

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	Note	Group		Bank	
		30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
Assets					
Cash and short term funds		23,198,864	22,978,876	16,608,453	16,939,905
Reverse repurchase agreements		10,545,003	5,379,786	9,845,454	5,179,726
Deposits and placements with banks and other financial institutions		5,277,975	3,737,020	11,603,928	10,708,711
Financial assets held for trading	A7	21,434,040	24,148,212	16,105,687	17,626,483
Derivative financial instruments	A20(i)	5,157,432	3,956,310	4,588,344	3,945,552
Financial investments available-for-sale	A8	28,050,676	25,637,990	23,068,870	21,279,447
Financial investments held-to-maturity	A9	7,760,964	8,367,409	5,416,209	5,487,843
Loans, advances and financing	A10	177,749,216	155,691,566	124,852,821	108,086,083
Other assets	A11	4,220,941	2,335,148	3,405,378	1,710,386
Tax recoverable		2,426	2,055	-	-
Deferred taxation		134,708	25,702	97,272	-
Statutory deposits with central banks		6,828,707	5,263,859	5,007,588	3,886,421
Investment in subsidiaries		-	-	4,871,735	4,847,672
Investment in jointly controlled entity		158,267	153,557	125,000	125,000
Investment in associates		725,770	625,039	373,239	368,971
Amount due from holding company and ultimate holding company		28,853	28,853	-	-
Amount due from subsidiaries		-	-	48,732	316,086
Amount due from related companies		1,344,701	1,417,749	1,342,526	1,415,341
Goodwill		4,940,376	4,891,433	3,555,075	3,555,075
Intangible assets		826,298	845,097	790,194	805,837
Prepaid lease payments		1,463	1,648	-	-
Property, plant and equipment		869,787	893,952	492,913	507,265
Investment properties		16,941	17,451	-	-
		299,273,408	266,398,712	232,199,418	206,791,804
Non-current assets/disposal groups held for sale		9,061	7,920	4,461	3,520
Total Assets		299,282,469	266,406,632	232,203,879	206,795,324
Liabilities					
Deposits from customers	A12	218,600,023	200,557,803	154,608,259	145,415,162
Deposits and placements of banks and other financial institutions	A13	21,378,398	17,987,069	29,690,157	21,224,260
Repurchase agreements		9,315,781	3,083,499	7,161,955	2,783,408
Derivative financial instruments	A20(i)	5,588,518	3,986,306	4,869,729	3,782,923
Bills and acceptances payable		3,025,711	3,295,081	2,567,974	1,844,389
Amount due to subsidiaries		-	-	76,942	70,522
Amount due to related companies		22,447	25,352	1,757	22
Other liabilities	A14	4,629,746	3,225,313	3,652,131	2,413,524
Provision for taxation and Zakat		296,109	181,804	294,212	190,404
Deferred taxation		16,519	22,034	-	5,848
Bonds and debentures		4,446,452	2,045,409	2,319,141	1,267,767
Other borrowings		27,532	182,203	27,532	182,203
Subordinated obligations		9,456,465	10,119,872	8,637,128	9,367,232
Redeemable preference shares		734,011	703,724	-	-
Total Liabilities		277,537,712	245,415,469	213,906,917	188,547,664
Equity					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital		3,889,950	3,764,469	3,889,950	3,764,469
Reserves		17,295,139	16,679,305	14,177,272	14,253,451
		21,185,089	20,443,774	18,067,222	18,017,920
Perpetual preference shares		200,000	200,000	200,000	200,000
Redeemable preference shares		29,740	29,740	29,740	29,740
Non-controlling interests		329,928	317,649	-	-
Total Equity		21,744,757	20,991,163	18,296,962	18,247,660
Total Equity and Liabilities		299,282,469	266,406,632	232,203,879	206,795,324
Commitments and contingencies	A20(ii)	545,132,315	447,763,689	464,968,608	402,883,688
Net assets per ordinary share (RM)		5.45	5.43	4.64	4.79

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

GROUP	Note	Individual Quarter 3rd Quarter Ended		Cumulative Quarters Nine Months Ended	
		30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Interest income	A15	2,404,410	2,102,116	6,979,211	6,191,522
Interest expense	A16	(1,090,759)	(943,079)	(3,181,418)	(2,853,642)
Net interest income		1,313,651	1,159,037	3,797,793	3,337,880
Income from Islamic Banking operations	A23	323,268	367,185	993,735	1,058,450
Net non-interest income	A17	521,867	726,792	1,588,048	1,884,594
Overheads	A18	(1,137,424)	(1,123,762)	(3,605,364)	(3,255,424)
Profit before allowances		1,021,362	1,129,252	2,774,212	3,025,500
Allowances for impairment losses on loans, advances and financing	A19	(110,894)	(74,568)	(216,872)	(157,357)
Allowances for losses on other receivables		(338)	(38)	(907)	(268)
Allowances for commitments and contingencies written-back		-	2,971	1,334	14,805
Allowances for other impairment losses (made)/written-back		(1,172)	282	1,745	1,223
		908,958	1,057,899	2,559,512	2,883,903
Share of results of jointly controlled entity		(514)	1,894	4,710	1,368
Share of results of associates		25,187	19,462	91,250	69,791
Profit before taxation		933,631	1,079,255	2,655,472	2,955,062
Taxation		(196,842)	(179,159)	(557,798)	(593,496)
Profit for the financial period		736,789	900,096	2,097,674	2,361,566
Profit for the financial period attributable to :					
Owners of the Parent		733,769	889,678	2,089,487	2,349,444
Non-controlling interests		3,020	10,418	8,187	12,122
		736,789	900,096	2,097,674	2,361,566
Earnings per share attributable to ordinary equity holders of the Parent - basic (sen)	B3	19.48	23.63	55.46	62.41

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

GROUP	Individual Quarter		Cumulative Quarters	
	3rd Quarter Ended	3rd Quarter Ended	Nine Months Ended	Nine Months Ended
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	736,789	900,096	2,097,674	2,361,566
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Revaluation reserve of financial investments available-for-sale	(218,008)	5,908	(520,044)	14,944
- Net (loss)/gain from change in fair value	(280,809)	121,138	(455,294)	194,515
- Realised gain transferred to statement of income on disposal and impairment	(9,788)	(118,222)	(156,350)	(196,682)
- Reclassification adjustment	-	(1,505)	-	(1,505)
- Income tax effects	72,589	4,497	91,600	18,616
Net investment hedge	(69,873)	66,830	(127,315)	55,861
Cash flow hedge				
- Net loss from change in fair value	(8,584)	(13)	(10,362)	(33)
Exchange fluctuation reserve	155,045	(108,741)	298,310	(104,465)
Share of other comprehensive income/(expense) of associate	-	3,199	5,212	(10,650)
Other comprehensive expense for the period, net of tax	(141,420)	(32,817)	(354,199)	(44,343)
Total comprehensive income for the financial period	595,369	867,279	1,743,475	2,317,223
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	589,801	858,454	1,730,530	2,308,097
Non-controlling interests	5,568	8,825	12,945	9,126
	595,369	867,279	1,743,475	2,317,223

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	Note	Individual Quarter 3rd Quarter Ended		Cumulative Quarters Nine Months Ended	
		30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
<u>BANK</u>					
Interest income	A15	2,127,567	1,923,340	6,207,294	5,664,087
Interest expense	A16	(963,267)	(856,306)	(2,833,224)	(2,574,490)
Net interest income		1,164,300	1,067,034	3,374,070	3,089,597
Income from Islamic Banking operations	A23	7,566	10,818	14,486	20,668
Net non-interest income	A17	535,048	537,874	1,483,407	1,614,915
Overheads	A18	1,706,914 (841,965)	1,615,726 (850,499)	4,871,963 (2,715,981)	4,725,180 (2,436,317)
Profit before allowances		864,949	765,227	2,155,982	2,288,863
Allowances for impairment losses on loans, advances and financing	A19	(69,228)	(47,897)	(106,597)	(69,210)
Allowances for losses on other receivables		(206)	-	(597)	(167)
Allowances for commitments and contingencies written-back		-	1,518	1,334	12,290
Allowances for other impairment losses written-back		2,298	37	4,718	480
Profit before taxation		797,813	718,885	2,054,840	2,232,256
Taxation		(172,901)	(131,989)	(446,263)	(470,159)
Profit for the financial period		624,912	586,896	1,608,577	1,762,097
Earnings per share - basic (sen)	B3	16.59	15.59	42.69	46.81

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	Individual Quarter		Cumulative Quarters	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	624,912	586,896	1,608,577	1,762,097
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Revaluation reserve of financial investments available-for-sale	(214,543)	459	(508,398)	23,142
- Net (loss)/gain from change in fair value	(273,957)	105,555	(448,048)	189,157
- Realised gain transferred to statement of income on disposal and impairment	(7,467)	(114,115)	(142,334)	(184,722)
- Income tax effects	66,881	9,019	81,984	18,707
Net investment hedge	(69,873)	66,830	(127,315)	55,861
Cash flow hedge				
- Net loss from change in fair value	(8,584)	(13)	(10,362)	(33)
Exchange fluctuation reserve	53,243	(16,722)	76,493	(107)
Other comprehensive (expense)/income for the financial period, net of tax	(239,757)	50,554	(569,582)	78,863
Total comprehensive income for the financial period	385,155	637,450	1,038,995	1,840,960

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

The Group	← Attributable to owners of the Parent →															Total RM'000	Perpetual preference shares RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Redeemable Preference Shares RM'000	Share premium RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Revaluation reserve- financial investments available-for-sale RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained profits RM'000							
At 1 January 2013	3,764,469	29,740	5,033,633	4,494,970	(67,331)	667,987	(1,085,928)	735,457	20,590	1,173,577	23,360	5,682,990	20,473,514	200,000	317,649	20,991,163			
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	2,089,487	2,089,487	-	8,187	2,097,674			
Other comprehensive income/(expenses) (net of tax)	-	-	-	-	293,181	(514,351)	-	-	(137,677)	-	(110)	-	(358,957)	-	4,758	(354,199)			
- financial investments available-for-sale	-	-	-	-	-	(519,563)	-	-	-	-	-	-	(519,563)	-	(481)	(520,044)			
- net investment hedge	-	-	-	-	-	-	-	-	(127,315)	-	-	-	(127,315)	-	-	(127,315)			
- cash flow hedge	-	-	-	-	-	-	-	-	(10,362)	-	-	-	(10,362)	-	-	(10,362)			
- currency translation difference	-	-	-	-	293,181	-	-	-	-	-	(110)	-	293,071	-	5,239	298,310			
- share of other comprehensive income of associate	-	-	-	-	-	5,212	-	-	-	-	-	-	5,212	-	-	5,212			
Total comprehensive income/(expenses) for the financial period	-	-	-	-	293,181	(514,351)	-	-	(137,677)	-	(110)	2,089,487	1,730,530	-	12,945	1,743,475			
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	460,859	-	(460,859)	-	-	-	-	-			
Transfer to statutory reserve	-	-	-	44,667	-	-	-	-	-	-	(44,667)	-	-	-	-	-			
Share-based payment expense	-	-	-	-	-	-	-	-	-	31,967	-	-	31,967	-	-	31,967			
Second interim dividends for the financial year ended 31 December 2012	-	-	-	-	-	-	-	-	-	-	-	(959,000)	(959,000)	-	-	(959,000)			
Interim dividend for the financial year ending 31 December 2013	-	-	-	-	-	-	-	-	-	-	-	(639,993)	(639,993)	-	-	(639,993)			
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(666)	(666)			
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(23,246)	-	(23,246)	-	-	(23,246)			
Issue of shares from rights issue	125,481	-	475,576	-	-	-	-	-	-	-	-	-	601,057	-	-	601,057			
At 30 September 2013	3,889,950	29,740	5,509,209	4,539,637	225,850	153,636	(1,085,928)	735,457	(117,087)	1,634,436	31,971	5,667,958	21,214,829	200,000	329,928	21,744,757			
At 1 January 2012	3,764,469	29,740	5,033,633	4,294,435	50,214	594,633	(1,085,928)	735,457	(59,178)	490,627	263,360	4,700,754	18,812,216	200,000	278,935	19,291,151			
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	2,349,444	2,349,444	-	12,122	2,361,566			
Other comprehensive income/(expenses) (net of tax)	-	-	-	-	(101,382)	4,446	-	-	55,828	-	(239)	-	(41,347)	-	(2,996)	(44,343)			
- financial investments available-for-sale	-	-	-	-	-	15,096	-	-	-	-	-	-	15,096	-	(152)	14,944			
- net investment hedge	-	-	-	-	-	-	-	-	55,861	-	-	-	55,861	-	-	55,861			
- cash flow hedge	-	-	-	-	-	-	-	-	(33)	-	-	-	(33)	-	-	(33)			
- currency translation difference	-	-	-	-	(101,382)	-	-	-	-	-	(239)	-	(101,621)	-	(2,844)	(104,465)			
- share of other comprehensive expense of associate	-	-	-	-	-	(10,650)	-	-	-	-	-	-	(10,650)	-	-	(10,650)			
Total comprehensive income/(expenses) for the financial period	-	-	-	-	(101,382)	4,446	-	-	55,828	-	(239)	2,349,444	2,308,097	-	9,126	2,317,223			
Transfer to statutory reserve	-	-	-	90,377	-	-	-	-	-	-	-	(90,377)	-	-	-	-			
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	326,216	-	(326,216)	-	-	-	-			
Expiry of Management Equity Scheme	-	-	-	-	-	-	-	-	-	-	(248,602)	248,602	-	-	-	-			
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	29,172	-	29,172	-	-	29,172			
Second interim dividend for the financial year ended 31 December 2011	-	-	-	-	-	-	-	-	-	-	-	(827,000)	(827,000)	-	-	(827,000)			
Interim dividend for the financial year ended 31 December 2012	-	-	-	-	-	-	-	-	-	-	-	(660,000)	(660,000)	-	-	(660,000)			
Right issues of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,615	33,615			
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(9,547)	-	(9,547)	-	-	(9,547)			
At 30 September 2012	3,764,469	29,740	5,033,633	4,384,812	(51,168)	599,079	(1,085,928)	735,457	(3,350)	816,843	34,144	5,395,207	19,652,938	200,000	321,676	20,174,614			

