

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	Note	Group		Bank	
		30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Assets					
Cash and short term funds		20,264,288	25,456,055	15,500,895	21,435,099
Reverse repurchase agreements		5,880,706	4,512,949	5,880,706	4,406,653
Deposits and placements with banks and other financial institutions		2,893,286	3,844,882	6,880,707	5,383,015
Financial assets held for trading	A7	20,642,981	22,718,087	16,599,424	18,390,932
Derivative financial instruments	A22(i)	16,990,897	6,931,371	12,538,979	5,999,209
Financial investments available-for-sale	A8	33,434,464	27,533,335	27,759,220	22,769,832
Financial investments held-to-maturity	A9	20,873,853	16,714,871	16,741,730	13,496,116
Loans, advances and financing	A10	236,006,393	207,954,719	171,554,849	150,874,563
Other assets	A11	12,848,532	5,829,992	11,642,435	5,263,421
Tax recoverable		2,752	3,601	-	-
Deferred taxation		296,039	191,246	149,253	69,009
Statutory deposits with central banks		8,323,287	6,839,444	6,498,909	5,125,836
Amount due from ultimate holding company		-	28,853	-	-
Amount due from subsidiaries		-	-	15,506	6,264
Amount due from related companies		1,271,815	1,233,998	1,269,439	1,230,514
Investment in subsidiaries		-	-	4,568,969	5,036,252
Investment in joint venture		164,210	161,188	125,000	125,000
Investment in associates		803,371	785,797	305,584	318,329
Goodwill		5,141,816	4,965,324	3,555,075	3,555,075
Intangible assets		1,076,021	1,074,429	958,859	956,067
Prepaid lease payments		748	855	-	-
Property, plant and equipment		845,629	854,725	485,554	502,102
Investment properties		4,000	4,000	-	-
		387,765,088	337,639,721	303,031,093	264,943,288
Non-current assets/disposal groups held for sale		4,905	9,858	705	5,658
Total Assets		387,769,993	337,649,579	303,031,798	264,948,946
Liabilities					
Deposits from customers	A12	256,987,388	235,267,154	192,515,060	174,320,567
Placements from investment accounts	A13	197,822	-	-	-
Deposits and placements of banks and other financial institutions	A14	33,847,091	31,417,322	33,061,267	31,538,303
Repurchase agreements		10,131,120	5,735,839	10,131,120	5,735,839
Financial liabilities designated at fair value	A15	4,783,251	3,690,701	2,786,723	2,726,392
Derivative financial instruments	A22(i)	17,553,555	7,558,799	12,932,919	6,601,809
Bills and acceptances payable		939,258	1,556,909	553,642	761,214
Amount due to subsidiaries		-	-	352,184	126,290
Amount due to related companies		18,897	40,783	8,782	23,250
Other liabilities	A16	8,410,507	4,144,584	6,943,275	3,437,224
Provision for taxation and Zakat		337,246	121,491	274,609	101,553
Deferred taxation		2,490	2,346	-	-
Bonds and debentures		10,134,335	6,014,471	6,766,149	3,921,746
Other borrowings		3,262,704	2,730,742	3,262,704	2,730,742
Subordinated obligations		10,204,467	10,068,609	9,058,599	8,833,276
Redeemable preference shares		905,855	733,522	-	-
Total Liabilities		357,715,986	309,083,272	278,647,033	240,858,205
Equity					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital		4,896,591	4,787,023	4,896,591	4,787,023
Reserves		24,544,807	23,197,849	19,258,434	19,073,978
		29,441,398	27,984,872	24,155,025	23,861,001
Perpetual preference shares		200,000	200,000	200,000	200,000
Redeemable preference shares		29,740	29,740	29,740	29,740
Non-controlling interests		382,869	351,695	-	-
Total Equity		30,054,007	28,566,307	24,384,765	24,090,741
Total Equity and Liabilities		387,769,993	337,649,579	303,031,798	264,948,946
Commitments and contingencies	A22(ii)	897,557,654	683,524,925	643,603,737	535,881,943
Net assets per ordinary share attributable to owners of the Parent (RM)		6.01	5.85	4.93	4.98

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2014.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

GROUP	Note	Individual Quarter 3rd Quarter Ended		Cumulative Quarters Nine Months Ended	
		30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Interest income	A17	3,015,582	2,626,269	8,646,628	7,705,399
Interest expense	A18	(1,410,765)	(1,125,842)	(4,019,964)	(3,282,909)
Net interest income		1,604,817	1,500,427	4,626,664	4,422,490
Income from Islamic Banking operations	A26(b)	345,650	314,395	1,015,983	963,492
Net non-interest income	A19	611,294	564,335	1,969,373	1,560,334
Net income		2,561,761	2,379,157	7,612,020	6,946,316
Overheads	A20	(1,274,318)	(1,204,118)	(4,084,295)	(3,562,409)
Profit before allowances		1,287,443	1,175,039	3,527,725	3,383,907
Allowances for impairment losses on loans, advances and financing	A21	(201,938)	(113,761)	(582,909)	(276,572)
Allowances for losses on other receivables made		(1,973)	(409)	(2,190)	(956)
Allowances for commitments and contingencies written-back		-	9,089	-	10,918
Allowances for other impairment losses written-back/(made)		1,026	(7,303)	(2,905)	(20,767)
Profit after allowances		1,084,558	1,062,655	2,939,721	3,096,530
Share of results of joint venture		1,381	307	3,021	2,001
Share of results of associates		32,181	31,497	76,727	92,386
Profit before taxation		1,118,120	1,094,459	3,019,469	3,190,917
Taxation		(223,838)	(219,971)	(622,527)	(659,100)
Profit for the financial period		894,282	874,488	2,396,942	2,531,817
Profit for the financial period attributable to:					
Owners of the Parent		888,181	872,179	2,386,887	2,521,636
Non-controlling interests		6,101	2,309	10,055	10,181
		894,282	874,488	2,396,942	2,531,817
Earnings per share attributable to ordinary equity holders of the Parent - basic (sen)	B3	18.40	19.57	49.46	56.57

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2014.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

GROUP	Individual Quarter		Cumulative Quarters	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	894,282	874,488	2,396,942	2,531,817
Other comprehensive income/(expense):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve of financial investments available-for-sale	(557,481)	153,715	(412,709)	123,497
- Net (loss)/gain from change in fair value	(563,558)	193,791	(311,920)	200,579
- Realised gain transferred to statement of income on disposal and impairment	(37,773)	(10,022)	(110,035)	(64,670)
- Income tax effects	38,677	(29,944)	847	(12,068)
- Currency translation difference	5,173	(110)	8,399	(344)
Net investment hedge	(771,135)	(44,382)	(1,122,764)	23,558
Cash flow hedge	(10,060)	(1,150)	(17,240)	7,624
- Net (loss)/gain from change in fair value	(14,540)	(556)	(23,787)	9,610
- Income tax effects	4,480	(594)	6,547	(1,986)
Exchange fluctuation reserve	1,118,566	118,105	1,658,350	30,234
Share of other comprehensive income/(expense) of associate	4,129	(1,490)	3,534	(4,473)
	(215,981)	224,798	109,171	180,440
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligations	(945)	(85)	(1,490)	978
- Income tax effects	-	21	-	1,037
- Currency translation difference	(945)	(106)	(1,490)	(59)
Other comprehensive (expense)/income for the period, net of tax	(216,926)	224,713	107,681	181,418
Total comprehensive income for the financial period	677,356	1,099,201	2,504,623	2,713,235
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	657,302	1,093,813	2,472,382	2,701,409
Non-controlling interests	20,054	5,388	32,241	11,826
	677,356	1,099,201	2,504,623	2,713,235

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2014.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	Note	Individual Quarter 3rd Quarter Ended		Cumulative Quarters Nine Months Ended	
		30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
<u>BANK</u>					
Interest income	A17	2,604,295	2,281,403	7,450,422	6,714,945
Interest expense	A18	(1,256,027)	(991,786)	(3,546,577)	(2,891,435)
Net interest income		1,348,268	1,289,617	3,903,845	3,823,510
Income from Islamic Banking operations	A26(b)	21,689	14,688	59,597	37,290
Net non-interest income	A19	504,692	480,588	1,705,849	1,417,554
Net income		1,874,649	1,784,893	5,669,291	5,278,354
Overheads	A20	(923,677)	(888,374)	(3,035,499)	(2,634,204)
Profit before allowances		950,972	896,519	2,633,792	2,644,150
Allowances for impairment losses on loans, advances and financing	A21	(107,730)	(27,745)	(220,898)	(107,510)
Allowances for losses on other receivables made		(1,924)	(534)	(2,044)	(1,245)
Allowances for commitments and contingencies written-back		-	-	-	1,829
Allowances for other impairment losses written-back/(made)		1,037	(7,303)	(2,865)	(20,747)
Profit before taxation		842,355	860,937	2,407,985	2,516,477
Taxation		(173,587)	(175,398)	(480,130)	(513,072)
Profit for the financial period		668,768	685,539	1,927,855	2,003,405
Earnings per share - basic (sen)	B3	13.86	15.38	39.95	44.94

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2014.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	Individual Quarter		Cumulative Quarters	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	668,768	685,539	1,927,855	2,003,405
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss				
Revaluation reserve of financial investments available-for-sale	(496,290)	134,519	(338,661)	108,540
- Net (loss)/gain from change in fair value	(509,046)	168,807	(287,013)	152,665
- Realised gain transferred to statement of income on disposal and impairment	(13,632)	(7,982)	(44,595)	(33,455)
- Income tax effects	27,674	(26,344)	(5,517)	(10,622)
- Currency translation difference	(1,286)	38	(1,536)	(48)
Net investment hedge	(676,416)	9,435	(1,028,045)	23,558
Cash flow hedge	(10,060)	(1,150)	(17,240)	7,624
- Net (loss)/gain from change in fair value	(14,540)	(556)	(23,787)	9,610
- Income tax effects	4,480	(594)	6,547	(1,986)
Exchange fluctuation reserve	533,104	18,689	766,494	(6,758)
Other comprehensive (expense)/income for the financial period, net of tax	(649,662)	161,493	(617,452)	132,964
Total comprehensive income for the financial period	19,106	847,032	1,310,403	2,136,369

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2014.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

The Group	Attributable to owners of the Parent														Perpetual preference shares	Non-controlling interests	Total Equity
	Share capital	Redeemable Preference Shares	Share premium	Statutory reserve	Exchange fluctuation reserve	Revaluation reserve-financial investments available-for-sale	Merger deficit	Capital reserve	Hedging reserve	Regulatory reserve	Share-based payment reserve	Defined benefits reserve	Retained profits	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2015	4,787,023	29,740	8,898,945	5,839,094	541,793	275,761	(1,085,928)	735,457	(316,382)	593,795	57,542	(10,548)	7,668,320	28,014,612	200,000	351,695	28,566,307
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	2,386,887	2,386,887	-	10,055	2,396,942
Other comprehensive income/(expenses) (net of tax)	-	-	-	-	1,632,720	(408,771)	-	-	(1,140,004)	-	3,040	(1,490)	-	85,495	-	22,186	107,681
- financial investments available-for-sale	-	-	-	-	-	(412,305)	-	-	-	-	-	-	-	(412,305)	-	(404)	(412,709)
- net investment hedge	-	-	-	-	-	-	-	-	(1,122,764)	-	-	-	-	(1,122,764)	-	-	(1,122,764)
- cash flow hedge	-	-	-	-	-	-	-	-	(17,240)	-	-	-	-	(17,240)	-	-	(17,240)
- currency translation difference	-	-	-	-	1,632,720	-	-	-	-	-	3,040	-	-	1,635,760	-	22,590	1,658,350
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	(1,490)	-	(1,490)	-	-	(1,490)
- share of other comprehensive income of associate	-	-	-	-	-	3,534	-	-	-	-	-	-	-	3,534	-	-	3,534
Total comprehensive income/(expenses) for the financial period	-	-	-	-	1,632,720	(408,771)	-	-	(1,140,004)	-	3,040	(1,490)	2,386,887	2,472,382	-	32,241	2,504,623
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	255,016	-	-	(255,016)	-	-	-	-
Transfer to statutory reserve	-	-	-	47,393	-	-	-	-	-	-	-	-	(47,393)	-	-	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	47,183	-	-	47,183	-	-	47,183
Second interim dividends for the financial year ended 31 December 2014	-	-	-	-	-	-	-	-	-	-	-	-	(753,000)	(753,000)	-	-	(753,000)
First interim dividend for the financial year ending 31 December 2015	-	-	-	-	-	-	-	-	-	-	-	-	(818,000)	(818,000)	-	-	(818,000)
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(37,686)	-	-	(37,686)	-	-	(37,686)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,067)	(1,067)
Issue of shares from rights issue	109,568	-	436,079	-	-	-	-	-	-	-	-	-	-	545,647	-	-	545,647
At 30 September 2015	4,896,591	29,740	9,335,024	5,886,487	2,174,513	(133,010)	(1,085,928)	735,457	(1,456,386)	848,811	70,079	(12,038)	8,181,798	29,471,138	200,000	382,869	30,054,007
At 1 January 2014	4,131,410	29,740	6,402,610	5,121,848	98,846	144,792	(1,085,928)	735,457	(126,490)	1,743,883	44,877	(5,129)	5,879,939	23,115,855	200,000	334,938	23,650,793
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	2,521,636	2,521,636	-	10,181	2,531,817
Other comprehensive income/(expenses) (net of tax)	-	-	-	-	28,645	119,029	-	-	31,182	-	(61)	978	-	179,773	-	1,645	181,418
- financial investments available-for-sale	-	-	-	-	-	123,502	-	-	-	-	-	-	-	123,502	-	(5)	123,497
- net investment hedge	-	-	-	-	-	-	-	-	23,558	-	-	-	-	23,558	-	-	23,558
- cash flow hedge	-	-	-	-	-	-	-	-	7,624	-	-	-	-	7,624	-	-	7,624
- currency translation difference	-	-	-	-	28,645	-	-	-	-	-	(61)	-	-	28,584	-	1,650	30,234
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	978	-	978	-	-	978
- share of other comprehensive expense of associate	-	-	-	-	-	(4,473)	-	-	-	-	-	-	-	(4,473)	-	-	(4,473)
Total comprehensive income/(expenses) for the financial period	-	-	-	-	28,645	119,029	-	-	31,182	-	(61)	978	2,521,636	2,701,409	-	11,826	2,713,235
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	302,231	-	-	(302,231)	-	-	-	-
Transfer to statutory reserve	-	-	-	381,522	-	-	-	-	-	-	-	-	(381,522)	-	-	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	-	40,705	-	-	40,705
Second interim dividends for the financial year ended 31 December 2013	-	-	-	-	-	-	-	-	-	-	-	-	(752,007)	(752,007)	-	-	(752,007)
First interim dividend for the financial year ended 31 December 2014	-	-	-	-	-	-	-	-	-	-	-	-	(857,000)	(857,000)	-	-	(857,000)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,552)	(4,552)
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,561)	-	-	(32,561)
Issue of shares from rights issue	550,520	-	2,086,471	-	-	-	-	-	-	-	-	-	-	2,636,991	-	-	2,636,991
At 30 September 2014	4,681,930	29,740	8,489,081	5,503,370	127,491	263,821	(1,085,928)	735,457	(95,308)	2,046,114	52,960	(4,151)	6,108,815	26,853,392	200,000	342,212	27,395,604

