

MAYBANK INVESTMENT BANK BERHAD
(15938-H)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

<u>Group</u>	Notes	31 December 2012 RM'000	31 December 2011 RM'000	1 July 2011 RM'000
ASSETS				
Cash and short-term funds	13	330,142	361,159	501,615
Deposits and placements with banks and other financial institutions	14	37,573	12,590	10,347
Securities portfolio held-for-trading	15 (i)	181,862	18,238	-
Securities portfolio available-for-sale	15 (ii)	87,527	578,196	98,449
Securities portfolio held-to-maturity	15 (iii)	33	33	33
Loans and advances	16	375,980	209,632	211,257
Derivative assets	19 (i)	96	-	-
Other assets	17	263,522	425,607	450,286
Statutory deposits with Bank Negara Malaysia		105	105	105
Investment in associates		4,718	10,407	10,656
Property, plant and equipment		16,059	13,641	9,338
Intangible assets		9,375	6,028	5,217
Deferred tax assets		17,681	5,524	10,116
TOTAL ASSETS		1,324,673	1,641,160	1,307,419
LIABILITIES				
Deposits and placements of a licensed bank		150,050	606,414	-
Other liabilities	18	434,365	511,762	863,885
Derivative liabilities	19 (ii)	8,953	7,508	-
Deferred tax liabilities		1,088	773	744
TOTAL LIABILITIES		594,456	1,126,457	864,629
SHAREHOLDER'S EQUITY				
Share capital		50,116	50,116	50,116
Reserves		680,101	464,587	392,674
TOTAL EQUITY		730,217	514,703	442,790
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		1,324,673	1,641,160	1,307,419
COMMITMENTS AND CONTINGENCIES	26	572,359	492,641	508,727

(These audited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements)

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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

<u>Bank</u>	Notes	31 December 2012 RM'000	31 December 2011 RM'000	1 July 2011 RM'000
ASSETS				
Cash and short-term funds	13	271,642	330,227	469,678
Deposits and placements with banks and other financial institutions	14	36,312	9,199	9,163
Securities portfolio held-for-trading	15 (i)	181,862	18,238	-
Securities portfolio available-for-sale	15 (ii)	39,435	531,600	42,060
Securities portfolio held-to-maturity	15 (iii)	33	33	33
Loans and advances	16	375,980	209,632	211,257
Derivative assets	19 (i)	96	-	-
Other assets	17	263,734	424,580	450,327
Statutory deposits with Bank Negara Malaysia		105	105	105
Investment in subsidiaries		233,269	233,279	233,279
Investment in associates		4,200	4,200	4,200
Property, plant and equipment		15,912	13,484	9,179
Intangible assets		9,375	6,028	5,217
Deferred tax assets		17,681	5,524	10,116
TOTAL ASSETS		1,449,636	1,786,129	1,444,614
LIABILITIES				
Deposits and placements of a licensed bank		150,050	606,414	-
Other liabilities	18	603,796	678,866	1,032,042
Derivative liabilities	19 (ii)	8,953	7,508	-
TOTAL LIABILITIES		762,799	1,292,788	1,032,042
SHAREHOLDER'S EQUITY				
Share capital		50,116	50,116	50,116
Reserves		636,721	443,225	362,456
TOTAL EQUITY		686,837	493,341	412,572
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		1,449,636	1,786,129	1,444,614
COMMITMENTS AND CONTINGENCIES	26	572,359	492,641	508,727

(These audited condensed financial statements should be read in conjunction with the audited financial statements for the financial period ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements)

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

<u>Group</u>	Notes	Quarter Ended		Cumulative 12 Months Ended	
		31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Interest income	20	9,441	6,904	37,574	23,252
Interest expense	21	(1,248)	(1,899)	(9,577)	(4,396)
Net interest income		8,193	5,005	27,997	18,856
Net income from Islamic Banking Scheme operations	28	5,049	24,420	123,745	98,806
Non-interest income	22	69,801	46,956	378,301	259,681
Net income		83,043	76,381	530,043	377,343
Overhead expenses	23	(54,647)	(58,282)	(246,350)	(211,541)
Operating profit		28,396	18,099	283,693	165,802
(Allowance for)/writeback of impairment on loans and advances and other debtors, net	24	(251)	684	53	423
Allowance for impairment on securities available-for-sale		-	(2,058)	-	(2,656)
(Allowance for)/writeback of commitments and contingencies		(6,119)	-	(6,119)	9,342
		22,026	16,725	277,627	172,911
Share of results of associate		(307)	(389)	(4,177)	(31)
Profit before taxation and zakat		21,719	16,336	273,450	172,880
Taxation and zakat		14,437	(5,523)	(53,445)	(43,160)
Net profit for the period/year		36,156	10,813	220,005	129,720
Basic earnings per share (sen)		72	22	439	259

<u>Group</u>	Quarter Ended		Cumulative 12 Months Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Net profit for the period/year	36,156	10,813	220,005	129,720
Other comprehensive loss:				
Net gain/(loss) on securities available-for-sale				
- Gain/(loss) on fair value changes, net of tax	7,139	11,334	(2,887)	(8,313)
Foreign currency translation	21	(384)	(1,604)	1,586
Other comprehensive income/(loss) for the period/year, net of tax	7,160	10,950	(4,491)	(6,727)
Total comprehensive income for the period/ year attributable to equity holder of the parent	43,316	21,763	215,514	122,993

*(These audited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements)
(The Group has changed its financial year-end from 30 June to 31 December. Comparatives for cumulative quarters consist of 12 months results beginning 1 January 2011 to 31 December 2011. The figures have not been audited)*

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

<u>Bank</u>	Notes	Quarter Ended		Cumulative 12 Months Ended	
		31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Interest income	20	9,110	6,630	36,609	22,515
Interest expense	21	(1,248)	(1,899)	(9,577)	(4,396)
Net interest income		7,862	4,731	27,032	18,119
Net income from Islamic Banking Scheme operations	28	5,049	24,420	123,745	98,806
Non-interest income	22	70,769	46,839	367,170	255,728
Net income		83,680	75,990	517,947	372,653
Overhead expenses	23	(53,671)	(57,912)	(243,055)	(208,657)
Operating profit		30,009	18,078	274,892	163,996
Writeback of impairment on loans and advances and other debtors, net	24	109	684	413	423
Allowance for impairment on securities available-for-sale		-	(2,058)	-	(1,104)
(Allowance for)/writeback of commitments and contingencies		(6,119)	-	(6,119)	9,342
Profit before taxation and zakat		23,999	16,704	269,186	172,657
Taxation and zakat		(2,737)	(5,679)	(68,440)	(43,333)
Net profit for the period/year		21,262	11,025	200,746	129,324
Basic earnings per share (sen)		42	22	401	258

<u>Bank</u>	Quarter Ended		Cumulative 12 Months Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Net profit for the period/year	21,262	11,025	200,746	129,324
Other comprehensive loss:				
Net gain/(loss) on securities available-for-sale - Gain/(loss) on fair value changes, net of tax	1,772	7,312	(7,250)	7,249
Other comprehensive income/(loss) for the period/year, net of tax	1,772	7,312	(7,250)	7,249
Total comprehensive income for the period/ year attributable to equity holder of the Bank	23,034	18,337	193,496	136,573

(These audited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements)
(The Bank has changed its financial year-end from 30 June to 31 December. Comparatives for cumulative quarters consist of 12 months results beginning 1 January 2011 to 31 December 2011. The figures have not been audited)

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED CASH FLOW STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

	Group		Bank	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Profit before taxation and zakat	273,450	172,880	269,186	172,657
Adjustment for non-operating and non-cash items	(2,487)	2,046	(6,589)	1,460
Operating profit before working capital changes	270,963	174,926	262,597	174,117
Changes in working capital:				
Net changes in operating assets	287,237	864,768	282,624	835,068
Net changes in operating liabilities	(541,825)	(1,007,518)	(539,231)	(977,367)
Net taxes paid	(38,220)	(60,397)	(53,903)	(58,638)
Net cash used in operating activities	(21,845)	(28,221)	(47,913)	(26,820)
Net cash used in investing activities	(9,172)	(12,235)	(10,672)	(12,631)
Net cash used in financing activities - dividends paid	-	(100,000)	-	(100,000)
Net decrease in cash and cash equivalents	(31,017)	(140,456)	(58,585)	(139,451)
Cash and cash equivalents at beginning of the year	361,159	501,615	330,227	469,678
Cash and cash equivalents at end of the year	330,142	361,159	271,642	330,227

(These audited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements)
(The condensed cash flow statements for the cumulative 12 months ended 31 December 2011 have not been audited)

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

	←-----Non-distributable-----→						Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves* RM'000	Unrealised holding reserves RM'000	Exchange fluctuation reserve RM'000	Distributable retained earnings RM'000	
Group							
At 1 January 2012	50,116	172,669	50,116	21,871	(4,526)	224,457	514,703
Profit for the year	-	-	-	-	-	220,005	220,005
Other comprehensive loss	-	-	-	(2,887)	(1,604)	-	(4,491)
Total comprehensive (loss)/income for the year	-	-	-	(2,887)	(1,604)	220,005	215,514
At 31 December 2012	50,116	172,669	50,116	18,984	(6,130)	444,462	730,217
At 1 January 2011	50,116	172,669	50,116	30,184	(6,112)	194,737	491,710
Profit for the period	-	-	-	-	-	56,112	56,112
Other comprehensive loss	-	-	-	(4,226)	(806)	-	(5,032)
Total comprehensive (loss)/income for the period	-	-	-	(4,226)	(806)	56,112	51,080
Transaction with owner							
Dividends	-	-	-	-	-	(100,000)	(100,000)
Total transaction with owner	-	-	-	-	-	(100,000)	(100,000)
At 30 June 2011	50,116	172,669	50,116	25,958	(6,918)	150,849	442,790
At 1 July 2011	50,116	172,669	50,116	25,958	(6,918)	150,849	442,790
Profit for the period	-	-	-	-	-	73,608	73,608
Other comprehensive (loss)/income	-	-	-	(4,087)	2,392	-	(1,695)
Total comprehensive (loss)/income for the period	-	-	-	(4,087)	2,392	73,608	71,913
At 31 December 2011	50,116	172,669	50,116	21,871	(4,526)	224,457	514,703

* The statutory reserves are maintained in compliance with Section 36 of the Banking and Financial Institutions Act, 1989 and are not distributable as cash dividends.

