

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

	The Group		The Bank		
	Notes	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Assets					
Cash and short term funds		1,602,257	1,423,437	1,573,564	1,401,832
Reverse repurchase agreements		149,423	150,622	149,423	150,622
Deposits and placements with banks and other financial institutions		517,079	700,200	517,050	692,858
Financial assets held for trading	A5	1,948	33,091	1,948	33,091
Derivative financial instruments	A17(i)	29,918	39,088	29,918	39,088
Financial investments available-for-sale	A6	4,732	4,732	745	745
Loans, advances and financing	A7	90,097	73,245	90,097	73,245
Other assets	A8	2,100,422	1,104,536	2,096,938	1,102,208
Tax recoverable		-	7,996	-	7,996
Deferred tax assets		46,338	42,998	46,177	42,812
Amounts due from subsidiaries		-	-	-	2
Amounts due from related companies		6,809	4,803	6,809	4,803
Amounts due from ultimate holding company		1	1	1	1
Statutory deposits with Bank Negara Malaysia		46	1,062	46	1,062
Investment in subsidiaries		-	-	9,050	9,050
Investment in associates		5,920	5,736	-	-
Property, plant and equipment		110,195	112,707	111,292	113,792
Goodwill		964	964	-	-
Total assets		4,666,149	3,705,218	4,633,058	3,673,207
Liabilities					
Deposits from customers	A9	435,155	802,915	435,155	802,915
Deposits and placements of banks and other financial institutions	A10	1,633,606	1,327,358	1,633,606	1,327,358
Derivative financial instruments	A17(i)	14,792	17,750	14,792	17,750
Other liabilities	A11	1,992,460	978,207	1,990,555	976,014
Provision for taxation and zakat		6,001	850	5,608	607
Amounts due to subsidiaries		-	-	3,185	3,185
Amounts due to related companies		11,097	22,606	11,097	22,606
Subordinated loans		10,123	10,000	-	-
Total liabilities		4,103,234	3,159,686	4,093,998	3,150,435
Capital and reserves attributable to equity holders of the Bank					
Ordinary share capital		100,000	100,000	100,000	100,000
Redeemable preference shares		10	10	10	10
Reserves		462,905	445,522	439,050	422,762
Total equity		562,915	545,532	539,060	522,772
Total equity and liabilities		4,666,149	3,705,218	4,633,058	3,673,207
Commitments and contingencies					
Principal	A17(ii)	1,243,290	1,270,090	1,243,290	1,270,090
Net assets per share (RM)		5.6	5.5	5.4	5.2

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Notes	The Group				The Bank			
		1st quarter ended		Three months ended		1st quarter ended		Three months ended	
		31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Interest income	A12	8,403	9,987	8,403	9,987	7,232	9,561	7,232	9,561
Interest expense	A13	(11,714)	(12,102)	(11,714)	(12,102)	(11,591)	(12,012)	(11,591)	(12,012)
Net interest expense		(3,311)	(2,115)	(3,311)	(2,115)	(4,359)	(2,451)	(4,359)	(2,451)
Income derived from investment of depositors' funds and others		1,386	750	1,386	750	1,386	750	1,386	750
Income derived from investment of shareholders' funds		8,631	7,274	8,631	7,274	8,631	7,274	8,631	7,274
Income attributable to the depositors		(3,295)	(3,259)	(3,295)	(3,259)	(3,295)	(3,259)	(3,295)	(3,259)
Income from Islamic Banking operations	A20b	6,722	4,765	6,722	4,765	6,722	4,765	6,722	4,765
Fee and commission income	A14	29,948	19,174	29,948	19,174	29,948	19,174	29,948	19,174
Dividend income	A14	-	-	-	-	-	-	-	-
Net trading income	A14	216	1,023	216	1,023	216	1,023	216	1,023
Income from asset management and securities services	A14	4,010	4,787	4,010	4,787	4,010	4,787	4,010	4,787
Brokerage income	A14	38,008	38,045	38,008	38,045	36,773	36,935	36,773	36,935
Other non-interest income	A14	2,526	14	2,526	14	2,527	14	2,527	14
Non interest income		74,708	63,043	74,708	63,043	73,474	61,933	73,474	61,933
Total income		78,119	65,693	78,119	65,693	75,837	64,247	75,837	64,247
Overheads	A15	(55,738)	(57,899)	(55,738)	(57,899)	(54,712)	(57,000)	(54,712)	(57,000)
Profit before allowances		22,381	7,794	22,381	7,794	21,125	7,247	21,125	7,247
(Allowance for)/ writeback of impairment losses on loans and advances	A16	(289)	115	(289)	115	(289)	115	(289)	115
(Allowance for)/write back of impairment losses on other receivables (net)		(2,798)	(4,182)	(2,798)	(4,182)	(2,802)	(4,187)	(2,802)	(4,187)
		19,294	3,727	19,294	3,727	18,034	3,175	18,034	3,175
Share of results of associates		185	61	185	61	-	-	-	-
Profit before taxation		19,479	3,788	19,479	3,788	18,034	3,175	18,034	3,175
Taxation		(7,300)	(2,609)	(7,300)	(2,609)	(6,950)	(2,469)	(6,950)	(2,469)
Profit after taxation/ total comprehensive income for the financial period		12,179	1,179	12,179	1,179	11,084	706	11,084	706
Profit for the financial period attributable to: Owners of the Group/Bank		12,179	1,179	12,179	1,179	11,084	706	11,084	706
Earnings per share (sen) -Basic		12.18	1.18	12.18	1.18	11.08	0.71	11.08	0.71

