

**CIMB ISLAMIC BANK BERHAD**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012**

| <u>Assets</u>   |        | 30-Sep-12<br>RM'000 | 31-Dec-11<br>(Restated)<br>RM'000 | 1-Jan-11<br>(Restated)<br>RM'000 |
|---|--------|---------------------|-----------------------------------|----------------------------------|
| Cash and short term funds   | 1      | 3,432,857           | 7,554,885                         | 7,744,407                        |
| Deposits and placements with banks and other financial institutions   | 2      | 850,230             | 1,090,383                         | 950,000                          |
| Financial assets held for trading                                     | 3      | 6,592,242           | 2,753,069                         | 2,347,894                        |
| Financial investments available-for-sale                              | 4      | 1,914,048           | 1,243,668                         | 656,008                          |
| Financial investments held-to-maturity                                | 5      | 687,791             | 690,066                           | 898,714                          |
| Islamic derivative financial instruments                              | 12(i)  | 181,310             | 147,608                           | 150,688                          |
| Financing, advances and other financing/loans                         | 6      | 31,358,517          | 28,074,104                        | 22,424,577                       |
| Other assets  | 7      | 187,025             | 299,017                           | 334,227                          |
| Deferred taxation   |        | 12,279              | 6,359                             | 4,307                            |
| Amount due from holding company                                       |        | -                   | -                                 | 245,034                          |
| Amount due from related companies                                     |        | 905                 | 1,760                             | 828                              |
| Statutory deposits with Bank Negara Malaysia                          |        | 1,234,269           | 1,097,797                         | 143,406                          |
| Property, plant and equipment   |        | 3,007               | 3,899                             | 1,862                            |
| Intangible assets   |        | 4,185               | 4,170                             | 4,287                            |
| Goodwill  |        | 136,000             | 136,000                           | 136,000                          |
| <b>Total Assets</b>   |        | <b>46,594,665</b>   | <b>43,102,785</b>                 | <b>36,042,239</b>                |
| <b><u>Liabilities</u></b>   |        |                     |                                   |                                  |
| Deposits from customers   | 8      | 30,728,717          | 29,238,470                        | 22,677,955                       |
| Deposits and placements of banks and other financial institutions     | 9      | 11,848,232          | 10,250,833                        | 11,125,028                       |
| Other liabilities   | 10     | 280,177             | 308,946                           | 384,555                          |
| Islamic derivative financial instruments                              | 12(i)  | 511,407             | 395,854                           | 199,199                          |
| Provision for tax and Zakat   |        | 48,756              | 16,614                            | 12,989                           |
| Subordinated Sukuk  | 11     | 860,960             | 564,679                           | 300,000                          |
| Amount due to holding company   |        | 100,025             | 393,673                           | -                                |
| Amount due to related companies                                       |        | 3,457               | 139                               | -                                |
| <b>Total liabilities</b>  |        | <b>44,381,731</b>   | <b>41,169,208</b>                 | <b>34,699,726</b>                |
| <b><u>Equity</u></b>  |        |                     |                                   |                                  |
| <b>Capital and reserves attributable to equity holder of the Bank</b> |        |                     |                                   |                                  |
| Ordinary share capital  |        | 1,000,000           | 1,000,000                         | 750,000                          |
| Reserves  |        | 1,142,934           | 863,577                           | 522,513                          |
|   |        | 2,142,934           | 1,863,577                         | 1,272,513                        |
| Perpetual preference shares   |        | 70,000              | 70,000                            | 70,000                           |
| <b>Total equity</b>   |        | <b>2,212,934</b>    | <b>1,933,577</b>                  | <b>1,342,513</b>                 |
| <b>Total equity and liabilities</b>                                   |        | <b>46,594,665</b>   | <b>43,102,785</b>                 | <b>36,042,239</b>                |
| <b>Commitments and contingencies</b>                                  | 12(ii) | <b>25,417,085</b>   | <b>16,924,373</b>                 | <b>17,877,382</b>                |
| Net assets per share (RM)   |        | 2.14                | 1.86                              | 1.70                             |

*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 ISLAMIC BANK BERHAD**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF INCOME**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

|   |    | INDIVIDUAL QUARTER                      |   | CUMULATIVE QUARTER                       |  |
|---|----|---|---|--|--|
|   |    | QUARTER<br>ENDED<br>30-Sep-12<br>RM'000 | QUARTER<br>ENDED<br>30-Sep-11<br>RM'000 | 9 MONTHS<br>ENDED<br>30-Sep-12<br>RM'000 | 9 MONTHS<br>ENDED<br>30-Sep-11<br>RM'000 |
| Income derived from investment of depositors' funds and others    | 14 | 526,793                                 | 402,224                                 | 1,418,627                                | 1,179,658                                |
| Income derived from investment of shareholders' funds             | 15 | 25,724                                  | 61,273                                  | 158,074                                  | 157,910                                  |
| (Net allowances)/write-back of impairment for losses on financing | 16 | (21,653)                                | (45,210)                                | (58,099)                                 | (49,454)                                 |
| Allowances for other receivables                                  |    | (5)                                     | 4                                       | (91)                                     | (9)                                      |
| Total distributable income  |    | <u>530,859</u>                          | 418,291                                 | <u>1,518,511</u>                         | 1,288,105                                |
| Income attributable to depositors                                 | 17 | <u>(280,848)</u>                        | (242,092)                               | <u>(807,255)</u>                         | (687,679)                                |
| Total net income  |    | <u>250,011</u>                          | 176,199                                 | <u>711,256</u>                           | 600,426                                  |
| Personnel expenses  | 18 | (23,053)                                | (20,879)                                | (57,770)                                 | (49,681)                                 |
| Other overheads and expenditures                                  | 19 | <u>(95,753)</u>                         | (60,817)                                | <u>(280,773)</u>                         | (192,214)                                |
| Profit for the financial period                                   |    | <u>131,205</u>                          | 94,503                                  | <u>372,713</u>                           | 358,531                                  |
| Taxation  | 20 | <u>(33,008)</u>                         | (23,408)                                | <u>(93,762)</u>                          | (89,515)                                 |
| Net profit for the period   |    | <u><u>98,197</u></u>                    | <u><u>71,095</u></u>                    | <u><u>278,951</u></u>                    | <u><u>269,016</u></u>                    |

**CIMB ISLAMIC BANK BERHAD**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

|  |                      |                      |                       |                       |
|--|----------------------|----------------------|-----------------------|-----------------------|
| Profit for the period  | 98,197               | 71,095               | 278,951               | 269,016               |
| Other comprehensive income:                                  |                      |                      |                       |                       |
| Revaluation reserve financial investments available-for-sale |                      |                      |                       |                       |
| - Net (loss)/gain from change in fair value                  |                      |                      |                       |                       |
| - as previously reported                                     | -                    | 781                  | -                     | 6,965                 |
| - movement during the period/effect of adopting MFRS 1       | 1,769                | 1,400                | 5,761                 | 427                   |
| - Realised gain transferred to comprehensive income          | (282)                | (558)                | (5,603)               | (620)                 |
| - Income tax effects   |                      |                      |                       |                       |
| - as previously reported                                     | -                    | 1,214                | -                     | (1,587)               |
| - movement during the period/effect of adopting MFRS 1       | (422)                | (350)                | (90)                  | (107)                 |
| Other comprehensive income for the period, net of tax        | <u>1,065</u>         | <u>2,487</u>         | <u>68</u>             | <u>5,078</u>          |
| Total comprehensive income for the period                    | <u><u>99,262</u></u> | <u><u>73,582</u></u> | <u><u>279,019</u></u> | <u><u>274,094</u></u> |
| Earnings per share (sen)                                     | 9.82                 | 7.11                 | 27.90                 | 26.90                 |