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2014.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	← Non-distributable →										Distributable			
	Share capital RM'000	Redeemable Preference Shares RM'000	Share premium RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Revaluation reserve-financial investments available-for-sale RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained profits RM'000		Perpetual preference shares RM'000
The Bank														
At 1 January 2015	4,787,023	29,740	8,898,945	5,119,366	245,317	220,441	(1,047,872)	746,852	(227,853)	593,795	55,626	4,469,361	200,000	24,090,741
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,927,855	-	1,927,855
Other comprehensive (expenses)/income (net of tax)	-	-	-	-	763,752	(338,661)	-	-	(1,045,285)	-	2,742	-	-	(617,452)
- financial investments available-for-sale	-	-	-	-	-	(338,661)	-	-	-	-	-	-	-	(338,661)
- net investment hedge	-	-	-	-	-	-	-	-	(1,028,045)	-	-	-	-	(1,028,045)
- cash flow hedge	-	-	-	-	-	-	-	-	(17,240)	-	-	-	-	(17,240)
- currency translation difference	-	-	-	-	763,752	-	-	-	-	-	2,742	-	-	766,494
Total comprehensive (expenses)/income for the financial period	-	-	-	-	763,752	(338,661)	-	-	(1,045,285)	-	2,742	1,927,855	-	1,310,403
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	226,478	-	(226,478)	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	45,135	-	-	45,135
Second interim dividends for the financial year ended 31 December 2014	-	-	-	-	-	-	-	-	-	-	-	(753,000)	-	(753,000)
First interim dividend for the financial year ending 31 December 2015	-	-	-	-	-	-	-	-	-	-	-	(818,000)	-	(818,000)
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(36,161)	-	-	(36,161)
Issue of shares from rights issue	109,568	-	436,079	-	-	-	-	-	-	-	-	-	-	545,647
At 30 September 2015	4,896,591	29,740	9,335,024	5,119,366	1,009,069	(118,220)	(1,047,872)	746,852	(1,273,138)	820,273	67,342	4,599,738	200,000	24,384,765
At 1 January 2014	4,131,410	29,740	6,402,610	4,499,957	113,706	125,231	(1,047,872)	746,852	(37,961)	1,513,795	43,871	3,300,141	200,000	20,021,480
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	2,003,405	-	2,003,405
Other comprehensive income/(expenses) (net of tax)	-	-	-	-	(6,684)	108,540	-	-	31,182	-	(74)	-	-	132,964
- financial investments available-for-sale	-	-	-	-	-	108,540	-	-	-	-	-	-	-	108,540
- net investment hedge	-	-	-	-	-	-	-	-	23,558	-	-	-	-	23,558
- cash flow hedge	-	-	-	-	-	-	-	-	7,624	-	-	-	-	7,624
- currency translation difference	-	-	-	-	(6,684)	-	-	-	-	-	(74)	-	-	(6,758)
Total comprehensive income/(expenses) for the financial period	-	-	-	-	(6,684)	108,540	-	-	31,182	-	(74)	2,003,405	-	2,136,369
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	279,539	-	(279,539)	-	-
Transfer to statutory reserve	-	-	-	329,467	-	-	-	-	-	-	-	(329,467)	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	39,441	-	-	39,441
Second interim dividend for the financial year ended 31 December 2013	-	-	-	-	-	-	-	-	-	-	-	(752,007)	-	(752,007)
First interim dividend for the financial year ended 31 December 2014	-	-	-	-	-	-	-	-	-	-	-	(857,000)	-	(857,000)
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(31,833)	-	-	(31,833)
Issue of shares from rights issue	550,520	-	2,086,471	-	-	-	-	-	-	-	-	-	-	2,636,991
At 30 September 2014	4,681,930	29,740	8,489,081	4,829,424	107,022	233,771	(1,047,872)	746,852	(6,779)	1,793,334	51,405	3,085,533	200,000	23,193,441

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2014.

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	Group		Bank	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Profit before taxation	3,019,469	3,190,917	2,407,985	2,516,477
Adjustments for non-operating and non-cash items	(753,983)	(324,468)	(996,259)	(510,497)
Operating profit before changes in working capital	2,265,486	2,866,449	1,411,726	2,005,980
Net changes in operating assets	(36,288,736)	(12,894,098)	(30,393,456)	(10,892,446)
Net changes in operating liabilities	34,539,013	12,352,058	28,108,343	10,477,363
	(1,749,723)	(542,040)	(2,285,113)	(415,083)
Cash flows generated from operations	515,763	2,324,409	(873,387)	1,590,897
Taxation paid	(485,207)	(328,461)	(379,066)	(288,372)
Net cash flows generated from operating activities	30,556	1,995,948	(1,252,453)	1,302,525
Net cash flows used in investing activities	(9,239,711)	(5,041,581)	(6,984,682)	(4,184,966)
Net cash flows used in financing activities	851,759	1,352,888	(47,505)	1,625,155
Net (decrease)/increase in cash and cash equivalents	(8,357,396)	(1,692,745)	(8,284,640)	(1,257,286)
Effects of exchange rate changes	3,165,629	(16,583)	2,350,436	(40,868)
Cash and cash equivalents at the beginning of financial period	25,456,055	24,941,166	21,435,099	18,467,152
Cash and cash equivalents at end of financial period	20,264,288	23,231,838	15,500,895	17,168,998

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2014.

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 30 September 2015 have been prepared under the historical cost convention, except for financial assets held for trading, financial investments available-for-sale, derivative financial instruments, investment properties, non-current assets/disposal groups held for sale and financial liabilities designated at fair value that have been measured at fair value.

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

The unaudited condensed interim financial statements should be read in conjunction with the Group's and the Bank's audited financial statements for the financial year ended 31 December 2014. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2014.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2014, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2015:

Annual improvement to MFRSs 2010 - 2012 Cycle

- Amendment to MFRS 2 “Share-based Payment”
- Amendment to MFRS 3 “Business Combinations”
- Amendment to MFRS 8 “Operating Segments”
- Amendment to MFRS 13 “Fair Value Measurement”
- Amendments to MFRS 116 “Property, Plant and Equipment” and MFRS 138 “Intangible Assets”
- Amendment to MFRS 124 “Related Party Disclosures”

Annual improvement to MFRSs 2011 - 2013 Cycle

- Amendment to MFRS 3 “Business Combinations”
- Amendment to MFRS 13 “Fair Value Measurement”
- Amendment to MFRS 140 “Investment Property”

Amendment to MFRS 119, “Defined Benefits Plans: Employee Contributions”

The adoption of the new standards, amendments to published standards and interpretations are not expected to have impact on the financial results of the Group and the Bank.

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

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

PART A - EXPLANATORY NOTES

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

a) In January 2015, the Bank has redeemed its USD45 million senior unsecured floating rate notes issued under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011.

b) During the financial period, CIMB Thai Bank issued various unsecured structured debentures amounting to THB354.5 million with embedded foreign exchange and commodity derivatives and early redemption option. The debentures will mature within 6 months from respective issuance dates.

During and subsequent to the financial period, CIMB Thai Bank has early redeemed structured debentures amounting to THB456.8 million and THB119.0 million respectively.

c) On 29 April 2015, CIMB Group successfully completed its fifth Dividend Reinvestment Scheme ("DRS") of which approximately RM364 million was reinvested into new CIMB Group shares. Pursuant to the completion of the DRS, CIMB Group proposed to reinvest the cash dividend surplus of the DRS via the rights issue amounting to RM 546 million into CIMB Bank. The rights issue was done on the basis of 1 rights share for every 43.69 existing ordinary shares of the Bank.

The rights issue was approved by the shareholders of the Bank on 9 June 2015. The rights issue was completed on 26 June 2015 with issuance of 110 million units of new CIMB Bank shares.

d) On 5 May 2015, CIMB Bank Berhad issued USD313 million 30-years callable zero coupon notes (the "Notes") under its USD5.0 billion nominal value Euro Medium Term Note Programme established on 15 August 2014. The Notes will mature on 5 May 2045, and are callable from 5 May 2020 and every two years thereafter up to 5 May 2044. The Notes have a yield to maturity of 4.50% per annum.

e) On 12 May 2015, CIMB Bank Berhad issued EUR30 million 1-year senior floating rate notes (the "Notes") under its USD5.0 billion nominal value Euro Medium Term Note Programme established on 15 August 2014. The Notes will mature on 12 May 2016 (subject to adjustment in accordance with the modified following business day convention) and bears a coupon rate of 3 months EURIBOR + 0.15 % per annum payable quarterly.

f) On 30 June 2015, CIMB Bank Berhad, acting through its Singapore branch, issued SGD100 million 3-year senior fixed rate notes (the "Notes") under its USD5.0 billion nominal value Euro Medium Term Note Programme established on 15 August 2014. The Notes will mature on 30 June 2018 (subject to adjustment in accordance with the modified following business day convention) and bears a coupon rate of 2.12% per annum payable semi-annually.

g) On 6 August 2015, CIMB Bank Berhad issued CNY220 million 3-year senior fixed rate notes (the "Notes") under its USD5.0 billion nominal value Euro Medium Term Note Programme established on 15 August 2014. The Notes will mature on 6 August 2018 (subject to adjustment in accordance with the modified following business day convention) and bears a coupon rate of 4.25% per annum payable annually.

h) On 4 September 2015, CIMB Bank PLC has successfully issued USD7.0 million Tier 2 subordinated debt ("Subordinated Debt") which is intended to qualify as a Tier 2 capital for CIMB Bank PLC for the purpose of computation of minimum Solvency Requirements by the National Bank of Cambodia ("NBC"). The Subordinated Debt was issued as a single tranche at 3.00% per annum with a maturity of 10 years from the issue date with a call option starting at the end of year 5 and on each relevant Coupon Payment Date thereafter. The interest rate will remain unchanged throughout the tenor of the Subordinated Debt. Redemption of the Subordinated Debts on the call dates shall be subject to NBC's approval. There is no step up coupon after call dates.

i) On 2 November 2015, CIMB Bank fully settled its USD200million subordinated loan to SBB Capital Corporation ("SCC") in connection and concurrent with the redemption of SCC's USD 200 million 6.62% Non-Cumulative Guaranteed Preference Shares ("Preference Shares") on the First optional Redemption Date of 2 November 2015.

j) On 27 August 2015, CIMB Thai Bank, 93.71% owned subsidiary of the Bank, announced a 7-for-40 rights issue at THB1 per share. The exercise was approved at the Annual General Meeting on 10 April 2015. The exercise was completed on 6 November 2015 and CIMB Thai Bank successfully raised a total capital of THB 3.69 billion.

Subsequent to the right issue, CIMB Bank's shareholding in CIMB Thai Bank has been maintained at 93.71% as it subscribed fully to its allotment of shares.

PART A - EXPLANATORY NOTES

A4. DIVIDENDS PAID

A single tier second interim dividend of approximately 25.32 sen per share on 2,974,009,486 Redeemable Preference Shares ("RPS") of RM0.01 each, amounting to RM753 million in respect of the financial year ended 31 December 2014, which was approved by the Board of Directors on 29 January 2015, was paid on 17 April 2015.

A single tier first interim dividend of approximately 27.50 sen per share, on 2,974,009,486 RPS of RM0.01 each, amounting to RM818 million in respect of the financial year ending 31 December 2015, which was approved by the Board of Directors on 12 August 2015, was paid on 14 September 2015.

A5. STATUS OF CORPORATE PROPOSAL

On 7 August 2015, the Bank obtained an in-principle approval to establish and operate a 100% owned subsidiary in Vietnam.

A6(a). EVENTS DURING THE REPORTING PERIOD

On 15 May 2015, CIMB Group Holdings Berhad, announced that they have offered employees in Malaysia and Indonesia a Mutual Separation Scheme ("MSS"). The MSS exercise is fully voluntary and is aimed at enhancing the Group's efficiency levels across the board.

A6(b). SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events that had occurred between 30 September 2015 and the date of this announcement, other than those disclosed under Issuance and Repayment of Debts and Equity Securities.