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

The Group 31 March 2013	← Attributable to owners of Parent →						Total RM'000
	Share capital RM'000	Redeemable preference shares RM'000	Statutory reserve RM'000	Revaluation reserve- financial investments available-for-sale RM'000	Share-based payment reserve RM'000	Retained profits RM'000	
At 1 January 2013	100,000	10	155,805	1,283	18,598	269,836	545,532
Net profit for the financial year	-	-	-	-	-	12,179	12,179
Total comprehensive income for the financial period	-	-	-	-	-	12,179	12,179
Share-based payment expense	-	-	-	-	5,204	-	5,204
Balance as at 31 March 2013	100,000	10	155,805	1,283	23,802	282,015	562,915

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

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

The Bank 31 March 2013	← Non-Distributable →				← Distributable →			Total RM'000
	Share capital RM'000	Redeemable preference shares RM'000	Statutory reserve RM'000	Merger reserve RM'000	Share-based payment reserve RM'000	Capital reserve RM'000	Retained profits RM'000	
At 1 January 2013	100,000	10	155,805	(272,007)	18,598	271,377	248,989	522,772
Net profit for the financial year	-	-	-	-	-	-	11,084	11,084
Total comprehensive income for the financial period	-	-	-	-	-	-	11,084	11,084
Share-based payment expense	-	-	-	-	5,204	-	-	5,204
Balance as at 31 March 2013	100,000	10	155,805	(272,007)	23,802	271,377	260,073	539,060

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

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

CIMB INVESTMENT BANK BERHAD
(Company Number 18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	The Group		The Bank	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Profit before taxation	19,479	3,788	18,034	3,175
Adjustments for non-operating and non-cash items	23,627	20,578	23,804	20,629
Cash flow from operating profit before changes in operating assets and liabilities	43,106	24,366	41,838	23,804
Net changes in operating assets	(804,847)	247,632	(811,031)	252,311
Net changes in operating liabilities	942,322	300,514	942,542	147,100
Cash generated from operating activities	180,581	572,512	173,349	423,215
Taxation refund/(paid)	2,482	(29,418)	2,683	(29,250)
Net cash generated from operating activities	183,063	543,094	176,032	393,965
Net cash used in investing activities	(3,277)	(9,954)	(3,277)	(9,797)
Net cash used in financing activities	-	(89,034)	-	(99,034)
	(3,277)	(98,988)	(3,277)	(108,831)
Net increase in cash and cash equivalents during the financial year	179,786	444,106	172,755	285,134
Cash and cash equivalents at beginning of the financial year	1,393,651	1,247,193	1,372,047	1,231,155
Cash and cash equivalents at end of the financial period/year	1,573,437	1,691,299	1,544,802	1,516,289
Cash and cash equivalents comprise the following:				
Cash and short term funds	1,602,257	1,721,306	1,573,564	1,546,296
Adjustment for monies held in trust:				
Remisiers' balances	(28,820)	(30,007)	(28,762)	(30,007)
Cash and cash equivalents at end of the financial year	1,573,437	1,691,299	1,544,802	1,516,289

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

EXPLANATORY NOTES

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 31 March 2013 have been prepared under the historical cost convention, except for financial assets held for trading, financial investments available-for-sale and derivative financial instruments that have been measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements.

The unaudited condensed interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2012. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2012, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2013:

MFRS 10 "Consolidated financial statements"
MFRS 12 "Disclosures of interests in other entities"
MFRS 13 "Fair value measurement"
Revised MFRS 127 "Separate financial statements"
Revised MFRS 128 "Investments in associates and joint ventures"
Amendment to MFRS 101 "Presentation of items of other comprehensive income" (effective from 1 July 2012)
Amendment to MFRS 7 "Financial instruments: Disclosures"
Amendment to MFRS 134 "Interim financial reporting"

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

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

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

- Amendments to MFRS 134 "Interim financial reporting"

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

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

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

A2. Changes in estimates

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

A3. Dividends paid and proposed

The Directors have proposed an interim single tier dividend comprising of 56 sen per ordinary share, amounting to RM56,000,000 in respect of financial year ended 31 December 2012. The proposed dividend was paid on 10 April 2013.