(These audited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes to the financial statements)
(The statement of changes in equity for the cumulative 6 months ended 30 June 2011 has not been audited)

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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

	<-----Non-distributable----->					
<u>Bank</u>	Share capital RM'000	Share premium RM'000	Statutory reserves* RM'000	Unrealised holding reserves RM'000	Distributable retained earnings RM'000	Total RM'000
At 1 January 2012	50,116	172,669	50,116	7,249	213,191	493,341
Profit for the year	-	-	-	-	200,746	200,746
Other comprehensive loss	-	-	-	(7,250)	-	(7,250)
Total comprehensive (loss)/income for the year	-	-	-	(7,250)	200,746	193,496
At 31 December 2012	50,116	172,669	50,116	(1)	413,937	686,837
At 1 January 2011	50,116	172,669	50,116	-	183,867	456,768
Profit for the period	-	-	-	-	55,804	55,804
Total comprehensive income for the period	-	-	-	-	55,804	55,804
Transaction with owner						
Dividends	-	-	-	-	(100,000)	(100,000)
Total transaction with owner	-	-	-	-	(100,000)	(100,000)
At 30 June 2011	50,116	172,669	50,116	-	139,671	412,572
At 1 January 2011	50,116	172,669	50,116	-	139,671	412,572
Profit for the period	-	-	-	-	73,520	73,520
Other comprehensive income	-	-	-	7,249	-	7,249
Total comprehensive income for the period	-	-	-	7,249	73,520	80,769
At 31 December 2011	50,116	172,669	50,116	7,249	213,191	493,341

* The statutory reserves are maintained in compliance with Section 36 of the Banking and Financial Institutions Act, 1989 and are not distributable as cash dividends.

(These audited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes to the financial statements)
(The statement of changes in equity for the cumulative 6 months ended 30 June 2011 has not been audited)

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Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting

1. Basis of Preparation

The audited condensed interim financial statements for the Group and of the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: securities held-for-trading, securities available-for-sale and derivative financial instruments.

The audited condensed interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting, except for the comparative figures for income statements, statements of comprehensive income, statements of changes in equity and cash flows statements, in which the comparable interim period (i.e. the cumulative 12 months ended 31 December 2011) comprises 6 months which are in respect of a comparable period in the previous financial year of 30 June 2011 and 6 months which are in respect of a comparable period of the immediately preceding financial period of 31 December 2011. However, the comparable interim period as required by MFRS 134 is the cumulative 3 months ended 31 December 2011 of the immediately preceding financial period of 31 December 2011. The departure is mainly due to the Group and the Bank have changed their financial year-end from 30 June to 31 December in the last financial period. For the periods up to and including the six-month financial period ended 31 December 2011, the Group and the Bank prepared its financial statements in accordance with Financial Reporting Standards ("FRS") as modified by Bank Negara Malaysia Guidelines. These audited condensed interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board except for as mentioned above.

The audited condensed interim financial statements should be read in conjunction with the audited financial statements for six-month financial period ended 31 December 2011. These explanatory notes attached to the audited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial period ended 31 December 2011.

The audited condensed interim financial statements incorporated those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to capital market and stockbroking activities under the principles of Shariah.

First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These are the Group's and the Bank's audited condensed interim financial statements for part of the period covered by first MFRS Framework annual financial statements of the Group and the Bank for the year ended 31 December 2012 and MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards has been applied.

As required by MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1"), the resulting adjustments arose from events and transactions before the date of transition to MFRS were recognised directly through retained earnings (or another category of equity, where appropriate) as at 1 July 2011 (the date of transition). This is the effect of the general rule of MFRS 1 which is to apply MFRS retrospectively. There are some mandatory exceptions provided and some exemptions permitted by MFRS 1. The Group's and the Bank's first time adoption decisions regarding these exemptions are detailed below. Other optional exemptions available under MFRS 1, which are not discussed here, are not applicable to the Group and the Bank.

(i) Business combinations

MFRS 1 indicates that a first-time adopter may elect not to apply MFRS 3 *Business Combinations* retrospectively to business combinations that occurred before the date of transition to MFRS.

The Group and the Bank have taken advantage of this election and have elected not to restate business combinations that took place prior to the 1 July 2011 (i.e. the transition date to MFRS). In respect of acquisitions prior to the date of transition:

- (a) The classification of former business combinations under FRS is maintained;
- (b) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (c) The carrying amount of goodwill recognised under FRS is not adjusted.

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1. Basis of Preparation (Cont'd)

First-time adoption of Malaysian Financial Reporting Standards ("MFRS") (Cont'd)

- (ii) Fair value or revaluation as deemed cost for Property, Plant and Equipment ("PPE")

A first-time adopter may elect to measure individual items of PPE at fair value at the date of transition to MFRS and use that fair value as deemed cost at that date.

The Group and the Bank have not opted for this exemption.

- (iii) Investments in subsidiaries, jointly controlled entities and associates

MFRS 1 allows the first-time adopter (a parent entity or investor) to measure its subsidiaries, jointly controlled entities and associates in its separate financial statements at one of the following amounts on date of transition: a) cost, in accordance with MFRS 127 *Consolidated and Separate Financial Statements*; or b) deemed cost. The deemed cost of such an investment shall be either: i) fair value at the entity's date of transition to MFRS in its separate financial statements; or ii) the previous GAAP carrying amount at that date.

The Group and the Bank have elected to measure all its investments in subsidiaries and associates in its separate financial statements at their FRS carrying amounts at 1 July 2011 (i.e. the transition date to MFRS).

- (iv) Designation of previously recognised financial instruments

MFRS 1 allows a first-time adopter to designate eligible financial assets as available-for-sale at fair value through profit or loss or as available the date of transition.

The Group and the Bank have not opted for this exemption.

The above elected optional exemptions will not materially impact the opening MFRS Statement of Financial Position as at 1 July 2011 of the Group and the Bank.

Estimates

The estimates at 1 July 2011 and at 31 December 2011 are consistent with those made for the same dates in accordance with FRS. The estimates used by the Group and the Bank to present these amounts in accordance with MFRS reflect conditions at 1 July 2011, the date of transition to MFRS and as of 31 December 2011.

Changes in accounting policy

The Group and the Bank have adopted the Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18 *Monies Held in Trust by Participating Organisation at Bursa Malaysia Securities Berhad* ("FRSIC 18") during the financial year. The financial impact arising on the adoption of FRSIC 18 are disclosed in Note 29.

2. Significant Accounting Policies and Application of MFRS 1

The audited financial statements of the Group and the Bank for the six-month financial period ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these audited condensed interim financial statements are consistent with those of the audited financial statements for financial period ended 31 December 2011 except for those exemptions elected as discussed in Note 1 above.

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3. Significant Accounting Estimates and Judgements

The preparation of financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving higher degree of judgement and complexity are as follows:

(i) Fair Value Estimation of Securities Held-for-trading (Note 15 (i)), Available-for-sale (Note 15 (ii)) and Derivative Financial Instruments (Note 19)

The fair value of securities and derivatives that are not traded in an active market are determined using valuation techniques based on assumptions of market conditions existing at the reporting date, including reference to quoted market prices and independent dealer quotes for similar securities and discounted cash flows method.

(ii) Impairment of Other Intangible Assets

The Group's and the Bank's intangible assets that can be separated and sold and have a finite useful life are amortised over their estimated useful life.

The determination of the estimated useful life of these intangible assets requires the Bank's management to analyse the circumstances, the industry and market practice and also to use judgement. At each reporting date, or more frequently when events or changes in circumstances dictate, intangible assets are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the assets with its recoverable amount.

(iii) Deferred Tax and Income Taxes

The Group and the Bank are subject to income taxes in many jurisdictions and significant judgement is required in estimating the provision for income taxes. There are many transactions and interpretations of tax law for which the final outcome will not be established until some time later. Liabilities for taxation are recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking expert advice where appropriate. Where the final liability for taxation is different from the amounts that were initially recorded, the differences will affect the income tax and deferred tax provisions in the period which the estimates is revised or the final liability is established.

(iv) Impairment Losses on Loans, Advances and Financing

The Group and the Bank review its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the statement of comprehensive income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group and the Bank make judgements about the borrower's or the customer's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowances.

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment takes account of data from the loan portfolio (such as credit quality, level of arrears, credit utilisation, loan to collateral ratios etc.), concentrations of risks (such as the performance of different individual groups) and relevant economic data.

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3. Significant Accounting Estimates and Judgements (Cont'd)

(v) Impairment of Investments in Subsidiaries and Interest in Associates

The Group and the Bank assess whether there is any indication that an investment in subsidiaries and interests in associates may be impaired at each reporting date.

If indicators are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the investment and the investment's estimated recoverable amount.

Judgements made by management in the process of applying the Group's and the Bank's accounting policies in respect of investment in subsidiaries and interest in associates are as follows:

- (i) The Group and the Bank determine whether its investments are impaired following certain indications of impairments such as, amongst others, prolonged shortfall between market value and carrying amount, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes and fundamentals; and
- (ii) Depending on their nature and the industries in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted cash flow, realisable net asset value and sector average price-earnings ratio methods.

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the investment. These assumptions and other key sources of estimation uncertainty at the reporting date, may have a significant risk of causing a material adjustment to the carrying amounts of the investments within the next financial year. Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks, and expected future outcome of certain past events.

(vi) Impairment of Securities Portfolio

The Group and the Bank review the Securities Portfolio and assess at each reporting date whether there is any objective evidence that the investment is impaired. If there are indicators or objective evidence, the assets are subject to impairment review.

The impairment review comprises the following judgement made by management:

- (i) Determination whether its investment is impaired following certain indicators such as, amongst others, prolonged decline in fair value, significant financial difficulties of the issuers or obligors, the disappearance of an active trading market and deterioration of the credit quality of the issuers or obligors; and
- (ii) Determination of "significant" or "prolonged" requires judgement and management evaluation on various factors, such as historical value movement and the significant reduction in fair value.

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial period ended 31 December 2011 was not qualified.

5. Seasonal or Cyclical Factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the quarter ended 31 December 2012.

6. Unusual Items Due to Their Nature, Size or Incidence

During the quarter ended 31 December 2012, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank.

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7. Significant Events During the Quarter and Subsequent Events

(a) Proposed acquisition of additional Anfaal shares

The Bank had on 9 April 2012 entered into a conditional Share Purchase Agreement ("SPA") with Al Numu Real Estate Co and Anfaal Capital ("Anfaal") for the following :-

- i. Proposed acquisition of 858,499 ordinary shares of SAR10 each in Anfaal ("Anfaal Shares"), representing approximately 17.17% of the ordinary share capital of Anfaal for a cash consideration of SAR10,516,613 (RM8,907,571) being SAR12.25 for each Anfaal Share; and
- ii. Proposed assignment of the subordinated loan of SAR2,070,000 (RM1,753,290) from Al Numu to the Bank, which is intended to be converted into 207,000 new Anfaal Shares.

In addition to the above, the Board of the Bank in its meeting held on 23 August 2011 and 21 October 2011, approved the proposed subscription of 459,000 new Anfaal Shares pursuant to the proposed rights issue of SAR8,500,000 (RM7,199,500) at SAR10 per share for total consideration of SAR4,590,000 (RM3,887,730) on the basis of 17 new shares held prior to the conversion of subordinated loan.