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CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

The Bank	← Non-distributable →										Distributable			Total Equity RM'000
	Share capital RM'000	Redeemable Preference Shares RM'000	Share premium RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Revaluation reserve-financial investments available-for-sale RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained profits RM'000	Perpetual preference shares RM'000	
At 1 January 2013	3,764,469	29,740	5,033,633	3,964,469	33,074	584,892	(1,047,872)	746,852	109,119	930,953	22,817	3,875,514	200,000	18,247,660
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,608,577	-	1,608,577
Other comprehensive income/(expenses) (net of tax)	-	-	-	-	76,339	(508,398)	-	-	(137,677)	-	154	-	-	(569,582)
- financial investments available-for-sale	-	-	-	-	-	(508,398)	-	-	-	-	-	-	-	(508,398)
- net investment hedge	-	-	-	-	-	-	-	-	(127,315)	-	-	-	-	(127,315)
- cash flow hedge	-	-	-	-	-	-	-	-	(10,362)	-	-	-	-	(10,362)
- currency translation difference	-	-	-	-	76,339	-	-	-	-	-	154	-	-	76,493
Total comprehensive income/(expenses) for the financial period	-	-	-	-	76,339	(508,398)	-	-	(137,677)	-	154	1,608,577	-	1,038,995
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	421,912	-	(421,912)	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	30,974	-	-	30,974
Second interim dividends for the financial year ended 31 December 2012	-	-	-	-	-	-	-	-	-	-	-	(959,000)	-	(959,000)
Interim dividend for the financial year ending 31 December 2013	-	-	-	-	-	-	-	-	-	-	-	(639,993)	-	(639,993)
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(22,731)	-	-	(22,731)
Issue of shares from rights issue	125,481	-	475,576	-	-	-	-	-	-	-	-	-	-	601,057
At 30 September 2013	3,889,950	29,740	5,509,209	3,964,469	109,413	76,494	(1,047,872)	746,852	(28,558)	1,352,865	31,214	3,463,186	200,000	18,296,962
At 1 January 2012	3,764,469	29,740	5,033,633	3,964,469	53,917	521,407	(1,047,872)	746,852	51,445	431,514	245,281	3,141,722	200,000	17,136,577
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,762,097	-	1,762,097
Other comprehensive income/(expenses) (net of tax)	-	-	-	-	(141)	23,142	-	-	55,828	-	34	-	-	78,863
- financial investments available-for-sale	-	-	-	-	-	23,142	-	-	-	-	-	-	-	23,142
- net investment hedge	-	-	-	-	-	-	-	-	55,861	-	-	-	-	55,861
- cash flow hedge	-	-	-	-	-	-	-	-	(33)	-	-	-	-	(33)
- currency translation difference	-	-	-	-	(141)	-	-	-	-	-	34	-	-	(107)
Total comprehensive income/(expenses) for the financial period	-	-	-	-	(141)	23,142	-	-	55,828	-	34	1,762,097	-	1,840,960
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	277,198	-	(277,198)	-	-
Expiry of Management Equity Scheme	-	-	-	-	-	-	-	-	-	-	(230,859)	230,859	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	28,150	-	-	28,150
Second interim dividend for the financial year ended 31 December 2011	-	-	-	-	-	-	-	-	-	-	-	(827,000)	-	(827,000)
Interim dividend for the financial year ended 31 December 2012	-	-	-	-	-	-	-	-	-	-	-	(660,000)	-	(660,000)
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(9,349)	-	-	(9,349)
At 30 September 2012	3,764,469	29,740	5,033,633	3,964,469	53,776	544,549	(1,047,872)	746,852	107,273	708,712	33,257	3,370,480	200,000	17,509,338

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

CIMB BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	Group		Bank	
	30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Profit before taxation	2,655,472	2,955,062	2,054,840	2,232,256
Adjustments for non-operating and non-cash items	(161,093)	(384,525)	(369,928)	(391,406)
Operating profit before changes in working capital	2,494,379	2,570,537	1,684,912	1,840,850
Net changes in operating assets	(29,775,673)	(22,464,561)	(23,605,880)	(14,012,724)
Net changes in operating liabilities	29,098,886	15,011,914	24,506,396	11,324,725
	(676,787)	(7,452,647)	900,516	(2,687,999)
Cash flows generated from/(used in) operations	1,817,592	(4,882,110)	2,585,428	(847,149)
Taxation paid	(446,745)	(451,799)	(353,802)	(370,004)
Net cash flows generated from/(used in) operating activities	1,370,847	(5,333,909)	2,231,626	(1,217,153)
Net cash flows used in investing activities	(1,629,027)	(4,918,222)	(1,543,468)	(3,921,373)
Net cash flows used in financing activities	104,215	(652,479)	(1,201,393)	(686,114)
Net increase/(decrease) in cash and cash equivalents	(153,965)	(10,904,610)	(513,235)	(5,824,640)
Effects of exchange rate changes	373,953	(16,322)	181,783	(14,321)
Cash and cash equivalents at the beginning of financial period	22,978,876	28,241,623	16,939,905	20,783,513
Cash and cash equivalents at end of financial period	23,198,864	17,320,691	16,608,453	14,944,552

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 30 September 2013 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 should be read in conjunction with the Group's and the Bank's audited financial statements for the financial year ended 31 December 2012. 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 and the Bank since the financial year ended 31 December 2012.

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 2012, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2013:

MFRS 10 "Consolidated financial statements"

MFRS 11 "Joint arrangements"

MFRS 12 "Disclosures of interests in other entities"

MFRS 13 "Fair value measurement"

Revised MFRS 127 "Separate financial statements"

Revised MFRS 128 "Investments in associates and joint ventures"

MFRS 3 "Business Combinations" (IFRS 3 Business Combinations issued by IASB in March 2004)

Amendment to MFRS 101 "Presentation of items of other comprehensive income" (effective from 1 July 2012)

Amendment to MFRS 7 "Disclosures - offsetting financial assets and financial liabilities"

Amendment to MFRS 119 "Employee benefits"

Amendment to MFRS 134 "Interim financial reporting"

Amendments to MFRS 10, MFRS 11 and MFRS 12 "Consolidated financial statements, Joint arrangements and Disclosure of interests in other entities: Transition Guidance"

The adoption of the new standards, amendments to published standards and interpretations are not expected to have impact on the financial results of the Group and the Bank, other than as disclosed below:

- Amendment to MFRS 119 "Employee benefits"

The Amendment to MFRS 119 "Employee Benefits" makes significant changes to the recognition and measurement of defined benefits pension expenses and termination benefits, and to the disclosures for all employee benefits. The key changes to the accounting policy to the Group and the Bank are as follows:

- (i) Actuarial gains and losses will no longer be deferred using the corridor approach and will be recognised immediately in other comprehensive income.
- (ii) Pension costs for a funded benefit plan will include net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability. This will replace the interest cost and expected return on plan assets.

The financial effects of the adoption of MFRS 119 are still being assessed by the Group and the Bank.

- Amendments to MFRS 101 "Presentation of items of other comprehensive income"

The amendment requires items of comprehensive income to be presented into two grouping, which is to separate items of other comprehensive income that would be reclassified subsequently to profit or loss when specific conditions are met from those that would never be reclassified subsequently to profit or loss. The adoption of the revised standards affects only the disclosures in the financial statements. There is no financial effect on the results, earnings per share and the financial position of the Group and the Bank for the current and previous financial periods.

- Amendments to MFRS 134 "Interim financial reporting"

The amendment requires the disclosure of segmental information on the measure of total assets and liabilities for related reportable segment if such amount are regularly provided to the chief operating decision-maker and material change from the amount disclosed in the last annual financial statements for that particular reportable segment.

- MFRS 13 "Fair value measurement"

MFRS 13 does not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards for all assets and liabilities measured at fair value. The Group and the Bank have adopted this standard and the disclosures are disclosed in Note A24.

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

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

PART A - EXPLANATORY NOTES

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

a) On 22 January 2013, CIMB Bank issued HKD430 million 3-year senior unsecured fixed rate notes and HKD 171 million 5-year senior unsecured fixed rate notes under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011. The HKD 430 million and HKD 171 million notes will mature on 22 January 2016 and 22 January 2018 respectively, and bear a coupon rate of 1.20% per annum and 1.60% per annum respectively payable quarterly in arrears.

b) On 29 January 2013, CIMB Bank Berhad issued 2-year USD45 million senior unsecured floating rate notes (the "Notes") under its USD 1 billion Euro Medium Term Note Programme established on 27 January 2011. The Notes will mature on the interest payment date falling in or nearest to January 2015. The coupon rate is calculated based on the 3 month U.S.\$ LIBOR plus a margin of 0.70% per annum and coupon is payable quarterly in arrears.

c) CIMB Bank has redeemed its RM1.5 billion 10-year subordinated bonds with callable maturity date on 28 March 2013.

d) CIMB Bank Berhad issued HKD350 million nominal value 3-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 14 March 2013 and will mature on 14 March 2016 (subject to adjustment in accordance with the modified following business day convention). The Notes bear a coupon rate of 1.09% per annum payable quarterly in arrears.

e) CIMB Bank Berhad, acting through its Singapore Branch, issued SGD20 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 22 March 2013 and will mature on 22 March 2018 (subject to adjustment in accordance with the modified following business day convention). The Notes bear a coupon rate of 1.67% per annum payable semi-annually in arrears.

f) CIMB Bank Berhad, acting through its Labuan Offshore Branch, issued USD20 million nominal value 3-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 April 2013 and will mature on 8 April 2016. The Notes bear a floating coupon rate of 3 month U.S.\$ LIBOR plus 79 basis points per annum payable quarterly in arrears.

g) CIMB Bank Berhad issued HKD775 million nominal value 3-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 29 August 2013 and will mature on 29 August 2016 (subject to adjustment in accordance with the modified following business convention). The Notes bear a floating coupon rate of 3 month HIBOR plus 56 basis points per annum payable quarterly in arrears.

h) On 1 August 2013 the Bank has successfully set up a Basel 3 Compliant Tier 2 Subordinated Debt Issuance Programme of up to RM10.0 Billion in nominal value ("Basel 3 Subordinated Debt Programme").

The Bank has on 13 September 2013 completed the inaugural issuance of a RM750 million Subordinated Debt under the Basel 3 Subordinated Debt Programme. The Subordinated Debt was issued as a single tranche of RM750 million tranche at 4.80% per annum with a maturity of 10 years non-callable at the end of year 5. The Bank has on 16 October 2013 completed the second issuance of a RM300 million Subordinated Debt under the Basel 3 Subordinated Debt Programme. The Subordinated Debt was issued as a single tranche of RM300 million at 4.77% per annum with a maturity of 10 years non-callable at the end of year 5.

Redemption of the Subordinated Debts on the call dates shall be subject to Bank Negara Malaysia ("BNM")'s approval. There is no step up coupon after call dates. The proceeds of the Subordinated Debts shall be made available to the Bank, without limitation for its working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing subordinated debt previously issued by the Issuer under other programmes established by the Bank.

i) On 9 May 2013, CIMB Group Holdings Berhad ("CIMBGH"), the ultimate holding company of the Bank, completed its first Dividend Reinvestment Scheme ("DRS") of which approximately RM1,153 million was reinvested into new CIMBGH shares. Pursuant to the completion of the DRS, CIMBGH proposed to reinvest into CIMB Bank, the cash dividend surplus via the rights issue. The rights issue was done on basis of 1 rights share for every 30 existing ordinary shares of the Bank.

The rights issue was approved by the shareholders of the Bank and Bank Negara Malaysia ("BNM") on 21 August 2013 and 23 August 2013 respectively. The rights issue was completed on 23 September 2013 with issuance of RM601 million of new CIMB Bank shares.

j) During the financial period, CIMB Thai Bank issued various unsecured structured debentures amounted to THB4.6 billion with embedded callable range accrual swaps. The debentures will mature in five years from respective issuance dates. The debentures bear interest rates ranges from 0% - 5.2 % per annum variable to index of THBFIX 6 months, payable semi annually.

Subsequent to period end, CIMB Thai Bank issued various unsecured structured debentures amounted to THB250 million with embedded callable range accrual swaps. The debentures will mature in five years from respective issuance dates. The debentures bear interest rates ranges from 0% - 4.8 % per annum variable to index of THBFIX 6 months, payable semi annually.

CIMB Thai Bank has the option to early redeem the above structured debentures on any coupon dates.

During and subsequent to financial period, CIMB Thai Bank has early redeemed structured debentures amounted to THB970 million and THB37 million respectively.

PART A - EXPLANATORY NOTES

A4. DIVIDENDS PAID

A single tier second interim dividend of approximately 25.48 sen per share on 3,764,468,517 ordinary shares of RM1.00 each, amounting to RM959 million in respect of the financial year ended 31 December 2012, was approved by the Board of Directors on 17 January 2013, which was paid on 13 March 2013.

A single tier first interim dividend of approximately 21.52 sen per share, on 2,974,009,486 Redeemable Preference Shares ("RPS") of RM0.01 each, amounting to RM640 million in respect of the financial year ending 31 December 2013, which was approved by the Board of Directors on 29 July 2013, was paid on 24 September 2013.

A5. STATUS OF CORPORATE PROPOSAL

On 8 May 2012 CIMB Bank entered into sale and purchase agreements ("SPA") with San Miguel Properties, Inc., San Miguel Corporation Retirement Plan, Q-Tech Alliance Holdings, Inc. and various minority shareholders in relation to the proposed acquisition of 59.98% of the total issued and paid-up share capital of Bank of Commerce ("Proposed Acquisition").

However, on 21 June 2013 it was announced that the SPAs in relation to the Proposed Acquisition have lapsed. The parties to the SPAs have been engaged in negotiations since the lapse of the SPAs, but have not been able to reach an agreement on new terms in relation to the Proposed Acquisition. As such, the parties did not proceed with the Proposed Acquisition.

A6. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events other than those disclosed under issuance and repayment of debt and equity securities that had occurred between 30 September 2013 and the date of this announcement .