*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 ISLAMIC BANK BERHAD**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

|   | ← Non-distributable     |                             |  |                          |                           |                    | Distributable →                       |                               |                  |                                       |                        |
|---|-------------------------|-----------------------------|--|--------------------------|---------------------------|--------------------|---------------------------------------|-------------------------------|------------------|---------------------------------------|------------------------|
|   | Share capital<br>RM'000 | Statutory reserve<br>RM'000 | Revaluation reserve - financial investments available-for-sale<br>RM'000 | Merger deficit<br>RM'000 | Capital reserve<br>RM'000 | Regulatory reserve | Share-based payment reserve<br>RM'000 | Accumulated profits<br>RM'000 | Total<br>RM'000  | Perpetual preference shares<br>RM'000 | Total equity<br>RM'000 |
| <b>30 September 2012</b>                    |                         |                             |  |                          |                           |                    |                                       |                               |                  |                                       |                        |
| At 1 January 2012, as previously reported   | 1,000,000               | 454,387                     | 8,268  | (2,457)                  | 458                       | 59,113             | 16,499                                | 322,282                       | 1,858,550        | 70,000                                | 1,928,550              |
| Effect of adopting MFRS 1                   | -                       | -                           | 5,027  | -                        | -                         | -                  | -                                     | -                             | 5,027            | -                                     | 5,027                  |
| As restated                                 | 1,000,000               | 454,387                     | 13,295   | (2,457)                  | 458                       | 59,113             | 16,499                                | 322,282                       | 1,863,577        | 70,000                                | 1,933,577              |
| Net profit for the financial period         | -                       | -                           | -  | -                        | -                         | -                  | -                                     | 278,951                       | 278,951          | -                                     | 278,951                |
| Other comprehensive income (net of tax)     | -                       | -                           | 68   | -                        | -                         | -                  | -                                     | -                             | 68               | -                                     | 68                     |
| - Financial investments available-for-sale  | -                       | -                           | 68   | -                        | -                         | -                  | -                                     | -                             | 68               | -                                     | 68                     |
| Total comprehensive income for the period   | -                       | -                           | 68   | -                        | -                         | -                  | -                                     | 278,951                       | 279,019          | -                                     | 279,019                |
| Expiry of Management Equity Scheme          | -                       | -                           | -  | -                        | -                         | -                  | (16,279)                              | 16,279                        | -                | -                                     | -                      |
| Share-based payment expense                 | -                       | -                           | -  | -                        | -                         | -                  | 473                                   | -                             | 473              | -                                     | 473                    |
| Transfer to regulatory reserve              | -                       | -                           | -  | -                        | -                         | 49,018             | -                                     | (49,018)                      | -                | -                                     | -                      |
| Transfer to statutory reserve               | -                       | 90,377                      | -  | -                        | -                         | -                  | -                                     | (90,377)                      | -                | -                                     | -                      |
| Shares released under Equity Ownership Plan | -                       | -                           | -  | -                        | -                         | -                  | (135)                                 | -                             | (135)            | -                                     | (135)                  |
| <b>At 30 September 2012</b>                 | <b>1,000,000</b>        | <b>544,764</b>              | <b>13,363</b>  | <b>(2,457)</b>           | <b>458</b>                | <b>108,131</b>     | <b>558</b>                            | <b>478,117</b>                | <b>2,142,934</b> | <b>70,000</b>                         | <b>2,212,934</b>       |
| <b>30 September 2011</b>                    |                         |                             |  |                          |                           |                    |                                       |                               |                  |                                       |                        |
| At 1 January 2011, as previously reported   | 750,000                 | 286,521                     | 5,082  | (2,457)                  | 458                       | 7,405              | -                                     | 221,658                       | 1,268,667        | 70,000                                | 1,338,667              |
| Effect of adopting MFRS 1                   | -                       | -                           | 3,846  | -                        | -                         | -                  | 15,159                                | (15,159)                      | 3,846            | -                                     | 3,846                  |
| As restated                                 | 750,000                 | 286,521                     | 8,928  | (2,457)                  | 458                       | 7,405              | 15,159                                | 206,499                       | 1,272,513        | 70,000                                | 1,342,513              |
| Issuance of shares                          | 250,000                 | -                           | -  | -                        | -                         | -                  | -                                     | -                             | 250,000          | -                                     | 250,000                |
| Net profit for the financial period         | -                       | -                           | -  | -                        | -                         | -                  | -                                     | 269,016                       | 269,016          | -                                     | 269,016                |
| Other comprehensive income (net of tax)     | -                       | -                           | 5,078  | -                        | -                         | -                  | -                                     | -                             | 5,078            | -                                     | 5,078                  |
| - Financial investments available-for-sale  | -                       | -                           | 5,078  | -                        | -                         | -                  | -                                     | -                             | 5,078            | -                                     | 5,078                  |
| Total comprehensive income for the period   | -                       | -                           | 5,078  | -                        | -                         | -                  | -                                     | 269,016                       | 274,094          | -                                     | 274,094                |
| Share-based payment expense                 | -                       | -                           | -  | -                        | -                         | -                  | 815                                   | -                             | 815              | -                                     | 815                    |
| Transfer to regulatory reserve              | -                       | -                           | -  | -                        | -                         | 22,501             | -                                     | (22,501)                      | -                | -                                     | -                      |
| Transfer to statutory reserve               | -                       | 98,962                      | -  | -                        | -                         | -                  | -                                     | (98,962)                      | -                | -                                     | -                      |
| <b>At 30 September 2011, as restated</b>    | <b>1,000,000</b>        | <b>385,483</b>              | <b>14,006</b>  | <b>(2,457)</b>           | <b>458</b>                | <b>29,906</b>      | <b>15,974</b>                         | <b>354,052</b>                | <b>1,797,422</b> | <b>70,000</b>                         | <b>1,867,422</b>       |

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 ISLAMIC BANK BERHAD**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

|   | 30-Sep-12<br>RM'000     | 30-Sep-11<br>RM'000     |
|---|-------------------------|-------------------------|
| Profit before taxation  | 372,713                 | 358,531                 |
| Adjustments for non-cash items                                  | <u>(40,595)</u>         | <u>(44,329)</u>         |
| Operating profit before changes in working capital              | 332,118                 | 314,202                 |
| Net changes in operating assets                                 | (6,994,251)             | (3,014,825)             |
| Net changes in operating liabilities                            | 2,885,244               | 1,044,798               |
| Tax paid  | <u>(66,075)</u>         | <u>(18,690)</u>         |
| <b>Net cash used in operating activities</b>                    | <b>(3,842,964)</b>      | <b>(1,674,515)</b>      |
| Net cash flows (used in)/generated from investing activities    | (579,064)               | (363,037)               |
| Net cash flows from financing activities                        | <u>300,000</u>          | <u>511,129</u>          |
| <b>Net change in cash and cash equivalents</b>                  | <b>(4,122,028)</b>      | <b>(1,526,423)</b>      |
| Cash and cash equivalents at beginning of the financial period  | 7,554,885               | 7,744,407               |
| <b>Cash and cash equivalents at end of the financial period</b> | <b><u>3,432,857</u></b> | <b><u>6,217,984</u></b> |

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

## EXPLANATORY NOTES

### A. 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 Bank prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

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

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

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

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

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

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Bank 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 21.