A4. Significant events after balance sheet date

There were no significant events that had occurred between 31 December 2012 and the date of this announcement.

EXPLANATORY NOTES (Continued)

A5. Financial assets held for trading

	The Group and The Bank	
	31 March 2013 RM'000	31 December 2012 RM'000
<u>At fair value</u>		
Quoted securities		
<i>In Malaysia</i>		
Shares	214	195
Unquoted securities		
<i>In Malaysia</i>		
Private debt securities	1,734	32,896
Total financial assets held for trading	<u>1,948</u>	<u>33,091</u>

A6. Financial investments available-for-sale

	The Group		The Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
<u>At fair value</u>				
Unquoted securities				
<i>In Malaysia</i>				
Shares	2,200	2,200	-	-
<i>Outside Malaysia</i>				
Shares	8,863	8,863	7,076	7,076
Total financial investments available-for-sale	<u>11,063</u>	<u>11,063</u>	<u>7,076</u>	<u>7,076</u>
Allowance for impairment losses :				
Unquoted shares outside Malaysia	(6,331)	(6,331)	(6,331)	(6,331)
	<u>4,732</u>	<u>4,732</u>	<u>745</u>	<u>745</u>

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

	The Group		The Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
At 1 January/31 March / 31 December	6,331	6,331	6,331	6,331

A7. Loans, advances and financing

	The Group and The Bank	
	31 March 2013 RM'000	31 December 2012 RM'000
(i) By type		
Staff loans *	91,469	74,360
Other loans	464	432
Gross loans, advances and financing	<u>91,933</u>	<u>74,792</u>
Less: allowance for impairment losses		
- Individual impairment allowance	(464)	(432)
- Portfolio impairment allowance	(1,372)	(1,115)
Total net loans, advances and financing	<u>90,097</u>	<u>73,245</u>

* Included in staff loans of the Group and the Bank are loans to Directors amounting to RM224,022 (2012: RM235,675).

EXPLANATORY NOTES (Continued)

A7. Loans, advances and financing (continued)

The Group and The Bank

	31 March 2013 RM'000	31 December 2012 RM'000
(ii) By type of customers		
Individuals	91,933	74,792
Gross loans, advances and financing	<u>91,933</u>	<u>74,792</u>
(iii) By interest rate sensitivity		
Fixed rate		
- Other fixed rate loan	91,933	74,792
Gross loans, advances and financing	<u>91,933</u>	<u>74,792</u>
(iv) By economic purpose:		
Personal use	29	161
Purchase of residential property (housing)	77,916	60,073
Purchase of securities	1	1
Purchase of transport vehicles	13,987	14,557
Gross loans, advances and financing	<u>91,933</u>	<u>74,792</u>
(v) By geographical distribution		
Malaysia	<u>91,933</u>	<u>74,792</u>
(vi) By residual contractual maturity		
Within one year	227	389
One year to less than three years	1,662	1,620
Three years to less than five years	8,117	8,201
Five years and more	81,927	64,582
	<u>91,933</u>	<u>74,792</u>
(vii) Impaired loans, advances and financing by economic purpose		
Purchase of residential landed property	402	374
Purchase of transport vehicles	62	58
Gross impaired loans, advances and financing	<u>464</u>	<u>432</u>
(viii) Impaired loans, advances and financing by geographical distribution		
Malaysia	<u>464</u>	<u>432</u>
(ix) Movement in the impaired loans, advances and financing are as follows:		
At 1 January	432	891
Classified as impaired during the period/year	32	174
Amounts written back in respect of recoveries	-	(159)
Amounts written off/ transfer	-	(474)
At 31 March / 31 December	<u>464</u>	<u>432</u>
Ratio of gross impaired loans to total loans, advances and financing	<u>0.5%</u>	<u>0.6%</u>

EXPLANATORY NOTES (Continued)

A7. Loans, advances and financing (continued)

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

	The Group and The Bank	
	31 March 2013 RM'000	31 December 2012 RM'000
<u>Individual impairment allowance</u>		
At 1 January	432	891
Allowance made during the period/year	32	174
Amounts written back during the year	-	(159)
Amounts written off/ transfer during the year	-	(474)
At 31 March / 31 December	464	432
<u>Portfolio impairment allowance</u>		
At 1 January	1,115	623
Net allowance made during the period/year	257	492
At 31 March / 31 December	1,372	1,115
Portfolio impairment allowance as % of gross loans, advances and financing less individual impairment allowance	1.5%	1.5%

