

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

		The Group		
	Note	31 Dec 2012	31 Dec 2011	1 Jan 2011
		RM'000	RM'000	RM'000
ASSETS				
Cash and short-term funds		30,763,061	34,203,978	26,838,963
Reverse repurchase agreements		5,594,278	4,230,482	3,804,662
Deposits and placements with banks and other financial institutions		4,990,331	4,174,012	11,745,823
Financial investments at fair value through profit or loss	A8	25,383,276	13,665,700	17,082,596
Derivative financial instruments	A21 (i)	4,125,907	4,274,073	3,577,155
Financial investments available-for-sale	A9	29,207,522	18,417,726	15,112,046
Financial investments held-to-maturity	A10	8,985,294	12,460,832	10,820,500
Loans, advances and financing	A11	202,137,818	183,838,777	159,181,385
Other assets	A12	7,392,298	6,518,355	7,353,522
Deferred tax assets		110,344	78,669	77,973
Tax recoverable		73,934	139,258	98,358
Statutory deposits with central banks		5,264,920	5,084,105	1,410,436
Investment in associates and jointly controlled entities		893,716	1,353,638	676,065
Property, plant and equipment		1,534,341	1,458,400	1,442,948
Investment properties		17,451	8,653	61,216
Prepaid lease payments		159,613	170,564	185,542
Goodwill		8,180,586	8,242,489	8,151,432
Intangible assets		1,677,520	1,611,879	1,551,332
		336,492,210	299,931,590	269,171,954
Non-current assets held for sale		564,674	17,248	59,050
TOTAL ASSETS		337,056,884	299,948,838	269,231,004
LIABILITIES AND EQUITY				
Deposits from customers	A13	243,970,307	221,933,142	199,845,664
Deposits and placements of banks and other financial institutions	A14	21,402,758	12,964,309	13,092,157
Repurchase agreements		3,068,039	1,067,946	33,087
Derivative financial instruments	A21 (i)	4,083,366	4,217,291	3,748,516
Bills and acceptances payable		4,257,257	7,566,691	4,532,446
Other liabilities	A15	7,479,226	6,362,943	8,278,371
Deferred tax liabilities		132,682	210,146	112,294
Current tax liabilities		322,400	483,820	322,789
Amount due to Cagamas Berhad		-	-	107,523
Bonds and debentures	B7	3,350,499	521,225	423,982
Other borrowings	B7	5,586,698	5,324,032	3,783,587
Subordinated notes	B7	13,220,286	11,417,980	9,675,340
Non-cumulative guaranteed and redeemable preference shares		831,920	881,016	860,162
TOTAL LIABILITIES		307,705,438	272,950,541	244,815,918
Ordinary share capital		7,432,775	7,432,775	7,432,775
Reserves		20,944,487	18,641,686	15,911,923
Less: Shares held under trust		(563)	(563)	(563)
Treasury shares, at cost		(32)	(30)	(21)
		28,376,667	26,073,868	23,344,114
Perpetual preference shares		200,000	200,000	200,000
Non-controlling interests		774,779	724,429	870,972
TOTAL EQUITY		29,351,446	26,998,297	24,415,086
TOTAL EQUITY AND LIABILITIES		337,056,884	299,948,838	269,231,004
COMMITMENTS AND CONTINGENCIES	A21 (ii)	461,648,463	414,197,407	349,069,257
Net assets per share attributable to owners of the Parent (RM)		3.82	3.51	3.14

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED 31 DECEMBER 2012

	Note	The Group			
		4th quarter ended		Twelve months ended	
		31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Interest income	A16	3,462,118	3,356,955	13,540,605	12,681,512
Interest expense	A17	(1,554,342)	(1,596,974)	(6,144,725)	(6,005,261)
Net interest income		1,907,776	1,759,981	7,395,880	6,676,251
Income from Islamic Banking operations	A24(c)	397,933	362,508	1,689,343	1,470,321
Net non-interest income	A18	1,063,642	1,008,474	4,407,035	3,725,457
Gain on disposal of net assets and interest in subsidiaries		3,369,351	3,130,963	13,492,258	11,872,029
		(61)	250,000	2,567	250,000
Overheads	A19	3,369,290	3,380,963	13,494,825	12,122,029
		(1,965,978)	(1,721,926)	(7,612,099)	(6,629,912)
Profit before allowances		1,403,312	1,659,037	5,882,726	5,492,117
Allowance for impairment losses on loans, advances and financing	A20	(52,324)	(289,204)	(329,098)	(487,343)
Allowance made for impairment losses on other receivables		(4,383)	(3,571)	(31,387)	(8,908)
Allowance made/(written back) for commitments and contingencies		(1,332)	18,234	13,473	55,435
Recoveries from investment management and securities services		-	-	-	15,000
Allowance made for other impairment losses		(13,472)	(6,387)	(15,314)	(14,190)
Share of results of jointly controlled entities		1,331,801	1,378,109	5,520,400	5,052,111
Share of results of associates		7,370	5,401	16,025	16,993
		27,837	20,926	101,886	110,625
Profit before taxation		1,367,008	1,404,436	5,638,311	5,179,729
Taxation	B4	(281,756)	(259,804)	(1,281,086)	(1,128,816)
Profit for the period for continuing operations		1,085,252	1,144,632	4,357,225	4,050,913
Discontinuing operations					
Share fo results of associate from discontinuing operations (attributable to owners of the Parent)		4,368	534	39,582	23,413
Profit for the period		1,089,620	1,145,166	4,396,807	4,074,326
Profit for the period attributable to :					
Owners of the Parent		1,081,598	1,132,514	4,344,776	4,030,798
Non-controlling interests		8,022	12,652	52,031	43,528
		1,089,620	1,145,166	4,396,807	4,074,326
Earnings per share (sen):					
- Basic					
From continuing operations	B9(a)	14.5	15.2	57.9	53.9
From discontinuing operations	B9(a)	0.1	0.0	0.5	0.3
		14.6	15.2	58.4	54.2
- Fully diluted	B9(b)	N/A	N/A	N/A	N/A

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2012

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,089,620	1,145,166	4,396,807	4,074,326
Other comprehensive income:				
Continuing operations				
Revaluation reserve-financial investments available-for-sale	59,206	43,192	87,547	62,598
- Net gain from change in fair value	199,366	111,803	440,874	320,066
- Realised gain transferred to statement of income on disposal and impairment	(145,006)	(72,063)	(390,306)	(271,725)
- Income tax effects	6,474	9,429	42,490	13,075
- Currency translation difference	(1,628)	(5,977)	(5,511)	1,182
Net investment hedge	25,427	12,816	82,222	(46,887)
Hedging reserve - cash flow hedge				
- Net loss from change in fair value	(12)	1,670	(45)	226
Exchange fluctuation reserve				
- Currency translation differences in respect of foreign operations	(135,994)	(354,621)	(1,069,673)	178,309
Share of other comprehensive income/(expense) of associates	2,799	25,041	(13,505)	25,041
Other comprehensive (expense)/income for the period, net of tax for continuing operations	(48,574)	(271,902)	(913,454)	219,287
Total comprehensive income for the period	1,041,046	873,264	3,483,353	4,293,613
Total comprehensive income for the period attributable to:				
Owners of the Parent	1,028,362	865,522	3,446,001	4,243,953
Non-controlling interests	12,684	7,742	37,352	49,660
	1,041,046	873,264	3,483,353	4,293,613
Total comprehensive income for the period attributable to owners of the Parent arising from:				
- Continuing operations	1,023,994	864,988	3,406,419	4,220,540
- Discontinuing operations	4,368	534	39,582	23,413
	1,028,362	865,522	3,446,001	4,243,953

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2012

← Attributable to owners of the Parent →

The Group
31 December 2012

	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve* RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2012, as previously reported	7,432,775	4,192,596	4,103,591	137,104	(172,673)	(563)	(30)	535,762	20,094	374,332	490,627	8,822,855	25,936,470	200,000	726,690	26,863,160
Effect of adopting MFRS 1	-	-	-	-	347,337	-	-	193,789	(131,736)	-	-	(271,992)	137,398	-	(2,261)	135,137
1 January 2012, as restated	7,432,775	4,192,596	4,103,591	137,104	174,664	(563)	(30)	729,551	(111,642)	374,332	490,627	8,550,863	26,073,868	200,000	724,429	26,998,297
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	4,344,776	4,344,776	-	52,031	4,396,807
Other comprehensive income (net of tax)	-	-	(29)	-	(1,051,161)	-	-	71,414	82,011	(1,010)	-	-	(898,775)	-	(14,679)	(913,454)
- financial investments available-for-sales	-	-	-	-	-	-	-	84,919	-	-	-	-	84,919	-	2,628	87,547
- net investment hedge	-	-	-	-	-	-	-	-	82,056	-	-	-	82,056	-	166	82,222
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(45)	-	-	-	(45)	-	-	(45)
- currency translation difference	-	-	(29)	-	(1,051,161)	-	-	-	-	(1,010)	-	-	(1,052,200)	-	(17,473)	(1,069,673)
- share of other comprehensive expense of associate	-	-	-	-	-	-	-	(13,505)	-	-	-	-	(13,505)	-	-	(13,505)
Total comprehensive income for the period	-	-	(29)	-	(1,051,161)	-	-	71,414	82,011	(1,010)	-	4,344,776	3,446,001	-	37,352	3,483,353
Dividend for the financial year ended 31 December 2011	-	-	-	-	-	-	-	-	-	-	-	(743,277)	(743,277)	-	-	(743,277)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	(743,277)	(743,277)	-	-	(743,277)
Dividend for the financial year ending 31 December 2012	-	-	-	-	-	-	-	-	-	-	-	(371,639)	(371,639)	-	-	(371,639)
- single tier interim dividend	-	-	-	-	-	-	-	-	-	-	-	(371,639)	(371,639)	-	-	(371,639)
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,425)	(1,425)
Transfer to statutory reserve	-	-	202,902	-	-	-	-	-	-	-	-	(202,902)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	682,950	(682,950)	-	-	-	-
Arising from (dilution)/accretion of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,530)	(7,530)	-	(19,192)	(26,722)
Bonus issue and capital repayment of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,615	33,615
Purchase of treasury shares	-	-	-	-	-	-	(2)	-	-	-	-	-	(2)	-	-	(2)
Share-based payment expense	-	-	-	-	-	-	-	-	-	87,961	-	-	87,961	-	-	87,961
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	(66,308)	-	-	(66,308)	-	-	(66,308)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(46,070)	-	-	-	(46,070)	-	-	(46,070)
Arising from staffs resigned under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	3,663	3,663	-	-	3,663
Expiry of Management Equity Scheme	-	-	-	-	-	-	-	-	-	(335,516)	-	335,516	-	-	-	-
At 31 December 2012	7,432,775	4,192,596	4,306,464	137,104	(876,497)	(563)	(32)	800,965	(75,701)	59,459	1,173,577	11,226,520	28,376,667	200,000	774,779	29,351,446

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2012

The Group 31 December 2011	← Attributable to owners of the Parent →															
	Share capital RM'000	Share premium- ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available- for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve* RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total Total RM'000
At 1 January 2011, as previously reported	7,432,775	4,192,596	3,935,308	136,954	(347,337)	(563)	(21)	474,673	131,736	318,071	117,595	6,838,179	23,229,966	200,000	873,233	24,303,199
Effect of adopting MFRS 1	-	-	-	-	347,337	-	-	170,539	(131,736)	-	-	(271,992)	114,148	-	(2,261)	111,887
1 January 2011, as restated	7,432,775	4,192,596	3,935,308	136,954	-	(563)	(21)	645,212	-	318,071	117,595	6,566,187	23,344,114	200,000	870,972	24,415,086
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	4,030,798	4,030,798	-	43,528	4,074,326
Other comprehensive income (net of tax)	-	-	(3)	-	174,664	-	-	84,339	(46,254)	409	-	-	213,155	-	6,132	219,287
- financial investments available-for-sales	-	-	-	-	-	-	-	59,298	-	-	-	-	-	-	3,300	62,598
- net investment hedge	-	-	-	-	-	-	-	-	(46,480)	-	-	-	(46,480)	-	(407)	(46,887)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	226	-	-	-	226	-	-	226
- currency translation difference	-	-	(3)	-	174,664	-	-	-	-	409	-	-	175,070	-	3,239	178,309
- share of other comprehensive income of associate	-	-	-	-	-	-	-	25,041	-	-	-	-	25,041	-	-	25,041
Total comprehensive income for the period	-	-	(3)	-	174,664	-	-	84,339	(46,254)	409	-	4,030,798	4,243,953	-	49,660	4,293,613
Dividend for the financial year ended 31 December 2010	-	-	-	-	-	-	-	-	-	-	-	(594,622)	(594,622)	-	-	(594,622)
Dividend for the financial year ended 31 December 2011	-	-	-	-	-	-	-	-	-	-	-	(891,933)	(891,933)	-	-	(891,933)
- single tier interim dividend	-	-	-	-	-	-	-	-	-	-	-	(891,933)	(891,933)	-	-	(891,933)
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,250)	(11,250)
Transfer to statutory reserve	-	-	168,286	-	-	-	-	-	-	-	-	(168,286)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	373,032	(373,032)	-	-	-	-
Arising from reorganisation of investment in subsidiaries and deemed disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(15,953)	(15,953)	-	(185,592)	(201,545)
Issue of share capital arising from:	-	-	-	-	-	-	-	-	-	-	-	(1,796)	(1,796)	-	(9,110)	(10,906)
Bonus issue and capital repayment of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1,796)	(1,796)	-	(9,110)	(10,906)
Issue of capital funds	-	-	-	150	-	-	-	-	-	-	-	-	150	-	-	150
Rights issue of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(500)	(500)	-	9,749	9,249
Purchase of treasury shares	-	-	-	-	-	-	(9)	-	-	-	-	(9)	-	-	(9)	
Share-based payment expense	-	-	-	-	-	-	-	-	76,281	-	-	76,281	-	-	76,281	
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	(20,429)	-	-	(20,429)	-	-	(20,429)	
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	(65,388)	-	-	-	(65,388)	-	-	(65,388)	
At 31 December 2011	7,432,775	4,192,596	4,103,591	137,104	174,664	(563)	(30)	729,551	(111,642)	374,332	490,627	8,550,863	26,073,868	200,000	724,429	26,998,297