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

### B. CHANGES IN ESTIMATES

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

### C. ISSUANCE AND REPAYMENT OF DEBT EQUITY SECURITIES

On 18 September 2012, the Bank had 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 will mature on 18 September 2022, with the optional redemption on 18 September 2017 or any periodic payment date thereafter, subject to the prior approval of 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.

### D. PROPOSED DIVIDEND

There were no dividends paid or proposed for the period ended 30 September 2012.

### E. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events that had occurred between 30 September 2012 and the date of this announcement.

### F. PERFORMANCE REVIEW

For the quarter ended 30 September 2012, the Bank registered a profit after tax of RM98.2 million, an increase of 38.1% from a profit after tax of RM71.1 million in the previous year corresponding period.

### G. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Bank momentum is strong going into 4Q12 but so are the external headwinds as growth in the region has slowed. But the Bank remains optimistic as its corporate deal pipeline is good. These are key to strengthening the Bank's competitive edge across various businesses and achieving its long term aspirations.

|  | 30-Sep-12<br>RM'000 | 31-Dec-11<br>RM'000 |
|--|---------------------|---------------------|
| <b>Notes to the accounts</b>   |                     |                     |
| <b>1 Cash and short-term funds</b>   |                     |                     |
| Cash and balances with banks and other financial institutions  | 125,663             | 142,823             |
| Money at call and deposit placements maturing within one month   | 3,307,194           | 7,412,062           |
|  | <u>3,432,857</u>    | <u>7,554,885</u>    |
| <b>2 Deposits and placements with banks and other financial institutions</b>   |                     |                     |
| Licensed Islamic banks   | 150,238             | 574,739             |
| Licensed banks   | 245,529             | 286,280             |
| Licensed Investment banks  | 153,340             | 229,364             |
| Other financial institutions   | 301,123             | -                   |
|  | <u>850,230</u>      | <u>1,090,383</u>    |
| <b>3 Financial assets held for trading</b>   |                     |                     |
| <b>Money market instruments</b>  |                     |                     |
| <b>Unquoted</b>  |                     |                     |
| Malaysian Government treasury bills  | 9,881               | 9,734               |
| Government investment issues   | 191,602             | 95,456              |
| Islamic negotiable instruments of deposits   | 2,148,930           | 504,157             |
| Islamic accepted bills   | 493,063             | 146,891             |
| Bank Negara negotiable notes   | 3,413,755           | 1,806,188           |
| Malaysian Government Securities  | -                   | 20,163              |
|  | <u>6,257,231</u>    | <u>2,582,589</u>    |
| <b>Unquoted securities</b>   |                     |                     |
| Islamic private debt securities  | 335,011             | 170,480             |
|  | <u>6,592,242</u>    | <u>2,753,069</u>    |
|  | <b>30-Sep-12</b>    | <b>31-Dec-11</b>    |
|  | <b>RM'000</b>       | <b>(Restated)</b>   |
|  |                     | <b>RM'000</b>       |
| <b>4 Financial investments available-for-sale</b>  |                     |                     |
| <b>Money market instruments</b>  |                     |                     |
| <b>Unquoted</b>  |                     |                     |
| Government investment issues   | 664,293             | 451,966             |
| Islamic Cagamas bonds  | 20,814              | 35,857              |
| Malaysian Government Securities  | 33,969              | 33,697              |
|  | <u>719,076</u>      | <u>521,520</u>      |
| <b>Unquoted securities</b>   |                     |                     |
| Islamic private debt securities  | 1,194,397           | 721,573             |
| Placement with IBFIM   | 575                 | 575                 |
|  | <u>1,914,048</u>    | <u>1,243,668</u>    |
| On 1 January 2012, the Bank designated a previously held financial investments held-to-maturity to financial investments available-for-sale, as allowed under MFRS 1. The fair value and carrying amount of the financial investments held-to-maturity of the Bank at the date of designation is RM 481,702,746 and RM 487,291,490 respectively. |                     |                     |
|  | <b>30-Sep-12</b>    | <b>31-Dec-11</b>    |
|  | <b>RM'000</b>       | <b>(Restated)</b>   |
|  |                     | <b>RM'000</b>       |
| <b>5 Financial investments held-to-maturity</b>  |                     |                     |
| <b>Money market instruments</b>  |                     |                     |
| <b>Unquoted securities</b>   |                     |                     |
| Islamic private debt securities  | 687,829             | 691,817             |
| Amortisation of premium less accretion of discount   | (38)                | (1,751)             |
|  | <u>687,791</u>      | <u>690,066</u>      |

|  | 30-Sep-12<br>RM'000      | 31-Dec-11<br>RM'000      |
|--|--------------------------|--------------------------|
| <b>6 Financing, advances and other financing/loans</b>   |                          |                          |
| <b>(i) By type of financing:</b>   |                          |                          |
| Cash line  | 391,326                  | 373,056                  |
| Term financing   |                          |                          |
| - House financing  | 7,946,322                | 7,134,214                |
| - Syndicated financing   | 383,298                  | 192,065                  |
| - Hire purchase receivables  | 6,163,061                | 5,410,652                |
| - Other term financing   | 14,913,794               | 14,444,297               |
| Bills receivable   | 2,567                    | 2,581                    |
| Islamic trust receipts   | 35,386                   | 35,391                   |
| Claims on customer under Islamic accepted bills  | 318,428                  | 233,479                  |
| Credit card receivables  | 99,836                   | 104,078                  |
| Revolving credits  | 1,225,042                | 423,325                  |
| Share purchase financing   | 87,667                   | -                        |
| Gross financing, advances and other financing/loans  | <u>31,566,727</u>        | <u>28,353,138</u>        |
| Fair value changes arising from fair value hedges  | 276,943                  | 241,966                  |
| Less : Allowance for impairment losses   |                          |                          |
| - Individual impairment allowance  | (61,466)                 | (103,256)                |
| - Portfolio impairment allowance   | (423,687)                | (417,744)                |
| Total net financing, advances and other financing/loans  | <u><u>31,358,517</u></u> | <u><u>28,074,104</u></u> |
| The Bank has undertaken fair value hedges on financing using Islamic profit rate swaps.  |                          |                          |
| Gross financing hedged   | 5,500,000                | 4,350,000                |
| Fair value changes arising from fair value hedges  | 276,943                  | 241,966                  |
|  | <u>5,776,943</u>         | <u>4,591,966</u>         |
| The fair value loss on Islamic profit rate swaps in this hedge transaction as at 30 September 2012 were RM343 million (31 December 2011 : fair value loss of RM262 million). |                          |                          |
| <b>(ii) By geographical distribution:</b>  |                          |                          |
| Malaysia   | <u>31,566,727</u>        | <u>28,353,138</u>        |
|  | <u><u>31,566,727</u></u> | <u><u>28,353,138</u></u> |
| <b>(iii) By contract :</b>   |                          |                          |
| Bai' Bithaman Ajil ( <i>deferred payment sale</i> )  | 12,375,718               | 11,569,606               |
| Ijarah Muntahiyah Bittamlik/AITAB ( <i>lease ending with ownership</i> )   | 7,067,828                | 6,299,331                |
| Murabahah ( <i>cost plus sale</i> )  | 284,778                  | 226,767                  |
| Bai' al-'inah ( <i>sale and repurchase</i> )   | 11,649,933               | 9,913,017                |
| Others   | 188,470                  | 344,417                  |
|  | <u>31,566,727</u>        | <u>28,353,138</u>        |
| <b>(iv) By type of customer :</b>  |                          |                          |
| Domestic non-bank financial institutions   |                          |                          |
| - Others   | 505,404                  | 357,211                  |
| Domestic business enterprises  |                          |                          |
| - Small medium enterprises   | 1,263,017                | 1,332,710                |
| - Others   | 4,522,326                | 3,146,765                |
| Government and statutory bodies  | 6,600,517                | 6,545,671                |
| Individuals  | 18,415,987               | 16,714,078               |
| Other domestic entities  | 16,716                   | 12,445                   |
| Foreign entities   | 242,760                  | 244,258                  |
|  | <u>31,566,727</u>        | <u>28,353,138</u>        |