PART A - EXPLANATORY NOTES (CONTINUED)

A7. FINANCIAL ASSETS HELD FOR TRADING

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Money market instruments				
Unquoted:				
Malaysian Government Securities	232,410	676,023	232,410	676,023
Cagamas bonds	-	9,970	-	9,970
Malaysian Government treasury bills	22,813	138,038	8,076	123,212
Other Government securities	5,657,656	5,081,737	5,632,641	5,081,737
Bank Negara Malaysia Monetary Notes	20,749	3,662,375	988	1,426,838
Bankers' acceptances and Islamic accepted bills	29,915	121,197	-	121,197
Negotiable instruments of deposit	5,876,099	2,745,907	3,170,085	1,753,327
Commercial papers	716,720	151,700	716,720	151,700
Government Investment Issue	171,853	151,724	122,235	138,839
	<u>12,728,215</u>	<u>12,738,671</u>	<u>9,883,155</u>	<u>9,482,843</u>
Quoted securities:				
<u>In Malaysia</u>				
Shares	75,422	1,581,650	75,422	1,581,650
	<u>75,422</u>	<u>1,581,650</u>	<u>75,422</u>	<u>1,581,650</u>
<u>Outside Malaysia</u>				
Shares	435,637	1,558,635	435,637	1,558,635
Private debt securities	472,506	210,698	-	-
Other Government bonds	270,535	510,339	-	-
	<u>1,178,678</u>	<u>2,279,672</u>	<u>435,637</u>	<u>1,558,635</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	1	6,716	1	6,716
Private and Islamic debt securities	2,217,934	2,538,048	1,946,035	2,331,870
	<u>2,217,935</u>	<u>2,544,764</u>	<u>1,946,036</u>	<u>2,338,586</u>
<u>Outside Malaysia</u>				
Private equity funds	161,706	125,965	66,608	51,886
Private and Islamic debt securities	4,281,025	3,447,365	4,192,566	3,377,332
	<u>4,442,731</u>	<u>3,573,330</u>	<u>4,259,174</u>	<u>3,429,218</u>
Total financial assets held-for-trading	<u>20,642,981</u>	<u>22,718,087</u>	<u>16,599,424</u>	<u>18,390,932</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A8. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Money market instruments				
Unquoted:				
Malaysian Government Securities	973,208	527,247	973,208	527,247
Malaysian Government Sukuk	44,406	19,750	-	-
Khazanah bonds	551,741	553,937	479,800	483,723
Government Investment Issue	2,560,739	2,519,145	2,099,294	2,203,248
Other Government treasury bills	99,923	72,335	99,923	72,335
Other Government securities	1,176,993	261,407	1,176,993	261,407
Commercial papers	-	74,805	-	74,805
Negotiable instruments of deposit	132,413	-	132,413	-
Cagamas bonds	212,696	148,161	189,018	139,657
	<u>5,752,119</u>	<u>4,176,787</u>	<u>5,150,649</u>	<u>3,762,422</u>
Quoted securities:				
<u>Outside Malaysia</u>				
Shares	5,338	9,795	92	99
Other Government bonds	2,677,308	2,209,594	-	-
Unit trusts	82,895	73,819	-	-
Private debt securities	496,240	297,039	-	-
	<u>3,261,781</u>	<u>2,590,247</u>	<u>92</u>	<u>99</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	967,098	981,039	956,523	971,641
Private debt securities	14,850,495	14,230,343	13,195,365	12,700,845
Loan stocks	10,211	10,433	10,211	10,433
	<u>15,827,804</u>	<u>15,221,815</u>	<u>14,162,099</u>	<u>13,682,919</u>
<u>Outside Malaysia</u>				
Shares	33,171	28,993	1,019	839
Private equity funds	603,824	615,448	540,415	479,497
Private debt securities	8,218,914	5,141,452	8,136,225	5,057,859
	<u>8,855,909</u>	<u>5,785,893</u>	<u>8,677,659</u>	<u>5,538,195</u>
	<u>33,697,613</u>	<u>27,774,742</u>	<u>27,990,499</u>	<u>22,983,635</u>
Allowance for impairment losses:				
Private debt securities	(61,272)	(64,924)	(61,272)	(64,924)
Private equity funds	(86,257)	(68,420)	(81,473)	(64,625)
Unquoted shares	(105,055)	(97,238)	(78,323)	(73,821)
Loan stocks	(10,211)	(10,433)	(10,211)	(10,433)
Unit trusts	(354)	(392)	-	-
	<u>(263,149)</u>	<u>(241,407)</u>	<u>(231,279)</u>	<u>(213,803)</u>
Total financial investments available-for-sale	<u>33,434,464</u>	<u>27,533,335</u>	<u>27,759,220</u>	<u>22,769,832</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A9. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Money market instruments				
Unquoted:				
Malaysian Government Securities	1,516,455	1,116,365	1,516,455	1,116,365
Government Investment Issue	4,137,916	3,091,812	3,869,979	3,084,244
Other Government securities	1,441,134	796,713	1,441,134	796,713
Cagamas bonds	315,533	201,076	284,737	201,076
Khazanah bonds	246,157	245,369	232,707	232,707
	<u>7,657,195</u>	<u>5,451,335</u>	<u>7,345,012</u>	<u>5,431,105</u>
Quoted securities:				
<u>Outside Malaysia</u>				
Private debt securities	2,822,416	2,602,142	-	-
	<u>2,822,416</u>	<u>2,602,142</u>	<u>-</u>	<u>-</u>
Unquoted securities:				
<u>In Malaysia</u>				
Loans stocks	7,020	27,388	-	-
Private debt securities	9,684,791	7,625,543	8,641,942	7,025,147
	<u>9,691,811</u>	<u>7,652,931</u>	<u>8,641,942</u>	<u>7,025,147</u>
<u>Outside Malaysia</u>				
Private debt securities	773,554	1,075,296	804,332	1,075,700
Amortisation of premium net of accretion of discount	(63,946)	(39,307)	(49,556)	(35,836)
Less : Allowance for impairment losses	(7,177)	(27,526)	-	-
Total financial investments held-to-maturity	<u>20,873,853</u>	<u>16,714,871</u>	<u>16,741,730</u>	<u>13,496,116</u>

Included in the financial investments held-to-maturity of the Group as at 31 December 2014 are 10-year promissory notes of THB9 million which has matured in 2015. The promissory notes were received from Thai Asset Management Corporation ("TAMC") for settlement of impaired loans transferred by CIMB Thai Bank to TAMC. Such promissory notes are non-transferable, bear interest at the average deposit rate of 5 major banks in Thailand and availed by the Financial Institutions Development Fund. As part of the agreement to transfer the impaired loans to TAMC, CIMB Thai Bank has a gain and loss sharing arrangement with TAMC arising from the recovery of the impaired loans.

PART A - EXPLANATORY NOTES (CONTINUED)

A10. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
(i) By type of financing				
At amortised cost				
Overdrafts	5,334,246	5,472,339	3,662,105	3,890,702
Term loans/financing				
- Housing loan/financing	64,330,508	57,366,545	46,751,730	42,099,364
- Syndicated term loan	17,802,131	14,608,120	15,847,860	14,031,052
- Other term loans/financing	99,419,848	82,732,253	69,437,153	56,888,652
- Factoring receivables	30,205	25,529	-	-
- Lease receivables	119,606	34,610	-	-
- Hire purchase receivables	16,238,394	15,685,097	8,885,845	8,155,403
Bills receivable	7,449,802	10,699,811	3,827,467	7,253,446
Trust receipts	1,975,475	1,316,462	1,286,199	617,123
Claim on customers under acceptance credit	2,870,829	3,070,409	2,576,990	2,678,005
Staff loans *	606,623	537,940	495,272	446,359
Credit card receivables	6,596,917	6,089,363	6,460,245	5,971,925
Revolving credit	16,542,923	13,243,998	14,407,834	10,813,908
Share margin financing	679,157	801,329	676,266	791,876
Gross loans, advances and financing	<u>239,996,664</u>	<u>211,683,805</u>	<u>174,314,966</u>	<u>153,637,815</u>
Fair value changes arising from fair value hedges	123,589	136,079	64,963	81,704
	<u>240,120,253</u>	<u>211,819,884</u>	<u>174,379,929</u>	<u>153,719,519</u>
Less: Allowance for impairment losses				
- Individual impairment allowance	<u>(1,979,310)</u>	<u>(1,897,017)</u>	<u>(1,561,274)</u>	<u>(1,613,522)</u>
- Portfolio impairment allowance	<u>(2,134,550)</u>	<u>(1,968,148)</u>	<u>(1,263,806)</u>	<u>(1,231,434)</u>
	<u>(4,113,860)</u>	<u>(3,865,165)</u>	<u>(2,825,080)</u>	<u>(2,844,956)</u>
Total net loans, advances and financing	<u>236,006,393</u>	<u>207,954,719</u>	<u>171,554,849</u>	<u>150,874,563</u>

* Included in staff loans of the Group are loans to Directors amounting to RM 3.7 million (2014: RM3.3 million).

(a) Included in the Group's and the Bank's loans, advances and financing balances are RM50 million (2014: RM50 million) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

PART A - EXPLANATORY NOTES (CONTINUED)

A10. LOANS, ADVANCES AND FINANCING (CONTINUED)

(b) The Group and the Bank have undertaken fair value hedge on the interest rate risk of loans, advances and financing of RM5,465 million (2014: RM8,120 million) and RM1,337 million (2014: RM1,724 million) respectively, using interest rate swaps.

	Group		Bank	
	30 Sept 2015	31 Dec 2014	30 Sept 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Gross loan hedged	5,465,059	8,119,997	1,337,366	1,723,826
Fair value changes arising from fair value hedges	123,589	136,079	64,963	81,704
	<u>5,588,648</u>	<u>8,256,076</u>	<u>1,402,329</u>	<u>1,805,530</u>

The fair value loss of interest rate swaps of the Group and the Bank in these hedge transactions as at 30 September 2015 were RM144 million (2014: RM112 million) and RM24 million (2014: RM28 million) respectively.

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

As at 30 September 2015, the gross exposure and portfolio impairment allowance relating to RPSIA financing are RM2,965 million (2014: RM2,099 million) and RM6.7 million (2014: RM6.4 million) respectively.

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

	Group		Bank	
	30 Sept 2015	31 Dec 2014	30 Sept 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
(ii) By type of customers				
Domestic banking institutions	1,481,963	2,359,359	1,460,430	2,334,649
Domestic non-bank financial institutions				
- stockbroking companies	-	13,224	-	10,016
- others	3,291,411	3,189,524	1,202,549	1,192,017
Domestic business enterprises				
- small medium enterprises	23,672,073	22,627,554	16,750,093	16,411,211
- others	36,209,894	30,104,596	20,790,703	17,816,636
Government and statutory bodies	8,932,711	8,854,267	2,101,151	2,078,806
Individuals	122,746,798	111,276,128	89,172,290	81,264,868
Other domestic entities	931,316	783,966	499,537	411,303
Foreign entities	42,730,498	32,475,187	42,338,213	32,118,309
Gross loans, advances and financing	<u>239,996,664</u>	<u>211,683,805</u>	<u>174,314,966</u>	<u>153,637,815</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10. LOANS, ADVANCES AND FINANCING (CONTINUED)

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
(iii) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/ financing	1,997,966	1,678,201	1,300,494	995,268
- Hire purchase receivables	10,995,442	11,761,674	3,629,662	4,220,635
- Other fixed rate loans	28,755,532	29,484,969	14,787,164	16,288,634
Variable rate				
- BLR plus	98,454,689	94,364,692	81,499,054	78,420,393
- Cost-plus	38,958,401	34,419,057	31,047,118	28,095,239
- Other variable rates	60,834,634	39,975,212	42,051,474	25,617,646
Gross loans, advances and financing	<u>239,996,664</u>	<u>211,683,805</u>	<u>174,314,966</u>	<u>153,637,815</u>
(iv) By economic purpose				
Personal use	9,510,632	8,061,845	4,429,383	3,127,394
Credit cards	6,596,917	6,089,363	6,460,245	5,971,925
Purchase of consumer durables	110,486	594,860	89,017	573,051
Construction	8,230,351	7,540,856	4,593,006	3,970,192
Residential property (housing)	66,201,061	59,318,648	48,305,574	43,853,494
Non-residential property	24,978,502	20,573,059	21,319,952	16,999,410
Purchase of fixed assets other than land and buildings	2,751,349	2,394,976	2,143,444	1,902,427
Mergers and acquisitions	4,757,360	5,288,961	4,756,693	5,288,027
Purchase of securities	24,337,771	18,741,333	22,670,706	18,157,220
Purchase of transport vehicles	16,626,406	15,815,995	9,227,182	8,442,752
Working capital	56,250,725	51,389,488	41,299,735	37,316,882
Other purposes	19,645,104	15,874,421	9,020,029	8,035,041
Gross loans, advances and financing	<u>239,996,664</u>	<u>211,683,805</u>	<u>174,314,966</u>	<u>153,637,815</u>
(v) By geographical distribution				
Malaysia	162,986,468	152,322,219	122,908,519	115,446,107
Indonesia	3,710,221	3,147,194	3,710,206	3,147,194
Thailand	29,174,860	22,002,463	4,921,852	1,734,635
Singapore	31,623,104	21,987,428	31,623,104	21,987,428
United Kingdom	646,701	795,982	646,701	795,982
Hong Kong	1,460,163	588,990	1,460,163	588,990
China	3,060,201	5,980,515	3,060,201	5,980,515
Other countries	7,334,946	4,859,014	5,984,220	3,956,964
Gross loans, advances and financing	<u>239,996,664</u>	<u>211,683,805</u>	<u>174,314,966</u>	<u>153,637,815</u>
(vi) By residual contractual maturity				
Within one year	44,525,886	46,557,134	33,694,396	37,060,827
One year to less than three years	22,432,963	15,156,770	17,796,615	11,814,674
Three years to less than five years	32,603,748	25,353,765	19,095,959	15,860,777
Five years and more	140,434,067	124,616,136	103,727,996	88,901,537
Gross loans, advances and financing	<u>239,996,664</u>	<u>211,683,805</u>	<u>174,314,966</u>	<u>153,637,815</u>

