate		
- Other fixed rate loan/financing	43,856	42,470
Gross loans, advances and financing	<u>43,856</u>	<u>42,470</u>
(iv) By economic purpose:		
Personal use	22	108
Purchase of residential landed property	32,460	30,665
Purchase of securities	1	1
Purchase of transport vehicles	11,373	11,696
Gross loans, advances and financing	<u>43,856</u>	<u>42,470</u>
(v) By geographical distribution		
Malaysia	<u>43,856</u>	<u>42,470</u>
(vi) By residual contractual maturity		
Within one year	199	305
One year to less than three years	2,276	2,347
Three years to less than five years	4,779	4,702
Five years and more	36,602	35,116
	<u>43,856</u>	<u>42,470</u>
(vii) Impaired loans, advances and financing by economic purpose		
Purchase of residential landed property	591	591
Purchase of transport vehicles	162	300
Gross impaired loans, advances and financing	<u>753</u>	<u>891</u>
(viii) Impaired loans, advances and financing by geographical distribution		
Malaysia	<u>753</u>	<u>891</u>
(ix) Movement in the impaired loans, advances and financing are as follows:		
At 1 January	891	822
Classified as impaired during the period/year	10	214
Amount written back in respect of recoveries	(148)	(135)
Amount written off	-	(10)
At 31 March/31 December	<u>753</u>	<u>891</u>
Ratio of gross impaired loans to total loans, advances and financing	<u>1.7%</u>	<u>2.1%</u>

EXPLANATORY NOTES (Continued)

A7. Loans, advances and financing (continued)

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

	The Group and The Bank	
	31 March 2012	31 December 2011
	RM'000	RM'000
<u>Individual impairment allowance</u>		
At 1 January	891	822
Allowance made during the year	10	214
Amounts written back during the year	(148)	(135)
Amounts written off during the year	-	(10)
At 31 March/31 December	753	891
<u>Portfolio impairment allowance</u>		
At 1 January	623	650
Allowance made/(amounts written back) during the year	23	(27)
At 31 March/31 December	646	623
Portfolio impairment allowance as % of gross loans, advances and financing less individual impairment allowance	1.5%	1.5%

	The Group		The Bank	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	RM'000	RM'000	RM'000	RM'000
A8. Other assets				
Due from brokers and clients, net of allowance for impairment loss	765,926	932,566	765,902	932,518
Collateral pledged for derivative transactions	178,354	182,953	178,353	182,953
Other debtors, deposits and prepayments, net of allowance for doubtful debts	85,037	96,200	83,966	95,109
	1,029,317	1,211,719	1,028,221	1,210,580

	The Group and The Bank	
	31 March 2012	31 December 2011
	RM'000	RM'000
A9. Deposits from customers		
<u>(i) By type of deposits</u>		
Fixed deposits	207,328	242,383
Negotiable instruments of deposit	69,077	77,340
Others	620,197	509,410
	896,602	829,133
<u>(ii) The maturity structure of fixed deposits and negotiable instruments of deposit is as follows :</u>		
Due within six months	29,777	60,232
One year to less than three years	149,300	157,563
More than five years	97,328	101,928
	276,405	319,723
<u>(iii) By type of customers</u>		
Local government and statutory authorities	54,650	54,650
Business enterprises	658,325	582,493
Individuals	179,878	188,241
Others	3,749	3,749
	896,602	829,133

EXPLANATORY NOTES (Continued)

	The Group and The Bank	
	31 December	
	31 March 2012	2011
	RM'000	RM'000
A10. Deposits and placements of banks and other financial institutions		
Licensed banks	857,867	1,167,558
Other financial institutions	269,245	45,275
	1,127,112	1,212,833

	The Group		The Bank	
	31 March	31 December	31 March 2012	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
A11. Other liabilities				
Due to brokers and clients	1,271,566	1,367,095	1,119,931	1,259,441
Others	184,076	150,330	182,075	148,147
	1,455,642	1,517,425	1,302,006	1,407,588