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2012

	The Group	
	31 Dec 2012	31 Dec 2011
	RM'000	RM'000
Profit before taxation		
- From continuing operations	5,638,311	5,179,729
- From discontinued operations	39,582	23,413
	<u>5,677,893</u>	<u>5,203,142</u>
Adjustments for non-operating and non-cash items	(198,301)	(308,490)
Operating profit before changes in working capital	5,479,592	4,894,652
Net changes in operating assets	(32,872,419)	(17,739,387)
Net changes in operating liabilities	30,166,304	23,674,486
	<u>(2,706,115)</u>	<u>5,935,099</u>
Cash flows generated from operations	2,773,477	10,829,751
Taxation paid	(1,451,419)	(927,431)
Net cash flows generated from operating activities	1,322,058	9,902,320
Net cash flows used in investing activities	(7,388,927)	(4,924,876)
Net cash flows generated from financing activities	3,789,831	1,620,679
Net (decrease)/increase in cash and cash equivalents during the financial year	(2,277,038)	6,598,123
Effects of exchange rate changes	(1,163,879)	420,595
Cash and short-term funds at beginning of the financial year	34,203,978	27,185,260
Cash and short-term funds at end of the financial year	<u>30,763,061</u>	<u>34,203,978</u>
Statutory deposits with Bank Indonesia*	(4,060,668)	(3,887,585)
Monies held in trust	(29,786)	(27,683)
Cash and cash equivalents at end of the financial year	<u>26,672,607</u>	<u>30,288,710</u>

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

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

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

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

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

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

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

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

Other than the adoption of "MRFS 1", the adoption of the other new standards, amendments to published standards and interpretations are not expected to have impact on the financial results of the Group and the Company.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in Financial Statements prepared in accordance with FRS. The impact of the adoption of MFRS 1 "First time adoption of MFRS" is disclosed in Note A26(i).

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

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the year ended 31 December 2012:-

(a) From 25 January 2012 to 31 December 2012, the Company purchased 205 of its own shares from the open market at an average market price of RM7.61 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM1,784.

Subsequent to the financial year ended 31 December 2012, the Company purchased 99 of its own shares from the open market at an average market price of RM7.21 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM727.

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

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

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

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

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

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

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

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

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

(i) CIMB Thai Bank, has issued a THB3,000 million Tier 2 subordinated debt ("the Subdebt") which was approved by the CIMB Thai Board of Directors on 28 September 2012. The Subdebt was issued on 9 November 2012 and will mature on 9 November 2022, with the optional redemption on 9 November 2017. The Subdebt bears an interest rate of 4.8% per annum, payable semi-annually in arrears.

(j) PT CIMB Niaga Auto Finance, a wholly-owned subsidiary of CIMB Niaga, has issued an IDR600,000 million bond ("the bonds") on 22 November 2012. The bonds are divided in 2 series. Series 1 is IDR152,000 million with 370 days tenor which will mature on 2 December 2013. It bears fixed interest rate of 7% per annum. Series 2 is IDR448,000 million with 3 years tenor which will mature on 22 November 2015. It bears fixed interest rate of 8.10% per annum.

(k) CIMB Bank Berhad, has issued a RM1,500 million Tier 2 Subordinated Debt ("the Subdebt") under its RM5.0 billion Programme on 30 November 2012. The Subdebt is rated AA+ by Malaysian Rating Corporation Berhad.

The Subdebt has a maturity of 10 years from the issue date and is callable on any coupon payment date on or after 5 years prior to the maturity date (10NC5). The coupon rate of the Subdebt is 4.15% per annum to be paid semi-annually. The exercise of the call option on the Subdebt is amongst others, subject to the approval of Bank Negara Malaysia.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES (Continued)

(l) On 22 January 2013, CIMB Bank Berhad issued (i) HKD430 million in nominal value, 1.20 per cent senior unsecured fixed rate notes due on 22 January 2016; and (ii) HKD171 million in nominal value, 1.60 per cent senior unsecured fixed rate notes due on 22 January 2018 (collectively the "HKD Issuances"). The HKD Issuances were issued under the CIMB Bank Berhad's USD1 billion Euro Medium Term Note Programme established on 27 January 2011. The coupon for the HKD Issuances are payable quarterly in arrears.

(m) CIMB Bank Berhad issued USD45 million senior unsecured floating rate notes (the "Notes") under its USD 1 billion Euro Medium Term Note Programme. The Notes were issued on 29 January 2013 and 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.

(n) In the month of January 2013, CIMB Thai Bank issued various unsecured structured debentures amounted to THB461 million with embedded callable range accrual swaps. The debentures will mature in five years from respective issuance dates. The debentures bear interest rate at THBFIX 6 month + 0.50% per annum payable semi annually.

(o) In the month of January 2013, CIMB Thai Bank issued various unsecured short term debentures amounted to THB6.4 billion, with maturity dates varies from 11 days to 6 months. The debentures carry fixed interest rates of 2.70% to 2.93%, payable at respective maturity dates.

(p) On 18 January 2013, the Group had announced its proposal to put in place a dividend reinvestment scheme that will allow its shareholders the option to elect to reinvest their cash dividend, whether interim, final, special or any other cash dividend, in new ordinary share(s) of RM 1.00 each in the Group ("Proposed DRS"). At the Group extraordinary general meeting on 25 February 2013, the Group's shareholders approved the Proposed DRS.

A4. DIVIDENDS PAID

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

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

The Directors have proposed a second interim single tier dividend of 18.38 sen per ordinary share, on 7,432,771,338 ordinary shares amounting to RM1,366,000,000 in respect of the financial year ended 31 December 2012, to be paid in 2013. The single tier second interim dividend was approved by the Board of Directors on 17 January 2013. The proposed dividend consist of an electable portion of 18.38 sen which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Scheme as disclosed in A5(h) and is pending approval from Bank Negara Malaysia.

A5. STATUS OF CORPORATE PROPOSAL

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

Monetary Board of Bangko Sentral ng Pilipinas, the central bank of the Republic of the Philippines, had vide its letter dated 20 November 2012 approved the Proposed Acquisition. The Proposed Acquisition is subject to certain conditions to be met prior to the completion.

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

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

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

(c) On 21 February 2012, CIMB Bank has completed the disposal of a 6.8% stake in The South East Asian Strategic Assets Fund LP to a third party.

A5. STATUS OF CORPORATE PROPOSAL (Continued)

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

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

Pursuant to, CIMBG had entered into a cooperation letter agreement with RBS to confirm their mutual understanding to explore cooperation in various areas, which include capital markets activities, mergers and acquisitions, equities, derivatives, loan markets, trade advisory and trade financing solutions, cash management services and agent/custodian bank arrangements.

The acquisition of selected equity capital markets and M&A corporate finance businesses in Indonesia, Malaysia, Singapore and Thailand has been completed on 27 April 2012.

The acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in China and Hong Kong was completed on 30 June 2012.

On 12 July 2012, the proposed acquisition of the cash equities, equity capital markets and M&A corporate finance business of RBS in India had been terminated due to an unexpected legal issue.

The acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in Australia was completed on 2 November 2012.

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

(g) CIG Berhad (“CIG”), a wholly-owned subsidiary of the Group, has entered into an implementation agreement (“the Agreement”) dated 17 January 2013 in relation to the proposed disposal of CIG's and its affiliates (collectively, the “Seller”) and Aviva International Holdings Limited's stakes in both CIMB Aviva Assurance Berhad (“CAAB”) and both CIMB Aviva Takaful Berhad (“CATB”) to Renggis Ventures Sdn Bhd (“RVSB”), a wholly-owned subsidiary of Khazanah Nasional Berhad and Sun Life Assurance Company of Canada respectively (“Proposed Transaction”).

Under the agreement, the understanding is for the Seller to dispose its stake in CAAB and CATB to RVSB, upon receipt of the relevant regulatory approvals, for a purchase consideration of RM1,110.0 million, of which RM1,066.5 million shall be satisfied in cash and RM43.5 million in ordinary shares of RVSB. As a result, CIMB Group will maintain an effective 2% interest in CAAB and CATB.

The application in respect of the Proposed Transaction has also been submitted to Bank Negara Malaysia on 17 January 2013.

(h) On 18 January 2013 the Company announced the proposal to put in place a dividend reinvestment scheme that would allow the shareholders of the Company (“Shareholders”) to have the option to elect to reinvest their cash dividends in new ordinary shares (“New CIMB Shares”) (“Dividend Reinvestment Scheme”).

The scheme would allow the Board, at its absolute discretion, to offer either the Dividend Reinvestment Scheme or full cash for the Group's dividends as and when it deems appropriate vis-à-vis the Group's capital strategy and plans.

The rationale of the Dividend Reinvestment Scheme are as follows:

(i) CIMB's capital management strategy

As part of the Company's capital management strategy, the Dividend Reinvestment Scheme would provide the Company additional flexibility in managing its capital position.

(ii) Enhancing shareholder value with reasonable dividend yield

The Dividend Reinvestment Scheme will provide an opportunity for shareholders to enjoy dividend yield while preserving capital for the Company.

Since the announcement of Basel III, many global banks have taken a cautious stance in capital management including that of reducing dividend payments. Whilst this stance will improve a banks' capital ratios, such actions may result in lower dividend yields and may eventually reduce investors' interest in the banking industry.

A5. STATUS OF CORPORATE PROPOSAL (Continued)

The Dividend Reinvestment Scheme provides an alternative for banks to balance the demand of its investors and its capital objective.

(iii) Alternative mode of payment of Dividends

The implementation of the Dividend Reinvestment Scheme will provide an avenue for shareholders to elect to exercise the option to reinvest all or part of their dividends into New CIMB Shares in lieu of receiving cash dividend.

The shareholders shall have the following options in respect of an option to reinvest announced by the Board under the Dividend Reinvestment Scheme:

(i) to elect to participate by reinvesting the whole or part of the Electable Portion at the issue price for New CIMB Shares.

In the event that only part of the Electable Portion is reinvested, the shareholders shall receive cash for the remaining portion of the Electable Portion not reinvested; or

(ii) to elect not to participate in the option to reinvest and thereby receive the entire dividend entitlement wholly in cash.

The Dividend Reinvestment Scheme had received the necessary approvals from Bursa Securities and from its Shareholders via an Extraordinary General Meeting held on 25 February 2013. The Dividend Reinvestment Scheme is pending approval from Bank Negara Malaysia.

A6. EVENTS DURING THE REPORTING PERIOD

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

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

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

d) CIMB Group Sdn Bhd, a 100%-owned subsidiary of CIMB had on 8 October 2012 entered into a sale and purchase agreement with Yusuf bin Ahmed Kanoo (Holdings) WLL (“Kanoo”) to acquire the remaining 10 million ordinary shares in CIMB Middle East BSC (C) (“CIMB ME”), representing 50% of the issued and paid-up share capital of CIMB ME, for a total cash consideration of USD12.25 million (equivalent to RM37.5 million). As a result, CIMB ME is now an indirect 100%-owned subsidiary of the Group.

A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events that had occurred between 31 December 2012 and the date of this announcement, other than those disclosed under Issuance and Repayment of Debts and Equity Securities, and Status of Corporate Proposal.

PART A - EXPLANATORY NOTES

A8. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

A8(a). FINANCIAL ASSETS HELD FOR TRADING

	31 Dec 2012 RM'000	The Group 31 Dec 2011 RM'000	1 Jan 2011 RM'000
Money market instruments:			
Unquoted			
Malaysian Government securities	310,623	253,409	360,214
Cagamas bonds	-	52,511	13,186
Khazanah bonds	16,914	-	-
Malaysian Government treasury bills	215,116	90,484	57,779
Bank Negara Malaysia bills	1,223,834	156,856	2,597,966
Bank Negara Malaysia negotiable notes	6,423,927	1,817,293	2,226,623
Negotiable instruments of deposit	2,929,556	2,069,683	1,778,088
Bankers' acceptances and Islamic accepted bills	584,737	575,819	740,811
Credit-linked notes	46,291	46,059	123,158
Other Government's securities	3,574,330	2,933,501	163,033
Commercial papers	320,059	168,458	2,053,218
Government investment issues	413,357	147,201	320,534
	16,058,744	8,311,274	10,434,610
Quoted securities:			
<i>In Malaysia:</i>			
Warrants	-	-	5
Shares	1,056,010	904,743	1,210,166
<i>Outside Malaysia:</i>			
Shares	2,452	6,534	26,102
Private and Islamic debt securities	387,834	305,183	57,525
Other Government bonds	621,390	448,161	79,143
Bank Indonesia certificates	-	67,775	1,478,043
Investment linked funds	472,208	299,213	54,017
	2,539,894	2,031,609	2,905,001
Unquoted securities:			
<i>In Malaysia:</i>			
Private and Islamic debt securities	4,886,688	1,925,800	1,628,798
Shares	6,544	6,243	5,948
<i>Outside Malaysia:</i>			
Private and Islamic debt securities	1,822,141	1,322,944	1,246,789
Shares	59,769	58,157	-
Unit trust	9,496	9,673	-
	6,784,638	3,322,817	2,881,535
Total financial assets held-for-trading	25,383,276	13,665,700	16,221,146