|  | 30-Sep-12<br>RM'000 | 31-Dec-11<br>RM'000 |
|--|---------------------|---------------------|
| <b>(v) By profit rate sensitivity :</b>                      |                     |                     |
| Fixed rate   |                     |                     |
| - House financing  | 333,084             | 402,488             |
| - Hire purchase receivables                                  | 6,163,061           | 5,410,652           |
| - Others   | 12,046,684          | 11,924,643          |
| Variable rate  |                     |                     |
| - House financing  | 7,613,237           | 6,731,726           |
| - Other financing  | 5,410,661           | 3,883,629           |
|  | <u>31,566,727</u>   | <u>28,353,138</u>   |
| <b>(vi) By economic purpose :</b>                            |                     |                     |
| Personal use   | 3,143,665           | 3,179,054           |
| Credit card  | 99,836              | 104,078             |
| Construction   | 1,821,973           | 1,014,686           |
| Residential property   | 7,978,329           | 7,163,093           |
| Non-residential property                                     | 2,160,047           | 1,926,886           |
| Purchase of fixed assets other than land and building        | 356,229             | 428,357             |
| Merger and acquisition                                       | 23,910              | 34,787              |
| Purchase of securities                                       | 88,414              | 10                  |
| Purchase of transport vehicles                               | 6,174,013           | 5,410,377           |
| Working capital  | 7,036,469           | 6,641,897           |
| Other purpose  | 2,683,842           | 2,449,913           |
|  | <u>31,566,727</u>   | <u>28,353,138</u>   |
| <b>(vii) By residual contractual maturity :</b>              |                     |                     |
| Within one year  | 2,378,735           | 651,916             |
| One year to less than three years                            | 893,997             | 638,507             |
| Three years to less than five years                          | 2,601,824           | 1,514,944           |
| Five years and more  | 25,692,171          | 25,547,771          |
|  | <u>31,566,727</u>   | <u>28,353,138</u>   |
| <b>(viii) Impaired financing by economic purpose :</b>       |                     |                     |
| Personal use   | 14,227              | 19,240              |
| Credit card  | 3,749               | 4,506               |
| Construction   | 902                 | 3,319               |
| Residential property   | 91,526              | 85,570              |
| Non-residential property                                     | 39,597              | 27,302              |
| Purchased of fixed assets other than land & building         | 2,014               | 1,154               |
| Purchase of securities                                       | 3                   | 3                   |
| Purchase of transport vehicles                               | 115,880             | 99,353              |
| Working capital  | 64,384              | 96,005              |
| Other purpose  | 7,066               | 9,326               |
|  | <u>339,348</u>      | <u>345,778</u>      |
| <b>(ix) Impaired financing by geographical distribution:</b> |                     |                     |
| Malaysia   | 339,348             | 345,778             |
|  | <u>339,348</u>      | <u>345,778</u>      |



|  | 30-Sep-12<br>RM'000 | 31-Dec-11<br>RM'000 |
|--|---------------------|---------------------|
| <b>(x) Movement in impaired financing, advances and other financing/loans :</b>          |                     |                     |
| Balance as at 1 January  | 345,778             | 335,879             |
| Impaired during the period/year  | 293,570             | 349,997             |
| Reclassification from unwinding income   | 16,825              | -                   |
| Reclassified as non-impaired during the period/year                                      | (108,188)           | (122,608)           |
| Recoveries   | (56,860)            | (90,543)            |
| Amount written off   | (151,777)           | (126,947)           |
| Balance as at 30 September/31 December   | <u>339,348</u>      | <u>345,778</u>      |
| Ratio of gross impaired financing to total financing advances, and other financing/loans | 1.08%               | 1.22%               |

**(xi) Movements in allowance for impaired financing :**

**Individual impairment allowance**

|   |               |                |
|---|---------------|----------------|
| Balance as at 1 January                   | 103,256       | 92,683         |
| Net allowance made during the period/year | 2,138         | 16,491         |
| Unwinding income                          | 4,090         | (1,477)        |
| Amount written off                        | (48,018)      | (4,441)        |
| Balance as at 30 September/31 December    | <u>61,466</u> | <u>103,256</u> |

**Portfolio impairment allowance**

|   |                |                |
|---|----------------|----------------|
| Balance as at 1 January                   | 417,744        | 240,490        |
| Net allowance made during the period/year | 98,463         | 135,113        |
| Transfer from/(to) CIMB Bank              | -              | 166,234        |
| Unwinding income                          | 6,019          | (4,181)        |
| Amount written off                        | (98,539)       | (119,912)      |
| Balance as at 30 September/31 December    | <u>423,687</u> | <u>417,744</u> |

|   |       |       |
|---|-------|-------|
| Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other financing/loans (excluding RPSIA financing) less individual impairment allowance | 2.30% | 2.31% |
|---|-------|-------|

**7 Other assets**

|  |                |                |
|--|----------------|----------------|
| Deposits and prepayments                       | 103            | 150            |
| Sundry debtors                                 | 51,407         | 153,626        |
| Collateral pledged for derivative transactions | 31,430         | 52,090         |
| Clearing accounts                              | 104,085        | 93,151         |
|  | <u>187,025</u> | <u>299,017</u> |

