

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

		The Group		
		30 Sept 2012	31 Dec 2011	1 Jan 2011
	Note	RM'000	(Restated) RM'000	(Restated) RM'000
ASSETS				
Cash and short-term funds		23,184,782	34,668,845	27,185,260
Reverse repurchase agreements		5,406,381	4,230,482	3,804,662
Deposits and placements with banks and other financial institutions		6,833,132	4,174,012	11,745,823
Financial investments at fair value through profit or loss	A8	25,701,531	13,665,700	17,082,596
Derivative financial instruments	A21 (i)	4,498,156	4,274,073	3,577,155
Financial investments available-for-sale	A9	26,842,738	18,421,118	15,115,438
Financial investments held-to-maturity	A10	9,193,460	12,460,832	10,820,500
Loans, advances and financing	A11	194,098,501	183,838,777	159,181,385
Other assets	A12	7,916,223	6,518,355	7,353,522
Deferred tax assets		53,661	49,998	15,269
Tax recoverable		118,154	139,258	98,358
Statutory deposits with central banks		5,168,815	5,084,105	1,410,436
Investment in associates and jointly controlled entities		1,402,034	1,357,866	680,293
Property, plant and equipment		1,472,449	1,458,400	1,442,948
Investment properties		13,246	8,653	61,216
Prepaid lease payments		162,714	170,564	185,542
Goodwill		8,047,896	8,242,489	8,151,432
Intangible assets		1,641,807	1,611,879	1,551,332
		321,755,680	300,375,406	269,463,167
Non-current assets held for sale		32,592	17,248	59,050
TOTAL ASSETS		321,788,272	300,392,654	269,522,217
LIABILITIES AND EQUITY				
Deposits from customers	A13	231,593,835	221,933,142	199,845,664
Deposits and placements of banks and other financial institutions	A14	22,296,299	12,964,309	13,092,157
Repurchase agreements		1,403,677	1,067,946	33,087
Derivative financial instruments	A21 (i)	4,293,158	4,217,291	3,748,516
Bills and acceptances payable		4,813,519	7,566,691	4,532,446
Other liabilities	A15	8,503,398	6,827,810	8,624,668
Deferred tax liabilities		108,349	181,475	49,590
Current tax liabilities		758,385	483,820	322,789
Amount due to Cagamas Berhad		-	-	107,523
Bonds	B7	1,740,089	521,225	423,982
Other borrowings	B7	5,594,840	5,324,032	3,783,587
Subordinated notes	B7	11,475,837	11,417,980	9,675,340
Non-cumulative guaranteed and redeemable preference shares		861,595	881,016	860,162
TOTAL LIABILITIES		293,442,981	273,386,737	245,099,511
Ordinary share capital		7,432,775	7,432,775	7,432,775
Reserves		19,921,649	18,647,045	15,917,282
Less: Shares held under trust		(563)	(563)	(563)
Treasury shares, at cost		(31)	(30)	(21)
		27,353,830	26,079,227	23,349,473
Perpetual preference shares		200,000	200,000	200,000
Non-controlling interests		791,461	726,690	873,233
TOTAL EQUITY		28,345,291	27,005,917	24,422,706
TOTAL EQUITY AND LIABILITIES		321,788,272	300,392,654	269,522,217
COMMITMENTS AND CONTINGENCIES	A21 (ii)	456,200,840	414,197,407	349,069,257
Net assets per share attributable to owners of the Parent (RM)		3.68	3.51	3.14

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

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

	Note	The Group			
		3rd quarter ended		Nine months ended	
		30 Sept 2012	30 Sept 2011	30 Sept 2012	30 Sept 2011
		RM'000	RM'000	RM'000	RM'000
Interest income	A16	3,414,977	3,249,382	10,078,487	9,324,557
Interest expense	A17	(1,529,311)	(1,587,038)	(4,590,383)	(4,408,287)
Net interest income		1,885,666	1,662,344	5,488,104	4,916,270
Income from Islamic Banking operations	A24(c)	463,600	387,841	1,291,410	1,107,813
Net non-interest income	A18	1,195,110	981,307	3,343,393	2,716,983
		3,544,376	3,031,492	10,122,907	8,741,066
Gain on disposal of net assets and interest in subsidiaries		-	-	2,628	-
Overheads	A19	(2,007,095)	(1,700,709)	(5,646,121)	(4,907,986)
Profit before allowances		1,537,281	1,330,783	4,479,414	3,833,080
Allowance for impairment losses on loans, advances and financing	A20	(81,451)	(105,721)	(276,774)	(198,139)
Allowance made for impairment losses on other receivables		(494)	(7,953)	(27,004)	(5,337)
Allowance written back for commitments and contingencies		2,971	22,230	14,805	37,201
Recoveries from investment management and securities services		-	15,000	-	15,000
Allowance written back/(made) for other impairment losses		1,736	(11,140)	(1,842)	(7,803)
		1,460,043	1,243,199	4,188,599	3,674,002
Share of results of jointly controlled entities		4,820	3,003	8,655	11,592
Share of results of associates		30,905	41,470	109,263	112,578
Profit before taxation		1,495,768	1,287,672	4,306,517	3,798,172
Taxation	B4	(330,338)	(272,794)	(999,330)	(869,012)
Profit for the period		1,165,430	1,014,878	3,307,187	2,929,160
Profit for the period attributable to :					
Owners of the Parent		1,142,823	1,011,758	3,263,178	2,898,284
Non-controlling interests		22,607	3,120	44,009	30,876
		1,165,430	1,014,878	3,307,187	2,929,160
Earnings per share (sen):					
- Basic	B9(a)	15.4	13.6	43.9	39.0
- Fully diluted	B9(b)	N/A	N/A	N/A	N/A

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

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

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2012	30 Sept 2011	30 Sept 2012	30 Sept 2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,165,430	1,014,878	3,307,187	2,929,160
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	21,592	721	28,341	19,406
- Net gain from change in fair value				
- as previously reported	-	95,142	-	167,499
- movement during the period/effect of adopting MFRS 1	114,787	24,202	241,508	40,764
- Realised gain transferred to statement of income on disposal and impairment	(103,234)	(131,330)	(245,300)	(199,662)
- Income tax effects				
- as previously reported	-	15,101	-	15,135
- movement during the period/effect of adopting MFRS 1	10,188	(7,706)	36,016	(11,489)
- Currency translation difference	(149)	5,312	(3,883)	7,159
Net investment hedge	66,305	(88,372)	56,795	(59,703)
Hedging reserve - cash flow hedge				
- Net loss from change in fair value	(13)	(1,444)	(33)	(1,444)
Exchange fluctuation reserve				
- Currency translation differences in respect of foreign operations	(627,096)	460,216	(933,679)	532,930
Share of other comprehensive income/(expense) of associates	3,199	-	(16,304)	-
Other comprehensive (expense)/income for the period, net of tax	(536,013)	371,121	(864,880)	491,189
Total comprehensive income for the period	629,417	1,385,999	2,442,307	3,420,349
Total comprehensive income for the period attributable to:				
Owners of the Parent	618,903	1,372,654	2,417,639	3,378,431
Non-controlling interests	10,514	13,345	24,668	41,918
	629,417	1,385,999	2,442,307	3,420,349

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

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

The Group
30 September 2012

Attributable to owners of the Parent

	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve ^a RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2012, as previously reported	7,432,775	4,192,596	4,103,591	137,104	(172,673)	(563)	(30)	535,762	20,094	374,332	490,627	8,822,855	25,936,470	200,000	726,690	26,863,160
Effect of adopting MFRS1	-	-	-	-	-	-	-	142,757	-	-	-	-	142,757	-	-	142,757
As restated	7,432,775	4,192,596	4,103,591	137,104	(172,673)	(563)	(30)	678,519	20,094	374,332	490,627	8,822,855	26,079,227	200,000	726,690	27,005,917
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	3,263,178	3,263,178	-	44,009	3,307,187
Other comprehensive income (net of tax)	-	-	(10)	-	(913,140)	-	-	11,805	56,679	(873)	-	-	(845,539)	-	(19,341)	(864,880)
- financial investments available-for-sales	-	-	-	-	-	-	-	28,109	-	-	-	-	28,109	-	232	28,341
- net investment hedge	-	-	-	-	-	-	-	-	56,712	-	-	-	56,712	-	83	56,795
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(33)	-	-	-	(33)	-	(33)	
- currency translation difference	-	-	(10)	-	(913,140)	-	-	-	-	(873)	-	-	(914,023)	-	(19,656)	(933,679)
- share of other comprehensive expense of associate	-	-	-	-	-	-	-	(16,304)	-	-	-	-	(16,304)	-	-	(16,304)
Total comprehensive income for the period	-	-	(10)	-	(913,140)	-	-	11,805	56,679	(873)	-	3,263,178	2,417,639	-	24,668	2,442,307
Dividend for the financial year ended 31 December 2011	-	-	-	-	-	-	-	-	-	-	-	(743,277)	(743,277)	-	-	(743,277)
Dividend for the financial year ending 31 December 2012	-	-	-	-	-	-	-	-	-	-	-	(371,639)	(371,639)	-	-	(371,639)
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,425)	(1,425)
Transfer to statutory reserve	-	-	92,744	-	-	-	-	-	-	-	-	(92,744)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	326,216	(326,216)	-	-	-	-
Arising from (dilution)/accretion of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(2,640)	(2,640)	-	7,913	5,273
Bonus issue and capital repayment of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,615	33,615
Purchase of treasury shares	-	-	-	-	-	-	(1)	-	-	-	-	-	(1)	-	-	(1)
Share-based payment expense	-	-	-	-	-	-	-	-	-	67,800	-	-	67,800	-	-	67,800
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	(23,693)	-	-	(23,693)	-	-	(23,693)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(71,955)	-	-	-	(71,955)	-	-	(71,955)
Arising from staffs resigned under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	2,369	2,369	-	-	2,369
Expiry of Management Equity Scheme	-	-	-	-	-	-	-	-	-	(335,516)	-	335,516	-	-	-	-
At 30 September 2012	7,432,775	4,192,596	4,196,325	137,104	(1,085,813)	(563)	(31)	690,324	4,818	82,050	816,843	10,887,402	27,353,830	200,000	791,461	28,345,291