The Bank currently holds 900,000 Anfaal Shares, representing 18.00% equity interest in Anfaal. The Bank will hold 35.17% equity interest in Anfaal upon completion of the proposed acquisition and 37.59% equity interest in Anfaal upon completion of the proposed subscription of rights issue and proposed conversion of the subordinated loan.

On 3 October 2012, the Board of Directors of the parent company i.e. Maybank announced that the Bank, Al Numu and Anfaal have mutually agreed to extend the period for the fulfillment of the conditions precedent of the SPA in relation to the Proposals from 30 September 2012 to 31 December 2012. Save for the above, all the other terms and conditions of the SPA remain unchanged.

The Board of Directors of Maybank announced that the Bank, Al Numu and Anfaal have mutually agreed to extend the period for the fulfillment of the conditions precedent of the SPA in relation to the Proposals from 31 December 2012 to 31 March 2013.

(b) Liquidation of Maydis Berhad ("Maydis")

Maydis was placed under members' voluntary liquidation on 10 December 2010, and had its Final Meeting on 10 December 2012. On the expiration of 3 months after the lodgement of the related statutory return with the Companies Commission of Malaysia, Maydis shall be dissolved.

Maydis was previously engaged in the business of a discount house and has been dormant since 2005 following the merger of Maydis with the Bank. The liquidation of Maydis is part of the corporate rationalisation exercise of the Bank which aims to unlock value in its dormant subsidiaries and streamline the group's capital structure.

The dissolution of Maydis will not have any material effect on the earnings or assets of the Bank for the financial year ended 31 December 2012. None of the directors or substantial shareholders of the Bank or persons connected to them has any interest in the voluntary liquidation.

(c) Disposal of Maybank Ventures Sdn Bhd ("MVSb")

MVSb, an associated company, was disposed to Aseamlease Berhad, a wholly-owned subsidiary of Maybank on 2 January 2013.

MVSb is principally a venture capital company that engages in the promotion of and investment in companies in and outside of Malaysia with the objective of achieving capital appreciation primarily through disposal of such investments.

8. Changes in Estimates

There were no material changes in estimates during the quarter ended 31 December 2012.

9. Changes in Debt and Equity Securities

There were no issuances, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Bank.

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10. Dividend Proposed

At the forthcoming Annual General Meeting, a single-tier first and final dividend in respect of the financial year ended 31 December 2012 of RM3.52 on 50,116,000 ordinary shares, amounting to a net dividend payable of RM176,408,320 will be proposed for the shareholder's approval.

11. Performance Review

For the year ended 31 December 2012, the Group recorded 40.5% and 71.1% growth in revenue and operating profit respectively despite the challenging business environment.

Net interest income increased by 48.5% or RM9.1 million due to higher interest income from share margin financing as well as placement of deposits. In support of "Islamic First" strategy, Islamic Banking income surged by RM24.9 million (RM98.8 million in corresponding 12 months ended last year) due to sizeable sukuk transactions. Non-interest income was up by 45.7% from RM259.7 million to RM378.3 million due to higher fee-based income mainly from investment banking. Net income rose by RM152.7 million or 40.5% to RM530.0 million.

Overhead expenses rose by 16.5% or RM34.9 million to RM246.4 million from RM211.5 million last year. This was largely attributable to the increase in personnel related costs, namely, salaries (RM17.3 million), bonus (RM9.2 million), Employee Share Option Scheme (RM2.0 million) and pension costs (RM3.4 million).

The Group's profit before taxation and zakat registered an increase of 58.2% or RM100.6 million to RM273.5 million. Net profit improved by 69.6% or RM90.3 million from RM129.7 million to RM220.0 million for the year ended 31 December 2012 compared to the previous 12 months ended 31 December 2011.

12. Prospects

The global real GDP growth is expected to stabilise at 3.4% in 2013 due to continued US recovery, stabilising of the crisis in Eurozone and a moderate but more sustainable growth in China. The ASEAN 5, comprising of Indonesia, Malaysia, Philippines, Thailand and Vietnam, is expected to outperform on continued resilience in domestic demand and relative improvement in net external demand, with GDP growth sustained at 5.5% in 2013 from 5.7% in 2012.

In Malaysia, real GDP growth is expected to remain resilient above 5.0% (2012: 5.6%) due to improved domestic demand from higher consumer spending and rollout of major infrastructure projects under the Economic Transformation Programme, supported by an accommodative monetary policy. However, consumer spending may turn cautious in the second half on the prospects of higher inflation on gradual withdrawal of energy-related subsidies and a possible hike in the Overnight Policy Rate.

Considering the above factors, the Group anticipates to see reasonable growth in its business for the financial year ending 31 December 2013. In addition, the Group will adopt a strategy of responsible growth with equal focus on managing asset quality, liquidity and capital through sound risk management practices.

Barring any unforeseen circumstances, the Group expects to achieve satisfactory financial performance for the financial year ending 31 December 2013.

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13. Cash and short-term funds

	Group		Bank	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Cash and bank balances with licensed commercial banks and other licensed financial institutions	94,697	94,218	46,617	67,286
Deposit placements maturing within one month	235,445	266,941	225,025	262,941
	<u>330,142</u>	<u>361,159</u>	<u>271,642</u>	<u>330,227</u>

The monies held-in-trust for clients for the Group and the Bank as at reporting date are approximately RM88,699,000 (31 December 2011: RM839,565,000 and 1 July 2011: RM820,755,000). These amounts are excluded from the cash and short-term funds of the Group and the Bank in accordance with FRSIC 18 as disclosed in Note 29.

14. Deposits and placements with banks and other financial institutions

	Group		Bank	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Licensed bank	37,573	12,590	36,312	9,199

15. Securities portfolio

		Group		Bank	
		31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Securities held-for-trading	15 (i)	181,862	18,238	181,862	18,238
Securities available-for-sale	15 (ii)	87,527	578,196	39,435	531,600
Securities held-to-maturity	15 (iii)	33	33	33	33
Total securities portfolio		<u>269,422</u>	<u>596,467</u>	<u>221,330</u>	<u>549,871</u>

15 (i) Securities held-for-trading

At fair value	Group		Bank	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Quoted Securities:				
Shares in Malaysia	32,120	18,238	32,120	18,238
Unquoted Securities:				
Private debt securities in Malaysia	149,742	-	149,742	-
Total securities held-for-trading	<u>181,862</u>	<u>-</u>	<u>181,862</u>	<u>-</u>

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15. Securities portfolio (Cont'd)

15 (ii) Securities available-for-sale

At fair value, or cost less impairment losses for certain unquoted equity instruments	Group		Bank	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Quoted Securities:				
Shares and loan stocks in Malaysia	50	67,596	50	67,596
Shares and loan stock outside Malaysia	48,273	44,547	181	151
	<u>48,323</u>	<u>112,143</u>	<u>231</u>	<u>67,747</u>
Unquoted Securities:				
Shares and loan stocks in Malaysia	37,627	37,627	37,627	35,427
Shares outside Malaysia	1,577	4,491	1,577	4,491
Private debt securities in Malaysia	-	110,494	-	110,494
Islamic private debt securities in Malaysia	-	313,441	-	313,441
	<u>39,204</u>	<u>466,053</u>	<u>39,204</u>	<u>463,853</u>
Total securities available-for-sale	87,527	578,196	39,435	531,600

15 (iii) Securities held-to-maturity

At amortised Cost	Group and Bank	
	31 December 2012 RM'000	31 December 2011 RM'000
Unquoted Securities:		
Private debt securities in Malaysia	33	33
Total securities held-to-maturity	<u>33</u>	<u>33</u>

16. Loans and advances

At amortised cost	Group and Bank	
	31 December 2012 RM'000	31 December 2011 RM'000
Term loans		
- Syndicated term loan	6,447	6,403
- Other term loans	1,806	1,096
Amount due from borekers and clients		
- Margin accounts	358,038	191,389
Foreign currency loans	1,468	1,525
Staff loans	14,488	15,486
Gross loans and advances	<u>382,247</u>	<u>215,899</u>
Less: Allowance for impairment		
- Individual assessment allowance	(6,267)	(6,267)
Net loans and advances	<u>375,980</u>	<u>209,632</u>

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16. Loans and advances (Cont'd)

(i) Loans and advances analysed by type of customers are as follows:

	Group and Bank	
	31 December 2012 RM'000	31 December 2011 RM'000
Domestic business enterprises	200,065	86,149
Individuals	180,714	128,224
Foreign entities	1,468	1,526
Gross loans and advances	382,247	215,899

(ii) Loans and advances analysed by interest/profit rate sensitivity are as follows:

	Group and Bank	
	31 December 2012 RM'000	31 December 2011 RM'000
Fixed rate		
- Housing loans	9,123	9,939
- Hire purchase receivables	4,910	5,334
- Other fixed rate loans	455	213
Variable rate		
- BLR-plus	9,721	9,024
- Cost-plus	358,038	191,389
Gross loans and advances	382,247	215,899

(iii) Loans and advances analysed by economic purpose are as follows:

	Group and Bank	
	31 December 2012 RM'000	31 December 2011 RM'000
Purchase of securities	358,038	191,389
Purchase of transport vehicles	5,070	5,497
Purchase of residential landed property	10,769	10,872
Personal use	448	213
Consumer durables	7	-
Working capital	7,915	7,928
Gross loans and advances	382,247	215,899

(iv) The maturity structure of loans and advances are as follows:

	Group and Bank	
	31 December 2012 RM'000	31 December 2011 RM'000
Maturing within one year	359,881	199,610
One year to three years	962	464
Three years to five years	4,047	4,124
After five years	17,357	11,701
Gross loans and advances	382,247	215,899

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16. Loans and advances (Cont'd)

(v) Movements in impaired loans and advances ("impaired loans") are as follows:

	Group and Bank	
	31 December 2012 RM'000	31 December 2011 RM'000
Gross balance at beginning of the year/period	6,980	8,648
Impaired during the year/period	964	2,243
Recovered/regularised during the year/period	(935)	(3,991)
Other charges	-	80
Gross balance at end of the year/period	7,009	6,980
Less:		
Individual assessment allowance	(6,267)	(6,267)
Net balance at end of the year	742	713
Net impaired loans as % of gross loans and advances less individual assessment allowance	0.20%	0.34%

(vi) Impaired loans and advances analysed by economic purpose are as follows:

	Group and Bank	
	31 December 2012 RM'000	31 December 2011 RM'000
Purchase of transport vehicles	156	156
Purchase of residential landed property	406	421
Working capital	6,447	6,403
	7,009	6,980

(vii) Movements in the individual assessment allowance are as follows:

	Group and Bank	
	31 December 2012 RM'000	31 December 2011 RM'000
Individual assessment allowance:		
Balance at beginning of the year/period	6,267	7,941
Allowance made during the year/period	205	210
Amount written back in respect of recoveries	(205)	(1,884)
Balance at end of the year/period	6,267	6,267

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17. Other assets

	Group		Bank	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Tax recoverable	-	421	-	-
Amount due from brokers and clients				
- Non-margin accounts (a)	238,647	377,286	238,647	377,286
Amount due from ultimate holding company	8,074	25,941	8,074	25,941
Other debtors, deposits and prepayment	25,715	29,379	23,441	26,647
	272,436	433,027	270,162	429,874
Less: Allowance for doubtful debts	(8,914)	(7,420)	(6,428)	(5,294)
	263,522	425,607	263,734	424,580

(a) Amount due from brokers and clients represents net amount receivable from non-margin clients, which include outstanding purchase contracts entered into on behalf of clients, contra losses, and other fees and charges.