|   | 30-Sep-12<br>RM'000      | 31-Dec-11<br>RM'000      |
|---|--------------------------|--------------------------|
| <b>8 Deposits from customers</b>  |                          |                          |
| <b>(i) By type of deposit</b>   |                          |                          |
| <u>Mudharabah</u>   |                          |                          |
| Demand deposits   | 3,775,231                | 2,550,795                |
| Savings deposits  | 491,061                  | 397,201                  |
| General investment deposits   | 988,245                  | 1,038,405                |
| Special general investment deposits   | 857,815                  | 6,987,965                |
| Specific investment deposits  | 1,324,850                | 1,755,961                |
|   | <u>7,437,202</u>         | <u>12,730,327</u>        |
| <br><u>Non-Mudharabah</u>   |                          |                          |
| Demand deposits   | 2,929,523                | 3,028,707                |
| Savings deposits  | 1,127,832                | 932,787                  |
| Fixed return investment deposit   | 5,230,257                | 5,564,248                |
| Negotiable instruments of deposit   | 1,994,498                | 2,510,276                |
| Commodity Murabahah   | 515                      | 440,600                  |
| Short term money market deposit-i   | 11,968,043               | 3,994,930                |
| Others  | 40,847                   | 36,595                   |
|   | <u>23,291,515</u>        | <u>16,508,143</u>        |
|   | <u><u>30,728,717</u></u> | <u><u>29,238,470</u></u> |
| <br><b>(ii) Maturity structure of investment deposits and negotiable instruments of deposit</b> |                          |                          |
| One year or less (short term)   | 21,407,195               | 21,120,979               |
| More than one year (medium/long term)   | 957,028                  | 1,171,406                |
|   | <u>22,364,223</u>        | <u>22,292,385</u>        |
| <br><b>(iii) By type of customer</b>  |                          |                          |
| Government and statutory bodies   | 5,370,544                | 5,322,304                |
| Business enterprises  | 12,332,193               | 8,919,066                |
| Individuals   | 4,328,594                | 4,122,166                |
| Others  | 8,697,386                | 10,874,934               |
|   | <u>30,728,717</u>        | <u>29,238,470</u>        |
| <br><b>9 Deposits and placements of banks and other financial institutions</b>                  |                          |                          |
| <u>Mudharabah</u>   |                          |                          |
| Licensed Islamic banks  | 505,790                  | 301,187                  |
| Licensed banks  | 1,781,832                | 1,064,923                |
| Licensed investment banks   | 1,094,750                | 853,083                  |
|   | <u>3,382,372</u>         | <u>2,219,193</u>         |
| <br><u>Non-Mudharabah</u>   |                          |                          |
| Licensed Islamic banks  | 801,649                  | 15,887                   |
| Licensed banks  | 7,199,589                | 8,007,406                |
| Licensed investment banks   | 11,487                   |                          |
| Other financial institutions  | 453,135                  | 8,347                    |
|   | <u>8,465,860</u>         | <u>8,031,640</u>         |
|   | <u><u>11,848,232</u></u> | <u><u>10,250,833</u></u> |

|                             | <b>30-Sep-12</b>      | 31-Dec-11      |
|-----------------------------|-----------------------|----------------|
|                             | <b>RM'000</b>         | RM'000         |
| <b>10 Other liabilities</b> |                       |                |
| Accruals and other payables | <b>63,386</b>         | 78,679         |
| Clearing accounts           | <b>185,276</b>        | 215,259        |
| Others                      | <b>31,515</b>         | 15,008         |
|                             | <u><b>280,177</b></u> | <u>308,946</u> |

**11 Subordinated sukuk**

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

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

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

On 18 September 2012, the Bank had issued the third tranche of Sukuk of RM300 million at par and is due on 18 September 2022, with the optional redemption on 18 September 2017 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.00% per annum, payable semi-annually in arrears.

The RM850 million Sukuk qualifies as Tier-2 capital for the purpose of the RWCR computation.

## 12 Islamic derivative financial instruments, commitments and contingencies

### (i) Islamic derivative financial instruments

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

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

|  | 30-September-12   |                |                  | 31-Dec-11         |                |                  |
|--|-------------------|----------------|------------------|-------------------|----------------|------------------|
|  | Principal amount  | Fair values    | Fair values      | Principal amount  | Fair values    | Fair values      |
|  | RM'000            | Assets         | Liabilities      | RM'000            | Assets         | Liabilities      |
| <u>Foreign exchange derivatives</u>          |                   |                |                  |                   |                |                  |
| Currency forwards                            |                   |                |                  |                   |                |                  |
| - Less than 1 year                           | 945,293           | 9,410          | (22,232)         | 463,003           | 8,586          | (1,641)          |
| - 1 year to 3 years                          | 99,252            | 1,453          | (1,196)          | -                 | -              | -                |
| - More than 3 years                          | 660,784           | 17,221         | (8,360)          | -                 | -              | -                |
| Currency swaps                               |                   |                |                  |                   |                |                  |
| - Less than 1 year                           | 2,250,229         | 21,171         | (40,116)         | 1,266,140         | 10,986         | (8,785)          |
| Currency spot                                |                   |                |                  |                   |                |                  |
| - Less than 1 year                           | 1,226             | 2              | (1)              | 1,425             | 2              | -                |
| Currency options                             |                   |                |                  |                   |                |                  |
| - Less than 1 year                           | 55,719            | 351            | (351)            | 67,409            | 714            | (714)            |
| Cross currency profit rate swaps             |                   |                |                  |                   |                |                  |
| - 1 year to 3 years                          | 91,274            | 5,349          | (5,349)          | 89,714            | 2,867          | (2,867)          |
| - More than 3 years                          | 240,400           | 12,071         | (12,071)         | 240,400           | 13,071         | (13,072)         |
|  | <u>4,344,177</u>  | <u>67,028</u>  | <u>(89,676)</u>  | <u>2,128,091</u>  | <u>36,226</u>  | <u>(27,079)</u>  |
| <u>Islamic profit rate derivatives</u>       |                   |                |                  |                   |                |                  |
| Islamic profit rate swaps                    | 8,077,580         | 82,290         | (52,273)         | 5,290,799         | 92,632         | (95,791)         |
| - Less than 1 year                           | 1,076,230         | 7,847          | (441)            | 1,391,478         | 6,831          | (618)            |
| - 1 year to 3 years                          | 1,606,447         | 12,896         | (9,093)          | 1,593,464         | 26,473         | (3,785)          |
| - More than 3 years                          | 5,394,903         | 61,547         | (42,739)         | 2,305,857         | 59,328         | (91,388)         |
| <u>Equity related derivatives</u>            |                   |                |                  |                   |                |                  |
| Equity options                               | 1,574,960         | 23,124         | (23,124)         | 1,896,611         | 10,555         | (10,555)         |
| - Less than 1 year                           | 680,595           | 3,057          | (3,057)          | 208,568           | -              | -                |
| - 1 year to 3 years                          | 226,078           | 3,557          | (3,557)          | 802,576           | 351            | (351)            |
| - More than 3 years                          | 668,287           | 16,510         | (16,510)         | 885,467           | 10,204         | (10,204)         |
| <u>Held for hedging purpose</u>              |                   |                |                  |                   |                |                  |
| Islamic profit rate swaps                    | 6,078,440         | 8,868          | (346,334)        | 4,629,498         | 8,195          | (262,429)        |
| - More than 3 years                          | 6,078,440         | 8,868          | (346,334)        | 4,629,498         | 8,195          | (262,429)        |
| <b>Total derivative assets/(liabilities)</b> | <u>20,075,157</u> | <u>181,310</u> | <u>(511,407)</u> | <u>13,944,999</u> | <u>147,608</u> | <u>(395,854)</u> |

#### Market Risk

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

#### Credit Risk

Credit risk arises when counterparties to derivative contracts, such as profit rate swaps, are not able to or willing to fulfil their obligation to pay the Bank the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2012 the amount of credit risk in the Bank, measured in terms of the cost to replace the profitable contracts, was RM181million (31 December 2011: RM148 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Bank are discussed in the audited annual financial statements for the financial year ended 31 December 2011