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Attributable to owners of the Parent

The Group
30 September 2011

	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve* RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2011, as previously reported	7,432,775	4,192,596	3,935,308	136,954	(347,337)	(563)	(21)	474,673	131,736	318,071	117,595	6,838,179	23,229,966	200,000	873,233	24,303,199
Effect of adopting MFRS1	-	-	-	-	-	-	-	119,507	-	-	-	-	119,507	-	-	119,507
As restated	7,432,775	4,192,596	3,935,308	136,954	(347,337)	(563)	(21)	594,180	131,736	318,071	117,595	6,838,179	23,349,473	200,000	873,233	24,422,706
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	2,898,284	2,898,284	-	30,876	2,929,160
Other comprehensive income (net of tax)	-	-	40	-	531,411	-	-	16,845	(61,168)	(6,981)	-	-	480,147	-	11,042	491,189
- financial investments available-for-sales	-	-	-	-	-	-	-	16,845	-	-	-	-	16,845	-	2,561	19,406
- net investment hedge	-	-	-	-	-	-	-	-	(59,724)	-	-	-	(59,724)	-	21	(59,703)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(1,444)	-	-	-	(1,444)	-	-	(1,444)
- currency translation difference	-	-	40	-	531,411	-	-	-	-	(6,981)	-	-	524,470	-	8,460	532,930
Total comprehensive income for the period	-	-	40	-	531,411	-	-	16,845	(61,168)	(6,981)	-	2,898,284	3,378,431	-	41,918	3,420,349
Dividend for the financial year ended 31 December 2010	-	-	-	-	-	-	-	-	-	-	-	(594,622)	(594,622)	-	(1,228)	(595,850)
Dividend for the financial year ended 31 December 2011	-	-	-	-	-	-	-	-	-	-	-	(891,933)	(891,933)	-	(1,686)	(893,619)
Transfer to statutory reserve	-	-	92,744	-	-	-	-	-	-	-	-	(99,382)	(6,638)	-	-	(6,638)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	243,715	(243,715)	-	-	-	
Arising from reorganisation of investment in subsidiaries and deemed disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(120)	(120)	-	(201,410)	(201,530)
Rights issue of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(500)	(500)	-	9,749	9,249
Bonus issue and capital repayment of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1,796)	(1,796)	-	(9,110)	(10,906)
Purchase of treasury shares	-	-	-	-	-	-	(8)	-	-	-	-	-	(8)	-	-	(8)
Share-based payment expense	-	-	-	-	-	-	-	-	-	63,966	-	-	63,966	-	-	63,966
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(86,515)	-	-	-	(86,515)	-	-	(86,515)
At 30 September 2011	7,432,775	4,192,596	4,028,092	136,954	184,074	(563)	(29)	611,025	(15,947)	375,056	361,310	7,904,395	25,209,738	200,000	711,466	26,121,204

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

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

	The Group	
	30 Sept 2012	30 Sept 2011
	RM'000	RM'000
Profit before taxation	4,306,517	3,798,172
Adjustments for non-operating and non-cash items	(211,005)	(312,662)
Operating profit before changes in working capital	4,095,512	3,485,510
Net changes in operating assets	(27,976,033)	(17,839,634)
Net changes in operating liabilities	18,250,829	20,578,067
	(9,725,204)	2,738,433
Cash flows (used in)/generated from operations	(5,629,692)	6,223,943
Taxation paid	(722,618)	(464,452)
Net cash flows (used in)/generated from operating activities	(6,352,310)	5,759,491
Net cash flows used in investing activities	(5,060,831)	(2,989,489)
Net cash flows generated from financing activities	495,282	668,339
Net (decrease)/increase in cash and cash equivalents during the financial period	(10,917,859)	3,438,341
Effects of exchange rate changes	(566,204)	(240,874)
Cash and short-term funds at beginning of the financial period	34,668,845	27,185,260
Cash and short-term funds at end of the financial period	23,184,782	30,382,727
Statutory deposits with Bank Indonesia*	(3,916,482)	(3,876,712)
Monies held in trust	(423,293)	(339,793)
Cash and cash equivalents at end of the financial period	18,845,007	26,166,222

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

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 30 September 2012 have been prepared under the historical cost convention, except for financial assets held for trading, financial investments available-for-sale, derivative financial instruments, investment properties and non-current assets/disposal groups held for sale, that have been measured at fair value.

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

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

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

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

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

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

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in Financial Statements prepared in accordance with FRS. The impact of the adoption of MFRS 1 “First time adoption of MFRS” is disclosed in Note A25(i).

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

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

a) From 25 January 2012 to 30 September 2012, the Company purchased 136 of its own shares from the open market at an average market price of RM7.64 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM1,171.

Subsequent to the financial period ended 30 September 2012, the Company purchased 46 of its own shares from the open market at an average market price of RM7.57 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM426.

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

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

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

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

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

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

g) CIMB Islamic Bank, has issued a RM300 million subordinated Sukuk ("the Sukuk") under its RM2 billion Tier 2 Junior Sukuk Program which was approved by the Securities Commission on 22 May 2009. The Sukuk was issued on 18 September 2012 and will mature on 18 September 2022, with the optional redemption on 18 September 2017 or any periodic payment date thereafter subject to prior approval by Bank Negara Malaysia. The Sukuk bears a profit rate of 4.00% per annum, payable semi-annually in arrears.

The Sukuk qualifies as Tier-2 capital for the purpose of the RWCR computation.

h) CIMB Niaga, has issued 3-year Series A and 5-year Series B Senior Bond ("the bonds") of IDR600 billion and IDR1,400 billion respectively, totalling IDR2 trillion on 30 October 2012. The bonds will mature on 30 October 2015 and 30 October 2017 for Series A and Series B respectively. The bonds bear a coupon rate of 7.35% per annum and 7.75% per annum for Series A and Series B respectively.

i) CIMB Thai Bank, has issued a RM300 million Tier 2 subordinated debt ("the Subdebt") which was approved by the CIMB Thai Board of Directors on 28 September 2012. The Subdebt was issued on 9 November 2012 and will mature on 9 November 2022, with the optional redemption on 9 November 2017. The Subdebt bears an interest rate of 4.8% per annum, payable semi-annually in arrears.

A4. DIVIDENDS PAID

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

A single tier first interim dividend of 5 sen per ordinary share, on 7,432,774,644 ordinary shares amounting to RM371,638,732 in respect of the financial year ending 31 December 2012, which was approved by the Board of Directors on 15 August 2012, was paid on 28 September 2012.

A5. STATUS OF CORPORATE PROPOSAL

(a) On 8 May 2012, CIMB Bank has entered into share purchase agreements ("SPA") with San Miguel Properties, Inc., San Miguel Corporation Retirement Plan, Q-Tech Alliance Holdings, Inc. and various minority shareholders for the proposed acquisition of 59.98% of the issued and paid-up share capital of Bank of Commerce ("BOC") ("Proposed Acquisition"), which is equivalent to 67,325,197 fully paid ordinary shares of PHP100 par value each, for a total cash consideration of PHP12,203 million (equivalent to approximately RM881 million). The approval from Bank Negara Malaysia for the proposal was obtained on 7 November 2012.

A5. STATUS OF CORPORATE PROPOSAL (Continued)

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

CSI made a tender offer under the laws of Thailand to acquire the remaining SSEC shares not owned by CSI which represents approximately 17.93% of the total issued and outstanding shares of SSEC ("Tender Offer"). The Tender Offer was completed on 11 April 2012, and CSI had acquired 15.31% of the total issued and outstanding shares, increasing CSI's equity stake in SSEC to approximately 97.37% of the total issued and outstanding shares of SSEC.

On 12 September 2012, CSI acquired an additional 2.22% of the total issued and outstanding shares in SSEC via a delisting tender offer. As a result of this, the Group's equity interest in SSEC was increased to approximately 99.59% of the total issued and outstanding shares of SSEC.

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

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

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

The acquisition of selected equity capital markets and M&A corporate finance businesses in Indonesia, Malaysia, Singapore and Thailand has been completed on 27 April 2012. The acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in China and Hong Kong was completed on 30 June 2012. The acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in Australia was completed on 2 November 2012.