PART A - EXPLANATORY NOTES (CONTINUED)**A10. LOANS, ADVANCES AND FINANCING (CONTINUED)**

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
(vii) Impaired loans, advances and financing by economic purpose				
Personal use	245,127	226,761	103,163	93,829
Credit cards	138,112	97,279	134,463	94,357
Purchase of consumer durables	207	5,588	160	5,582
Construction	1,144,518	1,069,624	1,095,126	1,016,867
Residential property (housing)	1,131,200	950,842	703,427	652,515
Non-residential property	210,217	151,818	126,706	118,389
Purchase of fixed assets other than land and buildings	6,444	4,986	2,887	1,770
Purchase of securities	165,192	142,961	164,786	142,761
Purchase of transport vehicles	355,984	398,813	159,417	184,142
Working capital	1,397,301	934,734	1,134,222	722,536
Other purposes	487,186	388,398	45,415	37,763
Gross impaired loans, advances and financing	<u>5,281,488</u>	<u>4,371,804</u>	<u>3,669,772</u>	<u>3,070,511</u>
(viii) Impaired loans, advances and financing by geographical distribution				
Malaysia	3,318,444	3,224,126	2,828,342	2,758,892
Indonesia	647,562	108,839	647,562	108,839
Thailand	1,121,077	816,468	-	-
Singapore	59,986	30,827	59,986	30,827
United Kingdom	2,444	2,518	2,444	2,518
China	68,415	95,775	68,415	95,775
Other countries	63,560	93,251	63,023	73,660
Gross impaired loans, advances and financing	<u>5,281,488</u>	<u>4,371,804</u>	<u>3,669,772</u>	<u>3,070,511</u>
(ix) Movements in impaired loans, advances and financing				
At 1 January	4,371,804	4,274,943	3,070,511	3,331,299
Classified as impaired during the financial period/year	3,292,036	3,178,159	2,159,215	1,875,539
Reclassified as not impaired during the financial period/year	(1,074,668)	(1,449,335)	(749,178)	(963,866)
Amount written back in respect of recoveries	(779,750)	(831,284)	(456,743)	(659,578)
Amount written off	(727,731)	(860,796)	(433,394)	(533,317)
Exchange fluctuation	199,797	60,117	79,361	20,434
At 30 September/31 December	<u>5,281,488</u>	<u>4,371,804</u>	<u>3,669,772</u>	<u>3,070,511</u>
Ratio of gross impaired loans to total loans, advances and financing	<u>2.20%</u>	2.07%	<u>2.11%</u>	2.00%

PART A - EXPLANATORY NOTES (CONTINUED)**A10. LOANS, ADVANCES AND FINANCING (CONTINUED)**

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

	Group		Bank	
	30 Sept 2015	31 Dec 2014	30 Sept 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
<u>Individual impairment allowance</u>				
At 1 January	1,897,017	1,767,230	1,613,522	1,526,098
Net allowance made during the financial period/year	111,899	310,299	10,897	253,223
Allowance written-back and charged to deferred assets	-	(2,735)	-	(2,735)
Amount written off	(134,557)	(212,388)	(132,329)	(179,094)
Amount transferred (to)/from portfolio impairment allowance	(7,012)	3,160	-	-
Exchange fluctuation	111,963	31,451	69,184	16,030
At 30 September/31 December	<u>1,979,310</u>	<u>1,897,017</u>	<u>1,561,274</u>	<u>1,613,522</u>
<u>Portfolio impairment allowance</u>				
At 1 January	1,968,148	1,933,552	1,231,434	1,245,458
Net allowance made during the financial period/year	644,811	639,287	321,321	338,241
Allowance made and charged to deferred assets	-	381	-	381
Amount written off	(571,531)	(633,170)	(301,243)	(354,668)
Amount transferred from/(to) individual impairment allowance	7,012	(3,160)	-	-
Exchange fluctuation	86,110	31,258	12,294	2,022
At 30 September/31 December	<u>2,134,550</u>	<u>1,968,148</u>	<u>1,263,806</u>	<u>1,231,434</u>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing less individual impairment allowance	<u>1.3%</u>	<u>1.3%</u>	<u>1.2%</u>	<u>1.2%</u>

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

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Foreclosed properties	104,483	154,541	-	-
Structured financing	2,468,931	196,002	2,468,931	196,002
Collateral pledged for derivative transactions	6,913,773	3,116,901	5,850,345	2,912,711
Other debtors, deposits and prepayments	3,361,345	2,362,548	3,323,159	2,154,708
	<u>12,848,532</u>	<u>5,829,992</u>	<u>11,642,435</u>	<u>5,263,421</u>

A12. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
(i) By type of deposit				
Demand deposits	54,682,049	53,904,127	44,498,996	45,491,420
Saving deposits	26,021,587	23,096,321	16,212,504	15,515,443
Fixed deposits	107,990,931	92,411,506	84,300,595	71,697,746
Negotiable instruments of deposit	1,801,203	3,507,324	896,379	979,361
Others	66,491,618	62,347,876	46,606,586	40,636,597
	<u>256,987,388</u>	<u>235,267,154</u>	<u>192,515,060</u>	<u>174,320,567</u>
(ii) By type of customer				
Government and statutory bodies	11,040,010	9,587,328	6,711,473	5,826,576
Business enterprises	105,799,506	99,468,496	82,293,792	76,420,167
Individuals	87,332,107	78,603,149	64,393,857	60,088,610
Others	52,815,765	47,608,181	39,115,938	31,985,214
	<u>256,987,388</u>	<u>235,267,154</u>	<u>192,515,060</u>	<u>174,320,567</u>
(iii) Maturity structure of fixed deposits and negotiable instruments of deposit				
Due within six months	88,228,186	75,053,581	68,875,660	58,206,017
Six months to less than one year	19,541,016	17,111,437	14,560,116	12,760,658
One year to less than three years	999,302	2,719,683	738,213	676,738
Three years to less than five years	476,569	402,914	475,925	402,479
Five years and more	547,061	631,215	547,060	631,215
	<u>109,792,134</u>	<u>95,918,830</u>	<u>85,196,974</u>	<u>72,677,107</u>

A13. PLACEMENTS FROM INVESTMENT ACCOUNTS

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Restricted investment accounts	197,822	-	-	-

PART A - EXPLANATORY NOTES (CONTINUED)

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 Sept 2015	31 Dec 2014	30 Sept 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Licensed banks	27,221,062	27,451,929	28,398,004	28,733,819
Licensed finance companies	1,340,670	796,797	59,809	63,257
Licensed investment banks	1,274,736	776,499	1,175,758	575,378
Bank Negara Malaysia	392,269	491,349	228,585	461,965
Other financial institutions	3,618,354	1,900,748	3,199,111	1,703,884
	33,847,091	31,417,322	33,061,267	31,538,303

The maturity structure of deposits and placements of banks and other financial institutions is as follows:

	Group		Bank	
	30 Sept 2015	31 Dec 2014	30 Sept 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Due within six months	28,634,008	28,525,411	28,197,832	28,657,143
Six months to less than one year	3,596,233	1,970,780	3,246,727	1,960,357
One year to less than three years	1,218,975	392,596	1,218,833	392,268
Three years to less than five years	122,632	306,247	122,632	306,247
Five years and more	275,243	222,288	275,243	222,288
	33,847,091	31,417,322	33,061,267	31,538,303

A15. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	Group		Bank	
	30 Sept 2015	31 Dec 2014	30 Sept 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Deposits from customers - structured investments	2,979,885	2,876,227	2,786,723	2,726,392
Bills payable	943,082	402,839	-	-
Debentures	860,284	411,635	-	-
	4,783,251	3,690,701	2,786,723	2,726,392

The Group and the Bank have issued structured investments, bills payable and debentures, and have designated them at fair value in accordance with MFRS139. The Group and the Bank have the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group and the Bank on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of financial liabilities designated at fair value of the Group and the Bank at 30 September 2015 were RM692,945,000 (2014: RM403,475,000) and RM678,445,000 (2014: RM394,924,000) respectively lower than the contractual amount at maturity for the structured investments, RM55,499,000 (2014: RM3,610,000) higher than the contractual amount at maturity for the bills payable and RM26,962,000 lower (2014: RM78,436,000 higher) than the contractual amount at maturity for the debentures. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

A16. OTHER LIABILITIES

	Group		Bank	
	30 Sept 2015	31 Dec 2014	30 Sept 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	8,938	56,856	8,938	56,856
Accrued employee benefits	21,929	22,361	21,913	18,697
Post employment benefit obligations	181,854	159,446	26,533	26,952
Sundry creditors	2,206,114	989,616	2,104,439	972,197
Expenditure payable	1,368,230	1,221,971	1,143,737	963,560
Allowance for commitments and contingencies	9,057	6,182	2,704	2,704
Provision for legal claims	59,690	71,135	43,770	54,533
Credit card expenditure payable	119,980	108,618	116,915	108,618
Call deposit borrowing	4,091,761	1,042,645	3,181,388	898,765
Others	342,954	465,754	292,938	334,342
	8,410,507	4,144,584	6,943,275	3,437,224

PART A - EXPLANATORY NOTES (CONTINUED)**A17. INTEREST INCOME**

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Group				
Loans and advances				
- interest income	2,354,284	2,030,951	6,747,825	5,851,582
- unwinding income [^]	10,578	8,126	29,131	34,572
Money at call and deposits with financial institutions	84,181	81,886	273,256	290,089
Reverse repurchase agreements	29,675	26,860	87,488	95,327
Financial assets held for trading	102,607	109,416	281,540	350,734
Financial investments available-for-sale	275,464	224,093	764,630	676,407
Financial investments held-to-maturity	173,460	142,362	496,683	405,813
	<u>3,030,249</u>	<u>2,623,694</u>	<u>8,680,553</u>	<u>7,704,524</u>
Net accretion of discount less amortisation of premium	(14,667)	2,575	(33,925)	875
	<u>3,015,582</u>	<u>2,626,269</u>	<u>8,646,628</u>	<u>7,705,399</u>
Bank				
Loans and advances				
- interest income	1,947,403	1,701,496	5,581,016	4,881,635
- unwinding income [^]	8,860	11,711	27,188	36,060
Money at call and deposits with financial institutions	119,671	103,680	371,810	388,304
Reverse repurchase agreements	29,513	25,523	86,511	86,550
Financial assets held for trading	94,389	104,697	263,070	334,750
Financial investments available-for-sale	254,130	205,940	690,647	625,503
Financial investments held-to-maturity	151,322	121,200	432,155	353,259
	<u>2,605,288</u>	<u>2,274,247</u>	<u>7,452,397</u>	<u>6,706,061</u>
Net accretion of discount less amortisation of premium	(993)	7,156	(1,975)	8,884
	<u>2,604,295</u>	<u>2,281,403</u>	<u>7,450,422</u>	<u>6,714,945</u>

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

PART A - EXPLANATORY NOTES (CONTINUED)**A18. INTEREST EXPENSE**

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits and placements of banks and other financial institutions	110,049	68,078	300,548	164,325
Deposits from other customers	988,863	829,639	2,848,913	2,474,076
Repurchase agreements	51,369	15,565	119,081	51,004
Financial liabilities designated at fair value	33,324	34,832	88,695	77,376
Negotiable certificates of deposits	39,808	21,876	140,185	82,193
Bonds and debentures	51,411	26,808	126,855	85,261
Redeemable preference shares	13,444	10,560	37,544	32,182
Subordinated obligations	109,851	104,724	323,538	284,819
Other borrowings	12,646	13,760	34,605	31,673
	<u>1,410,765</u>	<u>1,125,842</u>	<u>4,019,964</u>	<u>3,282,909</u>
Bank				
Deposits and placements of banks and other financial institutions	104,761	73,756	293,001	214,586
Deposits from other customers	878,184	728,991	2,494,137	2,141,743
Repurchase agreements	49,386	13,577	110,973	38,321
Financial liabilities designated at fair value	25,022	29,085	71,936	62,718
Negotiable certificates of deposits	39,103	19,482	137,224	75,338
Bonds and debentures	39,488	15,107	91,300	35,545
Subordinated obligations	107,756	102,886	314,898	298,045
Other borrowings	12,327	8,902	33,108	25,139
	<u>1,256,027</u>	<u>991,786</u>	<u>3,546,577</u>	<u>2,891,435</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A19. NET NON-INTEREST INCOME

Group	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Net fee and commission income				
Commissions	85,308	76,519	253,274	226,057
Fee on loans and advances	120,767	123,961	409,511	367,448
Service charges and fees	118,173	120,727	372,373	355,736
Guarantee fees	21,602	18,984	52,405	59,706
Other fee income	64,771	53,236	183,468	174,331
Fee and commission income	410,621	393,427	1,271,031	1,183,278
Fee and commission expense	(103,693)	(92,423)	(299,899)	(282,561)
Net fee and commission income	306,928	301,004	971,132	900,717
Gross dividend income from:				
Financial assets held for trading	20,666	27,145	43,996	41,549
Financial investments available-for-sale	2,703	2,430	11,656	11,978
	23,369	29,575	55,652	53,527
Net loss arising from financial assets held for trading:				
- realised (loss)/gain	(174,054)	55,735	(208,441)	(29,611)
- unrealised (loss)/gain	(274,267)	(123,502)	(578,057)	24,040
	(448,321)	(67,767)	(786,498)	(5,571)
Net gain arising from derivative financial instrument				
- realised gain	919,828	185,378	156,907	265,665
- unrealised gain/(loss)	296,875	(38,541)	1,799,808	240,216
	1,216,703	146,837	1,956,715	505,881
Net gain/(loss) arising from financial liabilities designated at fair value				
- realised loss	(5,270)	(22,643)	(18,192)	(47,499)
- unrealised gain/(loss)	173,224	(26,438)	87,837	23,164
	167,954	(49,081)	69,645	(24,335)
Net gain arising from hedging activities	23,679	18,141	51,724	15,070
Net gain from sale of financial investments available-for-sale	37,773	10,022	112,957	64,670
Net gain from redemption of financial investments held-to-maturity	-	15	16	2,629
Brokerage income	152	-	545	-
Other non-interest income				
Foreign exchange (loss)/gain	(733,832)	169,827	(509,118)	31,932
Rental income	7,109	5,261	12,486	10,227
(Loss)/gain on disposal of property, plant and equipment/assets held for sale	(746)	844	(1,409)	96
Loss on disposal of foreclosed properties	(7,559)	(19,264)	(14,991)	(51,001)
Others	18,085	18,921	50,517	56,492
	(716,943)	175,589	(462,515)	47,746
	611,294	564,335	1,969,373	1,560,334

PART A - EXPLANATORY NOTES (CONTINUED)