## 12 Islamic derivative financial instruments, commitments and contingencies

### (ii) Commitments and contingencies

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

The commitments and contingencies constitute the following :

|   | <b>30-Sep-12</b>  | 31-Dec-11         |
|---|-------------------|-------------------|
|   | <b>Principal</b>  | Principal         |
|   | <b>amount</b>     | amount            |
|   | <b>RM'000</b>     | RM'000            |
| <u>Credit-related</u>                                   |                   |                   |
| Direct credit substitutes                               | 194,512           | 28,627            |
| Certain transaction-related contingent items            | 383,555           | 345,460           |
| Short-term self-liquidating trade-related contingencies | 163,284           | 249,517           |
| Irrevocable commitments to extend credit :              |                   |                   |
| - maturity not exceeding one year                       | 3,654,750         | 1,469,541         |
| - maturity exceeding one year                           | 910,860           | 857,762           |
| Miscellaneous commitments and contingencies             | 34,967            | 28,467            |
| Total credit-related commitments and contingencies      | <u>5,341,928</u>  | <u>2,979,374</u>  |
| <u>Treasury-related</u>                                 |                   |                   |
| Foreign exchange related contracts :                    |                   |                   |
| - less than one year                                    | 3,252,467         | 1,797,977         |
| - one year to less than five years                      | 196,004           | 89,714            |
| - above 5 years   | 895,706           | 240,400           |
| Profit rate related contracts :                         |                   |                   |
| - less than one year                                    | 1,076,230         | 1,391,478         |
| - one year to less than five years                      | 4,591,216         | 2,712,481         |
| - over five years                                       | 8,488,574         | 5,816,338         |
| Equity related contracts :                              |                   |                   |
| - less than one year                                    | 680,595           | 208,568           |
| - one year to less than five years                      | 438,245           | 962,110           |
| - above 5 years   | 456,120           | 725,933           |
| Total treasury-related commitments and contingencies    | <u>20,075,157</u> | <u>13,944,999</u> |
|   | <u>25,417,085</u> | <u>16,924,373</u> |

### 13 CAPITAL ADEQUACY

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

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

|                             | <b>30-Sep-12</b>        | 31-Dec-11        |
|-----------------------------|-------------------------|------------------|
|                             | <b>RM'000</b>           | RM'000           |
| Tier I capital              | <b>1,852,954</b>        | 1,714,378        |
| Eligible Tier II capital    | <b>947,537</b>          | 654,979          |
| Capital base                | <b><u>2,800,491</u></b> | <u>2,369,357</u> |
| Core capital ratio          | <b>9.42%</b>            | <b>10.44%</b>    |
| Risk-weighted capital ratio | <b>14.23%</b>           | <b>14.42%</b>    |

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

|   |                                |                         |
|---|--------------------------------|-------------------------|
| <u>Tier I capital</u>                                       |                                |                         |
| Paid-up share capital                                       | <b>1,000,000</b>               | 1,000,000               |
| Perpetual preference share                                  | <b>70,000</b>                  | 70,000                  |
| Retained profits and other reserves                         | <b>932,078</b>                 | 791,169                 |
|   | <b><u>2,002,078</u></b>        | <u>1,861,169</u>        |
| Less : Goodwill   | <b>(136,000)</b>               | (136,000)               |
| Less : Deferred taxation                                    | <b>(13,124)</b>                | (10,791)                |
| <b>Total Tier- I Capital</b>                                | <b>1,852,954</b>               | 1,714,378               |
| <u>Tier II capital</u>                                      |                                |                         |
| Subordinated sukuk  | <b>850,000</b>                 | 550,000                 |
| Regulatory reserve  | <b>108,131</b>                 | 59,113                  |
| Portfolio impairment allowance <sup>^</sup>                 | <b>53,382</b>                  | 64,585                  |
| Excess of total expected loss over total eligible provision | <b>(63,976)</b>                | (18,719)                |
| <b>Total Tier II capital</b>                                | <b>947,537</b>                 | 654,979                 |
| <b>Total capital base</b>                                   | <b><u><u>2,800,491</u></u></b> | <u><u>2,369,357</u></u> |

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

|   |                                 |                          |
|---|---------------------------------|--------------------------|
| Risk weighted assets for credit risk      | <b>17,250,146</b>               | 14,677,578               |
| Risk weighted assets for market risk      | <b>803,714</b>                  | 346,673                  |
| Risk weighted assets for operational risk | <b>1,620,922</b>                | 1,402,324                |
|   | <b><u><u>19,674,782</u></u></b> | <u><u>16,426,575</u></u> |

<sup>^</sup> The capital base of the Bank as at 30 September 2012 has excluded portfolio impairment allowance on impaired financings for standardise approach assets restricted from Tier II capital of RM 15,371,666( 2011 : RM21,373,892).

**Notes to the accounts**

|   | INDIVIDUAL QUARTER |                | CUMULATIVE QUARTER |                  |
|---|--------------------|----------------|--------------------|------------------|
|   | QUARTER ENDED      | QUARTER ENDED  | 9 MONTHS ENDED     | 9 MONTHS ENDED   |
|   | 30-Sep-12          | 30-Sep-11      | 30-Sep-12          | 30-Sep-11        |
|   | RM'000             | RM'000         | RM'000             | RM'000           |
| <b>14 Income derived from investment of depositors funds and others</b>   |                    |                |                    |                  |
| Income derived from investment of :                                       |                    |                |                    |                  |
| - General investment deposits   | 219,764            | 158,794        | 595,982            | 437,318          |
| - Specific investment deposits  | 24,637             | 47,621         | 70,279             | 301,431          |
| - Other deposits  | 282,392            | 195,810        | 752,366            | 440,909          |
|   | <u>526,793</u>     | <u>402,224</u> | <u>1,418,627</u>   | <u>1,179,658</u> |
| <b>14a Income derived from investment of general investment deposits</b>  |                    |                |                    |                  |
| Financing, advances and other financing/loans                             |                    |                |                    |                  |
| - Profit income   | 164,926            | 141,319        | 484,158            | 366,348          |
| - Unwinding income <sup>^</sup>   | 530                | 669            | 1,639              | 1,582            |
| Financial assets held for trading   | 3,708              | 1,654          | 7,929              | 5,994            |
| Financial investments available-for-sale                                  | 7,375              | 4,072          | 19,892             | 9,344            |
| Financial investments held-to-maturity                                    | 4,967              | 138            | 15,002             | 2,914            |
| Money at call and deposit with financial institutions                     | 13,517             | 16,696         | 50,926             | 50,660           |
|   | <u>195,023</u>     | <u>164,548</u> | <u>579,547</u>     | <u>436,842</u>   |
| Accretion of discount less amortisation of premium                        | 9,492              | 2,592          | 5,896              | 12,623           |
| Total finance income and hibah  | <u>204,515</u>     | <u>167,140</u> | <u>585,443</u>     | <u>449,465</u>   |
| Other operating income  |                    |                |                    |                  |
| - Net gain/(loss) arising from financial assets held for trading          |                    |                |                    |                  |
| - realised gain/(loss)  | (76)               | 323            | 8,757              | 526              |
| - unrealised gain/(loss)  | (1,000)            | 410            | (282)              | (227)            |
| - Net gain from sale of financial investments available-for-sale          | 118                | 290            | 2,377              | 259              |
| - Net gain from sale of financial investments held-to-maturity            | 418                | 212            | 524                | 84               |
| - Net gain/(loss) from foreign exchange and derivatives transactions      | 15,582             | (10,167)       | (2,941)            | (14,827)         |
|   | <u>15,043</u>      | <u>(8,932)</u> | <u>8,435</u>       | <u>(14,185)</u>  |
| Fee and commission income   | 206                | 586            | 2,104              | 2,038            |
|   | <u>219,764</u>     | <u>158,794</u> | <u>595,982</u>     | <u>437,318</u>   |
| <b>14b Income derived from investment of specific investment deposits</b> |                    |                |                    |                  |
| Financing, advances and other financing/loans                             |                    |                |                    |                  |
| - Profit income   | 15,665             | 20,672         | 41,769             | 221,022          |
| Financial investments held-to-maturity                                    | -                  | 8,838          | -                  | 28,855           |
| Money at call and deposit with financial institutions                     | 8,972              | 18,111         | 28,510             | 51,554           |
|   | <u>24,637</u>      | <u>47,621</u>  | <u>70,279</u>      | <u>301,431</u>   |