	The Group		The Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
A8. Other assets				
Due from brokers and clients, net of allowance for impairment loss	1,611,227	816,038	1,611,227	815,996
Collateral pledged for derivative transactions	165,803	170,953	165,803	170,953
Other debtors, deposits and prepayments, net of allowance for doubtful debts	323,392	117,545	319,908	115,259
	2,100,422	1,104,536	2,096,938	1,102,208

	The Group and The Bank	
	31 March 2013 RM'000	31 December 2012 RM'000
A9. Deposits from customers		
<u>(i) By type of deposits</u>		
Others	435,155	802,915
	435,155	802,915
<u>(ii) By type of customers</u>		
Local government and statutory authorities	54,400	54,400
Business enterprises	141,924	495,429
Individuals	235,081	249,336
Others	3,750	3,750
	435,155	802,915

EXPLANATORY NOTES (Continued)

The Group and The Bank

	The Group and The Bank	
	31 March 2013 RM'000	31 December 2012 RM'000
A10. Deposits and placements of banks and other financial institutions		
Licensed banks	1,478,503	1,039,722
Other financial institutions	155,103	287,636
	1,633,606	1,327,358

	The Group		The Bank	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	RM'000	RM'000	RM'000	RM'000
A11. Other liabilities				
Due to brokers	1,587,391	821,244	1,587,391	821,244
Others	405,069	156,963	403,164	154,770
	1,992,460	978,207	1,990,555	976,014

	1st quarter ended		Three months ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	RM'000	RM'000	RM'000	RM'000
A12. Interest income				
Group				
Loans, advances and financing	664	407	664	407
Money at call and deposits placements with banks and other financial institutions	6,201	6,107	6,201	6,107
Reverse repurchase agreements	1,127	1,649	1,127	1,649
Financial assets held for trading	137	1,242	137	1,242
Others	219	-	219	-
	8,348	9,405	8,348	9,405
Accretion of discount less amortisation of premium	55	582	55	582
	8,403	9,987	8,403	9,987

Bank

Loans, advances and financing	664	407	664	407
Money at call and deposits placements with banks and other financial institutions	5,030	5,681	5,030	5,681
Reverse repurchase agreements	1,127	1,649	1,127	1,649
Financial assets held for trading	137	1,242	137	1,242
Others	219	-	219	-
	7,177	8,979	7,177	8,979
Accretion of discount less amortisation of premium	55	582	55	582
	7,232	9,561	7,232	9,561

A13. Interest expense**Group**

Deposits and placements of banks and other financial institutions	5,371	5,401	5,371	5,401
Deposits from customers	6,220	6,611	6,220	6,611
Subordinated loans	123	90	123	90
	11,714	12,102	11,714	12,102

Bank

Deposits and placements of banks and other financial institutions	5,371	5,401	5,371	5,401
Deposits from customers	6,220	6,611	6,220	6,611
	11,591	12,012	11,591	12,012

EXPLANATORY NOTES (Continued)

A14. Non interest income

	1st quarter ended		Three months ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	RM'000	RM'000	RM'000	RM'000
Group				
a) Fee income and commission income:				
Portfolio management fees	2,158	1,973	2,158	1,973
Advisory and arrangement fees	22,310	14,746	22,310	14,746
Underwriting commissions	2,788	-	2,788	-
Placement fees	2,199	457	2,199	457
Other fee income	493	1,998	493	1,998
	29,948	19,174	29,948	19,174
b) Net trading income				
Gain arising from trading in financial assets held for trading	292	848	292	848
- realised gain/(loss)	4,917	(664)	4,917	(664)
- unrealised (loss)/gain	(4,625)	1,512	(4,625)	1,512
(Loss)/gain arising from trading in derivative financial instruments	(76)	175	(76)	175
- realised gain	232	195	232	195
- unrealised loss	(308)	(20)	(308)	(20)
	216	1,023	216	1,023
c) Other income:				
Foreign exchange gain/(loss)	1,183	(559)	1,183	(559)
Gain on disposal of property, plant and equipment	529	81	529	81
Other non-operating income	814	492	814	492
	2,526	14	2,526	14
d) Income from asset management and securities services	4,010	4,787	4,010	4,787
	4,010	4,787	4,010	4,787
e) Brokerage Income	38,008	38,045	38,008	38,045
	38,008	38,045	38,008	38,045
Total non interest income	74,708	63,043	74,708	63,043