18. Other liabilities

	Group		Bank	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Provisions and accruals	89,386	49,290	85,487	46,317
Provision for outstanding claims	6,619	500	6,619	500
Amount due to brokers and clients (a)	212,384	347,951	212,384	347,951
Deposits and other creditors	98,732	109,940	272,329	280,017
Provision for taxation and zakat	27,244	4,081	26,977	4,081
	434,365	511,762	603,796	678,866

(a) Amount due to brokers and clients represents net amount payable to margin and non-margin clients, which include outstanding sales contracts entered into on behalf of clients and contra gains.

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19 (i). Derivative assets

	Group and Bank			
	31 December 2012		31 December 2011	
	Contract/ Notional amount RM'000	Fair value RM'000	Contract/ Notional amount RM'000	Fair value RM'000
Commodity related derivatives:				
Commodity futures	4,291	96	-	-
	<u>4,291</u>	<u>96</u>	<u>-</u>	<u>-</u>

19 (ii). Derivative liabilities

	Group and Bank			
	31 December 2012		31 December 2011	
	Contract/ Notional amount RM'000	Fair value RM'000	Contract/ Notional amount RM'000	Fair value RM'000
Equity related derivatives:				
Index futures	2,527	10	-	-
Equity options	202,528	8,824	28,952	7,508
Commodity related derivatives:				
Commodity futures	5,041	53	-	-
Commodity options	40,790	66	-	-
	<u>250,886</u>	<u>8,953</u>	<u>28,952</u>	<u>7,508</u>

19 (iii). The Group and the Bank have recognised the fair value changes of the derivative assets and derivative liabilities as follows (Note 22):

	Group and Bank			
	Quarter Ended		Cumulative 12 Months Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Equity related derivatives:				
Index futures	(33)	-	(63)	-
Equity options	1,305	159	14,558	159
Commodity related derivatives:				
Commodity futures	16	-	96	-
Commodity options	(150)	-	447	-
	<u>1,138</u>	<u>159</u>	<u>15,038</u>	<u>159</u>

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20. Interest income

	Quarter Ended		Cumulative 12 Months Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
<u>Group</u>				
Loans and advances				
- Interest income other than recoveries from impaired loans	5,875	3,481	19,637	13,378
- Recoveries from impaired loans	25	113	82	358
Money at call and deposit placements with banks and other financial institutions	2,723	1,303	15,181	6,151
Securities held-for-trading	99	-	367	-
Securities available-for-sale	707	2,007	2,295	3,365
Others	12	-	12	-
Total interest income	9,441	6,904	37,574	23,252

	Quarter Ended		Cumulative 12 Months Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
<u>Bank</u>				
Loans and advances				
- Interest income other than recoveries from impaired loans	5,875	3,481	19,637	13,378
- Recoveries from impaired loans	25	112	82	358
Money at call and deposit placements with banks and other financial institutions	2,392	1,269	14,216	5,653
Securities held-for-trading	99	-	367	-
Securities available-for-sale	707	1,768	2,295	3,126
Others	12	-	12	-
Total interest income	9,110	6,630	36,609	22,515

21. Interest expense

	Group and Bank Quarter Ended		Group and Bank Cumulative 12 Months Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Deposits and placements from a licensed bank	860	1,899	9,189	4,396
Others	388	-	388	-
Total interest expense	1,248	1,899	9,577	4,396

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22. Non-interest income

<u>Group</u>	Quarter Ended		Cumulative 12 Months Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Fee and commission income:				
Arranger and upfront fees	3,281	1,864	77,055	37,766
Brokerage income	34,415	22,914	132,586	119,514
Corporate advisory fees	7,228	5,745	69,538	21,684
Placement fees	13,021	7,669	52,259	38,427
Underwriting commission	2,774	1,056	14,248	8,660
Others	3,796	423	16,596	9,516
	<u>64,515</u>	<u>39,671</u>	<u>362,282</u>	<u>235,567</u>
Investment income:				
Realised (loss)/gain from sale of securities held-for-trading, net	(1,749)	91	(12,185)	94
Unrealised gain/(loss) on revaluation of securities held-for-trading, net	2,392	633	(1,794)	633
Realised gain from sale of derivative financial instruments, net	7,337	-	13,650	-
Unrealised gain on revaluation of derivative financial instruments, net (Note 19 (iii))	1,138	159	15,038	159
(Loss)/gain from sale of securities available-for-sale, net	(4,936)	438	(4,036)	4,321
Gross dividends from:				
Securities available-for-sale				
- Quoted in Malaysia	408	118	685	1,260
- Quoted outside Malaysia	356	-	1,739	828
- Unquoted in Malaysia	-	-	-	120
Securities held-for-trading				
- Quoted in Malaysia	516	-	1,414	-
	<u>5,462</u>	<u>1,439</u>	<u>14,511</u>	<u>7,415</u>
	-			
Other income:				
Unrealised foreign exchange (loss)/gain	(694)	33	23	844
Loss on disposal of property, plant and equipment	-	(85)	-	(56)
Others	518	5,898	1,485	15,911
	<u>(176)</u>	<u>5,846</u>	<u>1,508</u>	<u>16,699</u>
Total non-interest income	<u>69,801</u>	<u>46,956</u>	<u>378,301</u>	<u>259,681</u>

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22. Non-interest income (Cont'd)

<u>Bank</u>	Quarter Ended		Cumulative 12 Months Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Fee and commission income:				
Arranger and upfront fees	3,281	1,864	77,055	37,766
Brokerage income	34,415	22,914	132,586	119,514
Corporate advisory fees	6,690	5,745	58,882	21,684
Placement fees	13,021	7,669	52,259	38,427
Underwriting commission	2,774	1,056	14,248	8,660
Others	3,796	1,450	16,596	8,821
	<u>63,977</u>	<u>40,698</u>	<u>351,626</u>	<u>234,872</u>
Investment income:				
Realised (loss)/income from sale of securities held-for-trading, net	(1,749)	91	(12,185)	94
Unrealised gain/(loss) on revaluation of securities held-for-trading, net	2,392	633	(1,794)	633
Realised gain from sale of derivative financial instruments, net	7,337	-	13,650	-
Unrealised gain on revaluation of derivative financial instruments, net (Note 19 (iii))	1,138	159	15,038	159
(Loss)/gain from sale of securities available-for-sale, net	(4,936)	438	(4,036)	4,321
Gross dividends from:				
Securities available-for-sale				
- Quoted in Malaysia	408	99	685	770
- Quoted outside Malaysia	356	-	356	148
- Unquoted in Malaysia	-	-	-	120
Securities held-for-trading				
- Quoted in Malaysia	516	-	1,414	-
Associate in Malaysia	1,500	-	1,500	-
	<u>6,962</u>	<u>1,420</u>	<u>14,628</u>	<u>6,245</u>
Other income:				
Unrealised foreign exchange (loss)/gain	(696)	180	(544)	844
Loss on disposal of property, plant and equipment	-	(85)	-	(56)
Others	526	4,626	1,460	13,823
	<u>(170)</u>	<u>4,721</u>	<u>916</u>	<u>14,611</u>
Total non-interest income	<u>70,769</u>	<u>46,839</u>	<u>367,170</u>	<u>255,728</u>

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23. Overhead expenses

<u>Group</u>	Quarter Ended		Cumulative 12 Months Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Personnel expenses				
- Salaries, allowances and bonuses	30,625	34,233	150,193	121,312
- Pension costs - defined contribution plan	2,811	2,273	11,905	8,529
- Other staff related expenses	4,616	2,067	9,314	10,099
- Dealers' incentives	1,313	3,543	13,359	19,482
- Employee Share Scheme expenses	1,389	6,949	8,933	6,949
	<u>40,754</u>	<u>49,065</u>	<u>193,704</u>	<u>166,371</u>
Establishment expenses				
- Depreciation of property, plant and equipment	731	876	3,186	3,236
- Amortisation of computer software	504	404	1,725	1,168
- Rental	2,426	1,983	9,222	6,460
- Repairs and maintenance of property, plant and equipment	2,262	1,473	7,413	5,910
- Information technology expenses	1,416	840	3,602	2,628
- Service chargeback	(5,122)	(5,728)	(17,698)	(9,870)
- Others	2,267	2,426	10,011	7,787
	<u>4,484</u>	<u>2,274</u>	<u>17,461</u>	<u>17,319</u>
Marketing expenses				
- Advertisement and publicity	1,837	1,260	7,762	5,652
- Others	2,809	1,548	8,491	5,149
	<u>4,646</u>	<u>2,808</u>	<u>16,253</u>	<u>10,801</u>
Administration and general expenses				
- Fee and brokerage	3,700	2,055	12,930	9,558
- Administrative expenses	667	947	4,163	3,218
- General expenses	396	1,133	1,839	4,274
	<u>4,763</u>	<u>4,135</u>	<u>18,932</u>	<u>17,050</u>
Total	<u>54,647</u>	<u>58,282</u>	<u>246,350</u>	<u>211,541</u>

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23. Overhead expenses (Cont'd)

Bank	Quarter Ended		Cumulative 12 Months Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Personnel expenses				
- Salaries, allowances and bonuses	30,627	34,233	150,159	121,312
- Pension costs - defined contribution plan	2,811	2,273	11,905	8,529
- Other staff related expenses	4,614	2,033	9,312	10,050
- Dealers' incentives	1,313	3,543	13,359	19,482
- Employee Share Scheme expenses	1,389	6,949	8,933	6,949
	40,754	49,031	193,668	166,322
Establishment expenses				
- Depreciation of property, plant and equipment	795	868	3,171	3,188
- Amortisation of computer software	504	404	1,725	1,170
- Rental	2,396	1,902	9,192	6,320
- Repairs and maintenance of property, plant and equipment	2,257	1,473	7,408	5,910
- Information technology expenses	1,416	840	3,602	2,628
- Service chargeback	(5,122)	(5,728)	(17,698)	(9,870)
- Others	1,392	1,571	7,097	7,164
	3,638	1,330	14,497	16,510
Marketing expenses				
- Advertisement and publicity	1,837	1,259	7,762	5,651
- Others	2,809	1,545	8,490	5,143
	4,646	2,804	16,252	10,794
Administration and general expenses				
- Fee and brokerage	3,593	1,979	12,674	8,487
- Administrative expenses	666	918	4,147	3,181
- General expenses	374	1,850	1,817	3,363
	4,633	4,747	18,638	15,031
Total	53,671	57,912	243,055	208,657