	1st quarter ended		Three months ended	
	31 March	31 March	31 March 2012	31 March 2011
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
A12. Interest income				
Group				
Loans, advances and financing				
- interest income other than recoveries	407	391	407	391
Money at call and deposits placements with banks and other financial institutions	6,107	9,406	6,107	9,406
Reverse repurchase agreements	1,649	1,675	1,649	1,675
Financial assets held for trading	1,242	1,172	1,242	1,172
Others	-	292	-	292
	9,405	12,936	9,405	12,936
Accretion of discount less amortisation of premium	582	601	582	601
	9,987	13,537	9,987	13,537

Bank

Loans, advances and financing				
- interest income other than recoveries	407	391	407	391
Money at call and deposits placements with banks and other financial institutions	5,681	9,149	5,681	9,149
Reverse repurchase agreements	1,649	1,675	1,649	1,675
Financial assets held for trading	1,242	1,172	1,242	1,172
Others	-	292	-	292
	8,979	12,679	8,979	12,679
Accretion of discount less amortisation of premium	582	601	582	601
	9,561	13,280	9,561	13,280

A13. Interest expense**Group**

Deposits and placements of banks and other financial institutions	5,401	5,418	5,401	5,418
Deposits from customers	6,611	7,592	6,611	7,592
Subordinated notes	90	-	90	-
	12,102	13,010	12,102	13,010

Bank

Deposits and placements of banks and other financial institutions	5,401	5,418	5,401	5,418
Deposits from customers	6,611	7,592	6,611	7,592
	12,012	13,010	12,012	13,010

EXPLANATORY NOTES (Continued)

A14. Non interest income

	1st quarter ended		Three months ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Group				
a) Fee income:				
Fee on loans ,advances and financing	-	411	-	411
Portfolio management fees	1,973	2,337	1,973	2,337
Advisory and arrangement fees	14,746	29,303	14,746	29,303
Underwriting commissions	-	120	-	120
Placement fees	457	5,766	457	5,766
Other fee income	1,998	503	1,998	503
	19,174	38,440	19,174	38,440
b) Net trading income:				
Gain arising from trading in financial assets held for trading	848	64	848	64
- realised (loss)/gain	(664)	276	(664)	276
- unrealised gain/(loss)	1,512	(212)	1,512	(212)
Gain arising from trading in derivative financial instruments	175	507	175	507
- realised gain	195	499	195	499
- unrealised (loss)/ gain	(20)	8	(20)	8
	1,023	571	1,023	571
c) Dividend income from:				
Financial assets held for trading	-	20	-	20
d) Other income:				
Foreign exchange loss	(559)	(570)	(559)	(570)
Gain on disposal of property, plant and equipment	81	265	81	265
Income from asset management and securities services	4,787	5,107	4,787	5,107
Brokerage income	38,045	47,142	38,045	47,142
Other non-operating income	492	318	492	318
	42,846	52,262	42,846	52,262
Total non interest income	63,043	91,293	63,043	91,293
Bank				
a) Fee income:				
Fee on loans ,advances and financing	-	411	-	411
Portfolio management fees	1,973	2,337	1,973	2,337
Advisory and arrangement fees	14,746	29,303	14,746	29,303
Underwriting commissions	-	120	-	120
Placement fees	457	5,766	457	5,766
Other fee income	1,998	503	1,998	503
	19,174	38,440	19,174	38,440
b) Net trading income:				
Gain arising from trading in financial assets held for trading	848	64	848	64
- realised (loss)/gain	(664)	276	(664)	276
- unrealised gain/(loss)	1,512	(212)	1,512	(212)
Gain arising from trading in derivative financial instruments	175	507	175	507
- realised gain	195	499	195	499
- unrealised (loss)/ gain	(20)	8	(20)	8
	1,023	571	1,023	571
c) Dividend income from:				
Financial assets held for trading	-	20	-	20
d) Other income:				
Foreign exchange loss	(559)	(570)	(559)	(570)
Gain on disposal of property, plant and equipment	81	265	81	265
Income from asset management and securities services	4,787	5,107	4,787	5,107
Brokerage income	36,935	46,113	36,935	46,113
Other non-operating income	492	318	492	318
	41,736	51,233	41,736	51,233
Total non interest income	61,933	90,264	61,933	90,264