PART A - EXPLANATORY NOTES (CONTINUED)**A7. FINANCIAL ASSETS HELD FOR TRADING**

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
Money market instruments				
Unquoted				
Malaysian Government Securities	475,937	310,623	475,937	310,623
Khazanah bonds	-	16,914	-	16,914
Malaysian Government treasury bills	95,789	215,116	95,789	146,661
Other Government securities	3,695,663	3,574,330	3,695,663	3,574,330
Bank Negara Malaysia Monetary Notes	3,256,382	7,647,761	793,934	4,106,863
Bankers' acceptances and Islamic accepted bills	408,219	584,737	408,219	434,536
Negotiable instruments of deposit	3,361,316	2,929,556	1,489,087	1,272,571
Credit-linked notes	49,300	46,291	49,300	46,291
Commercial papers	449,459	320,059	449,459	320,059
Government Investment Issue	96,533	413,357	49,500	161,553
	11,888,598	16,058,744	7,506,888	10,390,401
Quoted securities				
<u>In Malaysia</u>				
Shares	1,473,625	1,002,337	1,473,625	1,002,337
	1,473,625	1,002,337	1,473,625	1,002,337
<u>Outside Malaysia</u>				
Private debt securities	137,303	35,846	-	-
Other Government bonds	481,249	294,207	-	-
	618,552	330,053	-	-
Unquoted securities				
<u>In Malaysia</u>				
Shares	6,700	6,544	6,700	6,544
Private and Islamic debt securities	4,344,301	4,868,623	4,080,945	4,421,725
	4,351,001	4,875,167	4,087,645	4,428,269
<u>Outside Malaysia</u>				
Private and Islamic debt securities	3,037,529	1,822,142	3,037,529	1,805,476
Shares	64,735	59,769	-	-
	21,434,040	24,148,212	16,105,687	17,626,483
Total financial assets held-for-trading				

PART A - EXPLANATORY NOTES (CONTINUED)

A8. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
Money market instruments				
Unquoted				
Malaysian Government Securities	706,114	860,826	671,605	826,565
Khazanah bonds	386,623	400,350	353,166	346,110
Government Investment Issue	3,353,663	3,480,923	2,718,149	2,340,545
Other Government securities	247,577	104,099	247,577	104,099
Other Government treasury bills	-	49,398	-	49,398
Commercial papers	-	9,999	-	9,999
Bank Negara Malaysia Monetary Notes	-	497,386	-	497,386
Cagamas bonds	318,033	290,288	292,352	269,524
	5,012,010	5,693,269	4,282,849	4,443,626
Quoted securities:				
<u>Outside Malaysia</u>				
Shares	385	289	385	289
Other Government bonds	2,446,777	1,107,829	-	-
Unit trusts	308,311	292,855	-	-
Private debt securities	246,569	91,723	-	-
	3,002,042	1,492,696	385	289
Unquoted securities:				
<u>In Malaysia</u>				
Private debt securities	14,552,508	13,955,518	13,467,432	12,404,294
Shares	827,677	826,572	818,674	818,674
Loan stocks	10,433	18,507	10,433	18,507
	15,390,618	14,800,597	14,296,539	13,241,475
<u>Outside Malaysia</u>				
Shares	31,648	33,719	5,008	6,749
Private equity funds	88,184	69,444	-	-
Unit trusts	16,176	18,847	-	-
Private debt securities	4,710,346	3,758,797	4,659,533	3,793,355
	4,846,354	3,880,807	4,664,541	3,800,104
	28,251,024	25,867,369	23,244,314	21,485,494
Allowance for impairment losses:				
Private debt securities	(90,991)	(117,466)	(90,991)	(117,466)
Unquoted shares	(96,978)	(95,454)	(74,020)	(74,020)
Loan stocks	(10,433)	(14,561)	(10,433)	(14,561)
Unit trusts	(1,946)	(1,898)	-	-
	(200,348)	(229,379)	(175,444)	(206,047)
Total financial investments available-for-sale	28,050,676	25,637,990	23,068,870	21,279,447

PART A - EXPLANATORY NOTES (CONTINUED)

A9. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
Money market instruments :				
Unquoted				
Malaysian Government Securities	675,783	-	675,783	-
Malaysian Government Investment Issue	141,025	20,686	141,025	20,686
Other Government securities	781,764	754,593	781,764	754,593
Cagamas bonds	4,834	4,834	4,834	4,834
	1,603,406	780,113	1,603,406	780,113
Quoted securities				
<u>Outside Malaysia</u>				
Private debt securities	1,722,793	2,218,812	-	-
	1,722,793	2,218,812	-	-
Unquoted securities				
<u>In Malaysia</u>				
Loans stocks	27,388	28,813	-	-
Danaharta Urus Sdn Bhd bonds	-	130,139	-	130,139
Private debt securities	3,258,696	3,734,412	2,658,972	3,081,972
	3,286,084	3,893,364	2,658,972	3,212,111
<u>Outside Malaysia</u>				
Private debt securities	1,208,940	1,485,557	1,181,349	1,461,848
Accretion of discount net of amortisation of premium	(27,102)	23,913	(27,518)	33,771
Less : Allowance for impairment losses	(33,157)	(34,350)	-	-
Total financial investments held-to-maturity	7,760,964	8,367,409	5,416,209	5,487,843

Included in the financial investments held-to-maturity of the Group as at 30 September 2013 are 10-year promissory notes of THB209 million (2012: THB263 million) maturing between 2013 to 2015, which were received from Thai Asset Management Corporation ("TAMC") for settlement of impaired loans transferred by CIMB Thai Bank to TAMC. Such promissory notes are non-transferable, bear interest at the average deposit rate of 5 major banks in Thailand and availed by the Financial Institutions Development Fund. As part of the agreement to transfer the impaired loans to TAMC, CIMB Thai Bank has a gain and loss sharing arrangement with TAMC arising from the recovery of the impaired loans. During the previous financial year, CIMB Bank Thai has recognised a gain of approximately RM133 million arising from the sharing agreement.

PART A - EXPLANATORY NOTES (CONTINUED)

A10. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
(i) By type of financing				
At amortised cost				
Overdrafts	5,404,025	5,758,467	4,075,870	4,468,500
Term loans/financing				
- Housing loan/financing	48,814,012	45,080,347	36,240,940	34,255,088
- Syndicated term loan	13,196,613	9,286,127	12,695,127	8,941,483
- Other term loans/financing	72,656,513	62,695,639	49,320,400	41,135,566
- Factoring receivables	22,298	19,007	-	-
- Lease receivables	54,332	73,811	-	-
- Hire purchase receivables	14,151,138	12,772,502	5,837,318	4,918,434
Bills receivable	5,850,673	3,675,350	3,045,592	1,057,156
Trust receipts	2,198,695	2,295,493	668,403	661,991
Claim on customers under acceptance credit	3,256,252	3,919,377	2,963,436	3,577,129
Staff loans	450,514	413,561	386,724	364,097
Credit card receivables	4,914,278	4,535,888	4,816,630	4,438,006
Revolving credit	9,526,788	7,857,212	6,814,658	6,379,846
Share margin financing	686,356	692,016	670,669	656,790
Gross loans, advances and financing	<u>181,182,487</u>	<u>159,074,797</u>	<u>127,535,767</u>	<u>110,854,086</u>
Fair value changes arising from fair value hedges	243,966	360,979	112,667	139,919
	<u>181,426,453</u>	<u>159,435,776</u>	<u>127,648,434</u>	<u>110,994,005</u>
Less: Allowance for impairment losses				
- Individual impairment allowance	(1,826,721)	(1,902,985)	(1,586,455)	(1,652,134)
- Portfolio impairment allowance	(1,850,516)	(1,841,225)	(1,209,158)	(1,255,788)
	<u>(3,677,237)</u>	<u>(3,744,210)</u>	<u>(2,795,613)</u>	<u>(2,907,922)</u>
Total net loans, advances and financing	<u>177,749,216</u>	<u>155,691,566</u>	<u>124,852,821</u>	<u>108,086,083</u>

(a) Included in the Group's and the Bank's loans, advances and financing balances are RM58 million (2012: RM64 million) 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.

PART A - EXPLANATORY NOTES (CONTINUED)

A10. LOANS, ADVANCES AND FINANCING (CONTINUED)

(b) The Group and the Bank have undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM8,166 million (2012: RM7,869 million) and RM1,771 million (2012: RM1,326 million) respectively, using interest rate swaps.

	Group		Bank	
	30 Sept 2013	31 Dec 2012	30 Sept 2013	31 Dec 2012
	RM'000	RM'000	RM'000	RM'000
Gross loan hedged	8,166,484	7,869,471	1,771,219	1,326,031
Fair value changes arising from fair value hedges	243,966	360,979	112,667	139,919
	8,410,450	8,230,450	1,883,886	1,465,950

The fair value loss of interest rate swaps of the Group and the Bank in these hedge transactions as at 30 September 2013 were RM256 million (2012: RM311 million) and RM45 million (2012: RM63 million) respectively.

(c) As part of an arrangement with CIMB Islamic in relation to the RPSIA, the Bank records as deposits and placements with banks and other financial institutions, its exposure in the arrangement, whereas CIMB Islamic records its exposure as loans, advances and financing. The RPSIA arrangement exposes the Bank to the risks and rewards on the financing and accordingly, the Bank accounts for all impairment allowances for bad and doubtful financing arising from the RPSIA financing.

As at 30 September 2013, the gross exposure and portfolio impairment allowance relating to RPSIA financing are RM2,148 million (2012: RM988 million) and RM9 million (2012: RM4 million) respectively.

There was no individual impairment allowance provided for the RPSIA financing.

	Group		Bank	
	30 Sept 2013	31 Dec 2012	30 Sept 2013	31 Dec 2012
	RM'000	RM'000	RM'000	RM'000
(ii) By type of customers				
Domestic banking institutions	1,660,692	1,814,205	1,622,326	1,436,110
Domestic non-bank financial institutions				
- Stockbroking companies	10,278	10,009	10,278	10,009
- others	2,718,842	1,807,723	840,937	911,334
Domestic business enterprises				
- small medium enterprises	12,154,715	11,628,979	9,461,537	9,344,541
- others	35,232,035	31,229,335	20,914,832	18,303,675
Government and statutory bodies	12,935,854	12,883,567	6,125,837	6,128,639
Individuals	94,294,859	84,436,650	66,940,502	59,998,561
Other domestic entities	314,606	213,395	203,844	163,815
Foreign entities	21,860,606	15,050,934	21,415,674	14,557,402
Gross loans, advances and financing	181,182,487	159,074,797	127,535,767	110,854,086

PART A - EXPLANATORY NOTES (CONTINUED)

A10. LOANS, ADVANCES AND FINANCING (CONTINUED)

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
(iii) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/ financing	1,696,159	1,763,136	915,794	1,139,268
- Hire purchase receivables	14,134,248	12,750,776	5,813,777	4,893,719
- Other fixed rate loans	32,000,346	32,059,171	18,931,988	18,829,968
Variable rate				
- BLR plus	71,502,752	63,241,398	62,734,376	55,314,729
- Cost-plus	30,628,615	26,088,231	19,493,025	16,924,618
- Other variable rates	31,220,367	23,172,085	19,646,807	13,751,784
Gross loans, advances and financing	181,182,487	159,074,797	127,535,767	110,854,086
(iv) By economic purpose				
Personal use	7,852,369	6,854,549	2,990,677	2,426,724
Credit cards	4,914,278	4,535,885	4,816,630	4,438,003
Purchase of consumer durables	88,592	25,165	69,887	13,581
Construction	7,465,925	6,374,956	3,370,281	3,180,293
Residential property (housing)	49,082,765	45,206,176	36,409,909	34,302,645
Non-residential property	17,962,535	15,844,104	14,940,025	13,270,216
Purchase of fixed assets other than land and buildings	2,131,251	2,077,105	1,595,887	1,451,923
Mergers and acquisitions	5,830,636	1,987,139	5,828,035	1,966,849
Purchase of securities	13,325,659	11,548,716	13,299,554	11,513,068
Purchase of transport vehicles	14,193,782	12,659,783	5,999,493	4,966,900
Working capital	41,632,751	35,368,019	28,717,621	23,518,652
Other purposes	16,701,944	16,593,200	9,497,768	9,805,232
Gross loans, advances and financing	181,182,487	159,074,797	127,535,767	110,854,086
(v) By geographical distribution				
Malaysia	136,881,489	125,176,653	100,912,202	91,715,591
Indonesia	1,427,275	823,457	1,410,464	763,223
Thailand	17,660,059	14,516,991	587,664	261,874
Singapore	19,538,977	12,966,678	19,538,977	12,966,678
United Kingdom	821,255	934,931	821,255	934,931
Hong Kong	692,563	1,119,775	692,563	1,119,775
Other countries	4,160,869	3,536,312	3,572,642	3,092,014
Gross loans, advances and financing	181,182,487	159,074,797	127,535,767	110,854,086
(vi) By residual contractual maturity				
Within one year	41,538,662	32,190,584	32,105,625	23,574,442
One year to less than three years	14,979,653	18,570,972	12,367,994	16,394,066
Three years to less than five years	17,001,441	12,806,619	11,859,698	8,530,058
Five years and more	107,662,731	95,506,622	71,202,450	62,355,520
Gross loans, advances and financing	181,182,487	159,074,797	127,535,767	110,854,086

PART A - EXPLANATORY NOTES (CONTINUED)

A10. LOANS, ADVANCES AND FINANCING (CONTINUED)