Bank

a) Fee income and commission income:				
Portfolio management fees	2,158	1,973	2,158	1,973
Advisory and arrangement fees	22,310	14,746	22,310	14,746
Underwriting commissions	2,788	-	2,788	-
Placement fees	2,199	457	2,199	457
Other fee income	493	1,998	493	1,998
	29,948	19,174	29,948	19,174
b) Net trading income				
Gain arising from trading in financial assets held for trading	292	848	292	848
- realised gain/(loss)	4,917	(664)	4,917	(664)
- unrealised (loss)/gain	(4,625)	1,512	(4,625)	1,512
(Loss)/gain arising from trading in derivative financial instruments	(76)	175	(76)	175
- realised gain	232	195	232	195
- unrealised loss	(308)	(20)	(308)	(20)
	216	1,023	216	1,023
c) Other income:				
Foreign exchange gain/(loss)	1,184	(559)	1,184	(559)
Gain on disposal of property, plant and equipment	529	81	529	81
Other non-operating income	814	492	814	492
	2,527	14	2,527	14
d) Income from asset management and securities services	4,010	4,787	4,010	4,787
	4,010	4,787	4,010	4,787
e) Brokerage Income	36,773	36,935	36,773	36,935
	36,773	36,935	36,773	36,935
Total non interest income	73,474	61,933	73,474	61,933

A15. Overheads

Group

Personnel costs

- Salaries, allowances and bonuses	60,785	53,057	60,785	53,057
- Pension cost (defined contribution plan)	7,647	7,536	7,647	7,536
- Training fees	1,169	1,550	1,169	1,550
- Overtime, meal and transport claims	476	359	476	359
- Others	3,868	3,886	3,868	3,886
	73,945	66,388	73,945	66,388

EXPLANATORY NOTES (Continued)

A15. Overheads (Continued)	1st quarter ended		Three months ended	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Establishment costs				
- Depreciation of property, plant and equipment	6,319	6,207	6,319	6,207
- Rental	3,397	4,256	3,397	4,256
- Others	10,332	7,317	10,332	7,317
	20,048	17,780	20,048	17,780
Marketing expenses				
- Advertisement	1,531	8,734	1,531	8,734
- Entertainment expenses	1,264	(1,344)	1,264	(1,344)
- Others	1,152	1,585	1,152	1,585
	3,947	8,975	3,947	8,975
Administration and general expenses				
- Legal and professional fees	1,548	1,704	1,548	1,704
- Communication	1,836	1,916	1,836	1,916
- Printing and stationery	620	767	620	767
- Licensing fee, exchange fee and levies	2,726	3,481	2,726	3,481
- Administrative vehicle, travelling and insurance expenses	2,433	2,196	2,433	2,196
- Others	2,885	3,679	2,885	3,679
	12,048	13,743	12,048	13,743
Shared services cost				
-Personnel cost	(40,830)	(30,848)	(40,830)	(30,848)
-Establishment cost	(7,234)	(6,502)	(7,234)	(6,502)
-Marketing cost	(1,829)	(6,877)	(1,829)	(6,877)
-Administration and general expenses	(4,357)	(4,760)	(4,357)	(4,760)
	(54,250)	(48,987)	(54,250)	(48,987)
Total overhead expenses	55,738	57,899	55,738	57,899
Bank				
Personnel costs				
- Salaries, allowances and bonuses	60,276	52,618	60,276	52,618
- Pension cost (defined contribution plan)	7,597	7,490	7,597	7,490
-Training fees	1,168	1,550	1,168	1,550
-Overtime, meal and transport claims	476	359	476	359
- Others	3,840	3,861	3,840	3,861
	73,357	65,878	73,357	65,878
Establishment costs				
- Depreciation of property, plant and equipment	6,308	6,191	6,308	6,191
- Rental	3,207	4,034	3,207	4,034
- Others	10,261	7,298	10,261	7,298
	19,776	17,523	19,776	17,523
Marketing expenses				
- Advertisement	1,530	8,734	1,530	8,734
- Entertainment expenses	1,232	(1,344)	1,232	(1,344)
- Others	1,148	1,573	1,148	1,573
	3,910	8,963	3,910	8,963
Administration and general expenses				
- Legal and professional fees	1,541	1,696	1,541	1,696
- Communication	1,820	1,898	1,820	1,898
- Printing and stationery	620	750	620	750
- Licensing fee, exchange fee and levies	2,726	3,481	2,726	3,481
- Administrative vehicle, travelling and insurance expenses	2,420	2,188	2,420	2,188
- Others	2,792	3,610	2,792	3,610
	11,919	13,623	11,919	13,623
Shared services cost				
-Personnel cost	(40,830)	(30,848)	(40,830)	(30,848)
-Establishment cost	(7,234)	(6,502)	(7,234)	(6,502)
-Marketing cost	(1,829)	(6,877)	(1,829)	(6,877)
-Administration and general expenses	(4,357)	(4,760)	(4,357)	(4,760)
	(54,250)	(48,987)	(54,250)	(48,987)
Total overhead expenses	54,712	57,000	54,712	57,000
A16. Allowance for/(writeback of) impairment losses on loans, advances and financing				
The Group and The Bank				
Allowance for impairment losses on loans, advances and financing :				
(a) Individual impairment allowance/(written back)				
- made during the financial period	32	9	32	9
- written back during the financial period	-	(147)	-	(147)
(b) Portfolio impairment allowance				
- made/(written back) during the financial period	257	23	257	23
	289	(115)	289	(115)