EXPLANATORY NOTES (Continued)

A15. Overheads

<u>Group</u>	1st quarter ended		Three months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	53,057	61,744	53,057	61,744
- Pension cost (defined contribution plan)	7,536	8,126	7,536	8,126
- Others	5,794	3,857	5,794	3,857
Establishment costs				
- Depreciation of property, plant and equipment	6,207	6,510	6,207	6,510
- Rental	4,256	2,946	4,256	2,946
- Others	7,316	7,121	7,316	7,121
Marketing expenses				
- Advertisement	8,734	1,471	8,734	1,471
- Others	241	1,866	241	1,866
Administration and general expenses				
- Legal and other professional fees	1,704	1,913	1,704	1,913
- Others	12,041	7,303	12,041	7,303
	106,886	102,857	106,886	102,857
Shared services cost	(48,987)	(35,513)	(48,987)	(35,513)
	57,899	67,344	57,899	67,344
Bank				
Personnel costs				
- Salaries, allowances and bonuses	52,618	61,437	52,618	61,437
- Pension cost (defined contribution plan)	7,490	8,094	7,490	8,094
- Others	5,769	3,840	5,769	3,840
Establishment costs				
- Depreciation of property, plant and equipment	6,191	6,418	6,191	6,418
- Rental	4,034	2,758	4,034	2,758
- Others	7,298	7,116	7,298	7,116
Marketing expenses				
- Advertisement	8,734	1,468	8,734	1,468
- Others	227	1,857	227	1,857
Administration and general expenses				
- Legal and other professional fees	1,696	1,907	1,696	1,907
- Others	11,930	7,210	11,930	7,210
	105,987	102,105	105,987	102,105
Shared services cost	(48,987)	(35,513)	(48,987)	(35,513)
	57,000	66,592	57,000	66,592

A16. Write back of/(allowance for) impairment losses on loans, advances and financing

The Group and The Bank	1st quarter ended		Three months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 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	138	(42)	138	(42)
-Portfolio impairment allowance	(23)	10	(23)	10
	115	(32)	115	(32)

EXPLANATORY NOTES (Continued)

A17. Derivative Financial Instruments and Commitment and contingencies

i) Derivative Financial Instruments

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

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

	The Group and The Bank		
	Principal	Fair values	
	amount RM'000	Assets RM'000	Liabilities RM'000
At 31 March 2012			
Trading derivative			
<u>Interest rate derivatives</u>			
Interest rate swaps			
- 1 year to 3 years	298,160	3,637	(20,582)
- More than 3 years	532,650	33,240	(56,377)
	830,810	36,877	(76,959)
<u>Equity derivatives</u>			
Equity options			
- 1 year to 3 years	232,766	-	-
- More than 3 years	274,805	1,055	(1,055)
	507,571	1,055	(1,055)
Total derivative assets/(liabilities)	1,338,381	37,932	(78,014)
At 31 December 2011			
Trading derivative			
<u>Interest rate derivatives</u>			
Interest rate swaps			
- 1 year to 3 years	314,660	5,040	(19,612)
- More than 3 years	546,450	42,347	(60,855)
	861,110	47,387	(80,467)
<u>Equity derivatives</u>			
Equity options			
- 1 year to 3 years	248,061	-	-
- More than 3 years	292,496	1,054	(1,054)
	540,557	1,054	(1,054)
Total derivative assets/(liabilities)	1,401,667	48,441	(81,521)

EXPLANATORY NOTES (Continued)

A17. Derivative Financial Instruments and Commitment and contingencies (Continued)

i) Derivative Financial Instruments (Continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group and the Bank the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2012, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM37,932,000 (31 December 2011: RM48,441,000). 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 and the Bank are discussed in the audited annual financial statements for the financial year ended 31 December 2011 and the Risk Management section of the 2011 in Annual Report of CIMB Group Holdings Berhad.

ii) Commitment and Contingencies

In the normal course of business, the Group and the Bank enters into various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions and hence, they are not provided for in the Financial Statements.