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
(vii) Impaired loans, advances and financing by economic purpose				
Personal use	134,567	129,177	57,324	65,962
Credit cards	20,417	19,443	19,674	19,024
Purchase of consumer durables	23	26	23	26
Construction	1,127,681	1,092,381	1,064,830	1,063,342
Residential property (housing)	895,434	870,768	702,440	706,606
Non-residential property	191,095	220,496	159,932	185,348
Purchase of fixed assets other than land and buildings	31,264	40,625	24,794	25,590
Purchase of securities	159,918	150,494	159,685	150,484
Purchase of transport vehicles	274,075	285,033	139,393	163,200
Working capital	1,328,177	1,430,290	1,131,080	1,251,415
Other purposes	327,455	302,583	68,070	61,845
Gross impaired loans	4,490,106	4,541,316	3,527,245	3,692,842
(viii) Impaired loans, advances and financing by geographical distribution				
Malaysia	3,537,409	3,675,540	3,203,275	3,326,563
Indonesia	100,980	94,495	100,980	94,495
Thailand	610,818	499,497	-	-
Singapore	28,719	29,400	28,719	29,400
United Kingdom	3,929	2,310	3,929	2,310
Other countries	208,251	240,074	190,342	240,074
Gross impaired loans	4,490,106	4,541,316	3,527,245	3,692,842
(ix) Movements in impaired loans, advances and financing				
At 1 January	4,541,316	5,108,543	3,692,842	4,041,828
Classified as impaired during the financial period/year	2,021,186	2,621,969	1,405,285	2,089,168
Reclassified as not impaired during the financial period/year	(864,658)	(1,132,311)	(654,579)	(949,068)
Amount written back in respect of recoveries	(686,115)	(1,052,310)	(544,657)	(917,220)
Amount written off	(589,330)	(1,062,380)	(395,277)	(688,049)
Reclassification from unwinding income	22,182	151,521	-	130,577
Amount transferred to related company	-	(68,504)	-	-
Disposal of a subsidiary	-	(2,464)	-	-
Exchange fluctuation	45,525	(22,748)	23,631	(14,394)
At 30 September/31 December	4,490,106	4,541,316	3,527,245	3,692,842
Ratio of gross impaired loans to total loans, advances and financing	2.48%	2.85%	2.77%	3.33%

PART A - EXPLANATORY NOTES (CONTINUED)

A10. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
<u>Individual impairment allowance</u>				
At 1 January	1,902,985	2,062,708	1,652,134	1,633,574
Net allowance made during the financial period/year	3,521	150,751	40,926	138,153
Allowance (written-back)/made and charged to deferred assets	(890)	1,221	(890)	1,221
Amount written off	(131,329)	(330,229)	(126,434)	(186,228)
Amount transferred from portfolio impairment allowance	1,195	9,598	-	-
Amount transferred to related company	-	(56,608)	-	-
Disposal of a subsidiary	-	(2,429)	-	-
Unwinding income	22,182	84,193	-	77,135
Exchange fluctuation	29,057	(16,220)	20,719	(11,721)
At 30 September/31 December	1,826,721	1,902,985	1,586,455	1,652,134
<u>Portfolio impairment allowance</u>				
At 1 January	1,841,225	2,197,899	1,255,788	1,577,067
Net allowance made during the financial period/year	443,041	316,497	225,975	131,975
Allowance made/(written-back) and charged to deferred assets	160	(1,510)	160	(1,510)
Amount written off	(445,432)	(723,895)	(269,253)	(502,689)
Amount transferred to individual impairment allowance	(1,195)	(9,598)	-	-
Amount transferred to a subsidiary	-	-	(5,331)	-
Amount transferred to related company	-	(1,553)	-	-
Unwinding income	-	65,104	-	51,867
Exchange fluctuation	12,717	(1,719)	1,819	(922)
At 30 September/31 December	1,850,516	1,841,225	1,209,158	1,255,788
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing less individual impairment allowance	2.1%	2.1%	2.1%	2.1%

PART A - EXPLANATORY NOTES (CONTINUED)**A11. OTHER ASSETS**

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
Deferred assets	87,133	103,524	87,133	103,524
Foreclosed properties	126,683	120,549	-	-
Option premium receivables	250,769	246,723	250,769	246,723
Collateral pledged for derivative transactions	1,319,924	691,593	1,126,710	591,182
Other debtors, deposits and prepayments	2,436,432	1,172,759	1,940,766	768,957
	4,220,941	2,335,148	3,405,378	1,710,386

A12. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
(i) By type of deposit				
Demand deposits	50,908,904	46,830,058	41,974,622	38,636,591
Saving deposits	20,849,025	18,671,940	14,464,927	13,303,733
Fixed deposits	84,202,825	87,611,031	58,353,075	64,106,330
Negotiable instruments of deposit	7,168,719	3,486,671	1,895,744	1,028,429
Others	55,470,550	43,958,103	37,919,891	28,340,079
	218,600,023	200,557,803	154,608,259	145,415,162
(ii) By type of customer				
Government and statutory bodies	9,605,728	11,453,433	5,244,171	4,925,580
Business enterprises	80,939,642	79,158,660	53,364,918	56,055,142
Individuals	76,967,788	70,876,057	61,823,264	58,409,100
Others	51,086,865	39,069,653	34,175,906	26,025,340
	218,600,023	200,557,803	154,608,259	145,415,162
(iii) Maturity structure of fixed deposits and negotiable instruments of deposit				
Due within six months	73,051,585	77,181,048	48,299,937	53,021,262
Six months to less than one year	14,361,015	9,794,746	8,752,342	8,189,083
One year to less than three years	2,055,800	2,772,989	1,323,820	2,614,983
Three years to less than five years	482,406	416,731	451,982	377,243
Five years and more	1,420,738	932,188	1,420,738	932,188
	91,371,544	91,097,702	60,248,819	65,134,759

PART A - EXPLANATORY NOTES (CONTINUED)**A13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
Licensed banks	17,874,967	11,259,981	26,614,515	16,104,276
Licensed finance companies	246,609	405,675	32,934	233,513
Licensed investment banks	484,056	2,077,702	332,338	1,079,043
Bank Negara Malaysia	1,015,353	1,988,428	1,015,353	1,988,428
Other financial institutions	1,757,413	2,255,283	1,695,017	1,819,000
	21,378,398	17,987,069	29,690,157	21,224,260

A14. OTHER LIABILITIES

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
Due to brokers and clients	81,218	53,194	81,218	53,194
Accrued employee benefits	17,848	14,319	17,230	14,096
Post employment benefit obligations	150,297	138,611	30,196	29,450
Sundry creditors	1,877,277	685,928	1,524,401	590,303
Expenditure payable	960,618	1,049,827	799,534	856,409
Allowance for commitments and contingencies	15,040	15,188	2,492	3,826
Provision for legal claims	85,575	86,348	67,672	67,832
Credit card expenditure payable	94,492	120,790	93,449	118,540
Call deposit borrowing	797,889	456,832	730,666	417,304
Others	549,492	604,276	305,273	262,570
	4,629,746	3,225,313	3,652,131	2,413,524

PART A - EXPLANATORY NOTES (CONTINUED)**A15. INTEREST INCOME**

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Group				
Loans and advances				
- interest income	1,774,297	1,564,652	5,095,330	4,563,362
- unwinding income [^]	14,482	16,539	43,977	57,584
Money at call and deposits with financial institutions	127,591	91,157	383,570	364,143
Reverse repurchase agreements	74,127	43,898	218,380	111,778
Financial assets held for trading	106,923	76,479	319,966	184,483
Financial investments available-for-sale	241,925	173,765	662,708	480,853
Financial investments held-to-maturity	69,254	83,147	213,990	264,392
Others	914	2,335	4,299	8,753
	2,409,513	2,051,972	6,942,220	6,035,348
Accretion of discount less amortisation of premium	(5,103)	50,144	36,991	156,174
	2,404,410	2,102,116	6,979,211	6,191,522
Bank				
Loans and advances				
- interest income	1,470,987	1,324,949	4,235,619	3,874,280
- unwinding income [^]	14,423	15,371	41,182	49,270
Money at call and deposits with financial institutions	198,107	174,617	589,332	611,827
Reverse repurchase agreements	68,064	41,435	203,277	107,336
Financial assets held for trading	103,341	73,941	308,068	175,936
Financial investments available-for-sale	223,211	174,118	625,096	469,571
Financial investments held-to-maturity	53,303	68,361	162,443	218,551
Others	914	2,335	4,299	8,753
	2,132,350	1,875,127	6,169,316	5,515,524
Accretion of discount less amortisation of premium	(4,783)	48,213	37,978	148,563
	2,127,567	1,923,340	6,207,294	5,664,087

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

PART A - EXPLANATORY NOTES (CONTINUED)**A16. INTEREST EXPENSE**

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits and placements of banks and other financial institutions	38,377	43,500	110,344	102,055
Deposits from other customers	824,604	750,595	2,425,067	2,324,556
Repurchase agreements	56,646	7,941	149,270	22,020
Negotiable certificates of deposits	44,452	35,441	110,577	71,519
Bonds and debentures	22,660	4,867	58,221	5,388
Redeemable preference shares	10,111	9,977	31,090	30,416
Subordinated obligations	83,802	70,876	260,576	224,363
Other borrowings	10,107	19,882	36,273	73,325
	1,090,759	943,079	3,181,418	2,853,642
Bank				
Deposits and placements of banks and other financial institutions	58,044	57,883	164,471	140,125
Deposits from other customers	715,761	662,610	2,121,127	2,074,385
Repurchase agreements	49,049	6,973	138,917	18,257
Negotiable certificates of deposits	42,341	35,043	107,338	70,756
Bonds and debentures	8,427	4,867	22,912	5,388
Subordinated obligations	85,932	85,217	267,442	254,521
Other borrowings	3,713	3,713	11,017	11,058
	963,267	856,306	2,833,224	2,574,490

PART A - EXPLANATORY NOTES (CONTINUED)

A17. NET NON-INTEREST INCOME

Group	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Net fee and commission income				
Commissions	58,968	52,800	160,891	136,727
Fee on loans and advances	90,499	89,151	306,032	294,277
Service charges and fees	104,483	116,335	307,775	307,241
Guarantee fees	16,201	11,490	45,303	34,747
Other fee income	54,991	48,227	164,281	161,163
Fee and commission income	325,142	318,003	984,282	934,155
Fee and commission expense	(53,086)	(73,171)	(206,330)	(213,456)
Net fee and commission income	272,056	244,832	777,952	720,699
Gross dividend income from:				
Financial assets held for trading	11,835	15,037	20,327	26,491
Financial investments available-for-sale	8,035	8,277	23,344	17,695
	19,870	23,314	43,671	44,186
Net (loss)/gain arising from financial assets held for trading:				
- realised (loss)/gain	(118,386)	(2,225)	(128,799)	31,250
- unrealised gain/(loss)	47,415	(40,438)	(78,838)	(35,925)
	(70,971)	(42,663)	(207,637)	(4,675)
Net gain/(loss) arising from derivative financial instrument				
- realised gain	41,163	39,220	482,970	451,849
- unrealised gain/(loss)	250,117	(15,265)	139,946	34,843
	291,280	23,955	622,916	486,692
Net loss arising from hedging derivatives	(15,911)	(13,815)	(40,811)	(34,017)
Net gain from sale of financial investments available-for-sale	9,788	118,222	156,350	196,682
Net gain from sale of financial investments held-to-maturity	-	30,055	44,666	35,643
Brokerage income	-	26	-	22,716
Other non-interest income				
Foreign exchange (loss)/gain	(4,741)	184,010	135,210	210,899
Rental income	3,082	2,309	8,693	6,720
(Loss)/gain on disposal of property, plant and equipment/assets held for sale	(232)	1,069	10,798	4,666
Loss on disposal of foreclosed properties	(11,965)	(5,323)	(24,782)	(5,166)
Gain on revaluation of investment properties	-	-	-	351
Share of gain from recovery of impaired loans	-	133,464	-	133,464
Gain on disposal of subsidiary	-	8,458	-	8,458
Gain on disposal of associate	-	-	-	425
Others	29,611	18,879	61,022	56,851
	15,755	342,866	190,941	416,668
	521,867	726,792	1,588,048	1,884,594

PART A - EXPLANATORY NOTES (CONTINUED)

A17. NET NON-INTEREST INCOME (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Bank				
Net fee and commission income				
Commissions	51,231	47,470	138,911	121,490
Fee on loans and advances	90,485	89,124	305,979	294,172
Service charges and fees	98,484	108,660	284,290	285,742
Guarantee fees	12,878	8,682	34,829	25,454
Other fee income	40,202	40,726	117,145	142,713
Fee and commission income	293,280	294,662	881,154	869,571
Fee and commission expense	(53,086)	(73,171)	(206,330)	(213,456)
Net fee and commission income	240,194	221,491	674,824	656,115
Gross dividend income from:				
Financial assets held for trading	11,835	15,022	20,327	26,411
Financial investments available-for-sale	1,020	36	7,646	6,242
Subsidiary	75,095	-	85,012	-
Associate	-	-	-	21,763
	87,950	15,058	112,985	54,416
Net (loss)/gain arising from financial assets held for trading				
- realised (loss)/gain	(118,116)	(2,414)	(132,128)	25,873
- unrealised gain/(loss)	47,780	(40,602)	(76,764)	(40,289)
	(70,336)	(43,016)	(208,892)	(14,416)
Net gain/(loss) arising from derivative financial instrument				
- realised gain	27,659	40,722	443,727	454,479
- unrealised gain/(loss)	265,458	(17,286)	179,611	25,818
	293,117	23,436	623,338	480,297
Net loss arising from hedging derivatives				
	(14,867)	(14,904)	(37,037)	(20,853)
Net gain from sale of financial investments available-for-sale				
	7,467	114,115	142,334	184,722
Net gain from sale of financial investments held-to-maturity				
	-	32,751	44,616	35,649
Other non-interest income				
Foreign exchange (loss)/gain	(23,288)	173,654	80,795	186,940
Rental income	2,282	1,448	6,316	4,767
(Loss)/gain on disposal of property, plant and equipment	(147)	558	10,822	1,514
(Loss)/gain on disposal of foreclosed properties	-	(267)	-	6,676
Gain on disposal of associate	-	-	-	4,255
Others	12,676	13,550	33,306	34,833
	(8,477)	188,943	131,239	238,985
	535,048	537,874	1,483,407	1,614,915