EXPLANATORY NOTES (Continued)

A17. Derivative financial instruments and commitment and contingencies

i) Derivative financial instruments

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

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

	The Group and The Bank		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
At 31 March 2013			
Trading derivative			
<u>Interest rate derivatives</u>			
Interest rate swaps			
- Less than 1 year	270,760	1,682	-
- More than 3 years	495,000	28,236	(14,792)
	765,760	29,918	(14,792)
<u>Equity derivatives</u>			
Equity options			
- Less than 1 year	213,136	-	-
- More than 3 years	257,050	-	-
	470,186	-	-
Total derivative assets/(liabilities)	1,235,946	29,918	(14,792)
At 31 December 2012			
Trading derivative			
<u>Interest rate derivatives</u>			
Interest rate swaps			
- 1 year to 3 years	276,760	3,389	-
- More than 3 years	510,450	35,531	(17,582)
	787,210	38,920	(17,582)
<u>Equity derivatives</u>			
Equity options			
- 1 year to 3 years	214,974	-	-
- More than 3 years	262,824	168	(168)
	477,798	168	(168)
Total derivative assets/(liabilities)	1,265,008	39,088	(17,750)

EXPLANATORY NOTES (Continued)

A17. Derivative financial instruments and commitment and contingencies (Continued)

i) Derivative financial instruments (Continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group and the Bank the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2013, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM29,918,000 (31 December 2012: RM39,088,000). 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:

- 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 Group and the Bank are discussed in the audited annual financial statements for the financial year ended 31 December 2012 and the Risk Management section of the 2012 in Annual Report of CIMB Group Holdings Berhad.

ii) Commitment and contingencies

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

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

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

	The Group		The Bank	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	Principal amount RM'000	Principal amount RM'000	Principal amount RM'000	Principal amount RM'000
<u>Credit-related</u>				
Irrevocable commitments to extend credit:				
- Maturity not exceeding 1 year	13	-	13	-
- Maturity exceeding 1 year	7,331	5,082	7,331	5,082
Total credit-related commitments and contingencies	7,344	5,082	7,344	5,082
<u>Treasury-related</u>				
Interest rate related contracts				
- Less than one year	270,760	276,760	270,760	276,760
- One year to less than 5 years	-	-	-	-
- Five years and above	495,000	510,450	495,000	510,450
Equity related contracts				
- Less than one year	213,136	214,974	213,136	214,974
- One year to less than 5 years	-	-	-	-
- Five years and above	257,050	262,824	257,050	262,824
Total treasury-related commitments and contingencies	1,235,946	1,265,008	1,235,946	1,265,008
	1,243,290	1,270,090	1,243,290	1,270,090

EXPLANATORY NOTES (Continued)

A18. Capital Adequacy

(A) 31 March 2013 - Basel III

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

The risk-weighted assets of the Group and the Bank are computed in accordance with Standardised approach (SA approach) for Credit Risk and Market Risk and Basic Indicator Approach for Operational Risk based on the Capital Adequacy Framework (Basel II - Risk Weighted Assets). The components of eligible regulatory capital is based on the Capital Adequacy Framework (Capital Components). The comparative capital adequacy ratios as at December 2012 were based on BNM's Risk-Weighted Capital Adequacy Framework (RWCAF).

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

	The Group 31 March 2013	The Bank 31 March 2013
Common Equity Tier 1 Ratio	18.89%	19.29%
Tier 1 ratio	18.89%	19.29%
Total capital ratio	18.89%	19.29%

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

	The Group 31 March 2013 RM'000	The Bank 31 March 2013 RM'000
Credit risk	1,439,194	1,289,896
Market risk	59,262	59,231
Operational risk	824,623	814,253
Total risk-weighted assets	<u>2,323,079</u>	<u>2,163,380</u>

c) Components of Common Equity Tier I and Tier II capitals are as follows :