These commitments and contingencies are not secured over the Group and the Bank.

The notional or principal amount of the commitments and contingencies constitute the following :

	The Group and The Bank	
	31 March 2012	31 December 2011
	Principal amount RM'000	Principal amount RM'000
<u>Credit-related</u>		
Irrevocable commitments to extend credit:		
- Maturity exceeding 1 year	833	59
Underwriting obligations	-	81,887
Total credit-related commitments and contingencies	<u>833</u>	<u>81,946</u>
<u>Treasury-related</u>		
Interest rate related contracts		
- One year to less than 5 years	298,160	314,660
- Five years and above	532,650	546,450
Equity related contracts		
- One year to less than 5 years	232,766	248,061
- Five years and above	274,805	292,496
Total treasury-related commitments and contingencies	<u>1,338,381</u>	<u>1,401,667</u>
	<u>1,339,214</u>	<u>1,483,613</u>

EXPLANATORY NOTES (Continued)

A18. Capital Adequacy

(A) 31 March 2012

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

	<u>The Group</u>	<u>The Bank</u>
Core capital ratio	16.93%	16.95%
Risk-weighted capital ratio	16.96%	16.95%

	<u>The Group RM'000</u>	<u>The Bank RM'000</u>
(b) Components of Tier I and Tier II capital are as follows:		
<u>Tier I capital</u>		
Paid-up capital	100,000	100,000
Retained profits	93,804	85,176
Other reserves	209,290	209,290
	403,094	394,466
Less: Deferred tax assets	(40,460)	(40,274)
Deduction in excess of Tier II Capital	-	(8,393) N1
Total Tier I capital	362,634	345,799

<u>Tier II capital</u>		
Cumulative preference shares	10	10
Portfolio impairment allowance	647	647 N2
Total Tier II capital	657	657

Less:		
Investments in subsidiaries	(50)	(9,050) N1
Total eligible Tier II capital	607	-
Total capital base	363,241	345,799

(c) The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

	<u>The Group RM'000</u>	<u>The Bank RM'000</u>
Credit risk	1,151,889	1,057,444
Market risk	189,434	189,373
Operational risk	800,735	792,862
	2,142,058	2,039,679

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

N2 The capital base of the Group and the Bank as at 31 March 2012 has excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM647,000 respectively

EXPLANATORY NOTES (Continued)

A18. Capital Adequacy (Continued)

(B) 31 December 2011

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

	The Group	The Bank
<u>Before deducting proposed dividend</u>		
Core capital ratio	21.02%	20.96%
Risk-weighted capital ratio	21.04%	20.96%
<u>After deducting proposed dividend</u>		
Core capital ratio	16.51%	16.29%
Risk-weighted capital ratio	16.53%	16.29%
	The Group	The Bank
	RM'000	RM'000

(b) Components of Tier I and Tier II capital for the financial year ended 31 December 2011 are as follows:

<u>Tier I capital</u>		
Paid-up capital	100,000	100,000
Retained profits	192,837	184,210
Other reserves	209,290	209,290
	502,127	493,500
Less: Deferred tax assets	(40,460)	(40,274)
Deduction in excess of Tier II Capital	-	(8,417) N1
Total Tier I capital	<u>461,667</u>	<u>444,809</u>
<u>Tier II capital</u>		
Cumulative preference shares	10	10
Portfolio impairment allowance	623	623 N2
Total Tier II capital	<u>633</u>	<u>633</u>
Less:		
Investments in subsidiaries	(50)	(9,050) N1
Total eligible Tier II capital	<u>583</u>	<u>-</u>
Total capital base before proposed dividend	<u>462,250</u>	<u>444,809</u>
Proposed dividend	(99,034)	(99,034)
Total capital base after proposed dividend	<u>363,216</u>	<u>345,775</u>

(c) The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

	The Group	The Bank
	RM'000	RM'000
Credit risk	1,081,967	1,015,497
Market risk	307,315	307,251
Operational risk	807,424	799,822
	<u>2,196,706</u>	<u>2,122,570</u>

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

N2 The capital base of the Group and the Bank as at 31 December 2011 has excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM623,000 respectively

EXPLANATORY NOTES (Continued)

A19. Segment reporting

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.