PART A - EXPLANATORY NOTES (CONTINUED)**A18. OVERHEADS**

Group	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Personnel costs				
- Salaries, allowances and bonuses	522,153	512,840	1,491,841	1,420,614
- Pension costs (defined contribution plan)	47,165	46,316	147,588	137,961
- Pension costs (defined benefit plan)	3,122	2,847	9,197	958
- Overtime	3,636	1,172	11,886	12,326
- Staff incentives and other staff payments	39,578	47,905	122,077	124,982
- Medical expenses	17,269	17,146	52,749	46,963
- Others	13,233	12,453	121,066	34,823
	646,156	640,679	1,956,404	1,778,627
Establishment costs				
- Depreciation of property, plant and equipment	49,141	43,502	149,021	149,888
- Amortisation of prepaid lease payments	76	74	226	224
- Rental	53,007	53,226	162,289	157,947
- Repair and maintenance	36,902	45,227	176,753	148,809
- Outsourced services	39,758	36,679	117,795	122,197
- Security expenses	24,121	23,411	76,382	69,285
- Others	22,323	22,672	71,394	71,876
	225,328	224,791	753,860	720,226
Marketing expenses				
- Sales commission	1,353	2,704	3,039	8,486
- Advertisement	41,364	30,481	115,313	95,689
- Others	7,905	2,412	18,017	14,091
	50,622	35,597	136,369	118,266
Administration and general expenses				
- Communication	14,631	12,653	42,358	45,490
- Consultancy and professional fees	20,453	14,732	54,664	40,078
- Legal expenses	2,909	(4,840)	7,841	10,526
- Stationery	9,089	9,399	30,288	26,880
- Amortisation and impairment of intangible assets	31,926	43,553	212,011	118,585
- Postages	6,929	9,712	28,339	34,155
- Administrative travelling and vehicle expenses	8,310	8,016	24,963	23,630
- Incidental expenses on banking operations	8,613	8,822	23,016	24,788
- Insurance	28,395	21,861	81,417	62,116
- Others	27,896	51,146	87,225	111,621
	159,151	175,054	592,122	497,869
Shared service cost	56,167	47,641	166,609	140,436
	1,137,424	1,123,762	3,605,364	3,255,424

PART A - EXPLANATORY NOTES (CONTINUED)**A18. OVERHEADS (CONTINUED)**

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Bank				
Personnel costs				
- Salaries, allowances and bonuses	421,055	417,742	1,194,254	1,137,820
- Pension costs (defined contribution plan)	42,457	41,691	133,161	123,663
- Pension costs (defined benefit plan)	-	-	-	(8,000)
- Overtime	1,976	2,075	7,627	7,957
- Staff incentives and other staff payments	33,328	43,270	103,427	112,692
- Medical expenses	15,974	16,018	48,997	43,822
- Others	11,477	11,030	115,970	30,518
	526,267	531,826	1,603,436	1,448,472
Establishment costs				
- Depreciation of property, plant and equipment	34,885	33,467	107,742	111,547
- Rental	41,413	41,964	128,390	124,705
- Repair and maintenance	31,835	39,114	161,143	129,877
- Outsourced services	59,547	54,986	179,139	179,941
- Security expenses	24,966	24,507	79,186	73,706
- Others	16,873	16,921	54,201	52,574
	209,519	210,959	709,801	672,350
Marketing expenses				
- Sales commission	374	-	616	2,374
- Advertisement	37,039	26,361	100,481	84,407
- Others	5,129	3,036	11,719	9,549
	42,542	29,397	112,816	96,330
Administration and general expenses				
- Communication	12,674	11,133	37,122	40,220
- Consultancy and professional fees	16,633	13,127	42,968	35,793
- Legal expenses	1,873	(6,704)	5,511	(5,149)
- Stationery	7,086	6,888	24,237	20,368
- Amortisation and impairment of intangible assets	27,239	38,220	198,023	102,933
- Postages	8,229	7,208	23,774	26,049
- Administrative travelling and vehicle expenses	5,741	5,710	17,680	16,487
- Incidental expenses on banking operations	5,186	5,950	12,412	17,392
- Insurance	6,962	4,787	20,273	16,052
- Others	6,728	32,195	28,870	61,327
	98,351	118,514	410,870	331,472
Shared service cost	(34,714)	(40,197)	(120,942)	(112,307)
	841,965	850,499	2,715,981	2,436,317

PART A - EXPLANATORY NOTES (CONTINUED)**A19. ALLOWANCES FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING**

Group	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
Allowances for impaired loans and financing :				
Net allowance made during the financial period				
- Individual impairment allowance	(3,975)	29,897	3,521	90,502
- Portfolio impairment allowance	189,115	126,494	443,041	310,155
Impaired loans and advances :				
- recovered	(82,984)	(84,367)	(247,195)	(251,287)
- written off	8,738	2,544	17,505	7,987
	<u>110,894</u>	<u>74,568</u>	<u>216,872</u>	<u>157,357</u>
Bank				
Allowances for bad and doubtful debts and financing :				
Net allowance made during the financial period				
- Individual impairment allowance	19,576	37,441	40,926	82,618
- Portfolio impairment allowance	104,323	63,435	225,975	144,667
Impaired loans and advances :				
- recovered	(59,152)	(53,172)	(169,609)	(158,909)
- written off	4,481	193	9,305	834
	<u>69,228</u>	<u>47,897</u>	<u>106,597</u>	<u>69,210</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES

The following tables summarise the contractual underlying principal amounts of trading derivative and financial instruments held for hedging purpose. 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.

(i) Derivative financial instruments

At 30 September 2013	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	16,608,141	240,079	(211,728)	11,166,490	165,996	(188,404)
- Less than 1 year	13,671,067	200,553	(128,156)	9,011,852	142,721	(110,720)
- 1 year to 3 years	784,905	14,741	(19,782)	716,245	12,032	(18,535)
- More than 3 years	2,152,169	24,785	(63,790)	1,438,393	11,243	(59,149)
Currency swaps	86,674,284	1,043,578	(924,304)	55,068,538	650,187	(477,491)
- Less than 1 year	86,098,050	1,014,063	(919,974)	54,488,568	621,284	(472,167)
- 1 year to 3 years	289,267	11,809	(2,937)	345,294	13,460	(4,060)
- More than 3 years	286,967	17,706	(1,393)	234,676	15,443	(1,264)
Currency spots	9,460,446	39,065	(19,422)	7,142,671	35,827	(9,696)
- Less than 1 year	9,460,446	39,065	(19,422)	7,142,671	35,827	(9,696)
Currency options	3,151,989	120,150	(82,511)	2,296,032	53,424	(50,012)
- Less than 1 year	2,087,705	60,889	(23,272)	1,764,546	23,935	(20,545)
- 1 year to 3 years	532,142	22,130	(22,121)	265,743	10,989	(10,980)
- More than 3 years	532,142	37,131	(37,118)	265,743	18,500	(18,487)
Cross currency interest rate swaps	29,385,625	837,745	(601,628)	24,284,860	750,237	(519,467)
- Less than 1 year	4,268,188	204,617	(55,226)	3,611,737	181,707	(49,290)
- 1 year to 3 years	10,616,876	163,736	(184,829)	9,087,951	144,460	(166,677)
- More than 3 years	14,500,561	469,392	(361,573)	11,585,172	424,070	(303,500)
	145,280,485	2,280,617	(1,839,593)	99,958,591	1,655,671	(1,245,070)
<u>Interest rate derivatives</u>						
Interest rate swaps	275,250,250	2,082,542	(1,401,902)	244,587,240	1,935,348	(1,285,155)
- Less than 1 year	41,582,506	63,684	(86,313)	31,058,067	47,976	(75,267)
- 1 year to 3 years	153,826,874	624,901	(584,394)	143,326,427	590,296	(545,469)
- More than 3 years	79,840,870	1,393,957	(731,195)	70,202,746	1,297,076	(664,419)
Interest rate futures	5,606,458	9,371	(3,880)	5,606,458	9,371	(3,880)
- Less than 1 year	4,105,856	5,739	(3,839)	4,105,856	5,739	(3,839)
- 1 year to 3 years	1,484,277	3,629	(41)	1,484,277	3,629	(41)
- More than 3 years	16,325	3	-	16,325	3	-
Interest rate options	10,758,601	1,645	(39,562)	10,758,601	1,645	(39,562)
- Less than 1 year	476,237	17	(5,156)	476,237	17	(5,156)
- 1 year to 3 years	2,067,512	1,628	(7,580)	2,067,512	1,628	(7,580)
- More than 3 years	8,214,852	-	(26,826)	8,214,852	-	(26,826)
	291,615,309	2,093,558	(1,445,344)	260,952,299	1,946,364	(1,328,597)
<u>Equity related derivatives</u>						
Equity swap	747,659	8,778	(248,222)	514,864	8,769	(248,213)
- Less than 1 year	96,128	246	(163,116)	96,128	246	(163,116)
- 1 year to 3 years	39,481	8,472	(85,055)	39,481	8,472	(85,055)
- More than 3 years	612,050	60	(51)	379,255	51	(42)
Equity options	8,142,860	301,986	(1,407,349)	7,628,798	289,878	(1,395,241)
- Less than 1 year	3,142,523	274,569	(1,069,484)	3,089,063	274,569	(1,069,484)
- 1 year to 3 years	2,015,454	17,483	(317,046)	1,887,770	14,855	(314,418)
- More than 3 years	2,984,883	9,934	(20,819)	2,651,965	454	(11,339)
Index futures	4,878	42	(6)	4,878	42	(6)
- Less than 1 year	4,878	42	(6)	4,878	42	(6)
	8,895,397	310,806	(1,655,577)	8,148,540	298,689	(1,643,460)

PART A - EXPLANATORY NOTES (CONTINUED)

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

At 30 September 2013	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	2,448,743	99,676	(98,278)	2,448,743	99,676	(98,278)
- Less than 1 year	2,393,966	84,978	(84,094)	2,393,966	84,978	(84,094)
- 1 year to 3 years	47,732	4,324	(3,810)	47,732	4,324	(3,810)
- More than 3 years	7,045	10,374	(10,374)	7,045	10,374	(10,374)
Commodity options	167,178	124,957	(125,030)	166,683	124,942	(124,976)
- Less than 1 year	2,965	39	(112)	2,470	24	(58)
- 1 year to 3 years	77,021	83,510	(83,510)	77,021	83,510	(83,510)
- More than 3 years	87,192	41,408	(41,408)	87,192	41,408	(41,408)
	2,615,921	224,633	(223,308)	2,615,426	224,618	(223,254)
<u>Credit related contract</u>						
Credit default swaps	5,834,607	63,298	(78,179)	5,834,607	63,298	(78,179)
- Less than 1 year	1,413,181	563	(23,245)	1,413,181	563	(23,245)
- 1 year to 3 years	2,508,761	17,540	(22,492)	2,508,761	17,540	(22,492)
- More than 3 years	1,912,665	45,195	(32,442)	1,912,665	45,195	(32,442)
<u>Hedging derivatives</u>						
Cross currency interest rate swaps	1,765,211	6,631	(36,786)	1,765,211	6,631	(36,786)
- Less than 1 year	274,835	-	(13,775)	274,835	-	(13,775)
- 1 year to 3 years	973,923	2,394	(4,553)	973,923	2,394	(4,553)
- More than 3 years	516,453	4,237	(18,458)	516,453	4,237	(18,458)
Interest rate swaps	20,835,288	177,889	(309,731)	27,699,015	393,073	(314,383)
- Less than 1 year	50,000	-	(416)	50,000	-	(416)
- 1 year to 3 years	5,672,159	110,738	(32,487)	5,937,407	111,022	(37,013)
- More than 3 years	15,113,129	67,151	(276,828)	21,711,608	282,051	(276,954)
Total derivatives assets/(liabilities)	476,842,218	5,157,432	(5,588,518)	406,973,689	4,588,344	(4,869,729)

PART A - EXPLANATORY NOTES (CONTINUED)

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

At 31 December 2012	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	13,738,830	171,642	(170,835)	10,426,406	134,227	(121,587)
- Less than 1 year	10,493,984	69,610	(104,388)	7,871,120	55,498	(70,183)
- 1 year to 3 years	1,136,705	59,776	(33,953)	1,113,151	59,275	(32,564)
- More than 3 years	2,108,141	42,256	(32,494)	1,442,135	19,454	(18,840)
Currency swaps	52,821,438	233,353	(193,141)	45,121,841	192,252	(173,177)
- Less than 1 year	52,419,383	219,292	(191,326)	44,719,786	178,191	(171,362)
- 1 year to 3 years	215,636	4,244	(1,251)	215,636	4,244	(1,251)
- More than 3 years	186,419	9,817	(564)	186,419	9,817	(564)
Currency spots	5,435,680	2,443	(3,431)	5,133,798	2,127	(3,132)
- Less than 1 year	5,435,680	2,443	(3,431)	5,133,798	2,127	(3,132)
Currency options	1,017,353	7,400	(6,418)	735,527	4,678	(5,291)
- Less than 1 year	1,017,353	7,400	(6,418)	735,527	4,678	(5,291)
Cross currency interest rate swaps	18,304,520	538,657	(323,526)	18,067,514	512,906	(312,421)
- Less than 1 year	3,503,109	145,980	(77,275)	4,189,122	141,444	(86,963)
- 1 year to 3 years	6,307,037	187,433	(103,333)	5,914,226	180,672	(100,796)
- More than 3 years	8,494,374	205,244	(142,918)	7,964,166	190,790	(124,662)
	91,317,821	953,495	(697,351)	79,485,086	846,190	(615,608)
<u>Interest rate derivatives</u>						
Interest rate swaps	252,533,001	1,992,124	(1,630,195)	222,510,515	1,851,022	(1,514,380)
- Less than 1 year	38,093,158	42,202	(41,414)	28,379,596	32,524	(35,707)
- 1 year to 3 years	161,756,729	695,056	(687,364)	152,914,640	669,719	(665,212)
- More than 3 years	52,683,114	1,254,866	(901,417)	41,216,279	1,148,779	(813,461)
Interest rate futures	8,199,677	20,571	(605)	8,190,488	20,495	(605)
- Less than 1 year	4,571,511	8,894	(550)	4,562,322	8,818	(550)
- 1 year to 3 years	3,119,440	10,459	(55)	3,119,440	10,459	(55)
- More than 3 years	508,726	1,218	-	508,726	1,218	-
Interest rate options	2,478,653	1,399	(14,283)	2,478,653	1,399	(14,283)
- 1 year to 3 years	290,000	861	(1,788)	290,000	861	(1,788)
- 1 year to 3 years	170,000	489	(3,959)	170,000	489	(3,959)
- More than 3 years	2,018,653	49	(8,536)	2,018,653	49	(8,536)
	263,211,331	2,014,094	(1,645,083)	233,179,656	1,872,916	(1,529,268)
<u>Equity related derivatives</u>						
Equity swaps	340,784	937	(945)	340,784	937	(945)
- More than 3 years	340,784	937	(945)	340,784	937	(945)
Equity options	8,706,537	551,515	(983,802)	8,478,145	550,982	(983,269)
- Less than 1 year	3,355,279	524,470	(941,504)	3,355,279	524,470	(941,504)
- 1 year to 3 years	2,630,101	26,202	(29,627)	2,630,101	26,202	(29,627)
- More than 3 years	2,721,157	843	(12,671)	2,492,765	310	(12,138)
Index futures	1,245,998	15,325	(15,336)	2,884	1	(12)
- Less than 1 year	713,517	2,616	(2,627)	2,884	1	(12)
- 1 year to 3 years	151,964	2,556	(2,556)	-	-	-
- More than 3 years	380,517	10,153	(10,153)	-	-	-
	10,293,319	567,777	(1,000,083)	8,821,813	551,920	(984,226)