A8. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

A8(b). FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		
	31 Dec 2012	31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Money market instruments:			
Unquoted			
Malaysian Government securities	-	-	223,810
Cagamas bonds	-	-	22,536
Khazanah bonds	-	-	8,012
Government investment issues	-	-	195,523
	-	-	449,881
Quoted securities:			
<i>In Malaysia:</i>			
Shares	-	-	81,637
Unit trusts	-	-	10,797
	-	-	92,434
Unquoted securities:			
<i>In Malaysia:</i>			
Private and Islamic debt securities	-	-	265,410
Shares	-	-	2,334
Investment linked fund	-	-	51,391
	-	-	319,135
Total financial assets designated at fair value through profit or loss	-	-	861,450
TOTAL FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	25,383,276	13,665,700	17,082,596

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	The Group		
	31 Dec 2012	31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Money market instruments:			
Unquoted			
Malaysian Government securities	860,826	1,422,455	1,333,672
Cagamas bonds	290,288	453,651	437,562
Khazanah bonds	400,350	190,187	-
Other Government securities	104,099	-	-
Other Government treasury bills	49,398	25,874	-
Bank Negara Malaysia bills	497,386	-	-
Government investment issues	3,480,923	1,198,283	882,712
Commercial papers	9,999	-	-
	5,693,269	3,290,450	2,653,946
Quoted securities:			
<i>In Malaysia:</i>			
Shares	20,476	26,504	115,676
Unit trusts	134,276	122,654	240,949
<i>Outside Malaysia:</i>			
Shares	289	21,319	12,074
Private and Islamic debt securities	1,212,714	371,387	24,582
Other Government bonds	3,211,801	2,807,382	2,635,564
Unit trusts	292,873	292,209	318,435
	4,872,429	3,641,455	3,347,280
Unquoted securities:			
<i>In Malaysia:</i>			
Private and Islamic debt securities	13,982,613	8,940,133	7,949,059
Shares	1,003,666	976,604	905,404
Loan stocks	18,507	19,774	26,624
Property funds	194	188	175
Investment linked funds	-	-	6,947
Bond funds	-	12,611	12,380
<i>Outside Malaysia:</i>			
Shares	75,903	207,581	80,480
Private equity and unit trust funds	88,291	81,604	224,453
Private and Islamic debt securities	3,758,795	1,622,114	321,077
Loan stocks	1,889	1,568	1,531
	18,929,858	11,862,177	9,528,130
	29,495,556	18,794,082	15,529,356
Allowance for impairment loss:			
Private debt securities	(115,716)	(210,510)	(240,661)
Quoted shares	(12,464)	(16,854)	(27,413)
Quoted bonds	(8,423)	(3,411)	-
Unquoted shares	(134,972)	(131,662)	(134,266)
Unit trusts	(1,898)	(1,113)	(878)
Loan stocks	(14,561)	(12,806)	(14,092)
	(288,034)	(376,356)	(417,310)
Total financial investments available-for-sale	29,207,522	18,417,726	15,112,046

On 1 January 2012, the Group designated a previously held financial investments held-to-maturity to financial investments available-for-sale, as allowed under MFRS 1. The fair value and the carrying amount of the financial investments at the date of designation is RM4,647,899,000 (1 January 2011: RM3,456,736,000) and RM4,457,952,000 (1 January 2011: RM3,299,763) respectively.

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group		
	31 Dec 2012	31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Money market instruments:			
Unquoted			
Malaysian Government securities	-	13,228	149,967
Cagamas bonds	4,834	5,977	4,817
Other government securities	754,593	490,820	-
Bank Negara negotiable notes	9,719	9,986	9,948
Malaysian Government investment issues	20,686	11,403	-
	789,832	531,414	164,732
Quoted securities			
<i>Outside Malaysia</i>			
Private debt securities	2,560,527	3,602,677	1,414,395
Islamic bonds	18,519	23,818	23,983
Medium term notes - Islamic	-	3,527	8,565
Other Government bonds	177,690	204,816	117,303
Bank Indonesia certificates	150,745	363,350	286,090
	2,907,481	4,198,188	1,850,336
Unquoted securities			
<i>In Malaysia</i>			
Private debt securities	3,654,055	4,680,206	5,847,319
Loan stocks	28,813	30,781	31,814
Danaharta Urus Sdn Bhd ("DUSB") bonds	130,139	795,335	795,335
<i>Outside Malaysia</i>			
Private debt securities	1,485,557	1,932,271	1,901,967
	5,298,564	7,438,593	8,576,435
	8,995,877	12,168,195	10,591,503
Accretion of discount net of amortisation of premium	30,746	339,260	274,509
Less : Allowance for impairment losses	(41,329)	(46,623)	(45,512)
Total financial investments held-to-maturity	8,985,294	12,460,832	10,820,500

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

Included in the financial investments held-to-maturity of the Group as at 31 December 2012 are 10-year promissory notes of THB263 million (31 December 2011: THB415 million; 1 January 2011: THB746 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. CIMB Bank Thai has recognised a gain of approximately RM133 million (31 December 2011: RM101 million; 1 January 2011: RMNil) arising from the sharing agreement.

A11. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group		
	31 Dec 2012	31 Dec 2011	1 Jan 2011
At amortised cost	RM'000	RM'000	RM'000
Overdrafts	5,981,019	6,052,496	6,317,493
Term loans/financing			
- Housing loans/financing	52,299,880	48,812,565	42,496,812
- Syndicated term loans	9,288,422	9,656,325	6,996,472
- Hire purchase receivables	12,772,502	11,614,260	11,384,643
- Lease receivables	205,565	109,868	32,087
- Factoring receivables	19,007	12,172	23,655
- Other term loans/financing	79,003,082	72,727,971	60,588,953
Bills receivable	3,720,725	3,740,413	2,636,548
Trust receipts	2,389,242	1,300,741	1,145,109
Claims on customers under acceptance credits	5,010,728	4,578,277	4,548,433
Staff loans *	685,699	706,835	728,594
Credit card receivables	5,690,695	5,604,180	4,981,667
Revolving credits	28,966,355	24,593,593	24,289,359
Share margin financing	2,309,686	1,882,615	1,299,816
Other loans	432	890	9,730
Gross loans, advances and financing	208,343,039	191,393,201	167,479,371
Fair value changes arising from fair value hedge	360,979	398,797	44,340
	208,704,018	191,791,998	167,523,711
Less: Allowance for impairment losses			
- Individual impairment allowance	(3,270,343)	(3,988,345)	(4,079,367)
- Portfolio impairment allowance	(3,295,857)	(3,964,876)	(4,262,959)
	(6,566,200)	(7,953,221)	(8,342,326)
Total net loans, advances and financing	202,137,818	183,838,777	159,181,385

* Included in staff loans of the Group are loans to Directors amounting to RM2,275,218 (31 December 2011: RM10,050,224; 1 January 2011: RM6,473,245).

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

The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM7,869,471,000 (31 December 2011: RM7,237,885,000; 1 January 2011: RM7,663,278,000) of its loan exposure using interest rate swaps.

	The Group		
	31 Dec 2012	31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Gross loan hedged	7,869,471	7,237,885	7,663,278
Fair value changes arising from fair value hedges	360,979	398,797	44,340
	8,230,450	7,636,682	7,707,618

The fair value loss of interest rate swaps as at 31 December 2012 was RM304,637,514 (31 December 2011: RM445,176,674; 1 January 2011: RM127,755,094).

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

	31 Dec 2012	The Group 31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Domestic banking financial institutions	384,015	57,963	65,091
Domestic non-bank financial institutions			
- stockbroking companies	10,009	-	-
- others	1,807,723	1,705,420	2,645,801
Domestic business enterprises			
- small medium enterprises	29,702,223	29,824,771	24,984,641
- others	45,972,378	44,209,093	37,223,540
Government and statutory bodies	12,883,567	12,657,089	10,666,029
Individuals	96,771,514	89,303,602	80,444,835
Other domestic entities	5,846,174	3,515,254	3,878,422
Foreign entities	14,965,436	10,120,009	7,571,012
Gross loans, advances and financing	208,343,039	191,393,201	167,479,371

(iii) By interest/profit rate sensitivity

	31 Dec 2012	The Group 31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Fixed rate			
- Housing loans	1,944,961	2,124,405	3,718,109
- Hire-purchase receivables	12,765,401	11,606,719	11,403,949
- Other fixed rate loans	41,206,674	40,418,809	33,223,936
Variable rate			
- BLR plus	101,437,673	91,771,906	78,906,381
- Cost plus	25,595,375	24,913,736	22,845,941
- Other variable rates	25,392,955	20,557,626	17,381,055
Gross loans, advances and financing	208,343,039	191,393,201	167,479,371

(iv) By economic purpose

	31 Dec 2012	The Group 31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Personal use	7,242,619	6,781,937	5,123,491
Credit card	5,690,695	5,604,180	4,981,667
Purchase of consumer durables	25,342	954	1,216
Construction	7,276,301	5,217,186	4,324,911
Residential property (Housing)	52,491,785	48,808,900	43,708,701
Non-residential property	15,963,686	12,758,609	11,843,651
Purchase of fixed assets other than land and building	14,901,632	16,528,217	10,261,260
Mergers and acquisitions	1,987,139	5,186,293	2,620,451
Purchase of securities	12,214,573	8,668,328	8,013,606
Purchase of transport vehicles	18,720,872	16,281,213	15,803,368
Working capital	53,855,535	46,078,495	46,081,461
Other purposes	17,972,860	19,478,889	14,715,588
Gross loans, advances and financing	208,343,039	191,393,201	167,479,371

A11. LOANS, ADVANCES AND FINANCING (Continued)
(v) By geographical distribution

	The Group		
	31 Dec 2012	31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Malaysia	125,727,508	118,894,085	111,065,224
Indonesia	48,347,157	46,022,974	37,516,196
Thailand	15,243,168	13,077,940	9,906,698
Singapore	13,423,878	9,514,291	5,964,290
United Kingdom	934,931	996,344	621,152
Hong Kong	1,119,775	598,442	248,187
Other countries	3,546,622	2,289,125	2,157,624
Gross loans, advances and financing	208,343,039	191,393,201	167,479,371

(vi) By residual contractual maturity

	The Group		
	31 Dec 2012	31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Within one year	49,322,168	47,260,671	43,362,071
One year to less than three years	28,500,116	25,060,561	21,307,164
Three years to less than five years	23,576,875	21,348,048	22,449,382
Five years and more	106,943,880	97,723,921	80,360,754
Gross loans, advances and financing	208,343,039	191,393,201	167,479,371

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

	The Group		
	31 Dec 2012	31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Personal use	244,752	355,210	399,960
Credit card	39,687	127,609	98,523
Purchase of consumer durables	204	570	251
Construction	1,226,694	1,343,284	1,380,526
Residential property (Housing)	1,645,152	1,781,704	1,909,586
Non-residential property	338,853	406,835	491,942
Purchase of fixed assets other than land and building	416,280	556,579	365,872
Purchase of securities	193,583	123,855	101,641
Purchase of transport vehicles	338,661	424,208	322,967
Working capital	2,678,973	3,566,045	4,123,317
Other purpose	804,978	1,118,782	1,089,794
Gross impaired loans, advances and financing	7,927,817	9,804,681	10,284,379

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

	The Group		
	31 Dec 2012	31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Malaysia	5,078,112	6,058,318	6,781,354
Indonesia	1,335,882	1,846,522	1,687,775
Thailand	1,225,674	1,442,422	1,466,154
Singapore	45,764	62,500	116,176
United Kingdom	2,310	54,025	48,095
Other countries	240,075	340,894	184,825
Gross impaired loan	7,927,817	9,804,681	10,284,379

A11. LOANS, ADVANCES AND FINANCING (Continued)

(ix) Movements in impaired loans

	The Group	
	31 Dec 2012 RM'000	31 Dec 2011 RM'000
At 1 January	9,804,681	10,284,379
Classified as impaired during the year	3,111,369	3,973,790
Reclassified as not impaired during the year	(1,818,922)	(1,967,542)
Amount written back in respect of recoveries	(1,263,113)	(1,380,212)
Arising from deemed disposal of a subsidiary	-	(942)
Amount written off	(2,129,372)	(1,202,023)
Purchase of impaired loans from third party	195,004	126
Loans/financing converted to securities	(13,219)	-
Exchange fluctuation	41,389	97,105
At 31 December	7,927,817	9,804,681
Ratio of gross impaired loans to gross loans, advances and financing	3.81%	5.12%

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

	The Group	
	31 Dec 2012 RM'000	31 Dec 2011 RM'000
<u>Individual impairment allowance</u>		
At 1 January	3,988,345	4,079,367
Net allowance made during the year	164,322	348,005
Amount written off	(895,452)	(339,739)
Loans/financing converted to securities	(13,219)	-
Allowance made and charged to deferred assets	1,221	140
Amount transferred from/(to) portfolio impairment allowance	22,111	(1,970)
Allowance written off in relation to disposal/deemed disposal of a subsidiary	-	(942)
Unwinding income	85,234	(73,737)
Exchange fluctuation	(82,219)	(22,779)
At 31 December	3,270,343	3,988,345
<u>Portfolio impairment allowance</u>		
At 1 January	3,964,876	4,262,959
Net allowance made during the year	600,195	539,855
Amount transferred (to)/from individual impairment allowance	(22,111)	1,970
Amount transferred to allowance for impairment losses on other receivables	(28,786)	-
Amount written off	(1,221,111)	(828,307)
Allowance (written back)/made and charged to deferred assets	(1,510)	844
Unwinding income	69,404	(20,293)
Exchange fluctuation	(65,100)	7,848
At 31 December	3,295,857	3,964,876
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing (excluding RPSIA financing) less individual impairment allowance	2.32%	2.55%

A12. OTHER ASSETS

	31 Dec 2012	The Group 31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Due from brokers and clients net of allowance for doubtful debts	1,905,758	1,352,950	1,250,003
Other debtors, deposits and prepayments net of allowance for doubtful debts	2,775,848	2,438,201	2,976,433
Due from jointly controlled entity	1,285,914	1,371,367	1,671,488
Due from insurers, brokers and reinsurers	33,271	28,716	25,476
Option premium receivable	246,723	249,461	278,032
Deferred assets	103,524	131,204	170,961
Foreclosed properties net of allowance for impairment losses	178,713	167,765	228,785
Collateral pledged for derivative transactions	862,547	778,691	752,344
	7,392,298	6,518,355	7,353,522