	The Group 31 March 2013 RM'000	The Bank 31 March 2013 RM'000
Common Equity Tier I capital		
Ordinary shares	100,000	100,000
Other reserves	394,726	371,966
Common Equity Tier I capital before regulatory adjustments	494,726	471,966
<u>Less: Regulatory adjustments</u>		
Goodwill	(964)	-
Deferred Tax Assets	(46,338)	(46,177)
Deduction in excess of Tier 2 capital	(7,822)	(8,369)
Others	(706)	-
Common equity tier I capital after regulatory adjustments / total Tier I capital	<u>438,896</u>	<u>417,420</u>
Tier II capital		
Redeemable Preference Shares	9	9
Portfolio impairment allowance and regulatory reserves	1,372	1,372
Tier II capital before regulatory adjustments	<u>1,381</u>	<u>1,381</u>
<u>Less: Regulatory adjustments</u>		
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(9,203)	(9,750)
Total Tier II capital	<u>-</u>	<u>-</u>
Total capital	<u>438,896</u>	<u>417,420</u>

EXPLANATORY NOTES (Continued)

A18. Capital Adequacy (Continued)

(B) 31 December 2012 - Basel II

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

	The Group	The Bank
	31 December 2012	31 December 2012
<u>Before deducting proposed dividend</u>		
Core capital ratio	20.98%	21.52%
Risk-weighted capital ratio	21.02%	21.52%
<u>After deducting proposed dividend</u>		
Core capital ratio	18.58%	18.97%
Risk-weighted capital ratio	18.63%	18.97%

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

	31 December 2012	31 December 2012
	RM'000	RM'000
Credit risk	1,387,711	1,253,889
Market risk	126,634	126,603
Operational risk	823,010	813,138
	<u>2,337,355</u>	<u>2,193,630</u>

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

	31 December 2012	31 December 2012
	RM'000	RM'000
<u>Tier I Capital</u>		
Paid-up capital	100,000	100,000
Retained profits	259,546	248,989
Other reserves	173,773	173,773
	533,319	522,762
Less: Deferred tax assets	(42,998)	(42,812)
Deduction in excess of Tier 2 Capital	-	(7,925) N1
Total Tier I capital	<u>490,321</u>	<u>472,025</u>
<u>Tier II Capital</u>		
Cumulative Preference Shares	10	10
Portfolio impairment allowance	1,115	1,115 N2
Surplus of total eligible provision over total		
Total Tier II capital	<u>1,125</u>	<u>1,125</u>
Less:		
Investments in subsidiaries	(50)	(9,050)
Total eligible Tier II capital	<u>1,075</u>	<u>-</u> N1
Total capital base before proposed dividend	491,396	472,025
Proposed dividend	(56,000)	(56,000)
Total capital base after proposed dividend	<u>435,396</u>	<u>416,025</u>

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

N2 The capital base of the Group and the Bank has excluded portfolio impairment allowance on impaired loans
impaired loans restricted from Tier II capital of RM1,115,000

EXPLANATORY NOTES (Continued)

A19. Segment reporting

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

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

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

Definition of segments

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

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

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

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

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

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

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

	Financial advisory, underwriting and other fees	Debt / financing related	Equity related	Investments and securities services	Support and others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group						
31 March 2013						
Net interest expense	-	(3,311)	-	-	-	(3,311)
Non interest income	25,480	2,023	35,910	8,434	2,861	74,708
Income from Islamic Banking operations	-	4,197	512	956	1,057	6,722
	25,480	2,910	36,422	9,389	3,918	78,119
Overheads	(18,173)	(1,724)	(30,230)	(5,611)	-	(55,738)
<i>of which :</i>						
<i>Depreciation of property, plant and equipment</i>	(1,101)	(1,196)	(3,027)	(995)	-	(6,319)
Profit/(loss) before allowances	7,307	1,186	6,192	3,778	3,918	22,381
Allowance for impairment losses on loans, advances and financing	-	-	-	-	(289)	(289)
Allowance for impairment losses on other receivables	(2,798)	-	-	-	-	(2,798)
Segment results	4,509	1,186	6,192	3,778	7,547	19,294
Share of results of associates						185
Profit before taxation						19,479
Taxation						(7,300)
Net profit for the financial period						12,179
31 March 2013						
Segment assets	57,077	2,512,429	1,750,927	33,444	261,486	4,615,363
Unallocated assets						50,786
Total assets						4,666,149
Segment liabilities	4	2,287,795	1,645,082	5,968	147,254	4,086,103
Unallocated liabilities						17,131
Total liabilities						4,103,234
Other segment items						
Incurred capital expenditure:						
- addition of property, plant	957	1,041	2,633	864	-	5,495
Accretion of discount	-	55	-	-	-	55

EXPLANATORY NOTES (Continued)

A19. Segment reporting (Continued)