PART A - EXPLANATORY NOTES (CONTINUED)

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

At 31 December 2012	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	199,464	19,071	(19,870)	199,464	19,071	(19,870)
- Less than 1 year	163,152	11,674	(12,565)	163,152	11,674	(12,565)
- 1 year to 3 years	29,711	3,458	(3,366)	29,711	3,458	(3,366)
- More than 3 years	6,601	3,939	(3,939)	6,601	3,939	(3,939)
Commodity futures	135	15	-	135	15	-
- Less than 1 year	135	15	-	135	15	-
Commodity options	521,350	141,740	(141,752)	521,350	141,740	(141,752)
- Less than 1 year	367,498	16,896	(16,908)	367,498	16,896	(16,908)
- More than 3 years	153,852	124,844	(124,844)	153,852	124,844	(124,844)
	720,949	160,826	(161,622)	720,949	160,826	(161,622)
<u>Credit related contract</u>						
Credit default swaps	2,871,205	31,604	(110,883)	2,871,205	31,604	(110,883)
- Less than 1 year	445,962	819	(59,783)	445,962	819	(59,783)
- 1 year to 3 years	1,676,378	3,489	(17,093)	1,676,378	3,489	(17,093)
- More than 3 years	748,865	27,296	(34,007)	748,865	27,296	(34,007)
<u>Hedging derivatives</u>						
Cross currency interest rate swaps	991,872	13,780	(12,266)	1,059,622	13,780	(14,280)
- 1 year to 3 years	563,674	8,322	(1,055)	563,673	8,322	(1,055)
- More than 3 years	428,198	5,458	(11,211)	495,949	5,458	(13,225)
Interest rate swaps	17,882,021	214,734	(359,018)	24,892,822	468,316	(367,036)
- Less than 1 year	787,603	6,764	(1,367)	720,000	6,764	(11)
- 1 year to 3 years	3,632,962	126,889	(52,935)	3,632,963	126,889	(52,935)
- More than 3 years	13,461,456	81,081	(304,716)	20,539,859	334,663	(314,090)
Total derivatives assets/(liabilities)	387,288,518	3,956,310	(3,986,306)	351,031,153	3,945,552	(3,782,923)

PART A - EXPLANATORY NOTES (CONTINUED)

A20. 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 Value-at-Risk (VaR) 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 2013, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM5,157 million and RM4,588 million respectively (31 December 2012: RM3,956 million and RM3,946 million respectively). 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 2012.

PART A - EXPLANATORY NOTES (CONTINUED)

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(ii) Commitments and contingencies

	30 Sept 2013	31 Dec 2012
	Principal	Principal
	RM'000	RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	5,088,554	3,054,864
Transaction-related contingent items	4,721,567	4,824,655
Short-term self-liquidating trade-related contingencies	3,184,100	2,597,320
Obligations under underwriting agreement	90,000	-
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	46,974,509	44,332,208
- maturity exceeding one year	7,178,405	5,829,416
Miscellaneous commitments and contingencies	6,413,209	2,182,750
Total credit-related commitments and contingencies	<u>73,650,344</u>	<u>62,821,213</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	115,860,291	72,130,981
- one year to less than 5 years	24,640,402	15,314,186
- five years and above	6,545,003	4,864,527
	<u>147,045,696</u>	<u>92,309,694</u>
Interest rate related contracts :		
- less than one year	46,885,319	74,120,451
- one year to less than 5 years	228,773,908	165,050,907
- five years and above	39,881,651	43,168,105
	<u>315,540,878</u>	<u>282,339,463</u>
Equity related contracts:		
- less than one year	3,243,529	3,943,985
- one year to less than 5 years	4,035,989	4,655,936
- five years and above	1,615,879	1,693,398
	<u>8,895,397</u>	<u>10,293,319</u>
Total treasury-related commitments and contingencies	<u>471,481,971</u>	<u>384,942,476</u>
	<u>545,132,315</u>	<u>447,763,689</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(ii) Commitments and contingencies (continued)

	30 Sept 2013	31 Dec 2012
	Principal	Principal
	RM'000	RM'000
The Bank		
<u>Credit-related</u>		
Direct credit substitutes	4,829,458	2,768,393
Transaction-related contingent items	3,347,171	3,397,275
Short-term self-liquidating trade-related contingencies	2,916,784	2,259,282
Obligations under underwriting agreement	90,000	-
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	41,052,893	39,355,086
- maturity exceeding one year	6,162,425	4,912,481
Miscellaneous commitments and contingencies	4,955,941	1,506,060
Total credit-related commitments and contingencies	63,354,672	54,198,577
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	76,294,209	61,910,823
- one year to less than 5 years	20,597,858	14,666,935
- five years and above	4,831,735	3,966,951
	101,723,802	80,544,709
Interest rate related contracts :		
- less than one year	36,360,880	64,397,699
- one year to less than 5 years	206,948,966	147,726,981
- five years and above	48,431,748	47,193,909
	291,741,594	259,318,589
Equity related contracts:		
- less than one year	3,190,069	3,233,352
- one year to less than 5 years	3,740,241	4,310,774
- five years and above	1,218,230	1,277,687
	8,148,540	8,821,813
Total treasury-related commitments and contingencies	401,613,936	348,685,111
	464,968,608	402,883,688

PART A - EXPLANATORY NOTES (CONTINUED)

A21. CAPITAL ADEQUACY

Bank Negara Malaysia (BNM) and Bank of Thailand (BOT) issued revised guidelines on the capital adequacy framework on 28 November 2012 and 8 November 2012 respectively, of which both took effect beginning 1 January 2013. The revised guidelines sets out the general requirements concerning regulatory capital adequacy, components of eligible regulatory capital and requirements for computing risk-weighted assets.

The risk-weighted assets of the Group (other than CIMB Thai Bank and CIMB Bank PLC) and the Bank are computed in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets). The IRB Approach is applied for the major credit exposures. It prescribes two approaches, the F-IRB Approach and A-IRB Approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on Basic Indicator Approach. The components of eligible regulatory capital are based on the Capital Adequacy Framework (Capital Components). The comparative capital adequacy ratios as at 31 December 2012 were based on BNM's Risk-Weighted Capital Adequacy Framework (RWCAF).

The capital adequacy ratios of CIMB Thai Bank is based on the revised "Notification of The BOT. No. SoNoRSor. 87/2551 - The supervisory capital funds of commercial banks". Credit Risk and Market Risk are based on SA approach while Operational Risk is based on Basic Indicator Approach. The comparative capital adequacy ratios as at 31 December 2012 were based on Notification of The BOT. No. SoNoRSor. 12/2555 - The supervisory capital funds of commercial banks".

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

30 September 2013 - Basel III

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

	The Group	The Bank*
	RM'000	RM'000
Common equity tier 1 ratio	7.64%	9.18%
Tier 1 ratio	9.16%	11.15%
Total capital ratio	<u>12.49%</u>	<u>12.56%</u>

On 18 January 2013, CIMB Group Holdings Berhad ("CIMBGH") announced that it would implement a Dividend Reinvestment Scheme ("DRS"). The DRS has been duly approved by shareholders at the extraordinary general meeting ("EGM") held on 25 February 2013.

CIMBGH implemented the DRS for the second interim dividend in respect of the financial year ended 2012. Pursuant to the DRS, CIMBGH completed the reinvestment of excess cash dividend surplus of RM601 million into the Bank on 23 September 2013 via rights issue.

On 26 August 2013, CIMBGH announced that it would implement the DRS for the first interim dividend in respect of the financial year ending 2013. Pursuant to the DRS, CIMBGH intends to reinvest the excess cash dividend into the Bank, which would increase the capital adequacy ratios of the Group and the Bank above those stated above.

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

	The Group	The Bank*
	RM'000	RM'000
Credit risk	142,580,179	105,946,409
Market risk	13,020,384	11,377,928
Large exposure risk requirements	422,460	422,460
Operational risk	14,248,744	10,978,897
Total risk-weighted assets	<u>170,271,767</u>	<u>128,725,694</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A21. CAPITAL ADEQUACY (Continued)

30 September 2013 - Basel III (Continued)

(c) Components of Common Equity Tier I, Additional Tier I and Tier II capital are as follows:

	The Group RM'000	The Bank* RM'000
Common Equity Tier I capital		
Ordinary shares	3,889,950	3,889,950
Other reserves	16,731,757	13,896,533
Qualifying non-controlling interests	254,037	-
Common Equity Tier I capital before regulatory adjustments	<u>20,875,744</u>	<u>17,786,483</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(4,940,376)	(3,555,075)
Intangible assets	(735,318)	(713,122)
Deferred tax assets	(223,664)	(175,627)
Shortfall of eligible provisions to expected losses	(256,771)	(110,087)
Others	(1,708,755)	(1,416,024)
Common Equity Tier I capital after regulatory adjustments	<u>13,010,860</u>	<u>11,816,548</u>
Additional Tier I capital		
Perpetual preference shares	180,000	180,000
Non-innovative Tier I Capital	900,000	900,000
Innovative Tier I Capital	1,450,620	1,450,620
Qualifying capital instruments held by third parties	50,654	-
Additional Tier I capital before and after regulatory adjustments	<u>2,581,274</u>	<u>2,530,620</u>
Total Tier I capital	<u>15,592,134</u>	<u>14,347,168</u>
Tier II capital		
Subordinated notes	5,750,000	5,750,000
Redeemable preference shares	29,740	29,740
Qualifying capital instruments held by third parties	10,602	-
Portfolio impairment allowance and regulatory reserves ^	484,518	201,019
Tier II capital before regulatory adjustments	<u>6,274,860</u>	<u>5,980,759</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(599,842)	(4,159,692)
Total Tier II capital	<u>5,675,018</u>	<u>1,821,067</u>
Total capital	<u>21,267,152</u>	<u>16,168,235</u>

The capital adequacy of the banking subsidiary companies of the Bank are as follows:

30 September 2013 - Basel III

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC
Common equity tier 1 ratio	8.71%	10.33%	N/A
Tier 1 ratio	9.00%	10.33%	N/A
Total capital ratio	12.76%	14.60%	23.09%

PART A - EXPLANATORY NOTES (CONTINUED)

A21. CAPITAL ADEQUACY (Continued)

31 December 2012 - Basel II

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

	The Group RM'000	The Bank* RM'000
Before deducting proposed dividends		
Core capital ratio	10.47%	13.16%
Risk-weighted capital ratio	<u>16.19%</u>	<u>16.34%</u>
After deducting proposed dividends		
Core capital ratio		
Risk-weighted capital ratio	9.86% #	12.35% #
	<u>15.58% #</u>	<u>15.53% #</u>

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

	The Group RM'000	The Bank* RM'000
Credit risk	126,983,208	94,244,713
Market risk	14,568,174	13,283,095
Large exposure risk requirements	397,786	397,786
Operational risk	13,560,253	10,528,945
Total risk-weighted assets	<u>155,509,421</u>	<u>118,454,539</u>

(c) Components of Tier I and Tier II capital are as follows:

	The Group RM'000	The Bank* RM'000
Tier I capital		
Paid-up capital	3,764,469	3,764,469
Perpetual preference shares	200,000	200,000
Non-innovative Tier I Capital	1,000,000	1,000,000
Innovative Tier I Capital	1,611,800	1,611,800
Other reserves	14,442,525	12,712,661
Non-controlling interests	306,905	-
Less:		
Deferred tax assets	(146,237)	(140,439)
Goodwill	(4,891,433)	(3,555,075)
Total Tier I capital	<u>16,288,029</u>	<u>15,593,416</u>
Tier II capital		
Subordinated notes	7,881,400	6,500,000
Redeemable preference shares	29,740	29,740
Regulatory reserve	1,173,577	930,953
Portfolio impairment allowance ^	278,012	133,220
Surplus of total eligible provision over expected loss under the IRB approach	91,670	250,350
Total Tier II capital	9,454,399	7,844,263
Less:		
Investment in subsidiaries	(158,742)	(3,688,556)
Securitisation exposures subject to deductions^^	(65,621)	(65,621)
Investment in associates	(305,584)	(305,584)
Holding of other banking institutions' capital instruments	(28,159)	(28,159)
Total Eligible Tier II capital	<u>8,896,293</u>	<u>3,756,343</u>
Total capital base	<u>25,184,322</u>	<u>19,349,759</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A21. CAPITAL ADEQUACY (Continued)

The capital adequacy of the banking subsidiary companies of the Bank are as follows:

31 December 2012

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC
Core capital ratio	8.69%	10.27%	N/A
Risk-weighted capital ratio	13.27%	16.21%	26.82%

The dividends on ordinary shares was paid on 13 March 2013.

* Includes the operations of CIMB Bank (L) Limited.

^ The capital base of the Group and the Bank has excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM240 million (31 December 2012: RM339 million) and RM219 million (31 December 2012: RM323 million) respectively.

^^ The following has been applied in computing the capital adequacy ratio:
- 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.