A19. NET NON-INTEREST INCOME (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Bank				
Net fee and commission income				
Commissions	67,419	67,453	206,244	198,155
Fee on loans and advances	120,751	123,930	409,481	367,373
Service charges and fees	100,348	104,785	321,733	308,345
Guarantee fees	18,136	16,165	42,861	51,159
Other fee income	44,725	35,567	134,200	127,079
Fee and commission income	351,379	347,900	1,114,519	1,052,111
Fee and commission expense	(91,642)	(84,718)	(270,470)	(257,581)
Net fee and commission income	259,737	263,182	844,049	794,530
Gross dividend income from:				
Financial assets held for trading	20,666	27,145	43,996	41,549
Financial investments available-for-sale	866	726	6,180	6,802
Subsidiaries	-	-	30,885	21,161
Associate	-	20,037	23,920	20,037
	21,532	47,908	104,981	89,549
Net loss arising from financial assets held for trading				
- realised (loss)/gain	(178,729)	56,267	(225,069)	(39,133)
- unrealised (loss)/gain	(272,443)	(127,050)	(577,939)	22,673
	(451,172)	(70,783)	(803,008)	(16,460)
Net gain arising from derivative financial instrument				
- realised gain	928,035	160,524	122,636	248,395
- unrealised gain/(loss)	376,508	(35,513)	1,911,686	173,255
	1,304,543	125,011	2,034,322	421,650
Net gain/(loss) arising from financial liabilities designated at fair value				
- realised loss	(3,975)	(18,435)	(14,250)	(39,510)
- unrealised gain	139,793	13,927	27,723	57,779
	135,818	(4,508)	13,473	18,269
Net gain arising from hedging activities				
	24,555	18,049	55,585	14,871
Net gain from sale of financial investments available-for-sale				
	13,632	7,982	47,517	33,455
Net gain from redemption of financial investments held-to-maturity				
	-	15	16	2,629
Brokerage income				
	152	-	545	-
Other non-interest income				
Foreign exchange (loss)/gain	(824,137)	77,211	(662,869)	14,812
Rental income	6,025	4,305	9,365	7,820
Gain on disposal of property, plant and equipment/assets held for sale	2,559	387	5,101	810
Others	11,448	11,829	56,772	35,619
	(804,105)	93,732	(591,631)	59,061
	504,692	480,588	1,705,849	1,417,554

PART A - EXPLANATORY NOTES (CONTINUED)**A20. OVERHEADS**

Group	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	607,381	481,399	1,794,249	1,503,801
- Pension costs (defined contribution plan)	55,963	46,861	170,971	143,677
- Pension costs (defined benefit plan)	4,260	3,345	12,463	10,109
- Mutual Separation Scheme	-	-	302,764	-
- Overtime	3,498	3,664	11,956	12,043
- Staff incentives and other staff payments	33,044	48,701	110,507	139,742
- Medical expenses	19,110	20,419	58,483	59,884
- Others	15,396	22,715	46,388	48,347
	738,652	627,104	2,507,781	1,917,603
Establishment costs				
- Depreciation of property, plant and equipment	49,546	45,459	148,653	141,381
- Amortisation of prepaid lease payments	52	74	151	219
- Rental	63,194	57,647	183,021	169,547
- Repair and maintenance	50,995	71,848	198,487	207,920
- Outsourced services	50,407	48,702	118,381	121,920
- Security expenses	25,365	26,878	77,827	80,475
- Others	26,672	34,434	90,876	90,399
	266,231	285,042	817,396	811,861
Marketing expenses				
- Sales commission	1,193	954	2,851	3,757
- Advertisement	48,247	44,103	134,715	107,845
- Others	6,681	6,835	18,005	19,408
	56,121	51,892	155,571	131,010
Administration and general expenses				
- Communication	8,358	12,062	20,534	34,665
- Consultancy and professional fees	26,093	12,222	45,678	33,285
- Legal expenses	5,412	9,540	13,274	14,575
- Stationery	8,258	8,547	24,979	28,723
- Amortisation of intangible assets	42,753	52,343	129,215	142,405
- Postages	11,489	9,879	33,257	32,188
- Administrative travelling and vehicle expenses	10,582	9,434	31,653	27,346
- Incidental expenses on banking operations	12,576	10,827	32,315	29,102
- Insurance	38,589	32,830	115,666	95,673
- Others	41,096	24,828	119,133	83,620
	205,206	182,512	565,704	521,582
Shared service cost	8,108	57,568	37,843	180,353
	1,274,318	1,204,118	4,084,295	3,562,409

PART A - EXPLANATORY NOTES (CONTINUED)**A20. OVERHEADS (CONTINUED)**

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Bank				
Personnel costs				
- Salaries, allowances and bonuses	481,508	375,781	1,424,891	1,182,035
- Pension costs (defined contribution plan)	50,547	42,002	154,349	128,956
- Mutual Separation Scheme	-	-	290,946	-
- Overtime	2,181	2,409	7,504	7,691
- Staff incentives and other staff payments	27,051	42,342	92,293	121,924
- Medical expenses	17,226	19,428	54,162	56,995
- Others	11,989	20,446	37,875	42,498
	<u>590,502</u>	<u>502,408</u>	<u>2,062,020</u>	<u>1,540,099</u>
Establishment costs				
- Depreciation of property, plant and equipment	36,257	32,846	107,799	104,236
- Rental	49,584	46,427	147,842	136,020
- Repair and maintenance	45,319	65,011	179,049	188,511
- Outsourced services	57,411	62,825	171,414	172,250
- Security expenses	25,472	27,572	78,415	83,518
- Others	30,580	27,956	66,740	72,418
	<u>244,623</u>	<u>262,637</u>	<u>751,259</u>	<u>756,953</u>
Marketing expenses				
- Sales commission	-	292	-	1,040
- Advertisement	43,932	38,525	116,698	94,088
- Others	5,012	3,124	13,340	9,706
	<u>48,944</u>	<u>41,941</u>	<u>130,038</u>	<u>104,834</u>
Administration and general expenses				
- Communication	6,643	10,036	15,444	29,504
- Consultancy and professional fees	24,688	10,458	42,269	29,100
- Legal expenses	2,535	8,174	5,791	10,619
- Stationery	6,086	6,122	18,705	21,904
- Amortisation of intangible assets	37,321	46,692	112,527	126,450
- Postages	11,498	7,079	27,641	23,441
- Administrative travelling and vehicle expenses	8,097	6,705	24,153	19,344
- Incidental expenses on banking operations	7,840	5,429	20,282	16,016
- Insurance	8,964	8,552	28,173	25,259
- Others	15,056	3,860	42,554	24,679
	<u>128,728</u>	<u>113,107</u>	<u>337,539</u>	<u>326,316</u>
Shared service cost	(89,120)	(31,719)	(245,357)	(93,998)
	<u>923,677</u>	<u>888,374</u>	<u>3,035,499</u>	<u>2,634,204</u>

PART A - EXPLANATORY NOTES (CONTINUED)**A21. ALLOWANCES FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING**

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Group				
Allowances for impaired loans and financing :				
Net allowance (written-back)/made during the financial period				
- Individual impairment allowance	(4,861)	(15,189)	111,899	(11,842)
- Portfolio impairment allowance	259,663	184,577	644,811	468,634
Impaired loans and advances :				
- recovered	(59,527)	(60,096)	(193,981)	(196,054)
- written off	6,663	4,469	20,180	15,834
	<u>201,938</u>	<u>113,761</u>	<u>582,909</u>	<u>276,572</u>
Bank				
Allowances for impaired loans and financing :				
Net allowance made/(written-back) during the financial period				
- Individual impairment allowance	8,410	(17,509)	10,897	(27,882)
- Portfolio impairment allowance	132,281	83,709	321,321	253,146
Impaired loans and advances :				
- recovered	(37,786)	(41,212)	(124,384)	(127,668)
- written off	4,825	2,757	13,064	9,914
	<u>107,730</u>	<u>27,745</u>	<u>220,898</u>	<u>107,510</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A22. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES

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

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

(i) Derivative financial instruments

At 30 September 2015	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	21,640,530	848,277	(1,398,629)	16,559,809	661,374	(1,276,912)
- Up to 1 year	17,368,710	685,307	(613,146)	12,737,892	506,977	(506,239)
- More than 1 year to 3 years	3,332,613	162,085	(342,392)	2,695,348	153,512	(320,228)
- More than 3 years	939,207	885	(443,091)	1,126,569	885	(450,445)
Currency swaps	195,745,115	6,064,753	(4,707,408)	103,399,002	3,327,176	(2,529,826)
- Up to 1 year	193,073,336	5,872,894	(4,647,166)	101,971,736	3,147,073	(2,503,325)
- More than 1 year to 3 years	2,564,760	153,738	(59,413)	1,341,671	141,982	(26,501)
- More than 3 years	107,019	38,121	(829)	85,595	38,121	-
Currency spots	5,830,020	17,439	(16,792)	5,025,492	16,883	(16,045)
- Up to 1 year	5,830,020	17,439	(16,792)	5,025,492	16,883	(16,045)
Currency options	6,620,721	291,860	(292,611)	5,672,134	258,428	(277,338)
- Up to 1 year	5,009,550	150,283	(147,864)	4,369,348	125,776	(141,267)
- More than 1 year to 3 years	608,811	17,764	(19,578)	312,556	8,839	(11,351)
- More than 3 years	1,002,360	123,813	(125,169)	990,230	123,813	(124,720)
Cross currency interest rate swaps	63,873,812	5,581,267	(6,331,832)	33,967,875	4,671,218	(4,761,683)
- Up to 1 year	17,725,506	891,092	(1,561,998)	5,932,474	773,055	(741,472)
- More than 1 year to 3 years	20,856,193	2,145,329	(2,434,814)	12,243,705	1,692,962	(2,002,829)
- More than 3 years	25,292,113	2,544,846	(2,335,020)	15,791,696	2,205,201	(2,017,382)
	293,710,198	12,803,596	(12,747,272)	164,624,312	8,935,079	(8,861,804)
<u>Interest rate derivatives</u>						
Interest rate swaps	443,849,651	2,777,133	(2,337,520)	328,290,636	2,118,253	(1,760,411)
- Up to 1 year	178,635,868	144,334	(171,813)	133,800,548	105,260	(110,814)
- More than 1 year to 3 years	133,263,130	805,025	(820,193)	101,228,059	626,945	(672,558)
- More than 3 years	131,950,653	1,827,774	(1,345,514)	93,262,029	1,386,048	(977,039)
Interest rate futures	9,028,178	2,476	(14,204)	9,028,178	2,476	(14,204)
- Up to 1 year	5,060,978	2,411	(7,682)	5,060,978	2,411	(7,682)
- More than 1 year to 3 years	3,967,200	65	(6,522)	3,967,200	65	(6,522)
Interest rate options	206,201	366	(1,881)	230,461	815	(2,330)
- Up to 1 year	144,260	14	(1,529)	168,520	463	(1,978)
- More than 1 year to 3 years	61,941	352	(352)	61,941	352	(352)
	453,084,030	2,779,975	(2,353,605)	337,549,275	2,121,544	(1,776,945)
<u>Equity related derivatives</u>						
Equity swaps	716,135	2,061	(7,884)	716,135	2,061	(7,884)
- Up to 1 year	2,149	569	-	2,149	569	-
- More than 1 year to 3 years	54,432	219	(6,678)	54,432	219	(6,678)
- More than 3 years	659,554	1,273	(1,206)	659,554	1,273	(1,206)
Equity options	9,863,844	216,449	(288,607)	9,863,844	216,449	(288,607)
- Up to 1 year	2,609,331	24,880	(78,390)	2,609,331	24,880	(78,390)
- More than 1 year to 3 years	3,761,929	8,505	(139,783)	3,761,929	8,505	(139,783)
- More than 3 years	3,492,584	183,064	(70,434)	3,492,584	183,064	(70,434)
Equity futures	223,194	1,747	(2,999)	223,194	1,747	(2,999)
- Up to 1 year	223,194	1,747	(2,999)	223,194	1,747	(2,999)
	10,803,173	220,257	(299,490)	10,803,173	220,257	(299,490)

PART A - EXPLANATORY NOTES (CONTINUED)

A22. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

At 30 September 2015	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	1,987,306	572,673	(566,200)	1,967,408	572,609	(566,200)
- Up to 1 year	1,794,631	377,866	(374,856)	1,774,733	377,802	(374,856)
- More than 1 year to 3 years	192,675	194,807	(191,344)	192,675	194,807	(191,344)
Commodity futures	687,932	11,564	(9,619)	687,932	11,564	(9,619)
- Up to 1 year	634,190	11,287	(8,835)	634,190	11,287	(8,835)
- More than 1 year to 3 years	53,742	277	(784)	53,742	277	(784)
Commodity options	1,806,864	203,835	(120,023)	1,806,864	203,835	(120,023)
- Up to 1 year	1,689,148	140,650	(103,240)	1,689,148	140,650	(103,240)
- More than 1 year to 3 years	117,716	63,185	(16,783)	117,716	63,185	(16,783)
	4,482,102	788,072	(695,842)	4,462,204	788,008	(695,842)
<u>Credit related contract</u>						
Credit default swaps	8,640,811	103,050	(111,478)	8,640,811	103,050	(111,478)
- Up to 1 year	4,482,850	39,807	(39,542)	4,482,850	39,807	(39,542)
- More than 1 year to 3 years	2,427,949	43,345	(42,322)	2,427,949	43,345	(42,322)
- More than 3 years	1,730,012	19,898	(29,614)	1,730,012	19,898	(29,614)
Total return swaps	2,495,557	12,480	(22,049)	2,443,217	12,367	(21,935)
- Up to 1 year	1,693,987	3,025	-	1,693,987	3,025	-
- More than 1 year to 3 years	220,400	-	(12,774)	220,400	-	(12,774)
- More than 3 years	581,170	9,455	(9,275)	528,830	9,342	(9,161)
	11,136,368	115,530	(133,527)	11,084,028	115,417	(133,413)
<u>Bond contract</u>						
Bond forward	30,000	404	(47)	30,000	404	(47)
- More than 3 years	30,000	404	(47)	30,000	404	(47)
<u>Hedging derivatives</u>						
Currency swaps	4,011,429	86,744	(547,568)	4,011,429	86,744	(547,568)
- Up to 1 year	4,011,429	86,744	(547,568)	4,011,429	86,744	(547,568)
Cross currency interest rate swaps	5,427,776	113,203	(443,794)	4,483,138	64,733	(285,026)
- Up to 1 year	2,123,833	10,625	(136,147)	2,123,833	10,625	(136,147)
- More than 1 year to 3 years	1,482,704	43,496	(64,576)	1,482,704	43,496	(64,576)
- More than 3 years	1,821,239	59,082	(243,071)	876,601	10,612	(84,303)
Interest rate swaps	26,930,930	83,116	(332,410)	31,512,344	206,793	(332,784)
- Up to 1 year	4,163,603	22,470	(6,129)	4,406,684	22,293	(6,503)
- More than 1 year to 3 years	6,849,654	17,288	(32,139)	7,092,644	20,493	(32,139)
- More than 3 years	15,917,673	43,358	(294,142)	20,013,016	164,007	(294,142)
Total derivatives assets/(liabilities)	809,616,006	16,990,897	(17,553,555)	568,559,903	12,538,979	(12,932,919)