A13. DEPOSITS FROM CUSTOMERS

	31 Dec 2012	The Group 31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
<u>By type of deposit</u>			
Demand deposits	57,438,752	51,191,447	43,982,722
Savings deposits	28,178,314	25,380,012	22,242,066
Fixed deposits	110,497,486	98,257,823	90,291,236
Negotiable instruments of deposit	3,371,484	3,020,467	1,545,997
Others	44,484,271	44,083,393	41,783,643
	243,970,307	221,933,142	199,845,664
<u>By type of customer</u>			
Government and statutory bodies	11,507,833	12,579,786	14,123,891
Business enterprises	97,653,374	96,573,598	89,923,855
Individuals	92,727,823	84,078,467	70,213,582
Others	42,081,277	28,701,291	25,584,336
	243,970,307	221,933,142	199,845,664

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

One year or less (short term)	110,580,730	98,006,686	88,610,604
More than one year (medium/long term)	3,288,240	3,271,604	3,226,629
	113,868,970	101,278,290	91,837,233

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		
	31 Dec 2012	31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Licensed banks	12,383,677	8,549,707	7,241,711
Licensed finance companies	405,825	129,555	145,025
Licensed investment banks	437,756	200,041	529,845
Bank Negara Malaysia	1,988,428	372,677	1,598,400
Other financial institutions	6,187,072	3,712,329	3,577,176
	21,402,758	12,964,309	13,092,157

A15. OTHER LIABILITIES

	The Group		
	31 Dec 2012	31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Due to brokers and clients	1,730,672	1,275,520	1,042,668
Expenditure payable	1,849,179	1,530,272	1,716,722
Provision for legal claims	86,801	128,254	138,319
Sundry creditors	809,560	881,454	897,968
Insurance fund - life and takaful insurance business	51,277	45,397	998,019
Insurance fund - general insurance business	-	-	541,062
Allowance for commitments and contingencies	46,497	33,061	88,631
Post employment benefit obligations	253,924	292,022	286,019
Credit card expenditure payable	222,557	125,537	221,237
Call deposit borrowing	456,832	436,242	281,833
Others	1,971,927	1,615,184	2,065,893
	7,479,226	6,362,943	8,278,371

A16. INTEREST INCOME

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income	2,751,689	2,691,250	10,809,389	10,130,012
- Unwinding income [^]	31,503	33,827	140,015	158,602
Money at call and deposit placements with financial institutions	181,449	158,077	571,901	531,544
Reverse repurchase agreements	41,432	31,579	157,942	107,351
Financial assets held for trading	38,372	77,529	342,539	351,863
Financial investments available-for-sale	263,172	176,363	896,330	694,747
Financial investments held-to-maturity	89,961	128,088	390,585	521,447
Others	7,447	6,783	16,317	17,878
	3,405,025	3,303,496	13,325,018	12,513,444
Accretion of discounts less amortisation of premiums	57,093	53,459	215,587	168,068
	3,462,118	3,356,955	13,540,605	12,681,512

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

A17. INTEREST EXPENSE

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	49,796	17,727	165,629	112,832
Deposits from other customers	1,186,098	1,283,100	4,835,399	4,868,975
Repurchase agreements	10,093	981	32,085	2,480
Bonds and debentures	27,974	968	64,267	968
Subordinated notes	154,053	155,058	564,087	576,782
Loans sold to Cagamas	-	-	-	1,635
Negotiable certificates of deposits	28,441	29,515	99,960	141,756
Other borrowings	65,631	69,582	263,569	186,480
Others	32,256	40,043	119,729	113,353
	1,554,342	1,596,974	6,144,725	6,005,261

A18. NET NON-INTEREST INCOME

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
(a) Net fee income and commission income:				
Commissions	128,927	115,072	517,216	475,792
Fee on loans, advances and financing	149,927	76,109	463,879	394,805
Portfolio management fees	7,896	6,138	20,948	18,391
Service charges and fees	121,340	117,771	528,455	459,343
Corporate advisory fees	76,075	24,195	143,695	133,989
Guarantee fees	14,133	13,044	48,880	66,148
Other fee income	51,371	69,370	289,795	240,899
Placement fees	52,209	14,371	96,053	51,441
Underwriting commission	23,072	8,746	35,168	34,286
Fee and commission income	624,950	444,816	2,144,089	1,875,094
Fee and commission expense	(108,413)	(100,054)	(415,647)	(365,195)
Net fee and commission income	516,537	344,762	1,728,442	1,509,899
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	7,256	6,321	33,785	31,477
- Financial investments available-for-sale	5,231	7,253	14,437	20,757
<i>Outside Malaysia</i>				
- Financial assets held for trading	489	64	1,664	2,143
- Financial investments available-for-sale	468	552	11,760	20,023
	13,444	14,190	61,646	74,400
(c) Net (loss)/gain arising from financial assets held for trading	33,095	6,076	99,764	(352,239)
- realised	(47,171)	(101,932)	60,820	(315,618)
- unrealised	80,266	108,008	38,944	(36,621)
(d) Net gain/(loss) arising from derivative financial instruments	156,159	93,773	598,328	887,936
- realised	417,127	122,198	848,823	538,520
- unrealised	(260,968)	(28,425)	(250,495)	349,416
(e) Net (loss)/gain arising from hedging derivatives	26,165	(1,187)	(26,912)	(16,284)
(f) Net gain/(loss) from sale of financial investments available-for-sale	92,612	127,141	388,868	329,432
(g) Net gain from maturity of financial investment held-to-maturity	(62)	51,239	35,581	76,864
(h) Income from assets management and securities services	43,943	41,871	181,992	178,901
(i) Brokerage income	96,041	76,687	385,959	349,461
(j) Other non-interest income:				
Foreign exchange gain	(46,066)	74,049	328,826	201,764
Rental income	2,753	2,187	9,597	13,069
Gain on disposal of property, plant and equipment/assets held for sale	8,059	842	14,868	16,194
Gain on disposal of leased assets	168	99	168	99
Gain on deemed disposal of an interests in subsidiaries	-	-	-	-
Gain on disposal of associates	20	-	445	-
Gain on revaluation of investment properties	4,755	1,842	4,755	1,842
Underwriting surplus before management expenses	(1,001)	4,475	9,753	16,809
Share of gain from recovery of impaired loans	-	101,220	133,464	101,220
Loss on disposal of foreclosed properties	(4,534)	(6,253)	(9,387)	(19,942)
Other non-operating income	121,554	75,461	460,878	356,032
	85,708	253,922	953,367	687,087
Total other operating income	1,063,642	1,008,474	4,407,035	3,725,457

A19. OVERHEADS

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	869,918	695,298	3,285,005	2,711,023
- Pension cost	71,668	92,956	252,957	216,433
- Overtime	6,793	7,642	32,157	33,014
- Staff incentives and other staff payments	44,224	7,088	182,813	139,560
- Medical expenses	25,589	21,555	88,648	78,530
- Others	162,698	78,732	475,047	339,375
	1,180,890	903,271	4,316,627	3,517,935
Establishment costs				
- Depreciation of property, plant and equipment	87,598	84,983	345,663	332,205
- Amortisation of prepaid lease payments	3,106	3,827	12,642	14,910
- Rental	91,105	78,563	333,261	301,823
- Repair and maintenance	75,822	56,409	309,778	215,492
- Outsourced services	30,499	99,081	215,782	287,695
- Security expenses	26,325	22,541	95,943	95,600
- Others	66,059	49,838	218,739	196,428
	380,514	395,242	1,531,808	1,444,153
Marketing expenses				
- Sales commission	3,163	3,831	15,844	13,556
- Advertisement	66,136	63,819	268,810	278,573
- Others	26,018	18,000	71,739	64,543
	95,317	85,650	356,393	356,672
Administration and general expenses				
- Amortisation of intangible assets	71,294	62,409	262,112	242,179
- Legal and professional fees	34,482	43,331	178,418	171,449
- Stationery	22,861	26,387	82,921	91,070
- Communication	34,808	43,710	154,339	160,733
- Incidental expenses on banking operations	9,720	13,101	39,875	56,487
- Insurance	86,658	39,655	179,975	150,796
- Others	49,434	109,170	509,631	438,438
	309,257	337,763	1,407,271	1,311,152
	1,965,978	1,721,926	7,612,099	6,629,912

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

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
Allowance for impaired loans, advances and financing:				
Net allowance made during the financial period/year				
- Individual impairment allowance	72,787	156,887	164,322	348,005
- Portfolio impairment allowance	94,359	242,479	600,195	539,855
Impaired loans, advances and financing:				
- recovered	(113,611)	(112,448)	(442,195)	(413,472)
- written off	(1,211)	2,286	6,776	12,955
	52,324	289,204	329,098	487,343

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

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

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

	The Group		
	Principal amount	Fair values	
	RM'000	Assets RM'000	Liabilities RM'000
At 31 December 2012			
<u>Trading derivatives</u>			
<u>Foreign exchange derivatives</u>			
Currency forward	13,542,140	170,004	(171,271)
- Less than 1 year	10,297,294	67,972	(104,824)
- 1 year to 3 years	1,136,705	59,776	(33,953)
- More than 3 years	2,108,141	42,256	(32,494)
Currency swaps	53,863,289	235,347	(193,694)
- Less than 1 year	53,461,234	219,441	(191,879)
- 1 year to 3 years	215,636	5,172	(1,251)
- More than 3 years	186,419	10,734	(564)
Currency spot	5,559,618	2,491	(3,729)
- Less than 1 year	5,559,618	2,491	(3,729)
Currency options	1,592,825	7,455	(6,494)
- Less than 1 year	1,592,825	7,455	(6,494)
Cross currency interest rate swaps	20,868,765	578,385	(339,913)
- Less than 1 year	3,511,121	137,088	(87,179)
- 1 year to 3 years	7,257,431	189,356	(109,816)
- More than 3 years	10,100,213	251,941	(142,918)
	95,426,637	993,682	(715,101)
<u>Interest rate derivative</u>			
Interest rate swaps	254,831,493	2,095,358	(1,695,206)
- Less than 1 year	38,432,806	71,625	(68,101)
- 1 year to 3 years	161,514,518	700,612	(680,522)
- More than 3 years	54,884,169	1,323,121	(946,583)
Interest rate futures	8,199,677	20,571	(606)
- Less than 1 year	4,571,511	8,894	(551)
- 1 year to 3 years	3,119,440	10,459	(55)
- More than 3 years	508,726	1,218	-
Interest rate options	2,478,652	1,400	(14,283)
- Less than 1 year	290,000	862	(1,788)
- 1 year to 3 years	170,000	489	(3,959)
- More than 3 years	2,018,652	49	(8,536)
	265,509,822	2,117,329	(1,710,095)
<u>Equity related derivatives</u>			
Index futures	1,245,997	15,325	(15,336)
- Less than 1 year	713,516	2,616	(2,627)
- 1 year to 3 years	151,964	2,556	(2,556)
- More than 3 years	380,517	10,153	(10,153)
Equity options	8,706,537	551,515	(983,801)
- Less than 1 year	3,355,279	524,471	(941,504)
- 1 year to 3 years	2,630,101	26,202	(29,627)
- More than 3 years	2,721,157	842	(12,670)
Equity swaps	340,784	937	(945)
- More than 3 years	340,784	937	(945)
	10,293,318	567,777	(1,000,082)
<u>Commodity related derivatives</u>			
Commodity swaps	199,464	19,072	(19,870)
- Less than 1 year	163,152	11,675	(12,565)
- 1 year to 3 years	29,711	3,458	(3,366)
- More than 3 years	6,601	3,939	(3,939)
Commodity futures	135	15	-
- Less than 1 year	135	15	-
Commodity options	521,350	141,739	(141,752)
- Less than 1 year	367,498	16,895	(16,908)
- More than 3 years	153,852	124,844	(124,844)
	720,949	160,826	(161,622)
<u>Credit related contract</u>			
Credit default swaps	2,167,635	31,603	(99,750)
- Less than 1 year	445,962	819	(59,782)
- 1 year to 3 years	1,064,578	3,488	(9,653)
- More than 3 years	657,095	27,296	(30,315)
<u>Hedging derivatives</u>			
Interest rate swaps	18,488,500	240,707	(384,450)
- Less than 1 year	1,088,711	10,360	(3,697)
- 1 year to 3 years	3,700,279	127,898	(53,971)
- More than 3 years	13,699,510	102,449	(326,782)
Currency forward	208,663	203	-
- Less than 1 year	208,663	203	-
Cross currency interest rate swaps	991,873	13,780	(12,266)
- 1 year to 3 years	563,674	8,322	(1,055)
- More than 3 years	428,199	5,458	(11,211)
	19,689,036	254,690	(396,716)
Total derivative assets/(liabilities)	393,807,397	4,125,907	(4,083,366)