PART A - EXPLANATORY NOTES (CONTINUED)

A22. SEGMENTAL REPORT

Definition of segments

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:

The Group has been reorganised into the following five major operating divisions:

Consumer Banking

Consumer Banking provides full-fledged financial services to individual and commercial customer. The divisions which make up the Consumer Banking are Retail Financial Services and Commercial Banking.

Retail Financial Services focuses on innovative products and services to individual customers. It offers products such as credit facilities (residential mortgages, personal loans, share financing, credit card and hire purchase), remittance services, deposit collection and wealth management.

Commercial Banking is responsible for offering products and services for customer segments comprising micro-enterprises, small and medium-scale enterprises ("SMEs") and mid-sized corporations. Their products include credit facilities (loans, banker's acceptances, revolving credit, leasing, factoring, hire purchase), remittance services and deposit collection.

Wholesale Banking

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

Investment Banking includes client coverage and advisory services. 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.

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.

Investments

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

Foreign Banking Operations

Foreign Banking Operations comprise of CIMB Thai Bank Public Company Limited, Bank of Yinkou Co Ltd and CIMB Bank PLC which are involved in the provision of commercial banking and related services.

Support and others

Support services comprises unallocated middle and back-office processes and cost centres and other subsidiaries whose results are not material to the Group.

PART A - EXPLANATORY NOTES (CONTINUED)

A22. SEGMENTAL REPORT (CONTINUED)

Group

30 Sept 2013

	Consumer Banking		Wholesale Banking				Support and Others RM'000	Total RM'000
	Commercial Banking RM'000	Retail Financial Services and Cards RM'000	Corporate Banking, Treasury and Markets RM'000	Investment Banking RM'000	Investments RM'000	Foreign Banking Operations RM'000		
Net interest income								
- external income	266,088	1,770,845	892,344	14,042	288,452	567,051	(1,029)	3,797,793
- inter-segment	268,548	(178,657)	12,053	(2,756)	(79,604)	-	(19,584)	-
	534,636	1,592,188	904,397	11,286	208,848	567,051	(20,613)	3,797,793
Islamic Banking Income	130,727	427,254	363,167	306	72,281	-	-	993,735
Net non-interest income	88,915	466,562	745,073	35,935	73,089	157,410	21,064	1,588,048
Net income	754,278	2,486,004	2,012,637	47,527	354,218	724,461	451	6,379,576
Overheads	(464,547)	(1,662,844)	(636,735)	(29,297)	(246,119)	(506,263)	(59,559)	(3,605,364)
of which:								
Depreciation of property, plant and equipment	(23,229)	(78,520)	(11,463)	(205)	(655)	(34,949)	-	(149,021)
Amortisation of prepaid lease payments	-	-	-	-	-	(226)	-	(226)
Amortisation and impairment of intangible assets	(8,538)	(52,943)	(12,227)	(1)	(119,704)	(18,598)	-	(212,011)
Profit/(loss) before allowances	289,731	823,160	1,375,902	18,230	108,099	218,198	(59,108)	2,774,212
Allowances for impairment losses on loans, advances and financing written back/(made)	29,178	(100,644)	(36,730)	(114)	-	(108,562)	-	(216,872)
Allowances for losses on other receivables	-	-	-	-	-	-	(907)	(907)
Allowances for commitments and contingencies written-back	-	-	1,334	-	-	-	-	1,334
Allowances for other impairment losses written-back/(made)	1,425	-	4,175	-	(2,930)	(925)	-	1,745
Segment result	320,334	722,516	1,344,681	18,116	105,169	108,711	(60,015)	2,559,512
Share of results of jointly controlled entity	-	4,710	-	-	-	-	-	4,710
Share of results of associates	-	-	-	-	21,689	69,561	-	91,250
Taxation								(557,798)
Profit for the financial period								2,097,674

PART A - EXPLANATORY NOTES (CONTINUED)

A22. SEGMENTAL REPORT (CONTINUED)

Group
30 Sept 2012

	Consumer Banking		Wholesale Banking				Support and Others RM'000	Total RM'000
	Commercial Banking RM'000	Retail Financial Services and Cards RM'000	Corporate Banking, Treasury and Markets RM'000	Investment Banking RM'000	Investments RM'000	Foreign Banking Operations RM'000		
Net interest income								
- external income	234,700	1,586,976	885,317	17,333	171,096	436,036	6,422	3,337,880
- inter-segment	281,032	(112,159)	(78,373)	(10,099)	(52,664)	-	(27,737)	-
	515,732	1,474,817	806,944	7,234	118,432	436,036	(21,315)	3,337,880
Islamic Banking Income	89,786	428,237	402,846	1,323	136,258	-	-	1,058,450
Net non-interest income	93,145	441,075	937,369	32,894	90,304	269,662	20,145	1,884,594
Net income	698,663	2,344,129	2,147,159	41,451	344,994	705,698	(1,170)	6,280,924
Overheads	(425,348)	(1,625,553)	(571,241)	(37,841)	(63,333)	(469,089)	(63,019)	(3,255,424)
of which:								
Depreciation of property, plant and equipment	(15,854)	(90,317)	(9,967)	(249)	(613)	(32,888)	-	(149,888)
Amortisation of prepaid lease payments	-	-	-	-	-	(224)	-	(224)
Amortisation of intangible assets	(11,045)	(84,526)	(9,039)	-	(44)	(13,931)	-	(118,585)
Profit/(loss) before allowances	273,315	718,576	1,575,918	3,610	281,661	236,609	(64,189)	3,025,500
Allowances for impairment losses on loans, advances and financing written-back/(made)	63,522	(76,544)	(54,965)	(848)	-	(88,522)	-	(157,357)
Allowances for losses on other receivables written-back/(made)	-	2	-	-	-	-	(270)	(268)
Allowances for commitments and contingencies written-back	12,290	-	-	-	-	2,515	-	14,805
Allowances for other impairment losses written-back/(made)	243	-	15	-	480	494	(9)	1,223
Segment result	349,370	642,034	1,520,968	2,762	282,141	151,096	(64,468)	2,883,903
Share of results of jointly controlled entity	-	1,368	-	-	-	-	-	1,368
Share of results of associate	-	-	-	-	3,467	66,324	-	69,791
Taxation								(593,496)
Profit for the financial period								2,361,566

PART A - EXPLANATORY NOTES (CONTINUED)

A22. SEGMENTAL REPORT (CONTINUED)

Group
30 Sept 2013

	Consumer Banking		Wholesale Banking			Foreign Banking Operations	Total
	Commercial Banking	Retail Financial	Corporate Banking, Treasury and Markets	Investments Banking	Investment		
		Services and Cards					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	18,768,546	89,005,591	150,921,284	6,047,348	127,220	27,950,346	292,820,335
Unallocated assets							6,462,134
Total assets							299,282,469
Segment liabilities	30,689,017	69,981,644	142,514,402	5,846,239	734,017	23,639,623	273,404,942
Unallocated liabilities							4,132,770
Total liabilities							277,537,712
Other segment items							
Capital expenditure	56,927	208,332	20,807	-	143	23,068	309,277
Investment in jointly controlled entity	-	158,267	-	-	-	-	158,267
Investment in associates	-	-	-	-	125,929	599,841	725,770

Group
31 Dec 2012

	Consumer Banking		Wholesale Banking			Foreign Banking Operations	Total
	Commercial Banking	Retail Financial	Corporate Banking, Treasury and Markets	Investments Banking	Investment		
		Services and Cards					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	15,110,861	81,528,884	138,411,883	4,335,515	95,613	22,179,177	261,661,933
Unallocated assets							4,744,699
Total assets							266,406,632
Segment liabilities	29,100,273	67,016,092	124,509,276	3,192,330	703,730	18,225,192	242,746,893
Unallocated liabilities							2,668,576
Total liabilities							245,415,469
Other segment items							
Capital expenditure	102,268	333,195	29,791	-	233	48,484	513,971
Investment in jointly controlled entity	-	153,557	-	-	-	-	153,557
Investment in associates	-	-	-	-	94,379	530,660	625,039

PART A - EXPLANATORY NOTES (CONTINUED)

A23. GROUP OPERATION OF ISLAMIC BANKING

A23a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	Note	Group		Bank	
		30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
Assets					
Cash and short-term funds		8,446,760	7,188,508	595,935	756,358
Deposits and placements with banks and other financial institutions		657,160	561,546	667,829	77,207
Financial assets held for trading		4,857,122	6,252,944	212,053	135,896
Financial investments available-for-sale		2,177,158	3,216,815	343,374	405,782
Financial investments held-to-maturity		927,292	967,899	326,168	315,509
Islamic derivative financial instruments		246,194	170,324	7,965	1,965
Financing, advances and other financing/loans	A23c	36,219,918	33,603,028	733,121	529,746
Other assets		336,903	270,388	2,464	15,504
Deferred taxation		20,139	10,731	-	-
Taxation recoverable		1,761	-	-	-
Amount due from holding company		1,170,011	818,724	-	-
Amount due from related companies		1,752,464	1,095,084	1,752,169	1,094,654
Statutory deposits with Bank Negara Malaysia		1,381,277	1,104,097	-	-
Goodwill		136,000	136,000	-	-
Intangible assets		11,250	7,328	-	-
Property, plant and equipment		5,009	5,492	-	-
TOTAL ASSETS		58,346,418	55,408,908	4,641,078	3,332,621
Liabilities					
Deposits from customers	A23d	38,870,216	36,295,393	461,827	984,556
Deposits and placements of banks and other financial institutions		10,272,950	11,757,079	1,061,224	749,674
Islamic derivative financial instruments		369,179	380,530	-	-
Other liabilities		3,553,375	1,930,016	2,963,602	1,539,787
Amount due to holding company		-	864,717	-	-
Amount due to related company		718,260	3,554	94,831	-
Provision for taxation and Zakat		17,952	8,109	-	-
Subordinated Sukuk		855,372	863,557	-	-
TOTAL LIABILITIES		54,657,304	52,102,955	4,581,484	3,274,017
Equity					
Ordinary share capital		1,000,000	1,000,000	-	-
Perpetual preference shares		70,000	70,000	-	-
Reserves		2,619,114	2,235,953	59,594	58,604
TOTAL EQUITY		3,689,114	3,305,953	59,594	58,604
TOTAL LIABILITIES AND EQUITY		58,346,418	55,408,908	4,641,078	3,332,621

PART A - EXPLANATORY NOTES (CONTINUED)

A23. GROUP OPERATION OF ISLAMIC BANKING

**A23b. UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

	Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds and others	515,049	539,379	1,586,353	1,444,511
Income derived from investment of shareholders' funds	32,701	27,071	97,293	176,775
Allowance for impairment losses on financing, advances and other financing/loans	(20,368)	(21,850)	(52,867)	(77,892)
Allowance for losses on other receivables	(150)	(5)	(313)	(91)
	<u>527,232</u>	<u>544,595</u>	<u>1,630,466</u>	<u>1,543,303</u>
Total distributable income				
Income attributable to depositors	(224,482)	(199,265)	(689,911)	(562,836)
	<u>302,750</u>	<u>345,330</u>	<u>940,555</u>	<u>980,467</u>
Total net income				
Other operating expenses	(126,478)	(118,815)	(389,733)	(338,541)
	<u>176,272</u>	<u>226,515</u>	<u>550,822</u>	<u>641,926</u>
Profit before taxation				
Taxation	(42,621)	(54,075)	(137,656)	(160,241)
	<u>133,651</u>	<u>172,440</u>	<u>413,166</u>	<u>481,685</u>
Profit for the financial period				

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

	Group			
	3rd Quarter Ended		30 Sept 2012	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
Group				
Profit for the financial period	133,651	172,440	413,166	481,685
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Revaluation reserve of financial investments available-for-sale	(6,438)	8,389	(23,673)	6,699
- Net (loss)/gain from change in fair value	(24,840)	9,735	(29,396)	13,338
- Realised (loss)/gain transferred to statement of income on disposal and impairment	12,694	(924)	(3,893)	(6,549)
- Income tax effects	5,708	(422)	9,616	(90)
Exchange fluctuation reserve	85	1,222	(2,967)	2,832
Other comprehensive expense for the financial period, net of tax	(6,353)	9,611	(26,640)	9,531
	<u>127,298</u>	<u>182,051</u>	<u>386,526</u>	<u>491,216</u>
Total comprehensive income for the period				
	<u>302,750</u>	<u>345,330</u>	<u>940,555</u>	<u>980,467</u>
Total net income				
Add: Allowances for impairment losses on financing, advances and other financing/loans	20,368	21,850	52,867	77,892
Add: Allowance for losses on other receivables made	150	5	313	91
Income from Islamic operations (per page 2)	<u>323,268</u>	<u>367,185</u>	<u>993,735</u>	<u>1,058,450</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A23. GROUP OPERATION OF ISLAMIC BANKING

A23b. UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
Bank				
Income derived from investment of depositors' funds and others	10,429	12,025	27,602	22,801
Income/(loss) derived from investment of shareholders' funds	108	1,866	(3,512)	3,958
Allowance for impairment losses on financing, advances and other financing/loans	(51)	(198)	(5,778)	(19,793)
Total distributable income	10,486	13,693	18,312	6,966
Income attributable to depositors	(2,971)	(3,073)	(9,604)	(6,091)
Total net income	7,515	10,620	8,708	875
Profit for the financial period	7,515	10,620	8,708	875

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
Bank				
Profit for the financial period	7,515	10,620	8,708	875
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Revaluation reserve of financial investments available-for-sale	308	2,797	(3,749)	4,905
- Net gain from change in fair value	382	3,036	655	5,424
- Realised gain transferred to statement of income on disposal and impairment	(74)	(239)	(4,404)	(519)
Exchange fluctuation reserve	2,768	(1,936)	2,622	(251)
Other comprehensive income/(expense) for the financial period, net of tax	3,076	861	(1,127)	4,654
Total comprehensive income for the period	10,591	11,481	7,581	5,529
		ok		ok
Total net income	7,515	10,620	8,708	875
Add: Allowances for impairment losses on financing, advances and other financing/loans	51	198	5,778	19,793
Income from Islamic operations (per page 4)	7,566	10,818	14,486	20,668

PART A - EXPLANATORY NOTES (CONTINUED)

A23. GROUP OPERATION OF ISLAMIC BANKING

A23c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
i) By type				
Cashline	440,326	471,590	-	-
Term financing	32,626,720	31,231,484	456,310	407,532
- Housing financing	9,006,926	8,231,990	-	-
- Syndicated term financing	488,458	422,285	-	92,271
- Hire purchase receivables	6,540,999	6,495,487	-	-
- Other term financing	16,590,337	16,081,722	456,310	315,261
Bills receivables	3,673	3,766	-	-
Islamic trust receipts	68,480	80,151	38,535	44,443
Claims on customers under acceptance credit	291,191	340,687	-	-
Staff financing	2	-	2	-
Credit card receivables	97,648	97,882	-	-
Revolving credit	2,920,613	1,575,218	238,274	125,027
Share margin financing	15,687	35,226	-	-
Other financing/loans	-	3	-	3
Gross financing, advances and other loans	36,464,340	33,836,007	733,121	577,005
Fair value changes arising from fair value hedges	133,652	222,909	-	-
	36,597,992	34,058,916	733,121	577,005
Less: Individual impairment allowance	(39,949)	(108,184)	-	(47,259)
	36,558,043	33,950,732	733,121	529,746
Less: Portfolio impairment allowance	(338,125)	(347,704)	-	-
Total net financing, advances and other financing/loans	36,219,918	33,603,028	733,121	529,746

During the financial period, CIMB Islamic has undertaken fair value hedges on the profit rate risk of RM6,350 million (2012: RM6,500 million) financing using Islamic profit rate swaps.