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

The Group	Financial advisory, underwriting and other fees RM'000	Debt related RM'000	Equity related RM'000	Investments and securities services RM'000	Support and others RM'000	Total RM'000
31 March 2012						
Net interest expense	-	(2,115)	-	-	-	(2,115)
Non interest income	13,066	4,254	38,045	6,978	700	63,043
Income from Islamic Banking operations	13	3,726	-	999	27	4,765
	13,079	5,865	38,045	7,977	727	65,693
Overheads	(12,473)	(9,097)	(30,056)	(6,273)	-	(57,899)
<i>of which :</i>						
<i>Depreciation of property, plant and equipment</i>	<i>(873)</i>	<i>(1,542)</i>	<i>(2,905)</i>	<i>(887)</i>	-	<i>(6,207)</i>
Profit/(loss) before allowances	606	(3,232)	7,989	1,704	727	7,794
Writeback of impairment losses on loans, advances and financing	-	-	-	-	115	115
Allowance for impairment losses on other receivables	(4,182)	-	-	-	-	(4,182)
Segment results	(3,576)	(3,232)	7,989	1,704	842	3,727
Share of results of associates						61
Profit before taxation						3,788
Taxation						(2,609)
Net profit for the financial period						1,179
31 December 2012						
Segment assets	54,306	2,363,588	965,120	34,292	233,668	3,650,974
Unallocated assets						54,244
Total assets						3,705,218
Segment liabilities	2,789	2,151,140	872,452	7,416	102,400	3,136,197
Unallocated liabilities						23,489
Total liabilities						3,159,686
Other segment items						
Incurring capital expenditure:						
- addition of property, plant	5,449	7,826	17,886	5,307	-	36,468
Accretion of discount	-	582	-	-	-	582

EXPLANATORY NOTES (Continued)

A20. The operations of Islamic Banking

A20a. Unaudited Statements of Financial Position as at 31 March 2013

		The Group and The Bank	
Notes		31 March 2013	31 December 2012
		RM'000	RM'000
Assets			
Cash and short-term funds		515,241	256,745
Deposit and placements with banks and other financial institutions		516,944	692,756
Islamic derivative financial instruments		32,017	40,879
Other assets		175,780	173,455
Property, plant and equipment		26	22
Amount due from related companies		901	-
Total assets		1,240,909	1,163,857
Liabilities and Islamic Banking capital funds			
Deposits from customers	A20c	300,581	308,736
Deposits and placements of banks and other financial institutions		327,463	263,831
Islamic derivative financial instruments		14,792	17,750
Provision for taxation and zakat		135,823	134,557
Other liabilities		20,623	804
Amount due to related companies		-	222
Total liabilities		799,282	725,900
Islamic Banking capital funds		55,249	55,250
Reserves		386,378	382,707
Total Islamic Banking capital funds		441,627	437,957
Total liabilities and Islamic Banking capital funds		1,240,909	1,163,857

A20b. Unaudited Statements of Income for the financial period ended 31 March 2013

		The Group and The Bank			
		1st quarter ended		Three months ended	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others		1,386	750	1,386	750
Income derived from investment of shareholders' funds		8,631	7,274	8,631	7,274
(Allowance for)/writeback of impairment losses on other receivables		(4)	13	(4)	13
Total attributable income		10,013	8,037	10,013	8,037
Income attributable to the depositors		(3,295)	(3,259)	(3,295)	(3,259)
Total net income		6,718	4,778	6,718	4,778
Personnel expenses		(117)	(325)	(117)	(325)
Other overheads and expenditures		(1,664)	(232)	(1,664)	(232)
Profit before taxation		4,937	4,221	4,937	4,221
Taxation		(1,266)	(1,064)	(1,266)	(1,064)
Profit after taxation/total comprehensive income for the period		3,671	3,157	3,671	3,157
Total net income		6,718	4,778	6,718	4,778
Add : Allowance for/(writeback of) impairment losses on other receivables		4	(13)	4	(13)
		6,722	4,765	6,722	4,765

A20c. Deposits from customers

		The Group and The Bank	
By type of deposits		31 March 2013	31 December 2012
Non-Mudharabah Fund		RM'000	RM'000
Equity Linked Sukuk		300,581	308,736

EXPLANATORY NOTES (Continued)

B1. Group Performance Review

The Group achieved a profit after tax of RM12.2million for the period ended 31 March 2013, a 932% increase compared to the profit after tax of RM1.2 million for the period ended 31 March 2012. This was mainly due to an increase in fee income arising from several M&A and an IPO transaction in 1Q2013.

Overhead expenses decreased by 3.7% from RM57.9 million for the period ending March 2012 to RM55.7 million for the period ending 31 March 2013, mainly due to a decrease in both personnel and administrative and general expenses partially offset by an increase in establishment expenses.

B2. Prospects for the Current Financial Year

With the Malaysian general elections behind, the Group hopes to see more wholesale banking opportunities going forward. However the Group will remain mindful of macroeconomic challenges ahead as regional policy-makers respond to the slower external demand, domestic inflationary pressures and strong liquidity inflows.