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

(i) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

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

(i) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	The Group		
	Principal amount RM'000	Fair values	
	Assets RM'000	Liabilities RM'000	
At 31 December 2010			
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forwards	10,895,870	160,377	(155,349)
- Less than 1 year	8,620,215	52,888	(127,990)
- 1 year to 3 years	423,654	13,602	(4,281)
- More than 3 years	1,852,001	93,887	(23,078)
Currency swaps	34,993,961	515,653	(489,576)
- Less than 1 year	34,684,832	507,854	(486,527)
- 1 year to 3 years	49,362	2,018	-
- More than 3 years	259,767	5,781	(3,049)
Currency options	3,405,312	16,694	(20,901)
- Less than 1 year	3,405,312	16,694	(20,901)
Cross currency interest rate swaps	15,962,201	626,336	(746,157)
- Less than 1 year	4,521,983	145,670	(239,900)
- 1 year to 3 years	6,239,274	266,962	(294,195)
- More than 3 years	5,200,944	213,704	(212,062)
	65,257,344	1,319,060	(1,411,983)
<u>Interest rate derivatives</u>			
Interest rate swaps	183,436,844	1,791,631	(1,344,587)
- Less than 1 year	54,389,510	339,772	(308,923)
- 1 year to 3 years	63,610,038	441,927	(357,772)
- More than 3 years	65,437,296	1,009,932	(677,892)
Interest rate futures	13,746,090	18,185	(15,428)
- Less than 1 year	7,276,246	8,610	(13,457)
- 1 year to 3 years	5,273,591	6,772	(1,971)
- More than 3 years	1,196,253	2,803	-
Interest rate options	750,000	7,179	(3,602)
- Less than 1 year	600,000	-	-
- 1 year to 3 years	100,000	5,314	(2,818)
- More than 3 years	50,000	1,865	(784)
	197,932,934	1,816,995	(1,363,617)
<u>Equity related derivatives</u>			
Index futures	10,845	-	(145)
- Less than 1 year	10,845	-	(145)
Equity options	10,545,680	223,081	(606,369)
- Less than 1 year	3,593,370	168,358	(571,441)
- 1 year to 3 years	3,606,018	3,849	(3,849)
- More than 3 years	3,346,292	50,874	(31,079)
Equity swaps	273,717	1,777	(51,329)
- Less than 1 year	272,086	1,433	(51,023)
- 1 year to 3 years	1,631	344	(306)
	10,830,242	224,858	(657,843)
<u>Commodity related derivatives</u>			
Commodity options	104,840	15,028	(15,028)
- Less than 1 year	70,921	12,068	(12,068)
- 1 year to 3 years	33,919	2,960	(2,960)
Commodity swaps	60,480	4,085	-
- Less than 1 year	20,400	1,624	-
- 1 year to 3 years	40,080	2,461	-
Commodity futures	60,553	1	(3,653)
- Less than 1 year	60,553	1	(3,653)
	225,873	19,114	(18,681)
<u>Credit related contract</u>			
Credit default swaps	1,397,612	31,585	(37,674)
- Less than 1 year	580,483	2,805	(175)
- 1 year to 3 years	169,593	143	(2,386)
- More than 3 years	647,536	28,637	(35,113)
<u>Hedging derivatives</u>			
Interest rate swaps	13,426,998	165,543	(215,376)
- Less than 1 year	1,428,650	31,058	-
- 1 year to 3 years	1,180,155	30,646	(6,211)
- More than 3 years	10,818,193	103,839	(209,165)
Cross currency interest rate swaps	218,378	-	(43,342)
- More than 3 years	218,378	-	(43,342)
	13,645,376	165,543	(258,718)
Total derivative assets/(liabilities)	289,289,381	3,577,155	(3,748,516)

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

(i) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 December 2012, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM4,125,908,000 (31 December 2011: RM4,274,073,000; 1 January 2011: RM3,577,155,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

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

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

(ii) COMMITMENTS AND CONTINGENCIES

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

<u>The Group</u>	31 Dec 2012	31 Dec 2011	1 Jan 2011
	Principal	Principal	Principal
	Amount	Amount	Amount
	RM'000	RM'000	RM'000
<u>Credit-related</u>			
Direct credit substitutes	6,091,247	5,255,701	4,929,234
Certain transaction-related contingent items	6,084,990	5,464,748	5,468,256
Short-term self-liquidating trade-related contingencies	2,597,320	2,549,245	3,511,093
Obligations under underwriting agreement	-	226,887	235,000
Irrevocable commitments to extend credit			
- maturity not exceeding one year	47,395,370	36,370,852	33,812,453
- maturity exceeding one year	5,834,498	6,710,863	6,778,430
Forward assets purchases	-	-	303,084
Miscellaneous commitments and contingencies	2,183,684	4,941,508	5,609,923
Total credit-related commitments and contingencies	70,187,109	61,519,804	60,647,473
<u>Treasury-related</u>			
<u>Foreign exchange related contracts</u>			
- less than one year	74,207,227	55,646,664	51,504,531
- one year to less than five years	17,555,418	12,201,742	10,668,701
- five years and above	4,864,528	4,523,518	3,688,354
	96,627,173	72,371,924	65,861,586
<u>Interest rate related contracts</u>			
- less than one year	74,657,093	58,228,737	63,095,660
- one year to less than five years	164,276,556	173,654,325	102,937,958
- five years and above	45,607,215	39,228,394	45,696,333
	284,540,864	271,111,456	211,729,951
<u>Equity related contracts</u>			
- less than one year	3,943,985	1,852,206	3,616,346
- one year to less than five years	4,655,934	4,949,209	5,121,018
- five years and above	1,693,398	2,392,808	2,092,883
	10,293,317	9,194,223	10,830,247
Total treasury-related commitments and contingencies	391,461,354	352,677,603	288,421,784
	461,648,463	414,197,407	349,069,257

A22. CAPITAL ADEQUACY
31 December 2012

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

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

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

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

	CIMB Bank	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC *
Before deducting proposed dividend							
Core capital ratio	13.16%	8.69%	10.27%	10.47%	20.98%	12.25%	N/A
Risk-weighted capital ratio	16.34%	13.27%	16.21%	16.19%	21.02%	15.08%	26.82%
After deducting proposed dividend							
Core capital ratio	12.35% # ^	8.69%	10.27%	9.86% # ^	18.58%	12.25%	N/A
Risk-weighted capital ratio	15.53% # ^	13.27%	16.21%	15.58% # ^	18.63%	15.08%	26.82%

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

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Tier I capital							
Paid-up capital	3,764,469	1,000,000	1,054,244	3,764,469	100,000	511,740	113,183
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier 1 Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier 1 capital	1,611,800	-	-	1,611,800	-	-	-
Share premium	5,033,633	-	386,774	5,033,633	-	2,571,266	-
Other reserves	7,679,028	1,008,841	262,722	9,408,892	433,319	2,996,653	(17,717)
Non-controlling interests	-	-	-	306,905	-	-	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(56,105)	-
Deferred tax assets	(140,439)	(18,057)	-	(146,237)	(42,998)	-	-
Intangible assets	-	-	-	-	-	-	(3,260)
Goodwill	(3,555,075)	(136,000)	-	(4,891,433)	-	-	-
Total Tier I capital	15,593,416	1,924,784	1,703,740	16,288,029	490,321	6,023,554	92,206
Tier II capital							
Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	6,500,000	850,000	600,000	7,881,400	-	-	-
Subordinated loans	-	-	-	-	-	924,728	-
Revaluation reserve	-	-	74,037	-	-	-	-
Regulatory reserve	930,953	242,624	-	1,173,577	-	-	-
Portfolio impairment allowance [√]	133,220	45,257	54,567	278,012	1,115	486,464	2,587
Surplus of total eligible provision over expected loss under the IRB approach	250,350	(122,870)	-	91,670	-	-	-
Others	-	-	257,410	-	-	36,439	-
Total Tier II capital	7,844,263	1,015,011	986,014	9,454,399	1,125	1,447,631	2,587
Less :							
Investment in subsidiaries and holding of other banking institutions' capital instruments	(3,716,715)	-	-	(186,901)	(50)	(56,105)	-
Securitisation exposures subject to deductions**	(65,621)	-	-	(65,621)	-	-	-
Investment in associates	(305,584)	-	-	(305,584)	-	-	-
Total Eligible Tier II capital	3,756,343	1,015,011	986,014	8,896,293	1,075	1,391,526	2,587
Total capital base	19,349,759	2,939,795	2,689,754	25,184,322	491,396	7,415,080	94,793
Less :							
Proposed dividends	(959,000)	-	-	(959,000)	(56,000)	-	-
Total capital base (net of proposed dividend)	18,390,759	2,939,795	2,689,754	24,225,322	435,396	7,415,080	94,793

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

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	94,244,713	19,554,311	15,042,700	126,983,208	1,387,711	43,728,549	353,503
Market risk	13,283,095	913,826	563,332	14,568,174	126,634	365,323	-
Operational risk	397,786	1,678,915	990,901	397,786	823,010	5,062,114	-
Large exposure risk	10,528,945	-	-	13,560,253	-	-	-
	118,454,539	22,147,052	16,596,933	155,509,421	2,337,355	49,155,986	353,503

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

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

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

[√] The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 December 2012 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM339,039,051, RM322,557,239 and RM16,481,812 respectively.

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

[^] The Board of Directors of CIMB Group Holdings Berhad ("CIMBGH"), has in December 2012 approved the Dividend Reinvestment Scheme ("DRS") for the second interim dividend in respect of the financial year ended 2012. Pursuant to the DRS, CIMBGH intends to reinvest the excess cash dividend into the Bank, which will increase the capital adequacy ratios of CIMB Bank Group and CIMB Bank higher than those stated above. The DRS of CIMBGH had received the necessary approvals from Bursa Securities and from its shareholders via an Extraordinary General Meeting held on 25 February 2013. The DRS is pending approval from Bank Negara Malaysia.

A22. CAPITAL ADEQUACY (continued)
31 December 2011

	CIMB Bank	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC *
Before deducting proposed dividend							
Core capital ratio	15.07%	10.44%	7.65%	11.91%	21.02%	10.17%	N/A
Risk-weighted capital ratio	17.40%	14.42%	13.00%	16.81%	21.04%	13.09%	56.33%
After deducting proposed dividend							
Core capital ratio	14.26% @	10.44%	7.65%	11.28% @	16.51% @	10.17%	N/A
Risk-weighted capital ratio	16.59% @	14.42%	13.00%	16.18% @	16.53% @	13.09%	56.33%

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

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Tier I capital							
Paid-up capital	3,764,469	1,000,000	809,961	3,764,469	100,000	561,888	117,549
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier 1 Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier 1 capital	1,635,400	-	-	1,635,400	-	-	-
Share premium	5,033,633	-	147,266	5,033,633	-	2,823,236	-
Other reserves	7,448,197	791,169	141,948	8,706,891	402,127	1,948,607	(12,130)
Non-controlling interests	-	-	-	266,211	-	-	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(35,245)	-
Deferred tax assets	(118,506)	(10,791)	-	(89,327)	(40,460)	-	-
Intangible assets	-	-	-	-	-	-	(2,916)
Goodwill	(3,555,075)	(136,000)	-	(4,899,904)	-	-	-
Total Tier I capital	15,408,118	1,714,378	1,099,175	15,617,373	461,667	5,298,486	102,503
Tier II capital							
Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	5,000,000	550,000	439,728	5,813,057	-	-	-
Subordinated loans	-	-	-	-	-	1,051,495	-
Revaluation reserve	-	-	36,571	-	-	-	-
Regulatory reserve	431,514	59,113	-	490,627	-	-	-
Portfolio impairment allowance [√]	188,389	64,585	41,044	397,291	623	464,878	1,346
Surplus of total eligible provision over expected loss under the IRB approach	359,190	(18,719)	-	255,860	-	-	-
Others	-	-	251,674	-	-	40,010	-
Total Tier II capital	6,008,833	654,979	769,017	6,986,575	633	1,556,383	1,346
Less :							
Investment in subsidiaries and holding of other banking institutions' capital intruments	(3,249,823)	-	-	(177,125)	(50)	(35,245)	-
Securitisation exposures subject to deductions**	(70,116)	-	-	(70,116)	-	-	-
Investment in associates	(306,061)	-	-	(306,061)	-	-	-
Total Eligible Tier II capital	2,382,833	654,979	769,017	6,433,273	583	1,521,138	1,346
Total capital base	17,790,951	2,369,357	1,868,192	22,050,646	462,250	6,819,624	103,849
Less :							
Proposed dividends	(827,000)	-	-	(827,000)	(99,034)	-	-
Total capital base (net of dividend)	16,963,951	2,369,357	1,868,192	21,223,646	363,216	6,819,624	103,849

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

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

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

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

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

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

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

A22. CAPITAL ADEQUACY (continued)
1 January 2011

	CIMB Bank	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC *
Before deducting proposed dividends							
Core capital ratio	14.20%	13.22%	9.04%	11.77%	19.76%	9.53%	N/A
Risk-weighted capital ratio	15.09%	17.19%	14.69%	15.24%	19.76%	9.39%	636.20%
After deducting proposed dividends							
Core capital ratio	13.63% +	13.22%	9.04%	11.29% +	17.06% @	9.53%	N/A
Risk-weighted capital ratio	14.53% +	17.19%	14.69%	14.76% +	17.06% @	9.39%	636.20%

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

Tier I capital							
Paid-up capital	3,764,469	750,000	837,999	3,764,469	100,000	531,876	114,090
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier I Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier I Capital	1,616,700	-	-	1,616,700	-	-	-
Share premium	5,033,633	-	152,364	5,033,633	-	2,283,429	-
Other reserves	7,157,203	506,180	95,115	7,975,343	336,741	1,053,455	(1,395)
Non-controlling interests	-	-	-	260,586	-	-	-
Less:							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(56,634)	-
Deferred tax assets	(115,206)	(7,283)	-	(82,519)	(44,329)	-	-
Intangible assets	-	-	-	-	-	-	(3,374)
Goodwill	(3,555,075)	(136,000)	-	(4,923,428)	-	-	-
Total Tier I capital	15,101,724	1,182,897	1,085,478	14,844,784	392,412	3,812,126	109,321

Tier II capital							
Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	3,500,000	300,000	342,732	3,936,919	-	-	-
Subordinated loans	-	-	-	-	-	1,108,000	-
Revaluation reserve	-	-	38,336	-	-	-	-
Regulatory reserve	110,190	7,405	-	117,595	-	-	-
Portfolio impairment allowance √	221,940	30,892	30,840	381,876	650	391,631	-
Surplus of total eligible provision over expected loss under the IRB approach	404,989	17,577	-	409,200	209	-	-
Others	-	-	265,240	-	-	39,333	-
Total eligible Tier II capital	4,266,859	355,874	677,148	4,875,330	869	1,538,964	-

Less:							
Investment in subsidiaries and holding of other banking institutions' capital	(3,000,892)	-	-	(178,194)	(50)	(56,634)	-
Investment in joint venture	-	-	-	-	-	-	-
Securitisation exposures subject to deductions**	(70,116)	-	-	(70,116)	-	-	-
Investment in associates	(245,134)	-	-	(245,134)	-	-	-
Total Eligible Tier II capital	950,717	355,874	677,148	4,381,886	(50)	(56,634)	-

Total Capital base	16,052,441	1,538,771	1,762,626	19,226,670	392,362	3,755,492	109,321
Less:							
Proposed dividends	(600,903)	-	-	(600,903)	(53,500)	-	-
Total Capital base (net of proposed dividend)	15,451,538	1,538,771	1,762,626	18,625,767	338,862	3,755,492	109,321

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

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	87,236,173	7,623,657	10,911,021	104,892,665	1,028,430	36,364,455	17,184
Market risk	9,176,183	285,115	313,670	9,658,308	192,321	394,887	-
Operational risk	9,604,531	1,041,278	-	11,242,737	765,308	3,230,655	-
Large exposure risk	360,424	-	777,097	360,424	-	-	-
Total	106,377,311	8,950,050	12,001,788	126,154,134	1,986,059	39,989,997	17,184

+ Second interim dividend for financial year ended 31 December 2010 to be paid before 31 March 2011

@ Final dividend for financial year ended 31 December 2010 to be paid before 30 April 2011

** In the previous financial year, CIMB Bank was required to deduct 50% of its investment in its jointly controlled entity, PCSB, from the capital base for purposes of computing the capital adequacy ratio in accordance with a circular by Bank Negara Malaysia ("BNM") dated 25 April 2006.
As at 31 December 2010, 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.

√ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 December 2010 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM495,950,492, RM476,240,986 and RM19,709,506 respectively.

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

A22. CAPITAL ADEQUACY (continued)

1 January 2011

In November 2011, Investment Bank Group has adopted the SA approach to better reflect the nature of the underlying business activities. Had the Investment Bank Group adopted the SA approach in 2010, the capital adequacy ratios and risk-weighted assets are as follows:

	CIMB Investment Bank Group RM '000
<u>Before deducting proposed dividend</u>	
Core capital ratio	19.12%
Risk-weighted capital ratio	<u>19.16%</u>
<u>After deducting proposed dividend</u>	
Core capital ratio	16.51%
Risk-weighted capital ratio	<u>16.55%</u>
Risk-weighted assets	<u>2,052,644</u>

A23. SEGMENTAL REPORT

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

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

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

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

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

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

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

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

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

Wholesale Banking

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

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

A23. SEGMENTAL REPORT (continued)

Wholesale Banking (Continued)

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.

Asset Management comprises wholesale fund management and unit trust.

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

Investment

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

Support and others

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

A23. SEGMENTAL REPORT (continued)

	Wholesale Banking					
	Consumer Banking RM'000	Investment Banking RM'000	Corporate Banking, Treasury and Markets RM'000	Investment RM'000	Support and others RM'000	Total RM'000
31 December 2012						
Net interest income						
- external income/(expense)	4,874,629	59,576	2,524,312	(87,566)	24,929	7,395,880
- inter-segment income/(expense)	(29,119)	(13,514)	(3,677)	162,924	(116,614)	-
	4,845,510	46,062	2,520,635	75,358	(91,685)	7,395,880
Income from Islamic Banking operations	814,215	140,173	344,936	384,196	5,823	1,689,343
Net non-interest income	1,666,281	864,707	1,308,922	585,934	(18,809)	4,407,035
Gain on deemed disposal of interest in subsidiaries	-	63,493	-	(60,926)	-	2,567
Net income/(expense)	7,326,006	1,114,435	4,174,493	984,562	(104,671)	13,494,825
Overheads	(4,868,256)	(805,383)	(1,382,561)	(483,798)	(72,101)	(7,612,099)
of which:						
- Depreciation of property, plant and equipment	(211,636)	(43,990)	(37,272)	(9,702)	(43,063)	(345,663)
- Amortisation of prepaid lease payments	(34)	(90)	-	-	(12,518)	(12,642)
- Amortisation of intangible assets	(130,535)	(5,600)	(13,893)	(89,314)	(22,770)	(262,112)
Profit/(loss) before allowances	2,457,750	309,052	2,791,932	500,764	(176,772)	5,882,726
Allowance (made)/written back for impairment losses on loans, advances and financing	(116,153)	2,106	(152,744)	(27)	(62,280)	(329,098)
Allowance (made)/written back for losses on other receivables	(15,760)	(1,920)	2,107	(2,379)	(13,435)	(31,387)
Allowance written back for commitments and contingencies	14,507	-	(1,330)	-	296	13,473
Allowance written back/(made) for other impairment losses	-	-	(842)	(17,466)	2,994	(15,314)
Segment results	2,340,344	309,238	2,639,123	480,892	(249,197)	5,520,400
Share of results of jointly controlled entities	4,349	(1,126)	-	12,802	-	16,025
Share of results of associates	-	602	-	101,284	-	101,886
Profit/(loss) before taxation	2,344,693	308,714	2,639,123	594,978	(249,197)	5,638,311
% of profit before taxation	41.6	5.5	46.8	10.6	(4.4)	100.0
Taxation						(1,281,086)
Profit for the period for continuing operation						4,357,225
Discontinued operation						
Share of results of association from discontinuing operation	39,582	-	-	-	-	39,582
Profit for the period						4,396,807

A23. SEGMENTAL REPORT (continued)

	Wholesale Banking Corporate Banking, Treasury and Markets					
	Consumer Banking RM'000	Investment Banking RM'000	Investment Banking RM'000	Investment Banking RM'000	Support and others RM'000	Total RM'000
31 December 2011						
Net interest income						
- external income/(expense)	4,349,136	46,040	2,488,863	(227,892)	20,104	6,676,251
- inter-segment income/(expense)	30,882	(8,704)	(181,674)	277,489	(117,993)	-
	4,380,018	37,336	2,307,189	49,597	(97,889)	6,676,251
Income from Islamic Banking operations	731,176	68,139	293,249	374,958	2,799	1,470,321
Non-interest income	1,489,821	858,018	844,771	532,349	498	3,725,457
Gain on disposal of interest in subsidiaries	-	-	-	250,000	-	250,000
Net income/(expense)	6,601,015	963,493	3,445,209	1,206,904	(94,592)	12,122,029
Overheads	(4,363,994)	(693,878)	(1,271,986)	(266,695)	(33,359)	(6,629,912)
of which:						
- Depreciation of property, plant and equipment	(226,518)	(25,511)	(36,499)	(22,762)	(20,915)	(332,205)
- Amortisation of prepaid lease payments	(2,914)	-	-	-	(11,996)	(14,910)
- Amortisation of intangible assets	(124,240)	(2,684)	(12,169)	(87,842)	(15,244)	(242,179)
Profit/(loss) before allowances	2,237,021	269,615	2,173,223	940,209	(127,951)	5,492,117
Allowance (made)/written back for impairment losses on loans, advances and financing	(285,770)	412	(82,265)	(5,803)	(113,917)	(487,343)
Allowance (made)/written back for losses on other receivables	(24,329)	(4,465)	(1,254)	22,137	(97)	(8,908)
Allowance (made)/written back for commitment and contingencies	6,762	-	23,097	(72)	25,648	55,435
Recoveries from investment management and securities services	-	-	-	15,000	-	15,000
Allowance written back/(made) for other impairment losses	1,554	-	452	(17,567)	1,371	(14,190)
Segment results	1,935,238	265,562	2,113,253	953,904	(215,846)	5,052,111
Share of results of jointly controlled entities	9,359	(1,264)	-	8,898	-	16,993
Share of results of associates	-	-	-	110,625	-	110,625
Profit/(loss) before taxation	1,944,597	264,298	2,113,253	1,073,427	(215,846)	5,179,729
% of profit before taxation	37.5	5.1	40.8	20.7	(4.2)	100.0
Taxation						(1,128,816)
Profit for the period for continuing operation						4,050,913
Discontinued operation						
Share fo results of association from discontinuing operation	23,413					23,413
Profit for the period						4,074,326

A24. OPERATIONS OF ISLAMIC BANKING

A24a. UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	The Group		
		31 Dec 2012 RM'000	31 Dec 2011 RM'000	1 Jan 2011 RM'000
Assets				
Cash and short-term funds		7,418,491	8,238,796	7,934,045
Deposits and placements with banks and other financial institutions		873,775	1,437,457	1,340,924
Financial assets held for trading		6,252,944	2,911,603	2,549,533
Islamic derivative financial instruments		261,629	249,169	284,789
Financial investments available-for-sale		3,296,450	1,436,119	659,172
Financial investments held-to-maturity		1,075,590	1,397,598	1,230,451
Financing, advances and other financing/loans	A24d(i)	36,002,810	29,500,400	23,368,509
Deferred tax assets		11,070	6,359	4,307
Amount due from related companies		1,108,894	55,439	48,835
Amount due from holding company		823,727	568,921	514,680
Statutory deposits with Bank Negara Malaysia		1,104,097	1,097,797	143,406
Property, plant and equipment		10,680	9,567	7,314
Other assets		524,408	545,199	764,109
Goodwill		136,000	136,000	136,000
Intangible assets		7,328	4,170	4,287
TOTAL ASSETS		58,907,893	47,594,594	38,990,361
Liabilities and Islamic banking capital funds				
Deposits from customers	A24(e)	38,903,965	31,565,815	24,923,994
Deposits and placements of banks and other financial institutions		11,428,893	10,452,960	10,244,515
Islamic derivative financial instruments		382,290	452,582	265,725
Amount due to holding company		864,717	402,487	184,519
Amount due to related companies		3,776	1,112	247
Provision for taxation and zakat		138,568	112,330	86,284
Other liabilities		2,452,580	1,005,532	853,473
Subordinated Sukuk		863,557	564,679	300,000
TOTAL LIABILITIES		55,038,346	44,557,497	36,858,757
Equity				
Ordinary share capital		1,000,000	1,000,000	750,000
Islamic banking funds		55,250	55,000	91,693
Perpetual preference shares		70,000	70,000	70,000
Reserves		2,735,080	1,902,052	1,180,466
		3,860,330	3,027,052	2,092,159
Non-controlling interests		9,217	10,045	39,445
TOTAL EQUITY		3,869,547	3,037,097	2,131,604
TOTAL LIABILITIES AND EQUITY		58,907,893	47,594,594	38,990,361

A24b. UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED 31 DECEMBER 2012

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	564,191	495,192	2,143,277	1,817,027
Net income derived from investment of shareholders' funds	105,732	81,763	462,277	390,223
Allowance written back/(made) for impairment losses on financing, advances	11,407	(94,832)	(90,179)	(151,366)
Allowance written back/(made) for impairment losses on other receivables	214	(2,473)	217	(2,753)
Allowance written back for commitments and contingencies	-	340	-	-
Total distributable income	681,544	479,990	2,515,592	2,053,131
Income attributable to depositors	(271,990)	(214,447)	(916,211)	(736,929)
Total net income	409,554	265,543	1,599,381	1,316,202
Other operating expenses	(148,338)	(93,975)	(526,729)	(369,190)
Profit before allowances	261,216	171,568	1,072,652	947,012
Allowance written back/(made) for impairment losses	34	7	(16)	7
Profit before taxation	261,250	171,575	1,072,636	947,019
Taxation	(60,836)	(62,583)	(255,418)	(233,420)
Profit for the year	200,414	108,992	817,218	713,599
Profit for the period attributable to:				
Owners of the Parent	200,005	109,824	815,796	713,931
Non-controlling interests	409	(832)	1,422	(332)
	200,414	108,992	817,218	713,599

A24c. UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2012

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
Profit for the year	200,414	108,992	817,218	713,599
Other comprehensive income:				
Revaluation reserve-financial investments available-for-sale	12,159	(181)	17,630	708
- Net gain from change in fair value	15,299	5,702	27,000	9,401
- Realised gain transferred to income statement on disposal and impairment	(266)	(6,121)	(6,815)	(7,238)
- Income tax effects	(2,874)	238	(2,555)	(1,455)
Exchange fluctuation reserve	(400)	692	(2,763)	14,906
Other comprehensive income for the year, net of tax	11,759	511	14,867	15,614
Total comprehensive income for the year	212,173	109,503	832,085	729,213
Total comprehensive income for the year attributable to:				
Owners of the Parent	212,178	109,146	834,335	721,801
Non-controlling interests	(5)	357	(2,250)	7,412
	212,173	109,503	832,085	729,213
Income from Islamic operations (per page 2)				
Total net income	409,554	265,543	1,599,381	1,316,202
Add: Allowance (written back)/made for impairment losses on financing, advances	(11,407)	94,832	90,179	151,366
Add: Allowance (written back)/made for impairment losses on other receivables	(214)	2,473	(217)	2,753
Add: Allowance written back for commitments and contingencies	-	(340)	-	-
	397,933	362,508	1,689,343	1,470,321

A24d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS

(i) By type

	The Group		
	31 Dec 2012 RM'000	31 Dec 2011 RM'000	1 Jan 2011 RM'000
At amortised cost			
Cash line	471,590	373,056	322,529
Term financing	33,448,754	28,345,701	22,509,813
Bills receivable	3,766	2,581	2,235
Trust receipts	80,151	35,391	59,091
Claims on customers under acceptance credits	340,687	233,479	191,657
Revolving credits	1,575,218	502,124	407,330
Credit card receivables	112,543	111,886	90,472
Share margin financing	182,099	167,485	92,962
Other financing	72,642	55,172	17,796
Gross financing, advances and other financing/loans	36,287,450	29,826,875	23,693,885
Fair value changes arising from fair value hedge	222,909	241,966	17,997
	36,510,359	30,068,841	23,711,882
Less: Allowance for impairment losses			
- Individual impairment allowance	(127,290)	(139,775)	(97,021)
- Portfolio impairment allowance	(380,259)	(428,666)	(246,352)
	(507,549)	(568,441)	(343,373)
Net financing, advances and other financing/loans	36,002,810	29,500,400	23,368,509

(a) During the financial period, the Group has undertaken fair value hedges on RM6,500 million (31 December 2011: RM4,350 million and 1 January 2011: RM4,400 million) financing using profit rate swaps.