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

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

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

A6. EVENTS DURING THE REPORTING PERIOD

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

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

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

A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

PART A - EXPLANATORY NOTES**A8. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS****FINANCIAL ASSETS HELD FOR TRADING**

	The Group	
	30 Sept 2012 RM'000	31 Dec 2011 RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	686,760	253,409
Cagamas bonds	-	52,511
Malaysian Government treasury bills	197,885	90,484
Bank Negara Malaysia bills	1,525,131	156,856
Bank Negara Malaysia negotiable notes	6,608,665	1,817,293
Negotiable instruments of deposit	3,416,910	2,069,683
Bankers' acceptances and Islamic accepted bills	943,537	575,819
Credit-linked notes	46,038	46,059
Other Government's securities	2,770,442	2,933,501
Commercial papers	133,245	168,458
Government investment issues	428,304	147,201
	16,756,917	8,311,274
Quoted securities:		
<i>In Malaysia:</i>		
Shares	769,367	904,743
<i>Outside Malaysia:</i>		
Shares	31,390	6,534
Private and Islamic debt securities	274,933	305,183
Other Government bonds	859,527	448,161
Bank Indonesia certificates	11,772	67,775
Investment linked funds	417,962	299,213
	2,364,951	2,031,609
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	4,208,642	1,925,800
Shares	6,479	6,243
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	2,296,909	1,322,944
Shares	58,076	58,157
Unit trust	9,557	9,673
	6,579,663	3,322,817
Total financial assets held-for-trading	25,701,531	13,665,700

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	(Restated) RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	1,114,151	1,422,455
Cagamas bonds	320,220	453,651
Khazanah bonds	229,084	190,187
Other Government securities	75,657	25,874
Bank Negara Malaysia bills	493,555	-
Government investment issues	2,429,822	1,198,283
Commercial papers	9,997	-
	4,672,486	3,290,450
Quoted securities:		
<i>In Malaysia:</i>		
Shares	27,126	26,504
Unit trusts	144,294	122,654
<i>Outside Malaysia:</i>		
Shares	3,832	21,319
Private and Islamic debt securities	1,035,132	371,387
Other Government bonds	3,324,197	2,807,382
Unit trusts	289,703	292,209
	4,824,284	3,641,455
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	12,109,068	8,940,133
Shares	986,565	976,604
Loan stocks	17,076	19,774
Property funds	193	188
Bond funds	-	12,611
<i>Outside Malaysia:</i>		
Shares	276,475	207,581
Private equity and unit trust funds	83,292	81,604
Private and Islamic debt securities	4,230,046	1,622,114
Loan stocks	171	1,568
	17,702,886	11,862,177
	27,199,656	18,794,082
Allowance for impairment loss:		
Private debt securities	(195,437)	(210,510)
Quoted shares	(11,483)	(16,854)
Quoted bonds	(7,179)	(3,411)
Unquoted shares	(127,928)	(128,270)
Unit trusts	(1,762)	(1,113)
Loan stocks	(13,129)	(12,806)
	(356,918)	(372,964)
Total financial investments available-for-sale	26,842,738	18,421,118

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

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group	
	30 Sept 2012	31 Dec 2011 (Restated)
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	-	13,252
Cagamas bonds	4,834	5,977
Other government securities	752,187	490,820
Bank Negara negotiable notes	9,935	9,986
Malaysian Government investment issues	20,490	11,655
	787,446	531,690
Quoted securities		
<i>Outside Malaysia</i>		
Private debt securities	2,609,575	3,602,677
Islamic bonds	18,654	23,818
Medium term notes - Islamic	3,236	3,527
Other Government bonds	206,100	204,816
Bank Indonesia certificates	157,040	363,350
	2,994,605	4,198,188
Unquoted securities		
<i>In Malaysia</i>		
Private debt securities	3,620,811	4,686,499
Loan stocks	30,781	30,781
Danaharta Urus Sdn Bhd ("DUSB") bonds	130,139	795,335
	1,621,391	1,927,081
<i>Outside Malaysia</i>		
Private debt securities	5,403,122	7,439,696
	9,185,173	12,169,574
Accretion of discount net of amortisation of premium	52,415	337,881
Less : Allowance for impairment losses	(44,128)	(46,623)
Total financial investments held-to-maturity	9,193,460	12,460,832

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

Included in the financial investments held-to-maturity of the Group as at 30 September 2012 are 10-year promissory notes of THB305 million (2011: THB450 million) maturing between 2012 to 2015, which were received from Thai Asset Management Corporation ("TAMC") for settlement of impaired loans transferred by CIMB Thai Bank to TAMC. Such promissory notes are non-transferable, bear interest at the average deposit rate of 5 major banks in Thailand and availed by the Financial Institutions Development Fund. As part of the agreement to transfer the impaired loans to TAMC, CIMB Thai Bank has a gain and loss sharing arrangement with TAMC arising from the recovery of the impaired loans. CIMB Bank Thai has recognised a gain of approximately RM133 million (2011: RM101 million) arising from the sharing agreement.

A11. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	30 Sept 2012 RM'000	31 Dec 2011 RM'000
At amortised cost		
Overdrafts	5,893,817	6,052,496
Term loans/financing		
- Housing loans/financing	51,161,471	48,812,565
- Syndicated term loans	9,447,332	9,656,325
- Hire purchase receivables	12,470,454	11,614,260
- Lease receivables	208,775	109,868
- Factoring receivables	20,563	12,172
- Other term loans/financing	76,072,727	72,727,971
Bills receivable	2,982,957	3,740,413
Trust receipts	2,423,280	1,300,741
Claims on customers under acceptance credits	4,786,690	4,578,277
Staff loans *	670,013	706,835
Credit card receivables	5,477,478	5,604,180
Revolving credits	26,741,760	24,593,593
Share margin financing	2,414,544	1,882,615
Other loans	764	890
Gross loans, advances and financing	200,772,625	191,393,201
Fair value changes arising from fair value hedge	425,053	398,797
	201,197,678	191,791,998
Less: Allowance for impairment losses		
- Individual impairment allowance	(3,513,780)	(3,988,345)
- Portfolio impairment allowance	(3,585,397)	(3,964,876)
	(7,099,177)	(7,953,221)
Total net loans, advances and financing	194,098,501	183,838,777

* Included in staff loans of the Group are loans to Directors amounting to RM 1,079,063 (31 December 2011: RM10,050,224).

Included in the Group's loans, advances and financing balances are RM65,305,000 (31 December 2011: RM69,977,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM6,800,959,000 (31 December 2011: RM7,237,885,000) of its loan exposure using interest rate swaps.

	The Group	
	30 Sept 2012 RM'000	31 Dec 2011 RM'000
Gross loan hedged	6,800,959	7,237,885
Fair value changes arising from fair value hedges	425,053	398,797
	7,226,012	7,636,682

The fair value loss of interest rate swaps as at 30 September 2012 was RM418,329,389 (2011: RM445,176,674).

A11. LOANS, ADVANCES AND FINANCING (Continued)

(ii) By type of customers

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Domestic banking financial institutions	49,776	57,963
Domestic non-bank financial institutions		
- stockbroking companies	10,011	-
- others	1,616,953	1,705,420
Domestic business enterprises		
- small medium enterprises	31,047,910	29,824,771
- others	42,732,500	44,209,093
Government and statutory bodies	12,725,157	12,657,089
Individuals	94,415,175	89,303,602
Other domestic entities	5,243,100	3,515,254
Foreign entities	12,932,043	10,120,009
Gross loans, advances and financing	<u>200,772,625</u>	<u>191,393,201</u>

(iii) By interest/profit rate sensitivity

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Fixed rate		
- Housing loans	1,932,975	2,124,114
- Hire-purchase receivables	12,461,807	11,606,719
- Other fixed rate loans	39,335,431	40,419,100
Variable rate		
- BLR plus	98,749,154	91,771,906
- Cost plus	22,612,685	23,129,879
- Other variable rates	25,680,573	22,341,483
Gross loans, advances and financing	<u>200,772,625</u>	<u>191,393,201</u>

(iv) By economic purpose

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Personal use	6,989,620	6,781,937
Credit card	5,477,478	5,604,180
Purchase of consumer durables	10,426	954
Construction	6,704,843	5,217,186
Residential property (Housing)	51,243,061	48,808,900
Non-residential property	15,040,554	12,758,609
Purchase of fixed assets other than land and building	15,035,769	16,528,217
Mergers and acquisitions	2,798,979	5,186,293
Purchase of securities	11,072,329	8,668,328
Purchase of transport vehicles	17,014,756	16,281,213
Working capital	50,818,676	46,078,495
Other purposes	18,566,134	19,478,889
Gross loans, advances and financing	<u>200,772,625</u>	<u>191,393,201</u>

(v) By geographical distribution

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Malaysia	123,429,148	118,894,085
Indonesia	46,670,473	46,022,974
Thailand	13,623,655	13,077,940
Singapore	11,572,838	9,514,291
United Kingdom	830,046	996,344
Hong Kong	888,659	598,442
Other countries	3,757,806	2,289,125
Gross loans, advances and financing	<u>200,772,625</u>	<u>191,393,201</u>

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

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Within one year	43,067,532	42,579,113
One year to less than three years	48,366,870	44,274,774
Three years to less than five years	22,821,879	21,348,048
Five years and more	86,516,344	83,191,266
Gross loans, advances and financing	<u>200,772,625</u>	<u>191,393,201</u>

(vii) Impaired loans, advances and financing by economic purpose

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Personal use	252,946	355,210
Credit card	52,230	127,609
Purchase of consumer durables	208	570
Construction	1,242,771	1,343,284
Residential property (Housing)	1,706,879	1,781,704
Non-residential property	371,769	406,835
Purchase of fixed assets other than land and building	440,708	556,579
Purchase of securities	194,387	123,855
Purchase of transport vehicles	387,294	424,208
Working capital	2,889,221	3,566,045
Other purpose	916,474	1,118,782
Gross impaired loans, advances and financing	<u>8,454,887</u>	<u>9,804,681</u>

(viii) Impaired loans, advances and financing by geographical distribution

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Malaysia	5,385,034	6,058,318
Indonesia	1,374,176	1,846,522
Thailand	1,384,534	1,442,422
Singapore	72,247	62,500
United Kingdom	2,809	54,025
Other countries	236,087	340,894
Gross impaired loan	<u>8,454,887</u>	<u>9,804,681</u>

(ix) Movements in impaired loans

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
At 1 January	9,804,681	10,284,379
Classified as impaired during the period / year	2,684,344	3,973,790
Reclassified as not impaired during the period / year	(1,525,624)	(1,967,542)
Amount written back in respect of recoveries	(1,047,696)	(1,380,212)
Arising from deemed disposal of a subsidiary	-	(942)
Amount written off	(1,614,973)	(1,202,023)
Purchase of impaired loans from third party	-	126
Reclassification from unwinding income	174,395	-
Exchange fluctuation	(20,240)	97,105
At 30 September / 31 December	<u>8,454,887</u>	<u>9,804,681</u>
Ratio of gross impaired loans to gross loans, advances and financing	<u>4.21%</u>	<u>5.12%</u>