PART A - EXPLANATORY NOTES (CONTINUED)

A22. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

At 31 Dec 2014	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	19,274,828	353,364	(362,586)	15,812,299	301,706	(356,894)
- Up to 1 year	16,153,125	302,713	(159,474)	12,889,335	253,609	(146,452)
- More than 1 year to 3 years	1,916,948	49,694	(71,808)	1,786,952	47,140	(71,842)
- More than 3 years	1,204,755	957	(131,304)	1,136,012	957	(138,600)
Currency swaps	139,638,887	1,297,629	(1,280,285)	83,896,785	1,029,484	(1,025,419)
- Up to 1 year	138,482,844	1,224,248	(1,271,050)	82,855,587	956,724	(1,015,203)
- More than 1 year to 3 years	846,165	45,316	(6,942)	795,574	47,120	(6,932)
- More than 3 years	309,878	28,065	(2,293)	245,624	25,640	(3,284)
Currency spots	5,832,872	2,832	(9,310)	5,643,204	2,757	(9,254)
- Up to 1 year	5,832,872	2,832	(9,310)	5,643,204	2,757	(9,254)
Currency options	4,808,447	47,694	(42,246)	4,118,056	35,900	(35,717)
- Up to 1 year	4,136,688	34,486	(29,653)	3,782,244	29,212	(29,034)
- More than 1 year to 3 years	488,553	8,075	(8,073)	244,227	4,096	(4,093)
- More than 3 years	183,206	5,133	(4,520)	91,585	2,592	(2,590)
Cross currency interest rate swaps	42,259,125	1,448,815	(1,528,147)	28,093,113	1,329,679	(1,289,951)
- Up to 1 year	9,372,146	151,249	(309,729)	5,053,246	142,651	(246,213)
- More than 1 year to 3 years	13,810,865	562,938	(534,600)	9,205,548	506,914	(451,343)
- More than 3 years	19,076,114	734,628	(683,818)	13,834,319	680,114	(592,395)
	211,814,159	3,150,334	(3,222,574)	137,563,457	2,699,526	(2,717,235)
<u>Interest rate derivatives</u>						
Interest rate swaps	332,464,741	2,082,528	(1,718,398)	263,420,855	1,495,525	(1,257,086)
- Up to 1 year	118,298,650	107,037	(123,124)	91,189,996	71,800	(84,634)
- More than 1 year to 3 years	107,366,414	503,881	(487,490)	86,980,065	375,402	(357,434)
- More than 3 years	106,799,677	1,471,610	(1,107,784)	85,250,794	1,048,323	(815,018)
Interest rate futures	1,640,898	2,097	(180)	1,640,898	2,097	(180)
- Up to 1 year	1,450,968	1,886	(180)	1,450,968	1,886	(180)
- More than 1 year to 3 years	189,930	211	-	189,930	211	-
Interest rate options	456,064	1,222	(7,665)	466,693	1,593	(7,665)
- Up to 1 year	351,297	964	(6,396)	351,298	964	(6,396)
- More than 1 year to 3 years	104,767	258	(1,269)	115,395	629	(1,269)
	334,561,703	2,085,847	(1,726,243)	265,528,446	1,499,215	(1,264,931)
<u>Equity related derivatives</u>						
Equity swaps	1,070,726	105,165	(28,543)	1,070,726	105,165	(28,543)
- Up to 1 year	64,466	12,631	-	64,466	12,631	-
- More than 1 year to 3 years	416,592	65,313	(19,428)	416,592	65,313	(19,428)
- More than 3 years	589,668	27,221	(9,115)	589,668	27,221	(9,115)
Equity options	7,107,834	233,718	(955,334)	6,761,459	223,594	(945,208)
- Up to 1 year	4,228,691	55,788	(395,037)	4,125,680	53,167	(392,417)
- More than 1 year to 3 years	1,854,927	13,736	(529,323)	1,754,857	9,470	(525,057)
- More than 3 years	1,024,216	164,194	(30,974)	880,922	160,957	(27,734)
Equity futures	1,367,538	8,795	(14,647)	1,367,538	8,795	(14,647)
- Up to 1 year	1,367,538	8,795	(14,647)	1,367,538	8,795	(14,647)
	9,546,098	347,678	(998,524)	9,199,723	337,554	(988,398)

PART A - EXPLANATORY NOTES (CONTINUED)

A22. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

At 31 Dec 2014	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	2,557,153	1,020,245	(1,014,696)	2,557,153	1,020,245	(1,014,696)
- Up to 1 year	2,198,927	569,074	(567,433)	2,198,927	569,074	(567,433)
- More than 1 year to 3 years	358,226	451,171	(447,263)	358,226	451,171	(447,263)
Commodity futures	10,656	34	(219)	10,656	34	(219)
- Less than 1 year	10,656	34	(219)	10,656	34	(219)
Commodity options	491,457	111,059	(22,838)	491,457	111,059	(22,838)
- Up to 1 year	315,601	9,499	(9,498)	315,601	9,499	(9,498)
- More than 1 year to 3 years	175,856	101,560	(13,340)	175,856	101,560	(13,340)
	3,059,266	1,131,338	(1,037,753)	3,059,266	1,131,338	(1,037,753)
<u>Credit related contract</u>						
Credit default swaps	5,588,460	58,511	(65,425)	5,588,460	58,511	(65,425)
- Up to 1 year	1,513,699	2,658	(4,567)	1,513,699	2,658	(4,567)
- More than 1 year to 3 years	2,856,238	48,012	(47,871)	2,856,238	48,012	(47,871)
- More than 3 years	1,218,523	7,841	(12,987)	1,218,523	7,841	(12,987)
Total return swaps	846,335	12,382	(25,940)	787,395	12,083	(25,642)
- More than 1 year to 3 years	174,825	-	(13,104)	174,825	-	(13,104)
- More than 3 years	671,510	12,382	(12,836)	612,570	12,083	(12,538)
	6,434,795	70,893	(91,365)	6,375,855	70,594	(91,067)
<u>Hedging derivatives</u>						
Currency swaps	5,054,260	36,426	(141,369)	5,054,261	36,426	(141,369)
- Up to 1 year	5,054,260	36,426	(141,369)	5,054,261	36,426	(141,369)
Cross currency interest rate swaps	3,483,815	19,806	(79,533)	3,048,869	19,806	(70,145)
- Up to 1 year	162,380	1,436	(4,403)	162,380	1,436	(4,403)
- More than 1 year to 3 years	2,103,854	15,861	(39,871)	2,103,854	15,861	(39,871)
- More than 3 years	1,217,581	2,509	(35,259)	782,635	2,509	(25,871)
Interest rate swaps	21,394,899	89,049	(261,438)	28,250,295	204,750	(290,911)
- Up to 1 year	1,459,768	33,703	(9,288)	1,459,768	33,703	(9,288)
- More than 1 year to 3 years	6,835,197	7,753	(27,686)	7,345,713	12,091	(28,494)
- More than 3 years	13,099,934	47,593	(224,464)	19,444,814	158,956	(253,129)
Total derivatives assets/(liabilities)	595,348,995	6,931,371	(7,558,799)	458,080,172	5,999,209	(6,601,809)

PART A - EXPLANATORY NOTES (CONTINUED)

A22. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2015, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM16,991 million and RM12,539 million respectively (31 December 2014: RM6,931 million and RM5,999 million respectively). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group are discussed in the audited financial statements for the financial year ended 31 December 2014.

PART A - EXPLANATORY NOTES (CONTINUED)

A22. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(ii) Commitments and contingencies

	30 Sept 2015	31 Dec 2014
	Principal	Principal
	RM'000	RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	3,529,944	3,030,141
Transaction-related contingent items	4,502,774	4,641,921
Short-term self-liquidating trade-related contingencies	7,075,618	6,013,684
Obligations under underwriting agreement	-	140,000
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	42,003,254	47,176,313
- maturity exceeding one year	27,556,142	23,742,050
Miscellaneous commitments and contingencies	3,273,916	3,431,821
Total credit-related commitments and contingencies	87,941,648	88,175,930
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- up to one year	245,142,384	179,194,315
- more than one year to five years	46,072,163	33,042,178
- more than five years	11,934,856	8,115,741
	303,149,403	220,352,234
Interest rate related contracts :		
- up to one year	188,004,709	121,560,683
- more than one year to five years	242,970,483	193,990,442
- more than five years	49,039,768	40,405,477
	480,014,960	355,956,602
Equity related contracts:		
- up to one year	2,834,674	5,660,695
- more than one year to five years	7,314,831	2,974,164
- more than five years	653,668	911,239
	10,803,173	9,546,098
Credit related contracts:		
- up to one year	6,176,837	1,513,699
- more than one year to five years	3,597,247	3,788,047
- more than five years	1,362,284	1,133,049
	11,136,368	6,434,795
Commodity related contracts:		
- up to one year	4,117,969	2,525,185
- more than one year to five years	364,133	534,081
	4,482,102	3,059,266
Bond contracts:		
- more than five years	30,000	-
	30,000	-
Total treasury-related commitments and contingencies	809,616,006	595,348,995
	897,557,654	683,524,925

PART A - EXPLANATORY NOTES (CONTINUED)

A22. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(ii) Commitments and contingencies (continued)

	30 Sept 2015	31 Dec 2014
	Principal	Principal
	RM'000	RM'000
The Bank		
<u>Credit-related</u>		
Direct credit substitutes	3,314,618	2,882,929
Transaction-related contingent items	3,175,498	3,388,757
Short-term self-liquidating trade-related contingencies	6,582,948	5,487,561
Obligations under underwriting agreement	-	140,000
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	35,894,021	41,875,477
- maturity exceeding one year	24,722,307	21,369,075
Miscellaneous commitments and contingencies	1,354,442	2,657,972
Total credit-related commitments and contingencies	<u>75,043,834</u>	<u>77,801,771</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- up to one year	136,172,204	115,440,257
- more than one year to five years	28,844,802	24,366,195
- more than five years	8,101,873	5,860,135
	173,118,879	145,666,587
Interest rate related contracts :		
- up to one year	143,436,730	94,452,030
- more than one year to five years	190,921,597	162,844,011
- more than five years	34,703,292	36,482,700
	369,061,619	293,778,741
Equity related contracts:		
- up to one year	2,834,674	5,557,684
- more than one year to five years	7,314,831	2,829,877
- more than five years	653,668	812,162
	10,803,173	9,199,723
Credit related contracts:		
- up to one year	6,176,837	1,513,699
- more than one year to five years	3,597,247	3,788,047
- more than five years	1,309,944	1,074,109
	11,084,028	6,375,855
Commodity related contracts:		
- up to one year	4,098,071	2,525,184
- more than one year to five years	364,133	534,082
	4,462,204	3,059,266
Bond contracts:		
- more than five years	30,000	-
	30,000	-
Total treasury-related commitments and contingencies	<u>568,559,903</u>	<u>458,080,172</u>
	<u>643,603,737</u>	<u>535,881,943</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A23. CAPITAL ADEQUACY

Bank Negara Malaysia (BNM) and Bank of Thailand (BOT) issued revised guidelines on the capital adequacy framework on 28 November 2012 and 8 November 2012 respectively, of which both took effect beginning 1 January 2013. The revised guidelines set out the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

The risk-weighted assets of the Group (other than CIMB Thai Bank and CIMB Bank PLC) and the Bank are computed in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets). The IRB Approach is applied for the major credit exposures with retail exposures on Advance IRB approach and non-retail exposures on Foundation IRB approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on Basic Indicator Approach.

The risk-weighted assets of CIMB Islamic Bank are computed in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets). The IRB Approach is applied for the major credit exposures with retail exposures on Advance IRB approach and non-retail exposures on Foundation IRB approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on Basic Indicator Approach.

The risk weighted assets of CIMB Thai Bank is based on Bank of Thailand (BOT) requirements and are computed in accordance with the revised "Notification of The BOT. No. SoNoRSor. 87/2551 - The supervisory capital funds of commercial banks". Credit Risk and Market Risk are based on Standardised Approach (SA) approach while Operational Risk is based on Basic Indicator Approach.

The regulatory compliance ratios of CIMB Bank PLC refers to Solvency Ratio. This ratio is computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived at CIMB Bank PLC's net worth divided by its risk-weighted assets.

30 Sept 2015 - Basel III

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

	The Group	The Bank*
	RM'000	RM'000
Common equity tier 1 ratio	8.927%	9.310%
Tier 1 ratio	9.811%	10.385%
Total capital ratio	<u>12.522%</u>	<u>12.344%</u>

CIMB Group Holdings Berhad ("CIMB Group") recently completed its fifth Dividend Reinvestment Scheme ("DRS") of which RM364 million was reinvested into new CIMB Group shares. Pursuant to the completion of DRS, CIMB Group reinvested cash dividend surplus of RM546 million into CIMB Bank via rights issue which was completed on 26 June 2015.

CIMB Group has implemented the DRS for the first interim dividend in respect of the financial year ending 2015. Pursuant to the completion of DRS, CIMB Group intends to reinvest the excess cash dividend into the Bank which would increase the capital adequacy ratios of the Group and Bank above those stated ratios.