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

Definition of segments

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

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

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

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

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

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

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

	Financial advisory, underwriting and other fees RM'000	Debt related RM'000	Equity related RM'000	Investments and securities services RM'000	Support and others RM'000	Total RM'000
The Group						
31 March 2012						
External net interest expense	-	(2,115)	-	-	-	(2,115)
Non interest income	13,066	4,254	38,045	6,978	700	63,043
Income from Islamic Banking operations	13	3,726	-	999	27	4,765
	13,079	5,865	38,045	7,977	727	65,693
Overheads	(7,548)	(14,581)	(22,295)	(7,045)	(6,430)	(57,899)
<i>of which :</i>						
<i>Depreciation of property, plant and equipment</i>	(315)	(1,542)	(1,095)	(544)	(2,711)	(6,207)
Profit/(loss) before allowances	5,531	(8,716)	15,750	932	(5,703)	7,794
Write back of impairment losses on loans, advances and financing	-	115	-	-	-	115
Allowance for impairment losses on other receivables	(4,182)	-	-	-	-	(4,182)
Segment results	1,349	(8,601)	15,750	932	(5,703)	3,727
Share of results of associates						61
Profit before taxation						3,788
Taxation						(2,609)
Net profit for the period						1,179

EXPLANATORY NOTES (Continued)

A19. Segment reporting (Continued)

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

The Group 31 March 2011	Financial advisory, underwriting and other fees RM'000	Debt related RM'000	Equity related RM'000	Investments and securities services RM'000	Support and others RM'000	Total RM'000
External net interest income	-	527	-	-	-	527
Non interest income	32,477	6,142	47,142	5,117	415	91,293
Income from Islamic Banking operations	-	(9,704)	-	-	165	(9,539)
	32,477	(3,035)	47,142	5,117	580	82,281
Overheads	(6,640)	(20,971)	(19,619)	(2,572)	(17,542)	(67,344)
<i>of which :</i>						
<i>Depreciation of property, plant and equipment</i>	<i>(304)</i>	<i>(1,615)</i>	<i>(1,301)</i>	<i>(541)</i>	<i>(2,749)</i>	<i>(6,510)</i>
Profit/(loss) before allowances	25,837	(24,006)	27,523	2,545	(16,962)	14,937
Allowance of impairment losses on loans, advances and financing	-	(32)	-	-	-	(32)
Allowance for impairment losses on other receivables	(2,565)	-	-	-	-	(2,565)
Segment results	23,272	(24,038)	27,523	2,545	(16,962)	12,340
Share of results of associates						121
Profit before taxation						12,461
Taxation						(4,258)
Net profit for the financial year						8,203

EXPLANATORY NOTES (Continued)

A20. The operations of Islamic Banking

A20a. Unaudited Statements of Financial Position as at 31 March 2012

	Notes	The Group and The Bank	
		31 March 2012	31 December 2011
		RM'000	RM'000
Assets			
Cash and short-term funds		496,507	602,544
Deposit and placements with banks and other financial institutions		331,148	250,728
Islamic derivative financial instruments		40,341	50,830
Other assets		179,452	185,887
Property, plant and equipment		3	5
Amount due from related companies		-	171
Total assets		1,047,451	1,090,165
Liabilities and Islamic Banking capital funds			
Deposits from customers	A20c	246,627	259,490
Deposits and placements of banks and other financial institutions		275,592	312,475
Islamic derivative financial instruments		78,014	81,521
Provision for taxation and zakat		100,791	99,728
Other liabilities		8,931	2,312
Amount due to related companies		662	961
Total liabilities		710,617	756,487
Islamic Banking capital funds		55,000	55,000
Reserves		281,834	278,678
Total Islamic Banking capital funds		336,834	333,678
Total liabilities and Islamic Banking capital funds		1,047,451	1,090,165