A11. LOANS, ADVANCES AND FINANCING (Continued)

(x) Movements in the allowance for impaired loans, advances and financing are as follows:

	The Group	
	30 Sept 2012 RM'000	31 Dec 2011 RM'000
<u>Individual impairment allowance</u>		
At 1 January	3,988,345	4,079,367
Net allowance made during the period / year	91,535	348,005
Amount written off	(605,793)	(339,739)
Allowance made and charged to deferred assets	1,278	140
Amount transferred from/(to) portfolio impairment allowance	14,234	(1,970)
Allowance written off in relation to deemed disposal of a subsidiary	-	(942)
Unwinding income	91,274	(73,737)
Exchange fluctuation	(67,093)	(22,779)
At 30 September / 31 December	<u>3,513,780</u>	<u>3,988,345</u>
 <u>Portfolio impairment allowance</u>		
At 1 January	3,964,876	4,262,959
Net allowance made during the period / year	505,836	539,855
Amount transferred (to)/from individual impairment allowance	(14,234)	1,970
Amount written off	(872,193)	(828,307)
Allowance (written back)/made and charged to deferred assets	(1,467)	844
Unwinding income	70,890	(20,293)
Exchange fluctuation	(68,311)	7,848
At 30 September / 31 December	<u>3,585,397</u>	<u>3,964,876</u>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing less individual impairment allowance	<u>2.38%</u>	<u>2.55%</u>

A12. OTHER ASSETS

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Due from brokers and clients net of allowance for doubtful debts	2,298,883	1,352,950
Other debtors, deposits and prepayments net of allowance for doubtful debts	2,969,563	2,438,201
Due from jointly controlled entity	1,290,426	1,371,367
Due from insurers, brokers and reinsurers	24,294	28,716
Option premium receivable	249,613	249,461
Deferred assets	106,758	131,204
Foreclosed properties net of allowance for impairment losses	174,442	167,765
Collateral pledged for derivative transactions	802,244	778,691
	7,916,223	6,518,355

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	52,375,538	51,191,447
Savings deposits	27,650,095	25,380,012
Fixed deposits	102,508,621	98,257,823
Negotiable instruments of deposit	2,673,783	3,020,467
Others	46,385,798	44,083,393
	231,593,835	221,933,142

By type of customer

Government and statutory bodies	10,936,893	12,579,786
Business enterprises	92,260,288	95,137,549
Individuals	89,699,473	84,078,467
Others	38,697,181	30,137,340
	231,593,835	221,933,142

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

One year or less (short term)	102,238,576	97,889,756
More than one year (medium/long term)	2,943,828	3,388,534
	105,182,404	101,278,290

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Licensed banks	11,894,677	8,549,707
Licensed finance companies	319,700	129,555
Licensed investment banks	265,154	200,041
Bank Negara Malaysia	3,000,808	372,677
Other financial institutions	6,815,960	3,712,329
	22,296,299	12,964,309

A15. OTHER LIABILITIES

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Due to brokers and clients	2,749,068	1,732,776
Expenditure payable	1,762,210	1,569,051
Provision for legal claims	107,502	128,254
Sundry creditors	976,951	882,476
Insurance fund - life and takaful insurance business	55,161	45,397
Allowance for commitments and contingencies	16,244	33,061
Post employment benefit obligations	220,877	282,427
Credit card expenditure payable	194,347	125,537
Call deposit borrowing	432,724	436,242
Others	1,988,314	1,592,589
	8,503,398	6,827,810

A16. INTEREST INCOME

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2012	30 Sept 2011	30 Sept 2012	30 Sept 2011
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income	2,741,373	2,603,511	8,057,700	7,438,762
- Unwinding income [^]	33,347	32,746	108,512	124,775
Money at call and deposit placements with financial institutions	102,578	137,255	390,452	373,467
Reverse repurchase agreements	46,010	30,968	116,510	75,772
Financial assets held for trading	110,365	87,894	304,167	274,334
Financial investments available-for-sale	232,840	109,805	633,158	385,184
Financial investments held-to-maturity	94,447	205,864	300,624	526,559
Others	3,290	3,930	8,870	11,095
	3,364,250	3,211,973	9,919,993	9,209,948
Accretion of discounts less amortisation of premiums	50,727	37,409	158,494	114,609
	3,414,977	3,249,382	10,078,487	9,324,557

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

A17. INTEREST EXPENSE

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2012	30 Sept 2011	30 Sept 2012	30 Sept 2011
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	53,358	43,622	115,833	95,105
Deposits from other customers	1,189,836	1,285,466	3,649,301	3,585,875
Repurchase agreements	7,934	735	21,992	1,499
Bonds	10,198	-	30,905	-
Subordinated notes	132,829	146,092	410,034	421,724
Loans sold to Cagamas	-	-	-	1,635
Negotiable certificates of deposits	35,441	35,629	71,519	112,241
Other borrowings	73,276	48,515	197,938	116,898
Others	26,439	26,979	92,861	73,310
	1,529,311	1,587,038	4,590,383	4,408,287

A18. NET NON-INTEREST INCOME

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2012	30 Sept 2011	30 Sept 2012	30 Sept 2011
	RM'000	RM'000	RM'000	RM'000
(a) Net fee income and commission income:				
Commissions	137,841	99,835	388,289	360,720
Fee on loans, advances and financing	100,648	110,159	313,952	306,647
Portfolio management fees	5,718	4,606	13,052	12,253
Service charges and fees	147,490	117,959	407,115	341,572
Corporate advisory fees	9,567	16,434	67,620	109,794
Guarantee fees	11,490	12,130	34,747	53,104
Other fee income	94,630	73,922	238,424	183,578
Placement fees	17,587	17,639	43,844	37,070
Underwriting commission	8,634	3,064	12,096	25,540
Fee and commission income	533,605	455,748	1,519,139	1,430,278
Fee and commission expense	(104,497)	(90,218)	(307,234)	(265,141)
Net fee and commission income	429,108	365,530	1,211,905	1,165,137
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	15,039	12,627	26,529	25,156
- Financial investments available-for-sale	70	1,103	9,206	13,504
<i>Outside Malaysia</i>				
- Financial assets held for trading	210	893	1,175	2,079
- Financial investments available-for-sale	8,841	9,549	11,292	19,471
	24,160	24,172	48,202	60,210
(c) Net gain/(loss) arising from financial assets held for trading	5,381	(253,001)	66,669	(358,315)
- realised	45,853	(137,639)	107,991	(213,686)
- unrealised	(40,472)	(115,362)	(41,322)	(144,629)
(d) Net gain/(loss) arising from derivative financial instruments	674	427,543	442,169	794,163
- realised	35,926	205,417	431,696	416,322
- unrealised	(35,252)	222,126	10,473	377,841
(e) Net (loss)/gain arising from hedging derivatives	(14,760)	24,061	(53,077)	(15,097)
(f) Net gain from sale of financial investments available-for-sale	103,209	133,892	296,256	202,291
(g) Net gain from maturity of financial investment held-to-maturity	30,055	24,067	35,643	25,625
(h) Income from assets management and securities services	43,898	39,460	138,049	137,030
(i) Brokerage income	101,824	100,343	289,918	272,774
(j) Other non-interest income:				
Foreign exchange gain	231,303	24,907	374,892	127,715
Rental income	2,359	3,239	6,844	10,882
Gain on disposal of property, plant and equipment	4,224	1,345	6,809	15,352
Gain on disposal of associates	425	-	425	-
Underwriting surplus before management expenses	4,486	4,020	10,754	12,334
Share of gain from recovery of impaired loans	133,464	-	133,464	-
Loss on disposal of foreclosed properties	(5,077)	(3,744)	(4,853)	(13,689)
Other non-operating income	100,377	65,473	339,324	280,571
	471,561	95,240	867,659	433,165
Total other operating income	1,195,110	981,307	3,343,393	2,716,983

A19. OVERHEADS

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2012	30 Sept 2011	30 Sept 2012	30 Sept 2011
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	890,636	715,614	2,415,087	2,015,725
- Pension cost	65,015	57,930	181,289	123,477
- Overtime	5,944	8,045	25,364	25,372
- Staff incentives and other staff payments	54,169	52,207	138,589	132,472
- Medical expenses	22,823	19,783	63,059	56,975
- Others	128,649	78,842	312,349	260,643
	1,167,236	932,421	3,135,737	2,614,664
Establishment costs				
- Depreciation of property, plant and equipment	81,438	84,462	258,065	247,222
- Amortisation of prepaid lease payments	3,221	3,632	9,536	11,083
- Rental	84,219	76,195	242,156	223,260
- Repair and maintenance	70,776	42,825	233,956	159,083
- Outsourced services	44,889	63,071	185,283	188,614
- Security expenses	23,583	25,963	69,618	73,059
- Others	51,006	55,214	152,680	146,590
	359,132	351,362	1,151,294	1,048,911
Marketing expenses				
- Sales commission	4,308	4,196	12,681	9,725
- Advertisement	73,334	73,833	230,090	214,754
- Others	15,695	19,871	45,721	46,543
	93,337	97,900	288,492	271,022
Administration and general expenses				
- Amortisation of intangible assets	68,926	59,716	190,818	179,770
- Legal and professional fees	47,431	41,567	143,936	128,118
- Stationery	19,950	20,788	60,060	64,683
- Communication	37,306	40,542	119,531	117,023
- Incidental expenses on banking operations	10,192	26,169	30,155	43,386
- Insurance	22,473	34,693	93,317	111,141
- Others	181,112	95,551	432,781	329,268
	387,390	319,026	1,070,598	973,389
	2,007,095	1,700,709	5,646,121	4,907,986