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24. (Allowance for)/writeback of impairment on loans and advances and other debtors, net

	Group		Group	
	Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Allowance for impaired loans and advances:				
Individual assessment allowance				
- Made during the period/year	(2)	(157)	(205)	(1,631)
- Written back during the period/year	4	1,728	205	2,262
Bad debts recovered	302	437	1,547	1,269
Bad debts written-off	-	-	-	(1)
Allowance for impairment on other debtors, net	(555)	(1,324)	(1,494)	(1,476)
	(251)	684	53	423

	Bank		Bank	
	Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Allowance for impaired loans and advances:				
Individual assessment allowance				
- Made during the period/year	(2)	(157)	(205)	(1,631)
- Written back during the period/year	4	1,728	205	2,262
Bad debts recovered	302	437	1,547	1,269
Bad debts written-off	-	-	-	(1)
Allowance for impairment on other debtors, net	(195)	(1,324)	(1,134)	(1,476)
	109	684	413	423

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25. Capital adequacy

- (l) The capital adequacy ratios of the Group consists of capital base and risk-weighted assets derived from consolidated balances of the Bank and its subsidiaries companies. The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank.

The capital adequacy ratio of the Group and the Bank are computed in accordance with Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework (RWCAF-Basel II). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% (31 December 2011: 8.0%) for the risk weighted capital ratio.

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

	Group		Bank	
	31 December 2012 %	31 December 2011 %	31 December 2012 %	31 December 2011 %
Capital ratios				
<u>Before deducting proposed dividends:</u>				
Core capital ratio				
Credit risk	85.74	47.97	83.02	44.62
Credit, market and operational risks	40.30	21.58	38.34	19.60
Risk-weighted capital ratio				
Credit risk	85.74	47.97	83.02	44.62
Credit, market and operational risks	40.30	21.58	38.34	19.60
<u>After deducting proposed dividends:</u>				
Core capital ratio				
Credit risk	64.05	47.97	58.81	44.62
Credit, market and operational risks	30.73	21.58	27.78	19.60
Risk-weighted capital ratio				
Credit risk	64.05	47.97	58.81	44.62
Credit, market and operational risks	30.73	21.58	27.78	19.60
Tier 1 capital				
Paid-up share capital	50,116	50,116	50,116	50,116
Share premium	172,669	172,669	172,669	172,669
Statutory reserves	50,116	50,116	50,116	50,116
Other reserves	444,462	224,457	413,937	213,191
Less: Deferred tax assets ¹	(17,681)	(5,524)	(17,681)	(5,524)
Total Tier 1 capital/Total capital	699,682	491,834	669,157	480,568
Less: Investment in subsidiaries ²	-	-	(61,794)	(61,804)
Less: Liquidity reserve ³	(2,395)	-	(2,395)	-
Capital base ⁴	697,287	491,834	604,968	418,764

¹ Under Bank Negara Malaysia Guidelines, deferred tax is excluded from Tier 1 capital.

² Excludes the cost of investment in a subsidiary, Maysec (KL) Sdn. Bhd. of RM171,475,000 as its business, assets and liabilities had been transferred to the Bank on 30 December 2006.

³ This is reserve for less liquid positions as per Bank Negara Malaysia Guidelines.

⁴ For purpose of computation of capital adequacy ratio, the core capital is taken to be similar to the capital base.

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25. **Capital adequacy (Cont'd)**

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

<u>Group</u>	Gross exposures RM'000	Net exposures RM'000	Risk-weighted assets RM'000	Capital requirements RM'000
31 December 2012				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	260	260	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	450,760	450,760	90,152	7,212
Corporates	341,725	341,725	340,140	27,211
Regulatory retail	194,216	194,216	182,688	14,615
Higher risk assets	92,014	92,014	138,021	11,042
Other assets	125,326	125,326	58,956	4,716
Equity exposures	233	233	233	19
Total on-balance sheet exposures	1,204,534	1,204,534	810,190	64,815
Off-balance sheet exposures:				
Underwriting of short-term debt securities exposures	30,000	30,000	3,000	240
Credit-related off-balance sheet exposures	542,359	542,359	70	6
Total off-balance sheet exposures	572,359	572,359	3,070	246
Total on and off-balance sheet exposures	1,776,893	1,776,893	813,260	65,061
(ii) <u>Market Risk</u>				
Interest rate risk	-	-	95,729	7,658
Commodity risk	-	-	2,528	202
Equity position risk	-	-	12,557	1,005
Foreign currency risk	-	-	70,696	5,656
Options risk	-	-	18,971	1,518
Total	-	-	200,481	16,039
(iii) <u>Operational Risk</u>	-	-	716,690	57,335
Total RWA and capital requirements	1,776,893	1,776,893	1,730,431	138,435

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25. Capital adequacy (Cont'd)

<u>Group</u>	Gross exposures RM'000	Net exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 December 2011				
Exposure Class				
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	703	703	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,213,721	1,213,721	242,922	19,434
Corporates	3,932	3,932	2,749	220
Regulatory retail	576,324	576,324	542,716	43,417
Higher risk assets	96,908	96,908	145,362	11,629
Other assets	76,560	76,560	76,554	6,124
Equity exposures	58	58	58	5
Total on-balance sheet exposures	1,968,206	1,968,206	1,010,361	80,829
Off-balance sheet exposures:				
Underwriting of short-term debt securities exposures	30,000	30,000	15,000	1,200
Credit-related off-balance sheet exposures	462,141	462,141	-	-
Total off-balance sheet exposures	492,141	492,141	15,000	1,200
Total on and off-balance sheet exposures	2,460,347	2,460,347	1,025,361	82,029
(ii) Market Risk				
Interest rate risk	-	-	433,832	34,707
Equity position risk	-	-	187,493	14,999
Foreign currency risk	-	-	78,391	6,271
Options risk	-	-	13,600	1,088
Total	-	-	713,316	57,065
(iii) Operational Risk	-	-	540,741	43,259
Total RWA and capital requirements	2,460,347	2,460,347	2,279,418	182,353

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25. Capital adequacy (Cont'd)

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

<u>Bank</u>	Gross exposures RM'000	Net exposures RM'000	Risk-weighted assets RM'000	Capital requirements RM'000
31 December 2012				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	260	260	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	391,026	391,026	78,205	6,256
Corporates	341,725	341,725	340,140	27,211
Regulatory retail	194,216	194,216	182,687	14,615
Higher risk assets	43,404	43,404	65,106	5,208
Other assets	125,368	125,368	59,296	4,744
Equity exposures	233	233	233	19
Total on-balance sheet exposures	1,096,232	1,096,232	725,667	58,053
Off-balance sheet exposures:				
Underwriting of short-term debt securities exposures	30,000	30,000	3,000	240
Credit-related off-balance sheet exposures	542,359	542,359	70	6
Total off-balance sheet exposures	572,359	572,359	3,070	246
Total on and off-balance sheet exposures	1,668,591	1,668,591	728,737	58,299
(ii) <u>Market Risk</u>				
Interest rate risk	-	-	95,729	7,658
Commodity risk	-	-	2,528	202
Equity position risk	-	-	12,557	1,005
Foreign currency risk	-	-	17,497	1,400
Options risk	-	-	18,971	1,518
	-	-	147,282	11,783
(iii) <u>Operational Risk</u>	-	-	701,958	56,157
Total RWA and capital requirements	1,668,591	1,668,591	1,577,977	126,239

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25. Capital adequacy (Cont'd)

<u>Bank</u>	Gross	Net exposures	Risk-weighted	Capital
31 December 2011	exposures	exposures	assets	requirements
Exposure Class	RM'000	RM'000	RM'000	RM'000
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	280	280	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,179,405	1,179,405	236,059	18,885
Corporates	3,932	3,932	2,749	220
Regulatory retail	576,324	576,324	542,716	43,417
Higher risk assets	44,118	44,118	66,177	5,294
Other assets	75,777	75,777	75,772	6,062
Equity exposures	58	58	58	5
Total on-balance sheet exposures	1,879,894	1,879,894	923,531	73,883
Off-balance sheet exposures:				
Underwriting of short-term debt securities exposures	30,000	30,000	15,000	1,200
Credit-related off-balance sheet exposures	462,141	462,141	-	-
Total off-balance sheet exposures	492,141	492,141	15,000	1,200
Total on and off-balance sheet exposures	2,372,035	2,372,035	938,531	75,083
(ii) <u>Market Risk</u>				
Interest rate risk	-	-	433,832	34,707
Equity position risk	-	-	187,493	14,999
Foreign currency risk	-	-	29,926	2,394
Options risk	-	-	13,600	1,088
Total	-	-	664,851	53,188
(iii) <u>Operational Risk</u>				
	-	-	532,780	42,622
Total RWA and capital requirements	2,372,035	2,372,035	2,136,162	170,893

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25. Capital adequacy (Cont'd)

(III) The risk-weighted assets and capital requirements for the various categories of market risk:

Group	31 December 2012		31 December 2011	
	Risk-weighted assets equivalent RM'000	Capital required RM'000	Risk-weighted assets equivalent RM'000	Capital required RM'000
Interest rate risk	95,729	7,658	433,832	34,707
Commodity risk	2,528	202	-	-
Equity position risk	12,557	1,005	187,493	14,999
Foreign currency risk	70,696	5,656	78,391	6,271
Options risk	18,971	1,518	13,600	1,088
Total	200,481	16,039	713,316	57,065

Bank	31 December 2012		31 December 2011	
	Risk-weighted assets equivalent RM'000	Capital required RM'000	Risk-weighted assets equivalent RM'000	Capital required RM'000
Interest rate risk	95,729	7,658	433,832	34,707
Commodity risk	2,528	202	-	-
Equity position risk	12,557	1,005	187,493	14,999
Foreign currency risk	17,497	1,400	29,926	2,394
Options risk	18,971	1,518	13,600	1,088
Total	147,282	11,783	664,851	53,188

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25. Capital adequacy (Cont'd)

(IV) The breakdown of exposures by risk weights are as follows:

Group	Exposures after Netting and Credit Risk Mitigation								
	Sovereigns/ Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Total Exposures after netting and credit risk mitigation	Total risk- weighted assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2012									
Risk weights									
0%	260	-	-	-	-	6	-	266	-
20%	-	450,760	-	-	-	82,584	-	533,344	106,669
50%	-	-	3,171	83	-	593	-	3,847	1,924
75%	-	-	-	46,712	-	-	-	46,712	35,034
100%	-	-	338,554	147,039	-	42,143	233	527,969	527,969
150%	-	-	-	382	92,014	-	-	92,396	138,594
Total exposures	260	450,760	341,725	194,216	92,014	125,326	233	1,204,534	810,190
Risk-weighted assets by exposures	-	90,152	340,140	182,688	138,021	58,956	233	810,190	
Average risk weights	0%	20%	100%	94%	150%	47%	100%	67%	

Group	Exposures after Netting and Credit Risk Mitigation								
	Sovereigns/ Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Total Exposures after netting and credit risk mitigation	Total risk- weighted assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2011									
Risk weights									
0%	703	-	-	-	-	6	-	709	-
20%	-	1,213,128	-	-	-	-	-	1,213,128	242,626
50%	-	593	2,366	72	-	-	-	3,031	1,515
75%	-	-	-	135,036	-	-	-	135,036	101,277
100%	-	-	1,566	440,842	-	76,554	58	519,020	519,020
150%	-	-	-	374	96,908	-	-	97,282	145,923
Total exposures	703	1,213,721	3,932	576,324	96,908	76,560	58	1,968,206	1,010,361
Risk-weighted assets by exposures	-	242,922	2,749	542,716	145,362	76,554	58	1,010,361	
Average risk weights	0%	20%	70%	94%	150%	100%	100%	51%	

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25. Capital adequacy (Cont'd)

Bank	Exposures after Netting and Credit Risk Mitigation									
	Sovereigns/ Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Total exposures after netting and credit risk mitigation	Total risk- weighted assets	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2012										
Risk weights										
0%	260	-	-	-	-	5	-	265	-	-
20%	-	391,026	-	-	-	82,584	-	473,610	94,722	94,722
50%	-	-	3,171	83	-	-	-	3,254	1,627	1,627
75%	-	-	-	46,712	-	-	-	46,712	35,034	35,034
100%	-	-	338,554	147,039	-	42,779	233	528,605	528,605	528,605
150%	-	-	-	382	43,404	-	-	43,786	65,679	65,679
Total exposures	260	391,026	341,725	194,216	43,404	125,368	233	1,096,232	725,667	725,667
Risk-weighted assets by exposures	-	78,205	340,140	182,687	65,106	59,296	233	725,667		
Average risk weights	0%	20%	100%	94%	150%	47%	100%	66%		
Bank	Exposures after Netting and Credit Risk Mitigation									
	Sovereigns/ Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Total exposures after netting and credit risk mitigation	Total risk- weighted assets	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2011										
Risk weights										
0%	280	-	-	-	-	5	-	285	-	-
20%	-	1,178,812	-	-	-	-	-	1,178,812	235,762	235,762
50%	-	593	2,366	72	-	-	-	3,031	1,516	1,516
75%	-	-	-	135,036	-	-	-	135,036	101,277	101,277
100%	-	-	1,566	440,842	-	75,772	58	518,238	518,238	518,238
150%	-	-	-	374	44,118	-	-	44,492	66,738	66,738
Total exposures	280	1,179,405	3,932	576,324	44,118	75,777	58	1,879,894	923,531	923,531
Risk-weighted assets by exposures	-	236,059	2,749	542,716	66,177	75,772	58	923,531		
Average risk weights	0%	20%	70%	94%	150%	100%	100%	49%		

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26. Commitments and Contingencies

Group and Bank	As at 31 December 2012			As at 31 December 2011		
	Notional amount RM'000	Credit equivalent amount* RM'000	Risk- weighted amount RM'000	Notional amount RM'000	Credit equivalent amount* RM'000	Risk- weighted amount RM'000
Obligations under underwriting agreements	30,000	15,000	3,000	30,500	15,250	15,688
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	542,219	-	-	462,141	-	-
- Maturity exceeding one year	140	70	70	-	-	-
	572,359	15,070	3,070	492,641	15,250	15,688

* The credit equivalent amount is arrived at using the credit evaluation conversion factor as per Bank Negara Malaysia's guideline.

Contingent liabilities

The Group and the Bank are aggressively defending all of the claims under litigation, through their solicitors, the outcomes of which are subject matter for the Courts to eventually determine.

Case 1

A corporate borrower had issued a writ of summons and statement of claim against the Bank in 2005 in the latter's capacity as agent bank for three financial institutions, claiming general, special and exemplary damages arising from alleged breach of duty owed by the Bank in connection with a syndicated facility.

The credit facilities consist of a bridging loan of RM58.5 million and a revolving credit facility of RM4.0 million which were granted by the Bank and the three syndicated lenders. The loan was subsequently restructured to RM38.0 million with terms for repayment. In 2006, the Bank and the three syndicated lenders filed a suit against the corporate borrower for the recovery of the said credit facilities. The 2 claims were heard together.

The High Court had on 6 May 2009 entered judgment against the Bank as agent for the syndicated lenders for, inter alia, a sum of RM115.5 million with interest at 6% per annum from date of disbursement to realisation, with the balance of the corporate borrower's claim (including general damages) ordered to be assessed at a later date. In the same Judgment, the recovery action by the Bank and the three syndicated lenders was also dismissed.

At this juncture, the Bank as one of the syndicated lenders has an exposure of RM48.0 million out of the RM115.5 million awarded pursuant to the Judgment.

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26. Commitments and Contingencies (Cont'd)

Case 1 (Cont'd)

The Bank filed an appeal against the Judgment and an application for stay of execution of the Judgment on 8 May 2009 (“Appeal”). On 24 June 2009, the Bank successfully obtained a stay order for execution of the Judgment pending the disposal of the Appeal against the Judgment. The corporate borrower’s appeal to the Court of Appeal against the decision on the stay order was dismissed on 23 November 2009.

Hearing has been concluded and the case is currently pending decision of the Court of Appeal.

The Bank’s solicitors are of the view that the Bank has a more than even chance of succeeding in the Appeal against the Judgment.

Case 2

Several holders of a bond (“bondholders”) issued by a company served a Summons and Statement of Claim on the Bank and five (5) other defendants to recover their losses arising from the limited recovery made by the bondholders following the default of the company’s bonds. The claims by the bondholders, inter alia, include the sum of RM156.3 million or any other sum that the Court deems fit.

The suit was served on the Bank on 7 November 2012. The Bank entered appearance on 20 November 2012 and filed its defence on 4 February 2013. The next case management date is 8 March 2013. The Bank’s solicitors are of the view that the Bank has a more than even chance of succeeding in defending against the claim.

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27. Interest rate risk

The Group and Bank are exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on the financial position and cash flows.

The table below summarises the Group's and Bank's exposure to interest rate risk. The table indicates effective interest rates at the balance sheet date and periods in which the financial instruments reprice or mature, whichever is earlier.

Group	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 - 5 years	Over 5 years	Non-interest sensitive	Trading book	Total	Effective interest rate
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
31 December 2012									
Assets									
Cash and short-term funds	226,668	-	-	-	-	103,474	-	330,142	2.83
Deposits and placements with banks and other financial institutions	20	-	1,233	-	-	36,320	-	37,573	3.15
Securities held-for-trading	-	-	-	-	-	-	181,862	181,862	-
Securities available-for-sale	-	-	-	-	-	87,527	-	87,527	-
Securities held-to-maturity	-	-	-	-	33	-	-	33	-
Loans and advances									
- performing	360,012	-	4	750	10,235	4,237	-	375,238	6.38
- impaired*	-	-	-	-	-	742	-	742	-
Other assets	-	-	-	-	-	263,522	-	263,522	-
Derivative assets	-	-	-	-	-	-	96	96	-
Other non-interest sensitive balances	-	-	-	-	-	47,938	-	47,938	-
Total assets	586,700	-	1,237	750	10,268	543,760	181,958	1,324,673	

* This is arrived at after deducting the individual assessment allowance and interest/income-in-suspense from gross impaired loans outstanding.

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27. Interest rate risk (Cont'd)

<u>Group (cont'd)</u> 31 December 2012	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Liabilities and equity									
Deposits and placements of a licensed bank	150,000	-	-	-	-	50	-	150,050	3.06
Derivative liabilities	-	-	-	-	-	-	8,953	8,953	-
Other liabilities	-	-	-	-	-	434,365	-	434,365	-
Other non-interest sensitive balances	-	-	-	-	-	1,088	-	1,088	-
Total liabilities	150,000	-	-	-	-	435,503	8,953	594,456	
Share capital	-	-	-	-	-	50,116	-	50,116	-
Reserves	-	-	-	-	-	680,101	-	680,101	-
Total equity	-	-	-	-	-	730,217	-	730,217	
Total liabilities and equity	150,000	-	-	-	-	1,165,720	8,953	1,324,673	
On-balance sheet interest sensitivity gap	436,700	-	1,237	750	10,268	(621,960)	173,005	-	
Total interest sensitivity gap	436,700	-	1,237	750	10,268	(621,960)	173,005	-	
Cumulative interest rate sensitivity gap	436,700	436,700	437,937	438,687	448,955	(173,005)	-	-	

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27. Interest rate risk (Cont'd)

<u>Group</u> 31 December 2011	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Assets									
Cash and short-term funds	293,867	-	-	-	-	67,292	-	361,159	2.99
Deposits and placements with banks and other financial institutions	-	20	3,371	-	-	9,199	-	12,590	3.02
Securities held-for-trading	-	-	-	-	-	-	18,238	18,238	-
Securities available-for-sale	-	-	-	140,777	281,394	156,025	-	578,196	5.32
Securities held-to-maturity	-	-	-	-	33	-	-	33	-
Loans and advances									
- performing	191,908	1,525	2	435	10,052	4,997	-	208,919	6.70
- impaired*	-	-	-	-	-	713	-	713	-
Other assets	-	-	-	-	-	425,186	-	425,186	-
Other non-interest sensitive balances	-	-	-	-	-	36,126	-	36,126	-
Total assets	485,775	1,545	3,373	141,212	291,479	699,538	18,238	1,641,160	

* This is arrived at after deducting the individual assessment allowance and interest/income-in-suspense from gross impaired loans outstanding.