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
Gross financing hedged	6,350,000	6,500,000	-	-
Fair value changes arising from fair value hedges	133,652	222,909	-	-
	6,483,652	6,722,909	-	-

The fair values loss on Islamic profit rate swaps in this hedge transaction as at 30 September 2013 was RM210 million (2012: RM 247 million).

ii) By geographical distribution

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
Malaysia	35,813,548	33,312,865	82,329	53,863
Indonesia	61,101	44,443	61,101	44,443
Singapore	386,874	386,428	386,874	386,428
Other countries	202,817	92,271	202,817	92,271
Gross financing, advances and other financing/loans	36,464,340	33,836,007	733,121	577,005

PART A - EXPLANATORY NOTES (CONTINUED)

A23. GROUP OPERATION OF ISLAMIC BANKING

A23c. FINANCING, ADVANCES AND OTHER LOANS (CONTINUED)

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

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
Malaysia	306,218	304,128	-	-
Other countries	-	92,271	-	92,271
Gross impaired financing, advances and other financing/loans	306,218	396,399	-	92,271

iv) Movements in impaired financing, advances and other financing/loans are as follows :

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
At 1 January	396,399	441,331	92,271	95,553
Classified as impaired during the financial period/year	321,181	383,364	-	269
Reclassified as not impaired during the financial period/year	(133,967)	(152,618)	-	-
Amount written back in respect of recoveries	(106,584)	(73,013)	(42,017)	-
Amount written off	(177,024)	(209,223)	(56,467)	-
Reclassification from unwinding income	-	10,109	-	-
Exchange fluctuation	6,213	(3,551)	6,213	(3,551)
Balance as at 30 September/31 December	306,218	396,399	-	92,271
Ratio of gross impaired financing, advances and other loans to total financing, advances and other financing/loans	0.84%	1.17%	0.00%	15.99%

v) Movements in the allowance for impaired financing, advances and other financing/loans

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
Individual impairment allowance				
At 1 January	108,184	131,922	47,259	28,666
Net allowance (written-back)/made during the financial period/year	(13,823)	21,432	5,778	19,846
Amount written off	(57,842)	(48,007)	(56,467)	-
Unwinding income	-	4,090	-	-
Exchange fluctuation	3,430	(1,253)	3,430	(1,253)
Balance as at 30 September/31 December	39,949	108,184	-	47,259
Portfolio impairment allowance				
At 1 January	347,704	417,744	-	-
Net allowance made during the financial period/year	104,273	86,543	-	-
Amount written off	(119,182)	(162,602)	-	-
Unwinding income	-	6,019	-	-
Amount transferred to holding company	5,330	-	-	-
Balance as at 30 September/31 December	338,125	347,704	-	-
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other financing/loans (excluding RPSIA financing) less individual impairment allowance	2.20%	2.25%	-	-

PART A - EXPLANATORY NOTES (CONTINUED)

A23. GROUP OPERATION OF ISLAMIC BANKING

A23d. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 Sept 2013 RM'000	31 Dec 2012 RM'000	30 Sept 2013 RM'000	31 Dec 2012 RM'000
(i) By type of deposits				
Savings deposit				
Wadiah	1,323,214	1,181,904	12,701	-
Mudharabah	557,927	524,422	-	-
Demand deposit				
Wadiah	3,828,542	3,540,300	27,393	12,179
Qard	21,185	1,875	-	-
Mudharabah	4,495,284	4,234,083	-	-
Term deposit				
Commodity Murabahah	4,468,735	7,632,316	143,005	965,933
Negotiable Islamic Debt Certificate (NIDC)				
Mudharabah	642,210	1,031,344	-	-
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	5,053,137	2,370,187	-	-
Short term money market deposit-i				
Wakalah	14,925,937	12,886,795	-	-
General investment account				
Wadiah	327,967	173,002	273,123	-
Mudharabah	2,270,920	2,062,478	5,604	6,444
Wakalah	748,844	440,838	-	-
Specific investment account				
Mudharabah	175,574	175,087	-	-
Wakalah	200	-	-	-
Others	30,540	40,762	1	-
	38,870,216	36,295,393	461,827	984,556
(ii) By maturity structures of term deposit				
Within one year	27,813,160	25,922,469	421,732	972,377
One year to less than three years	71,635	177,616	-	-
Three years to less than five years	555,758	434,327	-	-
Five years and more	172,971	237,635	-	-
	28,613,524	26,772,047	421,732	972,377
(iii) By type of customer				
Government and statutory body	4,328,761	6,493,385	-	-
Business enterprises	15,151,775	13,714,163	410,737	318,133
Individuals	4,282,009	4,578,224	47,665	11,702
Others	15,107,671	11,509,621	3,425	654,721
	38,870,216	36,295,393	461,827	984,556

A24. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction.

Determination of fair value and fair value hierarchy

The Group classified its financial instruments measured at fair value in accordance to the following hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable for the asset or liability, either directly or indirectly

Level 3 – Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs)

The following table represents assets and liabilities measured at fair value and classified by level with the following fair value measurement hierarchy:

	The Group									
	Fair Value 30 September 2013					Fair Value 31 December 2012				
	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets										
Financial assets held for trading										
-Money market instruments	11,888,598	-	11,888,598	-	11,888,598	16,058,744	-	16,058,744	-	16,058,744
-Quoted securities	2,092,177	1,473,625	618,552	-	2,092,177	1,332,390	1,002,338	330,052	-	1,332,390
-Unquoted securities	7,453,265	-	7,381,830	71,435	7,453,265	6,757,078	-	6,690,765	66,313	6,757,078
Financial investments available-for-sale										
-Money market instruments	5,012,010	-	5,012,010	-	5,012,010	5,693,269	-	5,693,269	-	5,693,269
-Quoted securities	3,000,096	306,750	2,693,346	-	3,000,096	1,490,798	291,247	1,199,551	-	1,490,798
-Unquoted securities	20,038,570	-	18,942,382	1,096,188	20,038,570	18,453,923	-	17,348,337	1,105,586	18,453,923
Derivative financial instruments										
-Trading derivatives	4,972,912	21,521	4,951,391	-	4,972,912	3,727,796	20,587	3,707,209	-	3,727,796
-Hedging derivatives	184,520	-	184,520	-	184,520	228,514	-	228,514	-	228,514
Total	54,642,148	1,801,896	51,672,629	1,167,623	54,642,148	53,742,512	1,314,172	51,256,441	1,171,899	53,742,512
Financial liabilities										
Derivative financial instruments										
Trading derivatives	5,242,001	15,995	5,226,006	-	5,242,001	3,615,022	618	3,614,404	-	3,615,022
Hedging derivatives	346,517	-	346,517	-	346,517	371,284	-	371,284	-	371,284
Total	5,588,518	15,995	5,572,523	-	5,588,518	3,986,306	618	3,985,688	-	3,986,306
The Bank										
	Fair Value 30 September 2013					Fair Value 31 December 2012				
	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets										
Financial assets held for trading										
-Money market instruments	7,506,888	-	7,506,888	-	7,506,888	10,390,401	-	10,390,401	-	10,390,401
-Quoted securities	1,473,625	1,473,625	-	-	1,473,625	1,002,337	1,002,337	-	-	1,002,337
-Unquoted securities	7,125,174	-	7,118,474	6,700	7,125,174	6,233,745	-	6,227,201	6,544	6,233,745
Financial investments available-for-sale										
-Money market instruments	4,282,849	-	4,282,849	-	4,282,849	4,443,626	-	4,443,626	-	4,443,626
-Quoted securities	385	385	-	-	385	289	289	-	-	289
-Unquoted securities	18,785,636	-	17,857,367	928,269	18,785,636	16,835,532	-	15,867,135	968,397	16,835,532
Derivative financial instruments										
-Trading derivatives	4,188,640	9,413	4,179,227	-	4,188,640	3,463,456	20,511	3,442,945	-	3,463,456
-Hedging derivatives	399,704	-	399,704	-	399,704	482,096	-	482,096	-	482,096
Total	43,762,901	1,483,423	41,344,509	934,969	43,762,901	42,851,482	1,023,137	40,853,404	974,941	42,851,482
Financial liabilities										
Derivative financial instruments										
Trading derivatives	4,518,560	3,886	4,514,674	-	4,518,560	3,401,607	618	3,400,989	-	3,401,607
Hedging derivatives	351,169	-	351,169	-	351,169	381,316	-	381,316	-	381,316
Total	4,869,729	3,886	4,865,843	-	4,869,729	3,782,923	618	3,782,305	-	3,782,923

A24. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Determination of fair value and fair value hierarchy (continued)

The following represents the changes in Level 3 instruments for the financial year ended 30 September 2013 and 31 December 2012 for the Group and the Bank (Continued) :

	Financial assets held-for-trading	Financial investments available-for-sale	Total RM'000
	Unquoted securities RM'000	Unquoted securities RM'000	
	The Bank		
2013			
At 1 January	6,544	968,397	974,941
Total gains recognised in statement of income	156	1,636	1,792
Total loss recognised in other comprehensive income	-	(58,781)	(58,781)
Purchases	-	19,261	19,261
Sales	-	(1,310)	(1,310)
Settlements	-	(10,012)	(10,012)
Exchange fluctuation	-	9,078	9,078
At 30 September	<u>6,700</u>	<u>928,269</u>	<u>934,969</u>
Total gains recognised in statement of income relating to assets held on 30 September 2013	<u>267</u>	<u>7,646</u>	<u>7,913</u>
Total gains recognised in other comprehensive income relating to assets held on 30 September 2013	<u>-</u>	<u>(58,781)</u>	<u>(58,781)</u>

	Financial assets held-for-trading	Financial investments available-for-sale	Total RM'000
	Unquoted securities RM'000	Unquoted securities RM'000	
	The Bank		
2012			
At 1 January	70,585	863,913	934,498
Total gains recognised in statement of income	301	869	1,170
Total gains recognised in other comprehensive income	-	19,442	19,442
Purchases	-	89,626	89,626
Sales	(64,342)	(699)	(65,041)
Exchange fluctuation	-	(4,754)	(4,754)
At 31 December	<u>6,544</u>	<u>968,397</u>	<u>974,941</u>
Total gains recognised in statement of income relating to assets held on 31 December 2012	<u>527</u>	<u>10,880</u>	<u>11,407</u>
Total gains recognised in other comprehensive income relating to assets held on 31 December 2012	<u>-</u>	<u>19,442</u>	<u>19,442</u>

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

B1. GROUP PERFORMANCE REVIEW

The Group registered a pre-tax profit of RM2,655 million for the nine month period ended 30 September 2013, RM300 million or 10.1% lower as compared to the pre-tax profit of RM2,955 million registered in the previous corresponding period. The lower profit in the nine month period ended 30 September 2013 was mainly attributable to non-recurring expenses comprising the provision for Management Separation Scheme and write-off of intangible assets (collectively amounting to approximately RM200 million); and recovery of impaired loans in the previous financial period from CIMB Thai Bank amounting to RM133 million (RMNil for the financial period under review).

In addition to the above, the period under review registered lower net non-interest income by RM297 million due to the higher net loss from financial assets held for trading amounting to RM203 million, lower net gain from foreign exchange amounting to RM76 million and lower gain from financial investments available-for-sale amounting to RM40 million. The decrease was offset by increases in net gains from derivatives of RM136 million and net fee and commission income of RM57 million.

Overheads increased by RM350 million mainly due to the increase in personnel costs, establishment costs and general and administration expenses by RM178 million, RM34 million and RM94 million respectively (inclusive of non-recurring expenses noted above).

Allowances for impairment losses on loans, advances and financing increased by RM60 million while allowances for commitments and contingencies written-back decreased by RM13 million.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

This year the Group has built on the “CIMB 2.0” changes which implemented last year, completed its IB platform expansion and restructured its cost base for the long term. At the same time, the Group has had to navigate a much tougher operating environment than expected.

In 4Q13, there is a surge in capital markets transactions and continued positive momentum.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

The Group and Bank basic EPS is calculated by dividing the net profit for the financial period after non-controlling interests by the weighted average number of ordinary shares in issue during the financial period.

	Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests (RM '000)	733,769	889,678	2,089,487	2,349,444
Weighted average number of ordinary shares in issue - proforma ('000)	3,767,686	3,764,469	3,767,686	3,764,469
Basic earnings per share (expressed in sen per share)	19.48	23.63	55.46	62.41

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	624,912	586,896	1,608,577	1,762,097
Weighted average number of ordinary shares in issue - proforma ('000)	3,767,686	3,764,469	3,767,686	3,764,469
Basic earnings per share (expressed in sen per share)	16.59	15.59	42.69	46.81

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 September 2013 and 30 September 2012.