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

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2012	30 Sept 2011	30 Sept 2012	30 Sept 2011
	RM'000	RM'000	RM'000	RM'000
Allowance for impaired loans, advances and financing:				
Net allowance (written back)/made during the financial period				
- Individual impairment allowance	(18,263)	180,213	91,535	191,118
- Portfolio impairment allowance	204,789	37,230	505,836	297,376
Impaired loans, advances and financing:				
- recovered	(107,619)	(114,692)	(328,584)	(301,024)
- written off	2,544	2,970	7,987	10,669
	81,451	105,721	276,774	198,139

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

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

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

	The Group		
	Principal amount RM'000	Assets RM'000	Fair values Liabilities RM'000
At 30 September 2012			
<u>Trading derivatives</u>			
<u>Foreign exchange derivatives</u>			
Currency forward	14,829,722	161,910	(199,586)
- Less than 1 year	11,411,566	70,849	(137,641)
- 1 year to 3 years	1,249,699	58,719	(32,147)
- More than 3 years	2,168,457	32,342	(29,798)
Currency swaps	46,982,395	420,018	(394,706)
- Less than 1 year	46,598,198	403,649	(392,253)
- 1 year to 3 years	166,198	5,503	(2,036)
- More than 3 years	217,999	10,866	(417)
Currency spot	5,595,513	6,654	(8,038)
- Less than 1 year	5,595,513	6,654	(8,038)
Currency options	3,616,228	15,024	(12,611)
- Less than 1 year	3,616,228	15,024	(12,611)
Cross currency interest rate swaps	20,712,795	621,215	(350,290)
- Less than 1 year	3,261,522	73,899	(103,962)
- 1 year to 3 years	7,822,160	276,146	(109,283)
- More than 3 years	9,629,113	271,170	(137,045)
	91,736,653	1,224,821	(965,231)
<u>Interest rate derivative</u>			
Interest rate swaps	257,245,513	2,421,427	(2,029,025)
- Less than 1 year	37,063,236	100,936	(97,869)
- 1 year to 3 years	166,784,607	841,868	(824,743)
- More than 3 years	53,397,670	1,478,623	(1,106,413)
Interest rate futures	10,199,173	24,239	(694)
- Less than 1 year	6,002,330	10,466	(661)
- 1 year to 3 years	3,175,405	10,999	(33)
- More than 3 years	1,021,438	2,774	-
Interest rate options	640,000	1,564	(4,184)
- Less than 1 year	400,000	886	(4,180)
- 1 year to 3 years	220,000	605	(4)
- More than 3 years	20,000	73	-
	268,084,686	2,447,230	(2,033,903)
<u>Equity related derivatives</u>			
Index futures	1,905	-	(17)
- Less than 1 year	1,905	-	(17)
Equity options	9,823,073	288,516	(514,345)
- Less than 1 year	3,180,564	226,185	(456,859)
- More than 3 years	4,260,342	14,843	(50,286)
Equity swaps	578,549	146	(74)
- More than 3 years	578,549	146	(74)
	10,403,527	288,662	(514,436)
<u>Commodity related derivatives</u>			
Commodity swaps	195,334	28,786	(31,038)
- Less than 1 year	166,499	23,671	(26,026)
- 1 year to 3 years	28,835	5,115	(5,012)
Commodity futures	10,150	1,848	(24)
- Less than 1 year	10,150	1,848	(24)
Commodity options	500,490	180,965	(180,949)
- Less than 1 year	428,233	58,853	(58,837)
- More than 3 years	72,257	122,112	(122,112)
	705,974	211,599	(212,011)
<u>Credit related contract</u>			
Credit default swaps	1,935,713	26,128	(55,352)
- Less than 1 year	283,287	717	(18,264)
- 1 year to 3 years	535,358	515	(7,552)
- More than 3 years	1,117,068	24,896	(29,536)
<u>Hedging derivatives</u>			
Interest rate swaps	16,655,854	293,685	(501,992)
- Less than 1 year	823,550	9,713	(3,618)
- 1 year to 3 years	316,977	4,324	(2,187)
- More than 3 years	15,515,327	279,648	(496,187)
Cross currency interest rate swaps	801,413	6,031	(10,233)
- 1 year to 3 years	305,325	2,749	(114)
	496,088	3,282	(10,119)
	17,457,267	299,716	(512,225)
Total derivative assets/(liabilities)	390,323,820	4,498,156	(4,293,158)

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

(i) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

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

(i) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2012, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM4,498,156,000 (31 December 2011: RM4,274,073,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

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

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

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

<u>The Group</u>	30 Sept 2012	31 Dec 2011
	Principal	Principal
	Amount	Amount
	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	5,823,782	5,255,701
Certain transaction-related contingent items	5,897,911	5,464,748
Short-term self-liquidating trade-related contingencies	2,732,560	2,549,245
Obligations under underwriting agreement	218,518	226,887
Irrevocable commitments to extend credit		
- maturity not exceeding one year	43,729,613	36,370,852
- maturity exceeding one year	6,943,899	6,710,863
Miscellaneous commitments and contingencies	2,680,173	4,941,508
Total credit-related commitments and contingencies	68,026,456	61,519,804
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	69,019,558	55,646,664
- one year to less than five years	18,293,739	12,201,742
- five years and above	5,224,769	4,523,518
	92,538,066	72,371,924
<u>Interest rate related contracts</u>		
- less than one year	74,222,603	58,228,737
- one year to less than five years	163,135,722	173,654,325
- five years and above	47,874,466	39,228,394
	285,232,791	271,111,456
<u>Equity related contracts</u>		
- less than one year	3,035,308	1,852,206
- one year to less than five years	5,577,770	4,949,209
- five years and above	1,790,449	2,392,808
	10,403,527	9,194,223
Total treasury-related commitments and contingencies	388,174,384	352,677,603
	456,200,840	414,197,407

A22. CAPITAL ADEQUACY
30 September 2012

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

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

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

- The capital adequacy ratios of CIMB Investment Bank are computed in accordance with SA approach for Credit Risk and Basic Indicator Approach for Operational Risk with effect from November 2011. Market Risk remained unchanged under SA approach.

	CIMB Bank	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC *
Before deducting proposed dividend							
Core capital ratio	13.02%	9.42%	11.13%	10.31%	16.57%	12.44%	N/A
Risk-weighted capital ratio	14.81%	14.23%	15.54%	14.88%	16.60%	15.46%	31.90%
After deducting proposed dividend							
Core capital ratio	13.02% #	9.42%	11.13%	10.31% #	16.57%	12.44%	N/A
Risk-weighted capital ratio	14.81% #	14.23%	15.54%	14.88% #	16.60%	15.46%	31.90%

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

Tier I capital							
Paid-up capital	3,764,469	1,000,000	1,059,217	3,764,469	100,000	537,221	113,333
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier I Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier I capital	1,612,610	-	-	1,612,610	-	-	-
Share premium	5,033,633	-	388,598	5,033,633	-	2,699,298	-
Other reserves	7,052,428	932,078	263,962	8,384,876	380,075	2,929,616	(16,203)
Non-controlling interests	-	-	-	300,082	-	-	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(42,023)	-
Deferred tax assets	(134,916)	(13,124)	-	(107,369)	(39,474)	-	-
Intangible assets	-	-	-	-	-	-	(3,098)
Goodwill	(3,555,075)	(136,000)	-	(4,885,913)	-	-	-
Total Tier I capital	14,973,149	1,852,954	1,711,777	15,302,388	440,601	6,124,112	94,032
Tier II capital							
Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	5,000,000	850,000	301,415	6,045,658	-	-	-
Subordinated loans	-	-	-	-	-	994,381	-
Revaluation reserve	-	-	75,883	-	-	-	-
Regulatory reserve	708,712	108,131	-	816,843	-	-	-
Portfolio impairment allowance ✓	154,439	53,382	44,882	316,327	961	494,639	2,346
Surplus of total eligible provision over expected loss under the IRB approach	228,304	(63,976)	-	114,662	-	-	-
Others	-	-	257,191	-	-	38,253	-
Total Tier II capital	6,121,195	947,537	679,371	7,323,230	971	1,527,273	2,346
Less :							
Investment in subsidiaries and holding of other banking institutions' capital instruments	(3,693,924)	-	-	(164,110)	(50)	(42,023)	-
Excess of total eligible liabilities over total eligible provision under the IRB approach	-	-	-	-	-	-	-
Securitisation exposures subject to deductions**	(70,109)	-	-	(70,109)	-	-	-
Investment in associates	(305,584)	-	-	(305,584)	-	-	-
Total Eligible Tier II capital	2,051,578	947,537	679,371	6,783,427	921	1,485,250	2,346
Total capital base	17,024,727	2,800,491	2,391,148	22,085,815	441,522	7,609,362	96,378

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

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	91,310,971	17,250,146	13,932,949	120,482,195	1,353,102	43,506,616	302,094
Market risk	12,933,337	803,714	515,756	14,219,865	409,324	397,071	-
Operational risk	10,347,685	1,620,922	936,316	13,314,426	897,388	5,314,172	-
Large exposure risk	398,312	-	-	398,312	-	-	-
	114,990,305	19,674,782	15,385,021	148,414,798	2,659,814	49,217,859	302,094

Interim dividend for financial year ending 31 December 2012 was paid in September 2012.

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

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

✓ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 30 September 2012 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM352,614,607, RM337,242,941 and RM15,371,666 respectively.

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

A22. CAPITAL ADEQUACY (continued)
31 December 2011

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

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

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

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

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

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

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

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

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

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

A23. SEGMENTAL REPORT

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

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

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

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

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

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

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

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

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

Wholesale Banking

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

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

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

A23. SEGMENTAL REPORT (continued)

Wholesale Banking (Continued)

Asset Management comprises wholesale fund management and unit trust.