A20b. Unaudited Statements of Income for period ended 31 March 2012

	The Group and The Bank			
	1st quarter ended		Three months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	750	1,246	750	1,246
Income derived from investment of shareholders' funds	7,274	(3,847)	7,274	(3,847)
Allowance for impairment losses on other receivables	13	(74)	13	(74)
Total attributable income	8,037	(2,675)	8,037	(2,675)
Income attributable to the depositors	(3,259)	(6,938)	(3,259)	(6,938)
Total net income	4,778	(9,613)	4,778	(9,613)
Personnel expenses	(325)	(180)	(325)	(180)
Other overheads and expenditures	(232)	(206)	(232)	(206)
Profit before taxation	4,221	(9,999)	4,221	(9,999)
Taxation	(1,064)	2,898	(1,064)	2,898
Profit after taxation	3,157	(7,101)	3,157	(7,101)

A20c. Unaudited Statements of Comprehensive Income for period ended 31 March 2012

	The Group and The Bank			
	1st quarter ended		Three months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	3,157	(7,101)	3,157	(7,101)
Total comprehensive income for the period	3,157	(7,101)	3,157	(7,101)

A20d. Deposits from customers

By type of deposits

	The Group and The Bank	
	31 March 2012	31 December 2011
	RM'000	RM'000
Non-Mudharabah Fund		
Variable rate deposits	69,077	77,340
Equity Linked Sukuk	177,550	182,150
	246,627	259,490

EXPLANATORY NOTES (Continued)

B1. Group Performance Review

The Group achieved a profit after tax of RM1.2million for the period ended 31 March 2012, 85.6% decreased compared to profit after tax of RM8.2 million achieved in the same period of 2011 mainly due to decrease in fee income by 50.1% from RM38.4 million in 31 March 2011 to RM19.2 million in 31 March 2012. In addition, brokerage income decrease 19.3% from RM47.1 million in 2011 to RM38.0 million in 2012 as a result of decrease in market turnover and lower secondary placement fee in 2012.

However, the decrease of income was mitigated by decrease in overheads expenses by 9.9% mainly from lower personnel cost in 2012.

B2. Prospects for the Current Financial Year

Despite the heightened downside risk to the global economy and markets, the Group remain optimistic that it will be able to achieve targets for 2012 from its strong deal pipeline.

B3. Tax Expense

	The Group			
	1st quarter ended		Three months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	RM'000	RM'000	RM'000	RM'000
Current tax				
- Malaysian income tax	5,232	6,382	5,232	6,382
Deferred tax	(2,623)	(2,124)	(2,623)	(2,124)
	2,609	4,258	2,609	4,258
Reconciliation				
Profit before taxation	3,788	12,461	3,788	12,461
Tax calculated at a tax rate of 25% (2011: 25%)	947	3,115	947	3,115
Income not subject to tax, expenses not deductible for tax purposes and overprovision in prior years	1,662	1,143	1,662	1,143
	2,609	4,258	2,609	4,258

	The Bank			
	1st quarter ended		Three months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	RM'000	RM'000	RM'000	RM'000
Current tax				
- Malaysian income tax	5,092	6,248	5,092	6,248
Deferred tax	(2,623)	(2,124)	(2,623)	(2,124)
	2,469	4,124	2,469	4,124
Reconciliation				
Profit before taxation	3,175	11,806	3,175	11,806
Tax calculated at a tax rate of 25% (2011: 25%)	794	2,952	794	2,952
Income not subject to tax, expenses not deductible for tax purposes and overprovision in prior years	1,675	1,172	1,675	1,172
	2,469	4,124	2,469	4,124

EXPLANATORY NOTES (Continued)

B4. Computation of Earning Per Share (EPS)

Basic EPS

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

The Group	1st quarter ended		Three months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Net profit for the financial period (RM '000)	1,179	8,203	1,179	8,203
Weighted average number of share ('000)	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	1.18	8.20	1.18	8.20

The Bank	1st quarter ended		Three months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Net profit for the financial period (RM '000)	706	7,682	706	7,682
Weighted average number of share ('000)	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	0.71	7.68	0.71	7.68