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

	The Group	The Bank*
	RM'000	RM'000
Credit risk	194,474,587	147,639,893
Market risk	17,111,533	13,931,077
Large exposure risk requirements	670,335	670,335
Operational risk	<u>16,851,757</u>	<u>12,624,951</u>
Total risk-weighted assets	<u>229,108,212</u>	<u>174,866,256</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A23. CAPITAL ADEQUACY (Continued)

30 Sept 2015 - Basel III (Continued)

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

	The Group RM'000	The Bank* RM'000
Common Equity Tier I capital		
Ordinary shares	4,896,591	4,896,591
Other reserves	23,744,298	19,006,872
Qualifying non-controlling interests	300,785	-
Common Equity Tier I capital before regulatory adjustments	<u>28,941,674</u>	<u>23,903,463</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(5,141,816)	(3,555,075)
Intangible assets	(955,533)	(886,131)
Deferred tax assets	(414,037)	(223,236)
Shortfall of eligible provisions to expected losses	(840,635)	(623,882)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(313,560)	(1,539,182)
Others	(824,347)	(795,809)
Common Equity Tier I capital after regulatory adjustments	<u>20,451,746</u>	<u>16,280,148</u>
Additional Tier I capital		
Perpetual preference shares	140,000	140,000
Non-innovative Tier I Capital	700,000	700,000
Innovative Tier I Capital	1,128,260	1,128,260
Qualifying capital instruments held by third parties	60,115	-
	<u>2,028,375</u>	<u>1,968,260</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,394)	(89,394)
Additional Tier I capital after regulatory adjustments	<u>2,026,981</u>	<u>1,878,866</u>
Total Tier I capital	<u>22,478,727</u>	<u>18,159,014</u>
Tier II capital		
Subordinated notes	5,600,000	5,600,000
Redeemable preference shares	20,818	20,818
Qualifying capital instruments held by third parties	397,004	-
Portfolio impairment allowance and regulatory reserves ^	665,342	285,585
Tier II capital before regulatory adjustments	<u>6,683,164</u>	<u>5,906,403</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(472,431)	(2,479,916)
Total Tier II capital	<u>6,210,733</u>	<u>3,426,487</u>
Total capital	<u>28,689,460</u>	<u>21,585,501</u>

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

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC
Common equity tier 1 ratio	11.321%	8.935%	N/A
Tier 1 ratio	12.146%	8.935%	N/A
Total capital ratio	<u>14.827%</u>	<u>13.478%</u>	<u>17.238%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A23. CAPITAL ADEQUACY (Continued)

31 Dec 2014 - Basel III

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

	The Group	The Bank*
Common equity tier I ratio	10.114%	11.193%
Tier I ratio	11.272%	12.642%
Total capital ratio	<u>14.509%</u>	<u>14.663%</u>

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

	The Group RM'000	The Bank* RM'000
Credit risk	166,270,354	125,820,234
Market risk	16,080,788	13,831,101
Large exposure risk requirements	502,139	502,139
Operational risk	<u>15,851,297</u>	<u>11,971,135</u>
Total risk-weighted assets	<u>198,704,578</u>	<u>152,124,609</u>

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

	The Group RM'000	The Bank* RM'000
Common Equity Tier I capital		
Ordinary shares	4,787,023	4,787,023
Other reserves	23,197,847	19,193,658
Qualifying non-controlling interests	257,010	-
Less: Proposed dividends	<u>(753,000) #</u>	<u>(753,000) #</u>
Common Equity Tier I capital before regulatory adjustments	27,488,880	23,227,681
<u>Less: Regulatory adjustments</u>		
Goodwill	(4,965,324)	(3,555,075)
Intangible assets	(949,186)	(844,072)
Deferred tax assets	(314,145)	(182,140)
Shortfall of eligible provisions to expected losses	(280,596)	(125,800)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(144,137)	(765,837)
Others	<u>(738,239)</u>	<u>(728,079)</u>
Common Equity Tier I capital after regulatory adjustments	<u>20,097,253</u>	<u>17,026,678</u>
Additional Tier I capital		
Perpetual preference shares	160,000	160,000
Non-innovative Tier I Capital	800,000	800,000
Innovative Tier I Capital	1,289,440	1,289,440
Qualifying capital instruments held by third parties	51,075	-
Additional Tier I capital before and after regulatory adjustments	<u>2,300,515</u>	<u>2,249,440</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	<u>(349)</u>	<u>(44,349)</u>
Additional Tier I capital after regulatory adjustments	<u>2,300,166</u>	<u>2,205,091</u>
Total Tier I capital	<u>22,397,419</u>	<u>19,231,769</u>
Tier II capital		
Subordinated notes	6,050,000	6,050,000
Redeemable preference shares	29,740	29,740
Qualifying capital instruments held by third parties	378,488	-
Portfolio impairment allowance and regulatory reserves ^	<u>552,993</u>	<u>240,204</u>
Tier II capital before regulatory adjustments	7,011,221	6,319,944
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	<u>(577,946)</u>	<u>(3,245,289)</u>
Total Tier II capital	<u>6,433,275</u>	<u>3,074,655</u>
Total capital	<u>28,830,694</u>	<u>22,306,424</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A23. CAPITAL ADEQUACY (Continued)

31 Dec 2014 - Basel III (Continued)

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

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC
Common equity tier I ratio	11.448%	9.913%	N/A
Tier I ratio	12.345%	9.913%	N/A
Total capital ratio	<u>15.493%</u>	<u>14.977%</u>	<u>15.377%</u>

The dividends on Redeemable Preference Shares was paid on 17 April 2015.

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

^ The capital base of the Group and the Bank has excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM213 million (2014: RM223 million) and RM190 million (2014: RM198 million) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A24. SEGMENTAL REPORT

Definition of segments

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

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

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

Business segment reporting

Definition of segments:

As a result of an internal reorganisation, there is a change in business segment reporting. The Group has been re-organised into five major operation divisions. The divisions form the basis on which the Group reports its segment information.

Consumer Banking

Consumer Banking provides everyday banking solutions to individual customers covering both conventional and Islamic financial products and services such as residential property loans, non-residential property loans, secured personal loans, motor vehicle financing, credit cards, unsecured personal financing, wealth management, bancassurance, remittance and foreign exchange, deposits and internet banking services. It also offers products and services through Enterprise Banking to micro and small enterprises, which are businesses under sole proprietorship, partnership and private limited.

Commercial Banking

Commercial Banking is responsible for offering products and services for customer segments comprising small and medium-scale enterprises ("SMEs") and mid-sized corporations. Their products and services include core banking credit facilities, trade financing, remittance and foreign exchange, as well as general deposit products.

Commercial Banking also secured several cash management mandates from SMEs in various sectors by leveraging on CIMB Bank's online business banking platform, which allows customers to conduct their commercial banking transactions over the internet.

Wholesale Banking

Wholesale Banking comprises Investment Banking, Corporate Banking, Treasury and Markets, Transaction Banking, Equities and Private Banking.

Investment Banking includes end-to-end client coverage and advisory services. Client coverage focuses on marketing and delivering solutions to corporate and financial institutional clients whereas advisory offers financial advisory services to corporations on issuance of equity and equity-linked products, debt restructuring, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking offers a broad spectrum of both conventional and Islamic funding solutions ranging from trade, working capital lines and capital expenditure to leveraging, merger and acquisition, leveraged and project financing. Corporate Banking's client managers partner with product specialists within the Group to provide a holistic funding solution, from cash management, trade finance, foreign exchange, custody and corporate loans, to derivatives, structured products and debt capital market.

Treasury focuses on treasury activities and services which include foreign exchange, money market, derivatives and trading of capital market instruments. It includes the Group's equity derivatives which develops and issues new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues.

Transaction Banking comprises Trade Finance and Cash Management which provide various trade facilities and cash management solutions.

Equities provides broking services to corporate, institutional and retail clients.

Private Banking offers a full suite of wealth management solutions to high net worth individuals with access to a complete range of private banking services, extending from investment to securities financing to trust services.

Investments

Investments focus on defining and formulating strategies at the corporate and business unit levels, oversee the Group's strategic and private equity fund management businesses. It also invests in the Group's proprietary capital and funding.

Support and others

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

PART A - EXPLANATORY NOTES (CONTINUED)

A24. SEGMENTAL REPORT (CONTINUED)

Group
30 Sept 2015

	Consumer Banking	Commercial Banking	Wholesale Banking	Investments	Support and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)						
- external income	3,119,122	549,044	573,677	395,717	(10,896)	4,626,664
- inter-segment	(588,561)	91,009	502,099	(4,547)	-	-
	<u>2,530,561</u>	<u>640,053</u>	<u>1,075,776</u>	<u>391,170</u>	<u>(10,896)</u>	<u>4,626,664</u>
Income from Islamic Banking operations	539,998	104,034	317,232	54,719	-	1,015,983
Net non-interest income	<u>759,974</u>	<u>182,109</u>	<u>772,500</u>	<u>213,622</u>	<u>41,168</u>	<u>1,969,373</u>
Net income	<u>3,830,533</u>	<u>926,196</u>	<u>2,165,508</u>	<u>659,511</u>	<u>30,272</u>	<u>7,612,020</u>
Overheads	(2,226,961)	(463,806)	(941,313)	(424,745)	(27,470)	(4,084,295)
of which:						
Depreciation of property, plant and equipment	(117,446)	(4,841)	(15,664)	(10,702)	-	(148,653)
Amortisation of prepaid lease payments	(133)	(6)	(12)	-	-	(151)
Amortisation of intangible assets	<u>(100,432)</u>	<u>(2,025)</u>	<u>(9,447)</u>	<u>(17,311)</u>	<u>-</u>	<u>(129,215)</u>
Profit before allowances	<u>1,603,572</u>	<u>462,390</u>	<u>1,224,195</u>	<u>234,766</u>	<u>2,802</u>	<u>3,527,725</u>
Allowances for impairment losses on loans, advances and financing	(487,525)	(18,865)	(76,519)	-	-	(582,909)
Allowances for losses on other receivables	-	-	-	-	(2,190)	(2,190)
Allowances for other impairment losses written-back/(made)	-	346	8	(3,259)	-	(2,905)
Segment result	<u>1,116,047</u>	<u>443,871</u>	<u>1,147,684</u>	<u>231,507</u>	<u>612</u>	<u>2,939,721</u>
Share of results of joint venture	3,021	-	-	-	-	3,021
Share of results of associates	-	-	-	76,727	-	76,727
Taxation						<u>(622,527)</u>
Profit for the financial period						<u>2,396,942</u>

PART A - EXPLANATORY NOTES (CONTINUED)**A24. SEGMENTAL REPORT (CONTINUED)**

Group
30 Sept 2014

	Consumer Banking	Commercial Banking	Wholesale Banking	Investments	Support and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)						
- external income	2,632,702	522,038	936,662	338,031	(6,943)	4,422,490
- inter-segment	(353,430)	24,503	333,174	(4,247)	-	-
	2,279,272	546,541	1,269,836	333,784	(6,943)	4,422,490
Income from Islamic Banking operations	514,441	84,068	303,425	61,558	-	963,492
Net non-interest income	712,847	129,591	615,434	74,423	28,039	1,560,334
Net income	3,506,560	760,200	2,188,695	469,765	21,096	6,946,316
Overheads	(2,119,106)	(426,714)	(875,483)	(131,815)	(9,291)	(3,562,409)
of which:						
Depreciation of property, plant and equipment	(121,805)	(5,149)	(12,188)	(2,239)	-	(141,381)
Amortisation of prepaid lease payments	(207)	(5)	(7)	-	-	(219)
Amortisation of intangible assets	(93,743)	(2,488)	(11,584)	(34,590)	-	(142,405)
Profit before allowances	1,387,454	333,486	1,313,212	337,950	11,805	3,383,907
Allowances for impairment losses on loans, advances and financing (made)/written-back	(377,394)	79,623	21,199	-	-	(276,572)
Allowances for losses on other receivables written-back/(made)	-	12	-	-	(968)	(956)
Allowances for commitments and contingencies written-back	-	10,918	-	-	-	10,918
Allowances for other impairment losses written-back/(made)	-	74	-	(20,841)	-	(20,767)
Segment result	1,010,060	424,113	1,334,411	317,109	10,837	3,096,530
Share of results of joint venture	2,001	-	-	-	-	2,001
Share of results of associates	-	-	-	92,386	-	92,386
Taxation						(659,100)
Profit for the financial period						2,531,817

PART A - EXPLANATORY NOTES (CONTINUED)

A24. SEGMENTAL REPORT (CONTINUED)

Group

30 Sept 2015

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Investments RM'000	Total RM'000
Segment assets	130,104,660	29,902,109	188,203,534	23,599,583	371,809,886
Unallocated assets					15,960,107
Total assets					387,769,993
Segment liabilities	104,922,925	32,911,467	209,943,298	1,328,659	349,106,349
Unallocated liabilities					8,609,637
Total liabilities					357,715,986
Other segment items					
Capital expenditure	243,541	7,504	27,750	31,973	310,768
Investment in joint venture	164,210	-	-	-	164,210
Investment in associates	-	-	-	803,371	803,371

Group

31 Dec 2014

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Investments RM'000	Total RM'000
Segment assets	118,521,121	27,700,589	162,017,692	20,506,543	328,745,945
Unallocated assets					8,903,634
Total assets					337,649,579
Segment liabilities	98,221,773	27,952,128	177,611,902	1,206,525	304,992,328
Unallocated liabilities					4,090,944
Total liabilities					309,083,272
Other segment items					
Capital expenditure	395,051	13,776	47,251	56,233	512,311
Investment in joint venture	161,188	-	-	-	161,188
Investment in associates	-	-	-	785,797	785,797

PART A-EXPLANATORY NOTES (CONTINUED)

A25. FAIR VALUE ESTIMATION

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Determination of fair value and fair value hierarchy

Valuation Model Review and Approval

- Mark-to-Model process shall be carried out by Market Risk Management within Group Risk. Group Risk Management Quantitative Analysts are responsible for independent evaluation and validation of the Group's financial models used for valuation. The validation includes an assessment of the stability of models in terms of performance over a variety of conditions and back-testing of the model outputs;
- Valuation methodologies for the purpose of determining Mark-to-Market prices will be verified by Group Risk Management Quantitative Analysts before submitting to Group Risk Committee for approval;
- Market Risk Management is mandated to perform mark-to-market, mark-to-model and rate reasonableness verification;
- Any material uncertainty arising from the modeling and market inputs shall be disclosed to the Group Risk Committee;
- Market rate sources and model inputs for the purpose of Mark-to-Model must be verified by Group Risk Management Quantitative Analysts and approved by Chief Risk Officer or / and Group Risk Committee;
- Group Risk Management Quantitative Analysts are the guardian of the financial models and valuation methodology. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer;
- Model risk and unobservable parameter reserve must be considered to provide for the uncertainty of the model assumptions; and
- Independent price verification process shall be carried out by Market Risk Management to ensure that financial assets/liabilities are recorded at fair value.