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

Investment

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

Support and others

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

A23. SEGMENTAL REPORT (continued)

	Wholesale Banking Corporate Banking, Treasury and Markets					
	Consumer Banking RM'000	Investment Banking RM'000	Investment RM'000	Support and others RM'000	Total RM'000	
30 September 2012						
Net interest income						
- external income/(expense)	3,435,814	40,105	1,963,917	93,385	(45,117)	5,488,104
- inter-segment income/(expense)	154,175	(9,714)	(64,710)	(53,044)	(26,707)	-
	3,589,989	30,391	1,899,207	40,341	(71,824)	5,488,104
Income from Islamic Banking operations	584,752	134,668	271,505	297,580	2,905	1,291,410
Net non-interest income	1,261,985	632,445	1,068,866	376,462	3,635	3,343,393
Gain on deemed disposal of interest in subsidiaries	-	2,628	-	-	-	2,628
Net income/(expense)	5,436,726	800,132	3,239,578	714,383	(65,284)	10,125,535
Overheads	(3,618,124)	(622,026)	(1,040,645)	(308,941)	(56,385)	(5,646,121)
of which:						
- Depreciation of property, plant and equipment	(178,417)	(38,028)	(17,284)	(6,660)	(17,676)	(258,065)
- Amortisation of prepaid lease payments	(34)	(82)	-	(25)	(9,395)	(9,536)
- Amortisation of intangible assets	(97,605)	(3,601)	(9,111)	(66,736)	(13,765)	(190,818)
Profit/(loss) before allowances	1,818,602	178,106	2,198,933	405,442	(121,669)	4,479,414
Allowance (made)/written back for impairment losses on loans, advances and financing	(140,703)	1,841	(75,143)	(283)	(62,486)	(276,774)
Allowance (made)/written back for losses on other receivables	(12,657)	(6,148)	1,901	(768)	(9,332)	(27,004)
Allowance written back for commitments and contingencies	14,505	-	3	-	297	14,805
Allowance written back/(made) for other impairment losses	-	-	1,158	(3,971)	971	(1,842)
Segment results	1,679,747	173,799	2,126,852	400,420	(192,219)	4,188,599
Share of results of jointly controlled entities	1,368	(887)	-	8,174	-	8,655
Share of results of associates	35,214	546	-	73,503	-	109,263
Profit/(loss) before taxation	1,716,329	173,458	2,126,852	482,097	(192,219)	4,306,517
% of profit before taxation	39.9	4.0	49.4	11.2	(4.5)	100.0
Taxation						(999,330)
Profit after taxation before non-controlling interests						3,307,187

A23. SEGMENTAL REPORT (continued)

	Wholesale Banking Corporate Banking, Treasury and Markets					
	Consumer Banking RM'000	Investment Banking RM'000	Treasury and Markets RM'000	Investment RM'000	Support and others RM'000	Total RM'000
30 September 2011						
Net interest income						
- external income/(expense)	3,224,414	34,940	1,649,856	68,521	(61,461)	4,916,270
- inter-segment income/(expense)	21,818	(6,823)	36,505	(34,432)	(17,068)	-
	3,246,232	28,117	1,686,361	34,089	(78,529)	4,916,270
Income from Islamic Banking operations	530,549	63,301	232,072	280,460	1,431	1,107,813
Non-interest income	1,090,853	672,562	608,383	321,943	23,242	2,716,983
Net income/(expense)	4,867,634	763,980	2,526,816	636,492	(53,856)	8,741,066
Overheads	(3,239,855)	(524,837)	(944,283)	(182,693)	(16,318)	(4,907,986)
of which:						
- Depreciation of property, plant and equipment	(170,862)	(33,912)	(21,521)	(7,647)	(13,280)	(247,222)
- Amortisation of prepaid lease payments	(124)	-	-	-	(10,959)	(11,083)
- Amortisation of intangible assets	(92,658)	(1,942)	(8,907)	(66,416)	(9,847)	(179,770)
Profit/(loss) before allowances	1,627,779	239,143	1,582,533	453,799	(70,174)	3,833,080
Allowance (made)/written back for impairment losses on loans, advances and financing	(124,695)	815	(14,043)	(1,751)	(58,465)	(198,139)
Allowance (made)/written back for losses on other receivables	(12,058)	(1,602)	(1,003)	9,997	(671)	(5,337)
Allowance (made)/written back for commitment and contingencies	827	-	20,849	696	14,829	37,201
Recoveries from investment management and securities services	-	-	-	15,000	-	15,000
Allowance written back/(made) for other impairment losses	-	-	472	(9,742)	1,467	(7,803)
Segment results	1,491,853	238,356	1,588,808	467,999	(113,014)	3,674,002
Share of results of jointly controlled entities	8,006	(795)	-	4,381	-	11,592
Share of results of associates	22,879	-	-	89,699	-	112,578
Profit/(loss) before taxation	1,522,738	237,561	1,588,808	562,079	(113,014)	3,798,172
% of profit before taxation	40.1	6.3	41.8	14.8	(3.0)	100.0
Taxation						(869,012)
Profit after taxation before non-controlling interests						<u>2,929,160</u>

A24. OPERATIONS OF ISLAMIC BANKING

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

	Note	The Group		
		30 Sept 2012 RM'000	31 Dec 2011 (Restated) RM'000	1 Jan 2011 (Restated) RM'000
Assets				
Cash and short-term funds		3,496,492	8,391,678	7,934,045
Deposits and placements with banks and other financial institutions		1,758,011	1,557,983	1,340,924
Financial assets held for trading		6,768,421	2,911,603	2,549,533
Islamic derivative financial instruments		279,055	249,169	284,789
Financial investments available-for-sale		2,378,691	1,436,119	659,172
Financial investments held-to-maturity		1,148,834	1,397,598	1,230,451
Financing, advances and other financing/loans	A24d(i)	33,836,416	29,500,400	23,368,509
Deferred tax assets		12,688	6,359	4,307
Amount due from related companies		80,424	55,439	48,835
Amount due from holding company		768,863	568,921	514,680
Statutory deposits with Bank Negara Malaysia		1,234,269	1,097,797	143,406
Property, plant and equipment		7,746	9,567	7,314
Other assets		454,517	545,199	764,109
Goodwill		136,000	136,000	136,000
Intangible assets		4,185	4,170	4,287
TOTAL ASSETS		52,364,612	47,868,002	38,990,361
Liabilities and Islamic banking capital funds				
Deposits from customers	A24(e)	33,381,162	31,565,815	24,923,994
Deposits and placements of banks and other financial institutions		11,353,996	10,726,368	10,244,515
Islamic derivative financial instruments		540,798	452,582	265,725
Amount due to holding company		221,065	402,487	184,519
Amount due to related companies		6,417	1,112	247
Provision for taxation and zakat		176,433	112,330	86,284
Other liabilities		2,166,185	1,005,532	853,473
Subordinated Sukuk		860,960	564,679	300,000
TOTAL LIABILITIES		48,707,016	44,830,905	36,858,757
Equity				
Ordinary share capital		1,000,000	1,000,000	750,000
Islamic banking funds		55,250	55,000	91,693
Perpetual preference shares		70,000	70,000	70,000
Reserves		2,523,532	1,902,052	1,180,466
		3,648,782	3,027,052	2,092,159
Non-controlling interests		8,814	10,045	39,445
TOTAL EQUITY		3,657,596	3,037,097	2,131,604
TOTAL LIABILITIES AND EQUITY		52,364,612	47,868,002	38,990,361

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

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2012	30 Sept 2011	30 Sept 2012	30 Sept 2011
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	596,464	439,557	1,579,086	1,321,835
Net income derived from investment of shareholders' funds	100,751	126,409	356,545	308,460
Allowance made for impairment losses on financing, advances and other financing/loans	(38,676)	(47,408)	(101,586)	(56,534)
Allowance written back/(made) for impairment losses on other receivables	221	161	3	(280)
Allowance made for commitments and contingencies	-	(75)	-	(340)
Allowance written back/(made) for other impairment losses	34	-	(50)	-
Total distributable income	658,794	518,644	1,833,998	1,573,141
Income attributable to depositors	(233,615)	(178,125)	(644,221)	(522,482)
Total net income	425,179	340,519	1,189,777	1,050,659
Other operating expenses	(129,450)	(91,656)	(378,391)	(275,215)
Profit before taxation	295,729	248,863	811,386	775,444
Taxation	(67,093)	(48,947)	(194,582)	(170,837)
Profit for the period	228,636	199,916	616,804	604,607
Profit for the period attributable to:				
Owners of the Parent	228,059	198,785	615,791	604,107
Non-controlling interests	577	1,131	1,013	500
	228,636	199,916	616,804	604,607

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

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2012	30 Sept 2011	30 Sept 2012	30 Sept 2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	228,636	199,916	616,804	604,607
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	9,771	(2,071)	5,471	889
- Net (loss)/gain from change in fair value				
- as previously reported	-	(3,408)	-	3,272
- movement during the period/effect of adopting MFRS 1	11,578	1,400	11,701	427
- Realised gain transferred to income statement on disposal and impairment	(924)	(928)	(6,549)	(1,117)
- Income tax effects				
- as previously reported	-	1,215	-	(1,586)
- movement during the period/effect of adopting MFRS 1	(883)	(350)	319	(107)
Exchange fluctuation reserve	5	13,659	(2,363)	14,214
Other comprehensive income for the period, net of tax	9,776	11,588	3,108	15,103
Total comprehensive income for the period	238,412	211,504	619,912	619,710
Owners of the Parent	238,351	202,970	622,157	612,655
Non-controlling interests	61	8,534	(2,245)	7,055
	238,412	211,504	619,912	619,710
Income from Islamic operations (per page 2)				
Total net income	425,179	340,519	1,189,777	1,050,659
Add: Allowance made for impairment losses on financing, advances and other financing/loans	38,676	47,408	101,586	56,534
Add: Allowance (written back)/made for impairment losses on other receivables	(221)	(161)	(3)	280
Add: Allowance made for commitments and contingencies	-	75	-	340
Add: Allowance (written back)/made for other impairment losses	(34)	-	50	-
	463,600	387,841	1,291,410	1,107,813

A24d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS

(i) By type

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
At amortised cost		
Cash line	391,326	373,056
Term financing	31,578,560	28,345,701
Bills receivable	2,567	2,581
Trust receipts	96,520	35,391
Claims on customers under acceptance credits	318,428	233,479
Revolving credits	1,333,900	502,124
Credit card receivables	113,234	111,886
Share margin financing	237,233	167,485
Other financing	58,963	55,172
Gross financing, advances and other financing/loans	34,130,731	29,826,875
Fair value changes arising from fair value hedge	276,943	241,966
	34,407,674	30,068,841
Less: Allowance for impairment losses		
- Individual impairment allowance	(118,212)	(139,775)
- Portfolio impairment allowance	(453,046)	(428,666)
	(571,258)	(568,441)
Net financing, advances and other financing/loans	33,836,416	29,500,400

(a) During the financial period, the Group has undertaken fair value hedges on RM5,500 million (31 December 2011: RM4,350 million) financing using profit rate swaps.