	The Group		
	31 Dec 2012 RM'000	31 Dec 2011 RM'000	1 Jan 2011 RM'000
Gross financing hedged	6,500,000	4,350,000	4,400,000
Fair value changes arising from fair value hedges	222,909	241,966	17,997
	6,722,909	4,591,966	4,417,997

The fair value loss on profit rate swaps in the hedge transaction as at 31 December 2012 were RM247.0 million (31 December 2011: RM262.0 million and 1 January 2011: RM49.0 million).

(ii) By geographical distribution

	The Group		
	31 Dec 2012 RM'000	31 Dec 2011 RM'000	1 Jan 2011 RM'000
Malaysia	33,259,002	28,353,137	22,739,752
Indonesia	2,451,441	1,158,232	614,211
Other countries	577,007	315,506	339,922
Gross financing, advances and other financing/loans	36,287,450	29,826,875	23,693,885

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

	The Group		
	31 Dec 2012 RM'000	31 Dec 2011 RM'000	1 Jan 2011 RM'000
Malaysia	304,128	345,778	335,879
Indonesia	47,274	31,301	6,294
Other countries	92,271	95,553	-
Gross impaired financing, advances and other financing/loans	443,673	472,632	342,173

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

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

	The Group	
	31 Dec 2012	31 Dec 2011
	RM'000	RM'000
At 1 January	472,632	342,173
Classified as impaired during the year	411,956	505,090
Reclassified as not impaired during the year	(159,073)	(127,965)
Amount recovered	(73,013)	(90,543)
Amount written off	(211,891)	(130,641)
Reclassification from unwinding income	10,109	-
Exchange fluctuation	(7,047)	(25,482)
At 31 December	<u>443,673</u>	<u>472,632</u>
Ratio of gross impaired financing, advances and other financing/loans to gross financing, advances and other financing/loans	<u>1.22%</u>	<u>1.58%</u>

(v) Movements in the allowance for impaired financing:

	The Group	
	31 Dec 2012	31 Dec 2011
	RM'000	RM'000
Individual impairment allowance		
Gain on disposal of associates	139,775	97,021
Net allowance made during the year	34,150	48,229
Amount written off	(50,675)	(8,135)
Amount transferred from portfolio impairment allowance	-	3,001
Unwinding income	4,090	(1,477)
Exchange fluctuation	(50)	1,136
At 31 December	<u>127,290</u>	<u>139,775</u>
Portfolio impairment allowance		
At 1 January	428,666	246,352
Allowance made during the year	112,112	143,075
Amount transferred to individual impairment allowance	-	(3,001)
Amount written off	(162,602)	(119,912)
Allowance transferred from conventional operations	-	166,234
Unwinding income	6,019	(4,181)
Exchange fluctuation	(3,936)	99
At 31 December	<u>380,259</u>	<u>428,666</u>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	<u>2.18%</u>	<u>2.21%</u>

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

	The Group		
	31 Dec 2012	31 Dec 2011	1 Jan 2011
	RM'000	RM'000	RM'000
Non-Mudharabah			
Demand deposits	3,646,340	3,204,849	3,055,079
Savings deposits	1,527,782	1,169,598	821,968
General investment deposits	965,933	419,745	634,517
Commodity Murabahah	519	440,600	69,379
Fixed return investment account	6,665,864	5,564,248	5,127,333
Islamic negotiable instruments of deposit	2,370,187	2,510,276	1,033,019
Variable rate deposits	80,223	77,340	378,330
Equity Linked Sukuk	308,736	286,629	219,600
Short term money market deposit-i	12,849,247	3,994,930	-
Others	40,761	37,489	25,192
	28,455,592	17,705,704	11,364,417
Mudharabah			
Demand deposits	4,234,083	2,550,795	1,497,380
Savings deposits	634,511	478,449	328,971
General investment deposits	3,058,739	2,086,941	1,806,223
Special general investment deposits	1,314,609	6,987,965	7,574,239
Specific investment deposits	1,206,431	1,755,961	2,352,764
	10,448,373	13,860,111	13,559,577
	38,903,965	31,565,815	24,923,994

A25. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	The Group	
	31 Dec 2012	31 Dec 2011
	RM'000	RM'000
Outstanding credit exposures with connected parties	14,386,434	11,984,397
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	5.29%	5.13%
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	-	-

A26. CHANGE IN ACCOUNTING POLICIES

(a) Transition from FRS to MFRSs

MFRS 1 requires an entity to reconcile equity, total comprehensive income and cash flows for prior years. The following tables represent the reconciliations from FRSs to MFRSs for the respective years noted for equity and total comprehensive income.

(i) Reconciliation of equity

Group	1 Jan 2011 RM'000	31 Dec 2011 RM'000
Equity as reported under FRS	24,303,199	26,863,160
<u>Add/(Less): Transitioning adjustments:</u>		
Designation of financial investments - as available for sales	111,887	135,137
Equity on transition to MFRS	<u>24,415,086</u>	<u>26,998,297</u>

(ii) Reconciliation of total comprehensive income

Group	31 Dec 2011 RM'000
Total comprehensive income as reported under FRS	4,270,363
<u>Add/(Less): Transitioning adjustments:</u>	
Designation of financial investments - as available for sales	32,975
Income tax arising from transitional adjustments	(9,725)
Total comprehensive income upon transition to MFRS	<u>4,293,613</u>

(iii) Impact to statement of income and statement of cash flows

The transition from FRS to MFRS has had no effect on the reported net profit after taxation and cash flows generated by the Group and the Company.

(b) MFRS 1 First Time Adoption Exemption Option

During the year, the Group and the Company have elected the following MFRS 1 First Time Adoption exemption options, that resulted to the change in comparative figures.

- (i) Cumulative translation differences
- (ii) Designation of previously recognised financial instruments

(c) Prior year adjustment

MIA FRASIC18

During the year, the Malaysian Institute of Accountants ("MIA") issued Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18 – "Monies Held in Trust by Participating Organisations of Bursa Malaysia Securities Berhad", which stated that the recognition of monies held in the trust account of participating organisations of Bursa Malaysia Securities Berhad, as part of the participating organisation's assets with corresponding liabilities, is inappropriate from the context of MFRS. This is because a participating organisation is prohibited to utilise the monies either for its own economic benefits or settlement of its own liability. As such, a participating organisation does not have any control over the trust monies to obtain the future economic benefits embodied in the trust monies. The Group has applied FRSIC 18 retrospectively.

A26. CHANGE IN ACCOUNTING POLICIES (continued)

(d) The impact of the above on the financial statements of the Group are set out as follows:

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

	Balance as at 31 December 2011				
	As previously reported RM'000	Effect of adopting MFRS1 RM'000	FRSIC 18 RM000	Reclassification RM000	As restated RM'000
Assets					
Cash and short term funds	34,668,845	-	(464,867)	-	34,203,978
Financial investments available-for-sale	13,773,219	4,644,507	-	-	18,417,726
Financial investments held-to-maturity	16,918,784	(4,457,952)	-	-	12,460,832
Deferred tax assets	49,998	-	-	28,671	78,669
Liabilities					
Other liabilities	6,827,810	-	(464,867)	-	6,362,943
Deferred tax liabilities	134,285	47,190	-	28,671	210,146
Equity					
Reserves	18,504,288	137,398	-	-	18,641,686
Non-controlling interests	726,690	(2,261)	-	-	724,429
Balance as at 1 January 2011					
	As previously reported RM'000	Effect of adopting MFRS 1 RM'000	FRSIC 18 RM000	Reclassification RM000	As restated RM'000
Assets					
Cash and short term funds	27,185,260	-	(346,297)	-	26,838,963
Financial investments available-for-sale	11,658,702	3,453,344	-	-	15,112,046
Financial investments held-to-maturity	14,120,263	(3,299,763)	-	-	10,820,500
Deferred tax assets	15,269	-	-	62,704	77,973
Liabilities					
Other liabilities	8,624,668	-	(346,297)	-	8,278,371
Deferred tax liabilities	12,124	37,466	-	62,704	112,294
Equity					
Reserves	15,797,775	114,148	-	-	15,911,923
Non-controlling interests	873,233	(2,261)	-	-	870,972

A26. CHANGE IN ACCOUNTING POLICIES (continued)

(d) The impact of the above on the financial statements of the Group are set out as follows(continued):

(ii) **Impact on the Group's consolidated statement of comprehensive income for the year ended 31 December 2011:**

	Amount for the financial year ended 31 December 2011		
	As previously reported	Effect of adopting MFRS1	As restated
	RM000	RM000	RM000
Revaluation reserve of financial investments available-for-sale			
- Net gain from change in fair value	287,091	32,975	320,066
- Income tax effects	22,800	(9,725)	13,075

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

	Balances as at 31 December 2011		
	As previously reported	Effect of adopting MFRS 1	As restated
	RM'000	RM'000	RM'000
Revaluation reserve-financial investments available-for-sale	535,762	193,789	729,551
Exchange fluctuation reserves	(172,673)	347,337	174,664
Other reserves	20,094	(131,736)	(111,642)
Retained profits	8,822,855	(271,992)	8,550,863
Non-controlling interests	726,690	(2,261)	724,429

	Balance as at 1 January 2011		
	As previously reported	Effect of adopting MFRS 1	As restated
	RM'000	RM'000	RM'000
Revaluation reserve-financial investments available-for-sale	474,673	170,539	645,212
Exchange fluctuation reserves	(347,337)	347,337	-
Other reserves	131,736	(131,736)	-
Retained profits	6,838,179	(271,992)	6,566,187
Non-controlling interests	873,233	(2,261)	870,972

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

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

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

CIMB Group Holdings ("CIMB Group") Results

CIMB Group Holdings Berhad ("CIMB Group") today reported a record net profit of RM4.35 billion for Financial Year 2012 ("FY12"), representing a 7.8% year-on-year ("Y-o-Y") growth and equivalent to net earnings per share ("EPS") of 58.4 sen and net return on average equity ("ROE") of 16.0%. The Group announced a second interim dividend of 18.38 sen in the form of cash or an optional Dividend Reinvestment Scheme ("DRS"). For FY12, the total dividends amounted to 23.38 sen or RM1.7 billion, translating to a dividend payout ratio of 40.0% of FY12 profits.

For the fourth quarter FY12 ("4Q12") alone, the Group's net profit of RM1.082 billion was 5.3% lower than 3Q12, and 4.5% lower compared its 4Q11 net profit of RM1.133 billion.

The Group delivered another set of record profits for FY12, underpinned by strong earnings growth in most of our business lines. The Group is especially pleased that this was achieved without aggressive lending growth and despite investing and undergoing substantial internal changes in line with "CIMB 2.0" theme, to strengthen the Group's competitive edge going forwards."

CIMB Group Y-o-Y Results

CIMB Group's FY12 revenues were 11.3% higher Y-o-Y at RM13.495 billion. Net interest income grew by 10.6% while non-interest income expanded by 12.7% underpinned by a record year in capital market transactions and an uplift in treasury markets activity. Excluding the gain on deconsolidation of CIMB Aviva of RM250 million in 4Q11, the uplift in non-interest income was 19.8%. The Group's profit before tax ("PBT") was 9.1% higher at RM5.678 billion.

In 2012, the Group's regional Consumer Bank PBT expanded by 23.9% Y-o-Y to RM2.323 billion. The Malaysia & Singapore consumer operations PBT grew 17.7% Y-o-Y despite only moderate revenue growth due to provision write-backs in Malaysia and our Singapore unit reaching breakeven point. The consumer banking operations' PBT in Indonesia expanded by 45.9% Y-o-Y from a combination of better margins and growth in assets. The Thai consumer operations have yet to break-even and posted a RM3 million loss.

The Group's regional Wholesale Banking PBT rose 23.1% Y-o-Y to RM2.868 billion largely underscored by the Treasury & Markets division and Investment Banking PBT improving by 43.8% and 18.3% respectively, in line with our best ever year in capital markets as a whole. Corporate Banking PBT was 7.0% Y-o-Y higher. Investments PBT were lower by 51.2% Y-o-Y at RM487 million due to a combination of the large gain on deconsolidation of CIMB Aviva in 2011 and initial costs related to the acquisition of selected APAC IB businesses of The Royal Bank of Scotland ("RBS").

Consumer Banking operations remain the largest contributor to Group PBT at 41% (from 36% in FY11). Treasury & Markets contribution to Group PBT jumped to 24% from 18% in FY11. Corporate Banking, Investment Banking and Investments contributed 21%, 5% and 9% respectively.

CIMB Niaga's PBT rose 31.8% Y-o-Y to IDR5,787 billion but its contribution to the Group was only 24.5% higher Y-o-Y at RM1.906 billion due to the 8.9% depreciation of Rupiah in 2012. CIMB Niaga accounted for 34% of Group PBT. CIMB Thai's PBT rose 21.2% to THB1.668 billion and after GAAP and MFRS139 adjustments, its contribution to the Group was 61.9% higher at RM211 million, equivalent to 4% of Group PBT. CIMB Singapore's PBT rose 73.3% to RM156 million increasing its share of Group PBT to 3%. Total non-Malaysian PBT increased to 41% in FY12 from 36% in FY11.