<sup>^</sup> Unwinding income is income earned on impaired financing, advances and other financings/loans

**Notes to the accounts**

| INDIVIDUAL QUARTER |               | CUMULATIVE QUARTER |                |
|--------------------|---------------|--------------------|----------------|
| QUARTER ENDED      | QUARTER ENDED | 9 MONTHS ENDED     | 9 MONTHS ENDED |
| 30-Sep-12          | 30-Sep-11     | 30-Sep-12          | 30-Sep-11      |
| RM'000             | RM'000        | RM'000             | RM'000         |

**14c Income derived from investment of other deposits**

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| Financing, advances and other financing/loans         |                |                |                |                |
| - Profit income                                       | 211,928        | 174,260        | 609,693        | 372,311        |
| - Unwinding income <sup>^</sup>                       | 681            | 826            | 2,063          | 1,625          |
| Financial assets held for trading                     | 4,765          | 2,038          | 10,031         | 5,840          |
| Financial investments available-for-sale              | 9,476          | 5,020          | 25,110         | 9,650          |
| Financial investments held-to-maturity                | 6,382          | 172            | 18,937         | 2,607          |
| Money at call and deposit with financial institutions | 17,369         | 20,588         | 63,728         | 50,346         |
|   | <b>250,601</b> | <b>202,905</b> | <b>729,562</b> | <b>442,379</b> |
| Accretion of discount less amortisation of premium    | 12,198         | 3,196          | 7,875          | 12,009         |
| Total finance income and hibah                        | <b>262,798</b> | <b>206,101</b> | <b>737,437</b> | <b>454,388</b> |

Other operating income

|  |                |                 |                |                 |
|--|----------------|-----------------|----------------|-----------------|
| - Net gain/(loss) arising from financial assets held for trading     |                |                 |                |                 |
| - realised gain/(loss)   | (98)           | 398             | 11,223         | 579             |
| - unrealised gain/(loss)   | (1,285)        | 506             | (288)          | (53)            |
| - Net gain from sale of financial investments available-for-sale     | 152            | 357             | 2,968          | 329             |
| - Net gain from sale of financial investments held-to-maturity       | 538            | 262             | 665            | 153             |
| - Net gain/(loss) from foreign exchange and derivatives transactions | 20,023         | (12,537)        | (2,300)        | (16,475)        |
|  | <b>19,329</b>  | <b>(11,014)</b> | <b>12,268</b>  | <b>(15,467)</b> |
| Fee and commission income  | 264            | 723             | 2,661          | 1,989           |
|  | <b>282,392</b> | <b>195,809</b>  | <b>752,366</b> | <b>440,909</b>  |

**15 Income derived from investment of shareholder's funds**

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| Financing, advances and other financing/loans         |               |               |               |               |
| - Profit income                                       | 17,411        | 17,493        | 51,967        | 42,883        |
| - Unwinding income <sup>^</sup>                       | 56            | 83            | 176           | 185           |
| Financial assets held for trading                     | 391           | 205           | 849           | 691           |
| Financial investments available-for-sale              | 779           | 504           | 2,134         | 1,097         |
| Financial investments held-to-maturity                | 524           | 17            | 1,612         | 329           |
| Money at call and deposit with financial institutions | 1,427         | 2,067         | 5,471         | 5,873         |
|   | <b>20,588</b> | <b>20,369</b> | <b>62,208</b> | <b>51,058</b> |
| Accretion of discount less amortisation of premium    | 1,002         | 321           | 616           | 1,450         |
| Total finance income and hibah                        | <b>21,590</b> | <b>20,691</b> | <b>62,825</b> | <b>52,508</b> |

Other operating income

|  |                 |               |                |                |
|--|-----------------|---------------|----------------|----------------|
| - Net gain/(loss) arising from financial assets held for trading |                 |               |                |                |
| - realised gain/(loss)   | (8)             | 40            | 955            | 63             |
| - unrealised gain/(loss)   | (106)           | 51            | (26)           | (21)           |
| - Net gain from sale of financial investments available-for-sale | 12              | 36            | 257            | 32             |
| - Net gain from sale of financial investments held-to-maturity   | 44              | 27            | 56             | 13             |
| - Net gain/(loss) from foreign exchange transactions             | 1,645           | (1,259)       | (344)          | (1,753)        |
| - Net gain/(loss) arising from hedging activities                | 785             | (1,692)       | (161)          | (1,386)        |
| - Net gain/(loss) arising from derivative financial instrument   |                 | -             |                |                |
| - realised gain/(loss)   | 8,315           | (7,274)       | 28,614         | 27,677         |
| - unrealised gain/(loss)   | (33,352)        | 28,717        | (2,234)        | 15,479         |
|  | <b>(22,664)</b> | <b>18,646</b> | <b>27,116</b>  | <b>40,105</b>  |
| Fee and commission income  | 25,530          | 21,260        | 65,166         | 62,909         |
| Less : fee and commission expense                                | (452)           | (524)         | (1,450)        | (1,467)        |
| Net fee and commission income                                    | <b>25,078</b>   | <b>20,736</b> | <b>63,716</b>  | <b>61,442</b>  |
| Other income   |                 |               |                |                |
| - Sundry income  | 1,720           | 1,201         | 4,417          | 3,856          |
|  | <b>25,724</b>   | <b>61,273</b> | <b>158,074</b> | <b>157,910</b> |

<sup>^</sup> Unwinding income is income earned on impaired financing, advances and other financing/loans