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Gross financing hedged	5,500,000	4,350,000
Fair value changes arising from fair value hedges	276,943	241,966
	5,776,943	4,591,966

The fair value loss on profit rate swaps in the hedge transaction as at 30 September 2012 were RM343.0 million (31 December 2011: RM262.0 million).

(ii) By geographical distribution

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Malaysia	31,613,928	28,353,137
Indonesia	1,984,823	1,158,232
Other countries	531,980	315,506
Gross financing, advances and other financing/loans	34,130,731	29,826,875

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

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Malaysia	431,620	441,331
Indonesia	44,254	31,301
Gross impaired financing, advances and other financing/loans	475,874	472,632

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

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

	The Group	
	30 Sept 2012 RM'000	31 Dec 2011 RM'000
At 1 January	472,632	342,173
Classified as impaired during the period / year	317,286	505,090
Reclassified as not impaired during the period / year	(114,251)	(127,965)
Amount recovered	(56,860)	(90,543)
Amount written off	(153,090)	(130,641)
Reclassification from unwinding income	16,825	-
Exchange fluctuation	(6,668)	(25,482)
At 30 September / 31 December	<u>475,874</u>	<u>472,632</u>
Ratio of gross impaired financing, advances and other financing/loans to gross financing, advances and other financing/loans	<u>1.39%</u>	<u>1.58%</u>

(v) Movements in the allowance for impaired financing:

	The Group	
	30 Sept 2012 RM'000	31 Dec 2011 RM'000
Individual impairment allowance		
Gain on disposal of associates	139,775	97,021
Net allowance made during the period / year	24,690	48,229
Amount written off	(49,331)	(8,135)
Amount transferred from portfolio impairment allowance	-	3,001
Unwinding income	4,090	(1,477)
Exchange fluctuation	(1,012)	1,136
At 30 September / 31 December	<u>118,212</u>	<u>139,775</u>
Portfolio impairment allowance		
At 1 January	428,666	246,352
Allowance made during the period / year	119,397	143,075
Amount transferred to individual impairment allowance	-	(3,001)
Amount written off	(98,540)	(119,912)
Allowance transferred from conventional operations	-	166,234
Unwinding income	6,019	(4,181)
Exchange fluctuation	(2,496)	99
At 30 September / 31 December	<u>453,046</u>	<u>428,666</u>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	<u>2.19%</u>	<u>2.21%</u>

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

	The Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Non-Mudharabah		
Demand deposits	3,171,456	3,204,849
Savings deposits	1,441,307	1,169,598
General investment deposits	327,702	419,745
Commodity Murabahah	515	440,600
Fixed return investment account	5,230,257	5,564,248
Islamic negotiable instruments of deposit	2,096,716	2,510,276
Variable rate deposits	80,223	77,340
Equity Linked Sukuk	173,501	286,629
Short term money market deposit-i	11,968,043	3,994,930
Others	40,847	37,489
	24,530,567	17,705,704
Mudharabah		
Demand deposits	3,775,232	2,550,795
Savings deposits	593,638	478,449
General investment deposits	2,299,061	2,086,941
Special general investment deposits	857,815	6,987,965
Specific investment deposits	1,324,849	1,755,961
	8,850,595	13,860,111
	33,381,162	31,565,815

A25. CHANGE IN ACCOUNTING POLICIES

- (i) During the financial period, the Group changed the following accounting policies upon adoption of MFRS:

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

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

Impact on the Group's consolidated statement of financial position as at 31 December 2011 and 1 January 2011:

	Balance as at 31 December 2011		
	As previously reported	Effect of adopting MFRS1	As restated
	RM'000	RM'000	RM'000
Assets			
Financial investments available-for-sale	13,773,219	4,647,899	18,421,118
Financial investments held-to-maturity	16,918,784	(4,457,952)	12,460,832
Liabilities			
Deferred tax liabilities	134,285	47,190	181,475
Reserves			
Revaluation reserve-financial investments available-for-sale	535,762	142,757	678,519

	Balance as at 1 January 2011		
	As previously reported	Effect of adopting MFRS1	As restated
	RM'000	RM'000	RM'000
Assets			
Financial investments available-for-sale	11,658,702	3,456,736	15,115,438
Financial investments held-to-maturity	14,120,263	(3,299,763)	10,820,500
Liabilities			
Deferred tax liabilities	12,124	37,466	49,590
Reserves			
Revaluation reserve-financial investments available-for-sale	474,673	119,507	594,180

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

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

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

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

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

CIMB Group Holdings ("CIMB Group") Results

CIMB Group Holdings Berhad ("CIMB Group") today reported a record net profit of RM3.263 billion for 9 months FY12 ("9MFY12"), representing a 12.6% year-on-year ("Y-o-Y") growth and equivalent to net earnings per share ("EPS") of 43.9 sen. The annualised net return on average equity ("ROE") was 16.3%. For third quarter FY12 ("3Q12"), the Group's net profit of RM1.143 billion was 3.0% higher than 2Q12, and 12.9% above its 3Q11 net profit of RM1.012 billion.

The Group had a good 3Q12 and 9MFY12, underpinned by strong performances at CIMB Niaga, CIMB Bank Singapore and Corporate Banking and Treasury Markets ("CBTM"). At the same time, the Group defended key market shares and added important building blocks to the franchise.

CIMB Group Y-o-Y Results

CIMB Group's 9MFY12 revenues increased by 15.8% Y-o-Y to RM10.126 billion largely due to the 25.8% expansion in non-interest income. The Group's profit before tax ("PBT") was 13.4% higher at RM4.307 billion as increased credit charges and overhead expenses partially offset the revenue improvement.

For 9MFY12, the Group's regional Consumer Bank PBT expanded by 13.5% Y-o-Y to RM1.672 billion. The Malaysia & Singapore consumer operations PBT grew 4.0% Y-o-Y as asset and net interest income growth moderated. The consumer operations' PBT in Indonesia however expanded by 55.3% Y-o-Y from a combination of better margins in 9M12 and growth in assets, partially offset by weaker currency translation. The Thai consumer operations lost RM13 million due to higher provisions and the retrospective implementation of a new deposit insurance framework.

The Group's regional Wholesale Banking PBT rose 24.5% Y-o-Y to RM2.240 billion principally driven by the uptick in the Treasury & Markets division PBT to RM1.116 billion from the strong flows in debt capital markets and foreign exchange. Investment Banking PBT was lower by 27.0% Y-o-Y due to lower income and initial costs related to the acquisition of selected Asia-Pacific ("APAC") IB businesses of The Royal Bank of Scotland ("RBS"). Corporate Banking PBT was 1.8% Y-o-Y higher in line with asset growth partially offset by higher provisions. Investments PBT were lower by 24.9% Y-o-Y at RM395 million due to one-off write-backs in 1H11.

Consumer Banking operations remain the largest contributor to Group PBT at 39% (no change from 9MFY11). Treasury & Markets contribution to Group PBT jumped to 26% from 16% in 9MFY11. Corporate Banking, Investment Banking and Investments contributed 22%, 4% and 9% respectively. CIMB Niaga's PBT rose 29.9% Y-o-Y to IDR4,255 billion while its contribution to the Group was 24.4% higher Y-o-Y at RM1.418 billion, accounting for 33% of Group PBT. CIMB Thai's PBT rose 63.9% to THB1.462 billion and after GAAP and FRS139 adjustments, its contribution to the Group was 218.0% higher at RM194 million, equivalent to 5% of Group PBT. CIMB Singapore's PBT rose 63.6% to RM128 million increasing its share of Group PBT to 3%. Total non-Malaysian PBT increased to 43% in 9MFY12 from 38% in 9MFY11.

The Group's total gross loans expanded 9.8% Y-o-Y (excluding the declining bad bank loan book). After adjusting for the significant foreign exchange fluctuations (-11.4% for IDR/MYR and -2.9% for THB/MYR), the Group's total gross loans increased by 12.1% Y-o-Y. Corporate loans increased 10.7% while retail loans and commercial banking loans grew 8.9% and 11.0% respectively.

Total Group deposits grew by 6.1% Y-o-Y but was 9.0% higher Y-o-Y after excluding foreign exchange fluctuations. This was driven by a 9.0% expansion in retail deposits and a 5.4% growth in commercial banking deposits. Corporate and Treasury deposits were 3.3% higher Y-o-Y. Geographically, deposit growth was strongest in Thailand at 18.5% from a low base, while Malaysian deposits expanded at 5.7%. Indonesia and Singapore deposits grew 2.5% and 15.7% respectively Y-o-Y in Ringgit terms. The Group's CASA ratio increased slightly to 34.6% from 33.0% last year while overall net interest margin was marginally lower at 3.08% from 3.12% last year.