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27. Interest rate risk (Cont'd)

<u>Group (cont'd)</u> 31 December 2011	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Liabilities and equity									
Deposits and placements of a licensed bank	196,414	270,000	140,000	-	-	-	-	606,414	2.57
Derivative liabilities	-	-	-	-	-	-	7,508	7,508	-
Other liabilities	-	-	-	-	-	511,762	-	511,762	-
Other non-interest sensitive balances	-	-	-	-	-	773	-	773	-
Total liabilities	196,414	270,000	140,000	-	-	512,535	7,508	1,126,457	
Share capital	-	-	-	-	-	50,116	-	50,116	-
Reserves	-	-	-	-	-	464,587	-	464,587	-
Total equity	-	-	-	-	-	514,703	-	514,703	-
Total liabilities and equity	196,414	270,000	140,000	-	-	1,027,238	7,508	1,641,160	
On-balance sheet interest sensitivity gap	289,361	(268,455)	(136,627)	141,212	291,479	(327,700)	10,730	-	
Total interest sensitivity gap	289,361	(268,455)	(136,627)	141,212	291,479	(327,700)	10,730	-	
Cumulative interest rate sensitivity gap	289,361	20,906	(115,721)	25,491	316,970	(10,730)	-	-	

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27. Interest rate risk (Cont'd)

<u>Bank</u>	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 - 5 years	Over 5 years	Non-interest sensitive	Trading book	Total	Effective interest rate
31 December 2012	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Assets									
Cash and short-term funds	192,040	-	-	-	-	79,602	-	271,642	2.86
Deposits and placements with banks and other financial institutions	-	-	-	-	-	36,312	-	36,312	-
Securities held-for-trading	-	-	-	-	-	-	181,862	181,862	-
Securities available-for-sale	-	-	-	-	-	39,435	-	39,435	-
Securities held-to-maturity	-	-	-	-	33	-	-	33	-
Loans and advances									
- performing	360,012	-	4	750	10,235	4,237	-	375,238	6.38
- impaired*	-	-	-	-	-	742	-	742	-
Other assets	-	-	-	-	-	263,734	-	263,734	-
Derivative assets	-	-	-	-	-	-	96	96	-
Other non-interest sensitive balances	-	-	-	-	-	280,542	-	280,542	-
Total assets	552,052	-	4	750	10,268	704,604	181,958	1,449,636	

* This is arrived at after deducting the individual assessment allowance and interest/income-in-suspense from gross impaired loans outstanding.

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27. Interest rate risk (Cont'd)

Bank (cont'd)	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
31 December 2012									
Liabilities and equity									
Deposits and placements of a licensed bank	150,000	-	-	-	-	50	-	150,050	3.06
Derivative liabilities	-	-	-	-	-	-	8,953	8,953	-
Other liabilities	-	-	-	-	-	603,796	-	603,796	-
Total liabilities	150,000	-	-	-	-	603,846	8,953	762,799	
Share capital	-	-	-	-	-	50,116	-	50,116	-
Reserves	-	-	-	-	-	636,721	-	636,721	-
Total equity	-	-	-	-	-	686,837	-	686,837	
Total liabilities and equity	150,000	-	-	-	-	1,290,683	8,953	1,449,636	
On-balance sheet interest sensitivity gap	402,052	-	4	750	10,268	(586,079)	173,005	-	
Total interest sensitivity gap	402,052	-	4	750	10,268	(586,079)	173,005	-	
Cumulative interest rate sensitivity gap	402,052	402,052	402,056	402,806	413,074	(173,005)	-	-	

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27. Interest rate risk (Cont'd)

<u>Bank</u> 31 December 2011	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Assets									
Cash and short-term funds	262,940	-	-	-	-	67,287	-	330,227	3.03
Deposits and placements with banks and other financial institutions	-	-	-	-	-	9,199	-	9,199	-
Securities held-for-trading	-	-	-	-	-	-	18,238	18,238	-
Securities available-for-sale	-	-	-	140,777	281,394	109,429	-	531,600	5.32
Securities held-to-maturity	-	-	-	-	33	-	-	33	-
Loans and advances									
- performing	191,908	1,525	2	435	10,052	4,997	-	208,919	6.70
- impaired*	-	-	-	-	-	713	-	713	-
Other assets	-	-	-	-	-	424,580	-	424,580	-
Other non-interest sensitive balances	-	-	-	-	-	262,620	-	262,620	-
Total assets	454,848	1,525	2	141,212	291,479	878,825	18,238	1,786,129	

* This is arrived at after deducting the individual assessment allowance from gross impaired loans outstanding.

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27. Interest rate risk (Cont'd)

Bank (cont'd)	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 - 5 years	Over 5 years	Non-interest sensitive	Trading book	Total	Effective interest rate
31 December 2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Liabilities and equity									
Deposits and placements of a licensed bank	196,414	270,000	140,000	-	-	-	-	606,414	2.57
Derivative liabilities	-	-	-	-	-	-	7,508	7,508	-
Other liabilities	-	-	-	-	-	678,866	-	678,866	-
Total liabilities	196,414	270,000	140,000	-	-	678,866	7,508	1,292,788	
Share capital	-	-	-	-	-	50,116	-	50,116	-
Reserves	-	-	-	-	-	443,225	-	443,225	-
Total equity	-	-	-	-	-	493,341	-	493,341	
Total liabilities and equity	196,414	270,000	140,000	-	-	1,172,207	7,508	1,786,129	
On-balance sheet interest sensitivity gap	258,434	(268,475)	(139,998)	141,212	291,479	(293,382)	10,730	-	
Total interest sensitivity gap	258,434	(268,475)	(139,998)	141,212	291,479	(293,382)	10,730	-	
Cumulative interest rate sensitivity gap	258,434	(10,041)	(150,039)	(8,827)	282,652	(10,730)	-	-	

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28. Net income from Islamic Banking Scheme operations

Audited Statements of Financial Position as at 31 December 2012

	Notes	Group and Bank		
		31 December 2012 RM'000	31 December 2011 RM'000	1 July 2011 RM'000
ASSETS				
Cash and short-term funds		37,709	10,258	16,013
Securities portfolio available-for-sale	(a)	-	30,000	-
Other assets	(b)	115,510	53,893	57,163
Total assets		153,219	94,151	73,176
LIABILITIES				
Other liabilities	(c)	143	5	19,198
Provision for taxation and zakat		21,528	22,632	10,781
Total liabilities		21,671	22,637	29,979
ISLAMIC BANKING FUND				
Islamic banking capital fund		5,000	5,000	5,000
Reserves		126,548	66,514	38,197
		131,548	71,514	43,197
Total Liabilities and Islamic Banking Fund		153,219	94,151	73,176

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28. Net income from Islamic Banking Scheme operations (Cont'd)

Condensed Financial Statements
Audited Statements of Comprehensive Income
For the Fourth Quarter Ended 31 December 2012

Group and Bank	Notes	Quarter Ended		Cumulative 12 Months Ended	
		31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Income derived from investment of Islamic banking capital funds	(d)	5,049	24,420	123,745	98,806
Income attributable to the Group and the Bank		5,049	24,420	123,745	98,806
Overhead expenses	(e)	(7,273)	(14,961)	(41,853)	(35,909)
(Loss)/profit before taxation and zakat		(2,224)	9,459	81,892	62,897
Taxation		556	(3,771)	(20,474)	(17,106)
Zakat		(205)	(140)	(1,384)	(595)
(Loss)/profit for the period/year		(1,873)	5,548	60,034	45,196
Total comprehensive (loss)/income for the period/year		(1,873)	5,548	60,034	45,196

Audited Consolidated Statements of Changes in Equity
For the Fourth Quarter Ended 31 December 2012

Group and Bank	Islamic banking capital fund RM'000	Distributable retained profits RM'000	Total RM'000
At 1 January 2012	5,000	66,514	71,514
Profit for the year	-	60,034	60,034
Total comprehensive income for the year	-	60,034	60,034
At 31 December 2012	5,000	126,548	131,548
At 1 January 2011	5,000	21,318	26,318
Profit for the period	-	16,879	16,879
Total comprehensive income for the period	-	16,879	16,879
At 30 June 2011	5,000	38,197	43,197
At 1 July 2011	5,000	38,197	43,197
Profit for the period	-	28,317	28,317
Total comprehensive income for the period	-	28,317	28,317
At 31 December 2011	5,000	66,514	71,514

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28. Net income from Islamic Banking Scheme operations (Cont'd)

Condensed Financial Statements
Audited Cash Flow Statements
For the Fourth Quarter Ended 31 December 2012

	Group and Bank	
	31 December	31 December
	2012	2011
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation and zakat	81,892	62,897
Decrease/(increase) in securities	30,000	(30,000)
Increase in receivables	(61,617)	(22,526)
Decrease in payables	(22,824)	(191)
Net cash generated from operating activities	<u>27,451</u>	<u>10,180</u>
Net increase in cash and cash equivalents	27,451	10,180
Cash and cash equivalents at beginning of the year	10,258	78
Cash and cash equivalents at end of the year	<u>37,709</u>	<u>10,258</u>
(a) Securities portfolio available-for-sale	Group and Bank	
	31 December	31 December
	2012	2011
	RM'000	RM'000
Quoted Securities:		
Islamic private debt securities	-	30,000
	<u>-</u>	<u>30,000</u>
(b) Other assets	Group and Bank	
	31 December	31 December
	2012	2011
	RM'000	RM'000
Profit receivable	-	18
Debtors and prepayments	115,510	53,875
	<u>115,510</u>	<u>53,893</u>
(c) Other liabilities	Group and Bank	
	31 December	31 December
	2012	2011
	RM'000	RM'000
Provisions and accruals	143	5
	<u>143</u>	<u>5</u>

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28. Net income from Islamic Banking Scheme operations (Cont'd)

(d) Income derived from investment of Islamic banking capital funds

	Group and Bank		Group and Bank	
	Quarter Ended		Cumulative 12 Months Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Gross income from:				
- Securities held-for-trading	92	-	1,911	-
- Securities available-for-sale	-	154	159	154
- Deposit and placement with financial institutions	186	130	1,255	648
- Gain from sale of investment securities	27	17,859	93,023	36,276
Fee and commission income from:				
- Arranger and upfront fee	2,627	-	19,209	50,887
- Corporate advisory fee	110	5,651	640	6,071
- Underwriting commission	-	-	120	120
- Brokerage income	1,391	626	4,267	3,366
- Other fee income	616	-	3,161	1,284
	5,049	24,420	123,745	98,806

(e) Overhead expenses

	Group and Bank		Group and Bank	
	Quarter Ended		Cumulative 12 Months Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Personnel expenses	8,564	17,022	43,521	33,020
Establishment costs				
- Service chargeback	(3,029)	(2,288)	(9,998)	(3,767)
- Other establishment costs	556	(1,159)	3,136	3,328
Marketing costs	530	832	2,597	2,012
Administration and general expenses	652	554	2,597	1,316
	7,273	14,961	41,853	35,909

(f) Capital adequacy

Group and Bank	
31 December 2012	31 December 2011
%	%

(l) Capital ratios

Core capital ratios:

Credit risk	158.91	127.85
Credit, market and operational risks	56.25	46.73

Tier 1 capital

	Group and Bank	
	31 December 2012	31 December 2011
	RM'000	RM'000
Islamic banking capital fund	5,000	5,000
Retained profits	126,548	66,514
Capital base	131,548	71,514

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28. Net income from Islamic Banking Scheme operations (Cont'd)