**Notes to the accounts**

|  | INDIVIDUAL QUARTER |                | CUMULATIVE QUARTER |                |
|--|--------------------|----------------|--------------------|----------------|
|  | QUARTER ENDED      | QUARTER ENDED  | 9 MONTHS ENDED     | 9 MONTHS ENDED |
|  | 30-Sep-12          | 30-Sep-11      | 30-Sep-12          | 30-Sep-11      |
|  | RM'000             | RM'000         | RM'000             | RM'000         |
| <b>16 Allowance for impairment losses on financing, advances and other financing/loans</b> |                    |                |                    |                |
| Individual impairment allowance  |                    |                |                    |                |
| - Made during the period   | 157                | 13,786         | 2,138              | 13,786         |
| - Written back   | -                  | -              | -                  | (2,745)        |
| Portfolio impairment allowance   |                    |                |                    |                |
| - Made during the period   | 35,591             | 38,350         | 98,463             | 66,407         |
| Impaired financing :   |                    |                |                    |                |
| - recovered  | (14,096)           | (6,926)        | (42,520)           | (27,996)       |
| - written off  | 1                  | -              | 18                 | 2              |
|  | <u>21,653</u>      | <u>45,210</u>  | <u>58,099</u>      | <u>49,454</u>  |
| <b>17 Income attributable to depositors</b>  |                    |                |                    |                |
| <b>Deposits from customers</b>   |                    |                |                    |                |
| - Mudharabah   | 32,160             | 74,637         | 133,737            | 212,295        |
| - Non-Mudharabah   | 139,020            | 69,667         | 359,638            | 172,706        |
| <b>Deposits and placements of banks and other financial institutions</b>                   |                    |                |                    |                |
| - Mudharabah   | 25,240             | 27,358         | 66,211             | 181,450        |
| - Non-Mudharabah   | 77,438             | 64,004         | 227,675            | 104,488        |
| Subordinated Sukuk   | 6,990              | 6,427          | 19,994             | 16,740         |
|  | <u>280,848</u>     | <u>242,092</u> | <u>807,255</u>     | <u>687,679</u> |
| <b>18 Personnel expenses</b>   |                    |                |                    |                |
| Salaries, allowances and bonuses   | 21,546             | 13,409         | 54,180             | 35,563         |
| Other staff related costs  | 1,507              | 7,470          | 3,590              | 14,118         |
|  | <u>23,053</u>      | <u>20,879</u>  | <u>57,770</u>      | <u>49,681</u>  |
| <b>19 Other overheads</b>  |                    |                |                    |                |
| <b>Establishment</b>   |                    |                |                    |                |
| Rental   | 237                | 324            | 1,047              | 915            |
| Depreciation of property, plant and equipment  | 314                | 292            | 933                | 856            |
| EDP and outsourcing expenses   | 1,587              | 915            | 6,217              | 1,048          |
| Others   | 668                | (3,802)        | 4,513              | (2,118)        |
| <b>Marketing</b>   |                    |                |                    |                |
| Advertisement and publicity  | 302                | 540            | 2,475              | 832            |
| Others   | 342                | 1,303          | 1,289              | 2,732          |
| <b>General expenses</b>  |                    |                |                    |                |
| Auditor's remuneration-statutory audit   | 47                 | 24             | 175                | 72             |
| Amortisation of intangible assets  | 343                | 290            | 1,296              | 974            |
| Professional fees  | 831                | 718            | 1,247              | 1,292          |
| Others   | 3,244              | 3,149          | 8,838              | 8,391          |
|  | <u>7,915</u>       | <u>3,753</u>   | <u>28,030</u>      | <u>14,994</u>  |
| Shared service costs paid/payable to CIMB Bank/CIMB Investment Bank                        | 87,838             | 57,064         | 252,743            | 177,220        |
|  | <u>95,753</u>      | <u>60,817</u>  | <u>280,773</u>     | <u>192,214</u> |

**Notes to the accounts**

|   | INDIVIDUAL QUARTER |               | CUMULATIVE QUARTER |               |
|---|--------------------|---------------|--------------------|---------------|
|   | QUARTER            | QUARTER       | 9 MONTHS           | 9 MONTHS      |
|   | ENDED              | ENDED         | ENDED              | ENDED         |
|   | 30-Sep-12          | 30-Sep-11     | 30-Sep-12          | 30-Sep-11     |
|   | RM'000             | RM'000        | RM'000             | RM'000        |
| <b>20 Taxation and zakat</b>                |                    |               |                    |               |
| Major components of tax and zakat expense:  |                    |               |                    |               |
| Current tax and zakat expense               | 35,731             | 25,689        | 99,772             | 92,324        |
| Deferred taxation                           | (2,723)            | (1,594)       | (6,010)            | (2,896)       |
| Under accrual in prior year                 | -                  | (687)         | -                  | 87            |
|   | <u>33,008</u>      | <u>23,408</u> | <u>93,762</u>      | <u>89,515</u> |
| <b>Reconciliation</b>                       |                    |               |                    |               |
| Profit before taxation and zakat            | 131,206            | 94,503        | 372,713            | 358,531       |
| Tax calculated at a rate of 25% (2011: 25%) | 32,802             | 23,626        | 93,178             | 89,633        |
| Tax effects:                                |                    |               |                    |               |
| - income not subject to tax                 | (186)              | 11            | (405)              | (43)          |
| - expenses not deductible for tax purposes  | 108                | 493           | 667                | 638           |
| Over accrual in prior year                  | 284                | (722)         | 322                | (713)         |
| Tax expense                                 | <u>33,008</u>      | <u>23,408</u> | <u>93,762</u>      | <u>89,515</u> |

## 21 CHANGE IN ACCOUNTING POLICIES

During the financial period, the Bank changed the following accounting policy upon adoption of MFRS:

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

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

### Impact on statement of financial position for 31 December 2011 and 1 January 2011

|   | Balances as at 31 December 2011     |   |                       |
|---|-------------------------------------|---|-----------------------|
|   | As previously<br>reported<br>RM'000 | Effects of<br>adopting<br>Amendments to<br>MFRS 1<br>RM'000 | As restated<br>RM'000 |
| <b>Assets</b>   |                                     |   |                       |
| Financial investments available-for-sale                      | 749,674                             | 493,994   | 1,243,668             |
| Financial investments held-to-maturity                        | 1,177,357                           | (487,291)   | 690,066               |
| Deferred taxation   | 8,035                               | (1,676)   | 6,359                 |
| <b>Reserves</b>   |                                     |   |                       |
| Revaluation reserve- financial investments available-for-sale | 8,268                               | 5,027   | 13,295                |

|   | Balances as at 1 January 2011       |   |                       |
|---|-------------------------------------|---|-----------------------|
|   | As previously<br>reported<br>RM'000 | Effects of<br>adopting<br>Amendments to<br>MFRS 1<br>RM'000 | As restated<br>RM'000 |
| <b>Assets</b>   |                                     |   |                       |
| Financial investments available-for-sale                      | 455,959                             | 200,049   | 656,008               |
| Financial investments held-to-maturity                        | 1,093,635                           | (194,921)   | 898,714               |
| Deferred taxation   | 5,589                               | (1,282)   | 4,307                 |
| <b>Reserves</b>   |                                     |   |                       |
| Revaluation reserve- financial investments available-for-sale | 5,082                               | 3,846   | 8,928                 |

### Impact on statement of changes in equity for 31 December 2011 and 1 January 2011

|   | Balances as at 31 December 2011     |   |                       |
|---|-------------------------------------|---|-----------------------|
|   | As previously<br>reported<br>RM'000 | Effects of<br>adopting<br>Amendments to<br>MFRS 1<br>RM'000 | As restated<br>RM'000 |
| Revaluation reserve- financial investments available-for-sale | 8,268                               | 5,027   | 13,295                |

|   | Balances as at 1 January 2011       |   |                       |
|---|-------------------------------------|---|-----------------------|
|   | As previously<br>reported<br>RM'000 | Effects of<br>adopting<br>Amendments to<br>MFRS 1<br>RM'000 | As restated<br>RM'000 |
| Revaluation reserve- financial investments available-for-sale | 5,082                               | 3,846   | 8,928                 |