The Group's total loan impairment of RM277 million in 9MFY12 was a 39.9% rise from the RM198 million in 9MFY11, which included substantial write-backs and recoveries. The Group's total annualised credit charge was 0.18% which is still below the 0.31% full year target. The Group's gross impairment ratio improved to 4.2% for 9MFY12 from 5.5% as at 9MFY11, with an allowance coverage of 84.0%. The Group's cost to income ratio improved to 55.8% compared to 56.1% in 9MFY11.

CIMB Bank's risk weighted capital ratio stood at 15.2% while its core capital ratio stood at 13.4% as at 30 September 2012 (after inclusion of 9MFY12 net profits). CIMB Group's double leverage and gearing stood at 116.9% and 19.1% respectively as at end-September 2012.

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

CIMB Group Q-on-Q Results

The Group's 3Q12 revenues of RM3.544 billion were 6.6% higher than 2Q12, translating to a 3.0% Q-o-Q net profit improvement to RM1.143 billion. Net interest income was 2.8% higher while non-interest income was 13.8% higher Q-o-Q.

The Group's Consumer Banking PBT fell 7.6% Q-o-Q. The Malaysian retail operations was 5.9% lower on lower provision writebacks in 3Q while the Indonesian consumer division's PBT contribution to the Group was 8.4% lower Q-o-Q mainly due to the weaker currency translation. Wholesale Banking PBT increased 6.5% Q-o-Q underpinned by the Corporate Banking and Treasury & Markets divisions, which expanded by 31.6% and 18.7% respectively. Investment Banking was 81.1% lower Q-o-Q at RM25 million in 3Q on lower income and increased costs. PBT from Investments were 21.2% higher Q-o-Q due to higher realised fixed income gains and share of recoveries from legacy bad loans managed by Thai Asset Management Corp ("TAMC").

CIMB Niaga Results

On 29 October 2012, CIMB Niaga reported a 9MFY12 net profit of IDR3,102 billion, a 30.4% Y-o-Y growth, with an annualised 9MFY12 net ROE of 21.0%. The improved performance was attributed to the sustained loan growth, improved NIMs and higher non-interest income from Markets operations partially offset by higher overhead expenses and provisions. On a sequential basis, the 3Q12 net profit was 6.8% higher than 2Q12.

CIMB Niaga's gross loans grew 14.1% Y-o-Y for 9MFY12 mainly driven by the business banking and retail segments. The Gross NPL of 2.4% as at end-September 2012 was an improvement from the 2.6% in 9MFY11 and 2.5% as at 1H12. CIMB Niaga's loan loss coverage (based on BI definition) stood at 113.1% as at end-9MFY12 compared to 109.7% as at end-9MFY11.

CIMB Niaga's core capital and risk weighted capital ratios stood at 12.4% and 15.5% respectively as at 30 September 2012.

CIMB Thai Results

On 18 October 2012, CIMB Thai announced a 9MFY12 net profit of THB1.421 billion, a 66.0% growth from the THB856 million in 9MFY11. Sequentially, CIMB Thai's net profit expanded substantially from just THB29 million in 2Q12 owing to the THB1,344 million share of recoveries from bad loans managed by TAMC. The annualised loan loss charge for 9MFY12 increased to 1.1% as CIMB Thai increased loan provisions. As a result, loan loss coverage ratio rose to 88.7% from 70.8% at end-9MFY11. For the 9-month period, CIMB Thai chalked revenue of THB6.440 billion, a 38.1% Y-o-Y increase.

As at 30 September 2012, CIMB Thai's Tier 1 capital and risk weighted capital ratios were at 11.1% and 15.5% respectively. CIMB Thai's net NPL ratio fell to 2.1% from 2.3% as at the previous corresponding period.

CIMB Islamic

CIMB Islamic's Y-o-Y PBT increased 4.0% to RM373 million as *Shariah*-compliant products continue to gain traction. CIMB Islamic's gross financing assets grew 24.8% Y-o-Y, accounting for 15.7% of total Group loans. Total deposits grew by 22.7% Y-o-Y to RM30.7 billion.

B2. CORPORATE DEVELOPMENTS

The significant corporate developments in 2012 were:

(a) Capital Management

- On 21 February 2012, CIMB Thai fully redeemed its USD40 mil subordinated notes
- On 8 March 2012, CIMB Thai announced a 3-for-10 rights issue at THB1 per share. On 7 August 2012, the offering was completed and CIMB Thai successfully raised a total capital of THB4.769 billion.
- On 20 September 2012, CIMB Islamic Bank completed the issuance of a 10-year RM300 million Tier 2 Junior Sukuk.
- On 30 October 2012, CIMB Niaga completed the issuance of a IDR2,000 billion Senior Bond which comprises a 3-year Series A of IDR600 billion and a 5-year Series B of IDR1,400 billion.
- On 9 November 2012, CIMB Thai completed the issuance of a RM300 million Tier 2 subordinated debt.

(b) Mergers and Acquisitions

- On 15 February 2012, CIMB Securities International (“CSI”) completed the acquisition of 70.06% interest in SICCO Securities plc (“SSEC”) in Thailand for THB767.9 million. On the same date, CSI announced the purchase of shares from the market bringing its interest to 82.07%. CSI subsequently made a tender offer for the remaining shares it does not own and upon completion of the tender offer on 11 April 2012, CSI owned approximately 97.37% of SSEC. On 12 September 2012, CSI acquired an additional 2.22% interest via a delisting tender offer, raising its effective interest to 99.59%.
- On 2 April 2012, CIMB Group entered into a sales and purchase agreement with The Royal Bank of Scotland (“RBS”) for the proposed acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in Australia, China, Hong Kong, India, Taiwan, Indonesia, Malaysia, Singapore and Thailand for GBP88.4 million (approximately RM431.8 mil). On 30 June 2012, the acquisition of the businesses in Indonesia, Malaysia, Singapore and Thailand were completed. On 12 July 2012, the proposed acquisition of the business in India was terminated due to an unexpected legal issue arising in connection with the sale of the India Business by RBS. On 2 November 2012, the acquisition of the businesses in Australia was completed.
- On 5 March 2012, CIMB Securities (Singapore) entered into a strategic collaboration agreement with John Keells Stock Brokers to facilitate CIMB Group’s stock broking business in Sri Lanka.
- On 8 May 2012, CIMB Bank entered into share purchase agreements with San Miguel Properties, San Miguel Corporation Retirement Plan, Q-Tech Alliance Holdings and various minority shareholders for the proposed acquisition of 59.98% in Bank of Commerce in the Philippines for PHP12,203 million (RM881 million). On 7 November 2012, Bank Negara Malaysia approved the proposed acquisition.

(c) Others

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

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

CIMB Group momentum is strong going into 4Q12 but so are the external headwinds as growth in the region has slowed. But the Group remains optimistic as its corporate and capital market deal pipeline is good. The Group remains focused on “CIMB 2.0” which includes implementing large scale internal changes and integrating the ex-RBS APAC investment banking platform and Bank of Commerce (Philippines). These are key to strengthening the Group’s competitive edge across various businesses and achieving its long term aspirations.

B4. TAXATION

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2012	30 Sept 2011	30 Sept 2012	30 Sept 2011
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	337,080	201,334	1,016,061	790,223
Deferred tax expense	(7,886)	112,960	(18,957)	126,557
Over-accrual in prior years	1,144	(41,500)	2,226	(47,768)
	330,338	272,794	999,330	869,012
Reconciliation				
Profit before taxation	1,495,768	1,287,672	4,306,517	3,798,172
Tax at statutory income tax rate of 25% (2011: 25%)	373,942	321,918	1,076,629	949,543
Effect of different tax rates in other countries and change in tax rates	5,665	4,430	7,210	1,660
Due to income not subject to income tax and expenses not deductible for tax purposes	(50,413)	(12,054)	(86,735)	(34,423)
Over-accrual in prior years	1,144	(41,500)	2,226	(47,768)
	330,338	272,794	999,330	869,012

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

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

B6. REALISED AND UNREALISED PROFITS

	Group	
	30 Sept 2012	31 Dec 2011
	RM'000	RM'000
Total retained earnings of the Group and subsidiaries		
- Realised	9,388,196	8,555,184
- Unrealised	461,292	268,222
	9,849,488	8,823,406
Total share of retained earnings from associates		
- Realised	270,039	158,721
- Unrealised	20,369	26,503
Total share of retained earnings from jointly controlled entities		
- Realised	39,263	29,932
- Unrealised	1	677
	10,179,160	9,039,239
Consolidation adjustments	708,242	(216,384)
	10,887,402	8,822,855
Total group retained earnings as per consolidated financial statements		
	10,887,402	8,822,855

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

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

B7. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	The Group	
	30 Sept 2012 RM'000	31 Dec 2011 RM'000
Bonds and notes*		
Unsecured		
More than one year (medium/long term)	1,740,089	521,225
	1,740,089	521,225

* Included in bonds and notes for the current period is IDR denominated bonds equivalent to IDR1,500,000 million, HKD denominated bonds equivalent to HKD 462 million, and USD denominated bonds equivalent to USD350 million.

Other borrowings**

Unsecured		
One year or less (short term)	1,833,154	1,059,251
More than one year (medium/long term)	3,761,686	4,264,781
	5,594,840	5,324,032

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

Subordinated Notes***

Unsecured		
More than one year (medium/long term)	11,475,837	11,417,980
	11,475,837	11,417,980

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

B8. MATERIAL LITIGATION**Gain on disposal of associates**

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

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

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

a) Basic EPS

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2012 RM'000	30 Sept 2011 RM'000	30 Sept 2012 RM'000	30 Sept 2011 RM'000
Net profit for the financial period after non-controlling interests	1,142,823	1,011,758	3,263,178	2,898,284
Weighted average number of ordinary shares in issue				
- proforma ('000)	7,432,772	7,432,772	7,432,772	7,432,772
Basic earnings per share (expressed in sen per share)	15.4	13.6	43.9	39.0

b) Diluted EPS

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