The Group's total gross loans and credit expanded 9.8% (excluding the declining bad bank loan book) and 11.8% Y-o-Y respectively. After adjusting for foreign exchange fluctuations, the Group's total gross loans and credit increased by 12.1% and 14.1% Y-o-Y respectively. Corporate loans increased 6.4% while retail loans and commercial banking loans grew 10.1% and 15.7% respectively.

Total Group deposits grew by 10.0% Y-o-Y but were 12.0% higher Y-o-Y after excluding foreign exchange fluctuations. This was driven by an 8.2% expansion in retail deposits and a 11.1% growth in commercial banking deposits. Corporate and Treasury deposits were 11.6% higher Y-o-Y. Geographically, deposit growth was strongest in Singapore at 41.4% from a low base, while Malaysian deposits expanded at 7.8%. Indonesia and Thailand deposits grew 4.3% and 32.1% respectively Y-o-Y in Ringgit terms. The Group's CASA ratio increased to 35.1% from 34.2% last year while overall net interest margin was marginally lower at 3.07% from 3.12% in FY11.

The Group's total loan impairment of RM329 million in FY12 was a 32.4% decline from the RM487 million in FY11. The Group's total credit charge was 0.16%. The Group's gross impairment ratio improved to 3.8% for FY12 from 5.1% as at FY11, with an allowance coverage of 82.8%. The Group's cost to income ratio rose to 56.4% compared to 54.7% in FY11 partly as a result of new acquisitions.

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

CIMB Group Y-o-Y Results (continued)

CIMB Bank's risk weighted capital ratio is expected to be 16.0% while its core capital ratio is expected to be 12.8% as at 31 December 2012 (after inclusion of FY12 net profits and proposed DRS). CIMB Group's double leverage and gearing stood at 124.1% and 26.1% respectively as at end-December 2012.

CIMB Group Q-on-Q Results

The Group's 4Q12 revenues of RM3.369 billion were 4.9% lower than 3Q12, translating to a 5.3% Q-o-Q net profit decline to RM1.082 billion. Net interest income was 1.3% higher while non-interest income was 15.8% lower Q-o-Q.

The Group's Consumer Banking PBT rose 18.5% Q-o-Q. The Malaysian retail operations was 28.1% higher largely due to provision write-backs in 4Q12 while the Indonesian consumer division's PBT contribution to the Group was 9.6% lower Q-o-Q. Wholesale Banking PBT decreased 23.7% Q-o-Q as Corporate Banking and Treasury & Markets division had a slower quarter with higher loan provisions and less active debt and treasury markets. Investment Banking though was 434.1% higher Q-o-Q at RM135 million in 4Q12 on stronger fee income. PBT from Investments were 25.4% lower Q-o-Q due to the higher costs in relation to the RBS acquisition.

CIMB Niaga Results

On 14 February 2013, CIMB Niaga reported a FY12 net profit of IDR4,233 billion, a 33.4% Y-o-Y growth, with an FY12 net ROE of 20.9%. The improved performance was attributed to the sustained loan growth, improved NIMs and higher non-interest income from Treasury and Markets operations partially offset by higher overhead expenses and provisions. On a sequential basis, the 4Q12 net profit was 1.2% higher than 3Q12.

CIMB Niaga's gross loans grew 15.7% Y-o-Y for FY12 mainly driven by the business banking and retail segments. The Gross NPL of 2.3% as at end-December 2012 was an improvement from the 2.6% in FY11. CIMB Niaga's loan loss coverage (based on BI definition) stood at 114.2% as at end-FY12 compared to 104.0% as at end-FY11.

CIMB Niaga's core capital and risk weighted capital ratios stood at 12.3% and 15.1% respectively as at 31 December 2012.

CIMB Thai Results

On 18 January 2013, CIMB Thai announced a FY12 net profit of THB1,581 million, a 20.1% growth from the THB1,316 million in FY11. CIMB Thai's 4Q12 net profit declined 84.8% to THB160 million due to the THB1,344 million share of recoveries from bad loans managed by TAMC in 3Q12. The loan loss charge for FY12 increased to 1.0% from 0.9% previously as CIMB Thai continued to increase loan provisions.

As at 31 December 2012, CIMB Thai's core capital and risk weighted capital ratios were at 10.3% and 16.2% respectively. CIMB Thai's net NPL ratio fell to 2.0% compared to 2.3% as at 31 December 2011.

CIMB Islamic

CIMB Islamic's Y-o-Y PBT increased 19.8% to RM535.5 million. CIMB Islamic's gross financing assets grew 17.3% Y-o-Y, accounting for 16.0% of total Group loans. Total deposits grew by 20.6% Y-o-Y to RM35.3 billion.

Market Shares

CIMB remained the no.1 investment bank in ASEAN. In Malaysia and Singapore, we were the top brokerage house while in Malaysia, Thailand and Singapore, we topped the IPO league tables. For Malaysia we were also no.1 for Equity Capital Markets ("ECM") and Debt Capital Markets ("DCM"). In consumer banking, our market positions remained largely intact but we lost some ground in Malaysian residential mortgages and credit cards and Indonesian mortgages, and gained ground in Indonesian credit cards, Malaysian auto loans and retail deposits.

Geographic Expansion

In 2012, CIMB Group commenced investment banking operations in Australia and is on schedule to commence investment banking operations in Taiwan, Korea and India in 1Q13. The Group is also in negotiations for the acquisition of Bank of Commerce in the Philippines and in the process of establishing bank branches in Laos, Shanghai and Hong Kong.

B2. CORPORATE DEVELOPMENTS

The significant corporate developments in 2012 were:

(a) Capital Management

- On 21 February 2012, CIMB Thai fully redeemed its USD40 mil subordinated notes.
- On 8 March 2012, CIMB Thai announced a 3-for-10 rights issue at THB1 per share. On 7 August 2012, the offering was completed and CIMB Thai successfully raised a total capital of THB4.769 billion.
- On 20 September 2012, CIMB Islamic Bank completed the issuance of a 10-year RM300 million Tier 2 Junior Sukuk.
- On 30 October 2012, CIMB Niaga completed the issuance of a IDR2,000 billion Senior Bond which comprises a 3-year Series A of IDR600 billion and a 5-year Series B of IDR1,400 billion.
- On 9 November 2012, CIMB Thai completed the issuance of a THB3,000 million Tier 2 subordinated debt.
- On 22 November 2012, CIMB Niaga Auto Finance completed the issuance of a IDR600 billion Senior Bond.
- On 30 November 2012, CIMB Bank completed the issuance of a 10-year RM1.5 billion Tier 2 subordinated debt.
- On 18 January 2013, CIMB Group proposed the establishment of a dividend reinvestment scheme (“DRS”) that would allow shareholders the option to elect to reinvest dividends in new CIMB Group shares. At an EGM on 25 February 2013, CIMB Group shareholders approved the proposed DRS.

(b) Mergers and Acquisitions

- On 15 February 2012, CIMB Securities International (“CSI”) completed the acquisition of 70.06% interest in SICCO Securities plc (“SSEC”) in Thailand for THB767.9 million. On the same date, CSI announced the purchase of shares from the market bringing its interest to 82.06%. CSI subsequently made a tender offer for the remaining shares it does not own and upon completion of the tender offer on 11 April 2012 CSI owned approximately 97.37% of SSEC. On 12 September 2012, CSI acquired an additional 2.22% interest via a delisting tender offer, raising its effective interest to 99.59%.
- On 2 April 2012, CIMB Group entered into a sales and purchase agreement with The Royal Bank of Scotland (“RBS”) for the proposed acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in Australia, China, Hong Kong, India, Taiwan, Indonesia, Malaysia, Singapore and Thailand for GBP88.4 million (approximately RM431.8 mil). On 30 June 2012, the acquisition of the businesses in Indonesia, Malaysia, Singapore and Thailand were completed. On 12 July 2012, the proposed acquisition of the business in India was terminated due to a legal issue arising in connection with the sale of the India Business by RBS. On 2 November 2012, the acquisition of the businesses in Australia was completed.
- On 5 March 2012, CIMB Securities (Singapore) entered into a strategic collaboration agreement with John Keells Stock Brokers to facilitate CIMB Group’s stock broking business in Sri Lanka.
- On 8 May 2012, CIMB Bank entered into share purchase agreements with San Miguel Properties, San Miguel Corporation Retirement Plan, Q-Tech Alliance Holdings and various minority shareholders for the proposed acquisition of 59.98% in Bank of Commerce in the Philippines for PHP12,203 million (RM881 million). On 7 November 2012, Bank Negara Malaysia approved the proposed acquisition. On 20 November 2012, the Central Bank of the Republic of the Philippines approved the proposed acquisition subject to certain conditions being met.
- On 17 January 2013, CIMB Group’s wholly-owned subsidiary, CIG Bhd, entered into an implementation agreement with Renggit Ventures Sdn Bhd (“RVSB”), a wholly-owned subsidiary of Khazanah Nasional, for the proposed sale of a 51%-stake in CIMB Aviva Assurance and CIMB Aviva Takaful to RVSB for RM1.11 billion.

B2. CORPORATE DEVELOPMENTS (continued)

(c) Others

- On 18 January 2012, Moody's raised CIMB Niaga's foreign currency long-term/short-term deposit ratings to Baa3/Prime-3 from Ba2/Not Prime and foreign currency issuer rating to Baa3 from Ba1. The revised ratings have stable outlook.
- On 29 March 2012, CIMB Group entered into a 40:60 joint venture with The Rohatyn Group to jointly sponsor, manage and administer the CapAsia Funds.
- On 23 January 2013, Fitch Ratings affirmed both CIMB Bank and CIMB Investment Bank's long-term issuer default ratings at 'BBB+' with stable outlook and simultaneously withdrew all the ratings of CIMB Bank and CIMB Investment Bank, at the request of the banks, for business reasons.
- On 31 January 2013, Moody's revised downwards, alongside six other banks in Malaysia, both CIMB Bank and CIMB Investment Bank's foreign currency (and local currency for CIMB Investment Bank) short-term ratings to Prime 2 from Prime 1, reflecting Moody's observations of the transition risk of short-term ratings that A-3 rated banks represent over time. The revised ratings have stable outlook.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Although still quite fragile, the global operating environment is showing signs of improvement which is key to sustaining growth in Asia. ASEAN economies remain robust although there are downside risks from political events and inflationary pressures.

CIMBG Group is excited about its stronger and enlarged business platform. The Group believes that it can sustain a net ROE of 16% for 2013 on its higher capital and cost base, by driving revenues and efficiencies especially from our newly merged business units and enlarged Investment Banking operations.

B4. TAXATION

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	421,423	314,017	1,437,484	1,104,240
Deferred tax expense	(54,658)	(34,072)	(73,615)	92,485
Over-accrual in prior years	(85,009)	(20,141)	(82,783)	(67,909)
	281,756	259,804	1,281,086	1,128,816

Reconciliation

Profit before taxation	1,367,008	1,404,436	5,638,311	5,179,729
Tax at statutory income tax rate of 25% (2011: 25%)	341,752	351,243	1,409,578	1,294,932
Effect of different tax rates in other countries and change in tax rates	(108,957)	(59,752)	(101,747)	(58,092)
Due to income not subject to income tax and expenses not deductible for tax purposes	133,970	(11,546)	56,038	(40,115)
Over-accrual in prior years	(85,009)	(20,141)	(82,783)	(67,909)
	281,756	259,804	1,281,086	1,128,816

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

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

B6. REALISED AND UNREALISED PROFITS

	Group	
	31 Dec 2012	31 Dec 2011
	RM'000	RM'000
Total retained earnings of the Group and subsidiaries		
- Realised	9,835,615	8,555,184
- Unrealised	340,878	268,222
	10,176,493	8,823,406
Total share of retained earnings from associates		
- Realised	322,064	158,721
- Unrealised	550	26,503
Total share of retained earnings from jointly controlled entities		
- Realised	46,633	29,932
- Unrealised	1	677
	10,545,741	9,039,239
Consolidation adjustments	680,779	(216,384)
Total group retained earnings as per consolidated financial statements	11,226,520	8,822,855

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

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

B7. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	The Group		
	31 Dec 2012 RM'000	31 Dec 2011 RM'000	1 Jan 2011 RM'000
Bonds and notes*			
Unsecured			
More than one year (medium/long term)	3,350,499	521,225	423,982
	3,350,499	521,225	423,982

* Included in bonds and notes for the current period is IDR denominated bonds equivalent to IDR3,500,000 million, HKD denominated bonds equivalent to HKD 462 million, USD denominated bonds equivalent to USD350 million and THB denominated bonds equivalents to THB7,800 million.

Other borrowings**

Unsecured			
One year or less (short term)	1,601,045	1,059,251	1,501,215
More than one year (medium/long term)	3,985,653	4,264,781	2,282,372
	5,586,698	5,324,032	3,783,587

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

Subordinated Notes***

Unsecured			
More than one year (medium/long term)	13,220,286	11,417,980	9,675,340
	13,220,286	11,417,980	9,675,340

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

B8. MATERIAL LITIGATION

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

B9. COMPUTATION OF EARNINGS PER SHARE (EPS)

Basic EPS

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

a) Basic EPS

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2012 RM'000	31 Dec 2011 RM'000	31 Dec 2012 RM'000	31 Dec 2011 RM'000
Net profit for the financial period after non-controlling interests				
- from continuing operations	1,077,230	1,131,980	4,305,194	4,007,385
- from discontinued operation	4,368	534	39,582	23,413
	1,081,598	1,132,514	4,344,776	4,030,798
Weighted average number of ordinary shares in issue				
- proforma ('000)	7,432,772	7,432,772	7,432,772	7,432,772
Basic earnings per share (expressed in sen per share)				
- from continuing operations	14.5	15.2	57.9	53.9
- from discontinued operation	0.1	0.0	0.5	0.3
	14.6	15.2	58.4	54.2

b) Diluted EPS

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