(f) Capital adequacy (Cont'd)

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

<u>Group and Bank</u>				
31 December 2012	Gross exposures	Net exposures	Risk-weighted assets	Capital requirements
Exposure Class	RM'000	RM'000	RM'000	RM'000
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	106	106	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	213,842	213,842	42,769	3,422
Other assets	40,010	40,010	40,010	3,201
Total on-balance sheet exposures	253,958	253,958	82,779	6,623
Total off-balance sheet exposures	-	-	-	-
Total on and off-balance sheet exposures	253,958	253,958	82,779	6,623
(ii) Operational Risk	-	-	151,096	12,088
Total RWA and capital requirements	253,958	253,958	233,875	18,711

<u>Group and Bank</u>				
31 December 2011	Gross exposures	Net exposures	Risk-weighted assets	Capital requirements
Exposure Class	RM'000	RM'000	RM'000	RM'000
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	58	58	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	10,206	10,206	2,041	163
Other assets	53,893	53,893	53,893	4,311
Total on-balance sheet exposures	64,157	64,157	55,934	4,474
Total off-balance sheet exposures	-	-	-	-
Total on and off-balance sheet exposures	64,157	64,157	55,934	4,474
(ii) Market Risk	-	-	19,683	1,575
(iii) Operational Risk	-	-	77,429	6,194
Total RWA and capital requirements	64,157	64,157	153,046	12,243

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28. Net income from Islamic Banking Scheme operations (Cont'd)

(f) Capital adequacy (cont'd)

(iii) The breakdown of exposures by risk weights are as follows:

Group and Bank	Exposures after Netting and Credit Risk Mitigation								
	Sovereigns/ Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Exposures after netting and credit risk mitigation	Total risk- weighted assets
31 December 2012	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Risk weights	106	-	-	-	-	-	-	106	-
0%	-	37,603	-	-	-	176,239	-	213,842	42,769
20%	-	-	-	-	-	40,010	-	40,010	40,010
100%	-	-	-	-	-	216,249	-	253,958	82,779
Total exposures	106	37,603	-	-	-	216,249	-	253,958	82,779
Risk-weighted assets by exposures	-	7,521	-	-	-	75,258	-	82,779	
Average risk weights	0%	20%	0%	0%	0%	35%	0%	33%	

Group and Bank	Exposures after Netting and Credit Risk Mitigation								
	Sovereigns/ Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Exposures after netting and credit risk mitigation	Total risk- weighted assets
31 December 2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Risk weights	58	-	-	-	-	-	-	58	-
0%	-	10,206	-	-	-	-	-	10,206	2,041
20%	-	-	-	-	-	53,893	-	53,893	53,893
100%	-	-	-	-	-	53,893	-	64,157	55,934
Total exposures	58	10,206	-	-	-	53,893	-	64,157	55,934
Risk-weighted assets by exposures	-	2,041	-	-	-	53,893	-	55,934	
Average risk weights	0%	20%	0%	0%	0%	100%	0%	87%	

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28. **Net income from Islamic Banking Scheme operations (Cont'd)**

(g) **Yield/profit rate risk on IBS portfolio**

The Group and the Bank are exposed to various risks associated with the effects of fluctuations in the prevailing levels of yield/profit rate on the financial position and cash flows of the IBS portfolio. The fluctuations in yield/profit rate can be influenced by changes in interest rates that affect the value of financial instruments under the IBS portfolio. Yield/profit rate risk is monitored and managed by the Group and the Bank to protect the income from IBS operations.

The table below summarises the Group's and the Bank's exposure to yield/profit rate risk for the IBS operations. The table indicates effective yield/profit rates at the balance sheet date and the periods in which the financial instruments repriced or mature, whichever is earlier.

Group and Bank 31 December 2012	Up to 1	> 1 - 3	> 3 - 12	1 - 5	Over 5	Non-yield/ profit rate	Trading	Total	Effective
	month	months	months	years	years	sensitive	book	RM'000	yield/profit
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	rate
									%
Assets									
Cash and short-term funds	37,600	-	-	-	-	109	-	37,709	2.95
Other assets	-	-	-	-	-	115,510	-	115,510	-
Total assets	37,600	-	-	-	-	115,619	-	153,219	
Liabilities and Islamic banking fund									
Provision for taxation and zakat	-	-	-	-	-	21,528	-	21,528	-
Other liabilities	-	-	-	-	-	143	-	143	-
Total liabilities	-	-	-	-	-	21,671	-	21,671	
Reserves									
Islamic banking fund	-	-	-	-	-	126,548	-	126,548	-
Total Islamic banking fund	-	-	-	-	-	131,548	-	131,548	
Total liabilities and Islamic banking fund	-	-	-	-	-	153,219	-	153,219	
Total yield/profit rate sensitivity gap	37,600	-	-	-	-	(37,600)	-	-	
Cumulative yield/profit rate sensitivity gap	37,600	37,600	37,600	37,600	37,600	-	-	-	

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28. Net income from Islamic Banking Scheme operations (Cont'd)

(g) Yield/profit rate risk on IBS portfolio (cont'd)

Group and Bank 31 December 2011	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-yield/ profit rate sensitive RM'000	Trading book RM'000	Total RM'000	Effective yield/profit rate %
Assets									
Cash and short-term funds	10,200	-	-	-	-	58	-	10,258	3.00
Securities available-for-sale	-	-	-	-	-	30,000	-	30,000	4.10
Other assets	-	-	-	-	-	53,893	-	53,893	-
Total assets	10,200	-	-	-	-	83,951	-	94,151	
Liabilities and Islamic banking fund									
Provision for taxation and zakat	-	-	-	-	-	22,632	-	22,632	-
Other liabilities	-	-	-	-	-	5	-	5	-
Total liabilities	-	-	-	-	-	22,637	-	22,637	
Reserves									
Islamic banking fund	-	-	-	-	-	66,514	-	66,514	-
Total Islamic banking fund	-	-	-	-	-	71,514	-	71,514	
Total liabilities and Islamic banking fund	-	-	-	-	-	94,151	-	94,151	
Total yield/profit rate sensitivity gap	10,200	-	-	-	-	(10,200)	-	-	
Cumulative yield/profit rate sensitivity gap	10,200	10,200	10,200	10,200	10,200	-	-	-	

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28. Net income from Islamic Banking Scheme operations (Cont'd)

(h) Fair values of financial assets and liabilities

The estimated fair values of those on-balance sheet financial assets and financial liabilities as at the balance sheet date, which are considered short term in maturity, approximate their carrying amounts as shown in the statement of financial position.

(i) Allocation of income

The policy of allocation of income to the various types of deposits and investments is subject to "The Framework of Rate of Return" issued by Bank Negara Malaysia in October 2001. The objective is to set the minimum standard and terms of reference for the Islamic banking institution in calculating and deriving the rate of return for the depositors.

(j) Shariah committee

The operation of IBS is governed by Section 124(3) of the Banking and Financial Institution Act, 1989 ("the Act"), which stipulates that "any licensed institution carrying on Islamic financial business, in addition to its existing licensed business may, from time to time seek the advise of the Shariah Advisory Council ("SAC") established under subsection (7) of the Act, on the operations of its business in order to ensure that it does not involve any element which is not approved by the Religion of Islam" and Section IV of BNM's "Guidelines on the Governance of Shariah Committee for the Islamic Financial Institutions" known as BNM/GPS 1, stipulates that "Every Islamic institution is required to establish a Shariah Committee".

Based on the above, the duties and responsibilities of the Group's and the Bank's Shariah Committee are to advise on the overall Islamic Banking operations of the Group's and the Bank's business in order to ensure compliance with the Shariah requirements.

The roles of the Shariah Committee in monitoring the Group's and the Bank's activities include:

- (i) To advise the Board on Shariah matters in its business operations;
- (ii) To endorse Shariah Compliance Manuals;
- (iii) To endorse and validate relevant documentations;
- (iv) To assist related parties on Shariah matters for advice upon request;
- (v) To advise on matters to be referred to the SAC;
- (vi) Provide written Shariah opinion:
 - When the Group and the Bank make references to SAC of BNM for advice on unresolved Shariah issues.
 - When the Group and the Bank submit application to BNM for new product approval.
- (vii) Assist in providing explanation on matters referred to BNM or SAC of BNM at their requests;
- (viii) Participate in the in-house training programmes of the Group and the Bank.

The Group and the Bank presently have five (31 December 2011: five) Shariah members.

MAYBANK INVESTMENT BANK BERHAD
(15938-H)
(Incorporated in Malaysia)

29. Changes in accounting policy

Adoption of FRSIC Consensus 18 “Monies Held in Trust by Participating Organisations of Bursa Malaysia Securities Berhad” (“FRSIC Consensus 18”)

FRSIC Consensus 18 was developed by the Financial Reporting Standards Implementation Committee (“FRSIC”) and issued by the Malaysian Institute of Accountants on 18 September 2012.

In accordance with FRSIC Consensus 18, it was suggested that the recognition of the trust monies as assets of the participating organisation with corresponding liabilities may not be appropriate from the context of the Malaysian Financial Reporting Standards (“MFRS”) due to the following explanations:

An asset is defined as “a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity”. A participating organisation is prohibited under the provisions contained in Section 113 of Capital Markets and Services Act, 2007 (“CMSA 2007”) to utilise the monies either for its own economic benefits or settlement of its own liability.

A liability is defined as “a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of the resources embodying economic benefits”. Although a participating organisation is required by CMSA 2007 and Bursa Securities Rules to maintain the trust account, it does not have any contractual or statutory obligation to its clients on the money deposited in the trust account that would result in an outflow of resources embodying economic benefits from the participating organisation.

This change due to FRSIC 18 has been accounted for retrospectively and has resulted in a decrease in the opening cash and balances with banks and other liabilities respectively in the statement of financial position. A summary of the financial impact of the change in accounting policy on the financial statements of the Group and the Bank are as follows:

	Group		Bank	
	31.12.2011	1.7.2011	31.12.2011	1.7.2011
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances with licensed commercial commercial banks and other licensed financial institutions (Note 13)				
- Monies held in trust				
As previously stated	933,783	1,228,447	906,851	1,223,339
Effect of change due to FRSIC 18	<u>(839,565)</u>	<u>(820,755)</u>	<u>(839,565)</u>	<u>(820,755)</u>
As restated	<u>94,218</u>	<u>407,692</u>	<u>67,286</u>	<u>402,584</u>
Other liabilities (Note 18)				
- Amount due to brokers and clients				
As previously stated	1,187,516	1,106,776	1,187,516	1,106,776
Effect of change due to FRSIC 18	<u>(839,565)</u>	<u>(820,755)</u>	<u>(839,565)</u>	<u>(820,755)</u>
As restated	<u>347,951</u>	<u>286,021</u>	<u>347,951</u>	<u>286,021</u>