The fair value hierarchy has the following levels:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets; or
- Quoted prices for identical or similar assets and liabilities in non-active markets; or
- Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - One or more inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets/liabilities are classified as Level 1 when the valuation is based on quoted prices for identical assets or liabilities in active markets.

Assets/liabilities are regarded as being quoted in an active market if the prices are readily available from a published and reliable source and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When fair value is determined using quoted prices of similar assets/liabilities in active markets or quoted prices of identical or similar assets and liabilities in non-active markets, such assets/liabilities are classified as Level 2. In cases where quoted prices are generally not available, the Group determines fair value based upon valuation techniques that use market parameters as inputs. Most valuation techniques employ observable market data, including but not limited to yield curves, equity prices, volatilities and foreign exchange rates.

Assets/liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data. Such inputs are determined based on observable inputs of a similar nature, historical observations or other analytical techniques.

If prices or quotes are not available for an instrument or a similar instrument, fair value will be established by using valuation techniques or Mark-to-Model. Judgment may be required to assess the need for valuation adjustments to appropriately reflect unobservable parameters. The valuation models shall also consider relevant transaction data such as maturity. The inputs are then benchmarked and extrapolated to derive the fair value.

PART A-EXPLANATORY NOTES (CONTINUED)

A25. FAIR VALUE ESTIMATION (CONTINUED)

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

	Fair Value 30 Sept 2015					The Group					Fair Value 31 Dec 2014				
	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
Recurring fair value measurements															
Financial assets															
Financial assets held for trading															
-Money market instruments	12,728,215	-	12,728,215	-	12,728,215	12,738,671	-	12,738,671	-	12,738,671	-	-	-	-	12,738,671
-Quoted securities	1,254,100	511,059	743,041	-	1,254,100	3,861,322	3,140,285	721,037	-	3,861,322	-	-	-	-	3,861,322
-Unquoted securities	6,660,666	-	6,498,959	161,707	6,660,666	6,118,094	-	5,985,413	132,681	6,118,094	-	-	-	-	6,118,094
Financial investments available-for-sale															
-Money market instruments	5,752,119	-	5,752,119	-	5,752,119	4,176,787	-	4,176,787	-	4,176,787	-	-	-	-	4,176,787
-Quoted securities	3,261,427	87,880	3,173,547	-	3,261,427	2,589,855	83,223	2,506,632	-	2,589,855	-	-	-	-	2,589,855
-Unquoted securities	24,420,918	-	23,008,137	1,412,781	24,420,918	20,766,693	-	19,306,296	1,460,397	20,766,693	-	-	-	-	20,766,693
Derivative financial instruments															
-Trading derivatives	16,707,834	16,680	16,603,914	87,240	16,707,834	6,786,090	11,023	6,708,394	66,673	6,786,090	-	-	-	-	6,786,090
-Hedging derivatives	283,063	-	283,063	-	283,063	145,281	-	145,281	-	145,281	-	-	-	-	145,281
Non-financial assets															
Investment Properties	4,000	-	4,000	-	4,000	4,000	-	4,000	-	4,000	-	-	-	-	4,000
Non-recurring fair value measurements															
Non-financial assets															
Non-current assets/disposal groups held for sale	4,905	-	4,905	-	4,905	9,858	-	9,858	-	9,858	-	-	-	-	9,858
Total	71,077,247	615,619	68,799,900	1,661,728	71,077,247	57,196,651	3,234,531	52,302,369	1,659,751	57,196,651					
Recurring fair value measurements															
Financial liabilities															
Derivative financial instruments															
- Trading derivatives	16,229,783	132,903	15,963,806	133,074	16,229,783	7,076,459	72,445	6,947,152	56,862	7,076,459	-	-	-	-	7,076,459
- Hedging derivatives	1,323,772	-	1,323,772	-	1,323,772	482,340	-	482,340	-	482,340	-	-	-	-	482,340
Financial liabilities designated at fair values	4,783,251	-	4,429,000	354,251	4,783,251	3,690,701	-	3,329,965	360,736	3,690,701	-	-	-	-	3,690,701
Total	22,336,806	132,903	21,716,578	487,325	22,336,806	11,249,500	72,445	10,759,457	417,598	11,249,500					

	Fair Value 30 Sept 2015					The Bank					Fair Value 31 Dec 2014				
	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
Recurring fair value measurements															
Financial assets															
Financial assets held for trading															
-Money market instruments	9,883,155	-	9,883,155	-	9,883,155	9,482,843	-	9,482,843	-	9,482,843	-	-	-	-	9,482,843
-Quoted securities	511,059	511,059	-	-	511,059	3,140,285	3,140,285	-	-	3,140,285	-	-	-	-	3,140,285
-Unquoted securities	6,205,210	-	6,138,601	66,609	6,205,210	5,767,804	-	5,709,202	58,602	5,767,804	-	-	-	-	5,767,804
Financial investments available-for-sale															
-Money market instruments	5,150,649	-	5,150,649	-	5,150,649	3,762,422	-	3,762,422	-	3,762,422	-	-	-	-	3,762,422
-Quoted securities	92	92	-	-	92	99	99	-	-	99	-	-	-	-	99
-Unquoted securities	22,608,479	-	21,270,317	1,338,162	22,608,479	19,007,311	-	17,693,780	1,313,531	19,007,311	-	-	-	-	19,007,311
Derivative financial instruments															
-Trading derivatives	12,180,709	16,680	12,076,789	87,240	12,180,709	5,738,227	11,023	5,660,531	66,673	5,738,227	-	-	-	-	5,738,227
-Hedging derivatives	358,270	-	358,270	-	358,270	260,982	-	260,982	-	260,982	-	-	-	-	260,982
Non-financial assets															
Non-current assets/disposal groups held for sale	705	-	705	-	705	5,658	-	5,658	-	5,658	-	-	-	-	5,658
Total	56,898,328	527,831	54,878,486	1,492,011	56,898,328	47,165,631	3,151,407	42,575,418	1,438,806	47,165,631					
Recurring fair value measurements															
Financial liabilities															
Derivative financial instruments															
-Trading derivatives	11,767,541	132,903	11,501,564	133,074	11,767,541	6,099,384	72,445	5,970,077	56,862	6,099,384	-	-	-	-	6,099,384
-Hedging derivatives	1,165,378	-	1,165,378	-	1,165,378	502,425	-	502,425	-	502,425	-	-	-	-	502,425
Financial liabilities designated at fair values	2,786,723	-	2,432,472	354,251	2,786,723	2,726,392	-	2,365,656	360,736	2,726,392	-	-	-	-	2,726,392
Total	15,719,642	132,903	15,099,414	487,325	15,719,642	9,328,201	72,445	8,838,158	417,598	9,328,201					

PART A-EXPLANATORY NOTES (CONTINUED)

A25. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the changes in Level 3 instruments for the financial period/year ended 30 September 2015 and 31 December 2014 for the Group and the Bank:

	Financial Assets				Financial Liabilities		
	Financial assets held-for-trading	Financial investments available-for-sale	Derivative financial instruments	Total	Derivative financial instruments	Financial liabilities designated at fair value	Total
	Unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000	Total RM'000	Trading derivatives RM'000	RM'000	RM'000
The Group							
2015							
At 1 January	132,681	1,460,397	66,673	1,659,751	(56,862)	(360,736)	(417,598)
Total gains/(losses) recognised in statement of income	775	(18,885)	17,230	(880)	(66,503)	(15,602)	(82,105)
Total losses recognised in other comprehensive income	-	(300)	-	(300)	-	-	-
Purchases	-	73,635	29,545	103,180	(26,683)	-	(26,683)
Sales and redemptions	(5,000)	(220,869)	-	(225,869)	-	-	-
Settlements	-	-	(26,208)	(26,208)	16,974	22,087	39,061
Exchange fluctuation	33,251	118,803	-	152,054	-	-	-
At 30 September	161,707	1,412,781	87,240	1,661,728	(133,074)	(354,251)	(487,325)
Total gains/(losses) recognised in statement of income for financial period ended 30 September 2015 under:							
- net non-interest income	775	(18,885)	17,230	(880)	(66,503)	(5,262)	(71,765)
- interest expense	-	-	-	-	-	(10,340)	(10,340)
Total losses recognised in other comprehensive income for financial period ended 30 September 2015 under "revaluation reserves"	-	(300)	-	(300)	-	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 30 September 2015 under "net non-interest income"	2,490	(33,236)	18,456	(12,290)	21,025	(5,262)	15,763

	Financial Assets				Financial Liabilities		
	Financial assets held-for-trading	Financial investments available-for-sale	Derivative financial instruments	Total	Derivative financial instruments	Financial liabilities designated at fair value	Total
	Unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000	Total RM'000	Trading derivatives RM'000	RM'000	RM'000
The Group							
2014							
At 1 January	73,048	1,208,192	49,675	1,330,915	(943,151)	-	(943,151)
Total gains/(losses) recognised in statement of income	2,567	(3,082)	13,149	12,634	280,894	60,733	341,627
Total gains recognised in other comprehensive income	-	63,759	-	63,759	-	-	-
Purchases	49,083	235,208	17,314	301,605	(1,224)	-	(1,224)
New issuances	-	-	-	-	-	(435,872)	(435,872)
Sales and redemptions	-	(47,219)	-	(47,219)	-	-	-
Settlements	-	-	(13,465)	(13,465)	606,619	14,403	621,022
Transfers out of Level 3	-	(856)	-	(856)	-	-	-
Exchange fluctuation	7,983	4,395	-	12,378	-	-	-
At 31 December	132,681	1,460,397	66,673	1,659,751	(56,862)	(360,736)	(417,598)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2014 under:							
- net non-interest income	2,567	(3,082)	13,149	12,634	280,894	73,274	354,168
- interest expense	-	-	-	-	-	(12,541)	(12,541)
Total gains recognised in other comprehensive income for financial year ended 31 December 2014 under "revaluation reserves"	-	63,759	-	63,759	-	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2014 under "net non-interest income"	2,567	(3,082)	14,778	14,263	91,097	73,274	164,371

During the financial period, the transfer out of Level 3 of RMNil (2014: RM856,000) was due to the conversion of convertible notes to quoted shares in active markets.

PART A-EXPLANATORY NOTES (CONTINUED)

A25. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the changes in Level 3 instruments for the financial year ended 30 September 2015 and 31 December 2014 for the Group and the Bank (Continued) :

	Financial Assets				Financial Liabilities		
	Financial assets held-for-trading	Financial investments available-for-sale	Derivative financial instruments	Total	Derivative financial instruments	Financial liabilities designated at fair value	Total
	Unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000	RM'000	Trading derivatives RM'000	RM'000	RM'000
The Bank							
2015							
At 1 January	58,602	1,313,531	66,673	1,438,806	(56,862)	(360,736)	(417,598)
Total (losses)/gains recognised in statement of income	(689)	(27,335)	17,230	(10,794)	(66,503)	(15,602)	(82,105)
Total gains recognised in other comprehensive income	-	42,745	-	42,745	-	-	-
Purchases	-	73,330	29,545	102,875	(26,683)	-	(26,683)
Sales and redemptions	(5,000)	(163,144)	-	(168,144)	-	-	-
Settlements	-	-	(26,208)	(26,208)	16,974	22,087	39,061
Exchange fluctuation	13,696	99,035	-	112,731	-	-	-
At 30 September	66,609	1,338,162	87,240	1,492,011	(133,074)	(354,251)	(487,325)
Total (losses)/gains recognised in statement of income for financial period ended 30 September 2015 under:							
- net non-interest income	(689)	(27,335)	17,230	(10,794)	(66,503)	(5,262)	(71,765)
- interest expense	-	-	-	-	-	(10,340)	(10,340)
Total gains recognised in other comprehensive income for financial period ended 30 September 2015 under "revaluation reserves"	-	42,745	-	42,745	-	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 30 September 2015 under "net non-interest income"	1,026	(33,236)	18,456	(13,754)	21,025	(5,262)	15,763

	Financial Assets				Financial Liabilities		
	Financial assets held-for-trading	Financial investments available-for-sale	Derivative financial instruments	Total	Derivative financial instruments	Financial liabilities designated at fair value	Total
	Unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000	RM'000	Trading derivatives RM'000	RM'000	RM'000
The Bank							
2014							
At 1 January	6,716	1,070,703	49,675	1,127,094	(943,151)	-	(943,151)
Total (losses)/gains recognised in statement of income	(526)	(4,331)	13,149	8,292	280,894	60,733	341,627
Total gains recognised in other comprehensive income	-	55,003	-	55,003	-	-	-
Purchases	49,083	223,027	17,314	289,424	(1,224)	-	(1,224)
New issuances	-	-	-	-	-	(435,872)	(435,872)
Sales and redemptions	-	(25,241)	-	(25,241)	-	-	-
Settlements	-	-	(13,465)	(13,465)	606,619	14,403	621,022
Transfers out of Level 3	-	(856)	-	(856)	-	-	-
Exchange fluctuation	3,329	(4,774)	-	(1,445)	-	-	-
At 31 December	58,602	1,313,531	66,673	1,438,806	(56,862)	(360,736)	(417,598)
Total (losses)/gains recognised in statement of income for financial year ended 31 December 2014 under:							
- net non-interest income	(526)	(4,331)	13,149	8,292	280,894	73,274	354,168
- interest expense	-	-	-	-	-	(12,541)	(12,541)
Total gains recognised in other comprehensive income for financial year ended 31 December 2014 under "revaluation reserves"	-	55,003	-	55,003	-	-	-
Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 31 December 2014 under "net non-interest income"	(526)	(4,331)	14,778	9,922	91,097	73,274	164,371

During the financial period, the transfer out of Level 3 of RMNil (2014: RM856,000) was due to the conversion of convertible notes to quoted shares in active markets.

PART A - EXPLANATORY NOTES (CONTINUED)

A26. OPERATIONS OF ISLAMIC BANKING

A26a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

		Group		Bank	
	Note	30 Sept 2015	31 Dec 2014	30 Sept 2015	31 Dec 2014
		RM'000	RM'000	RM'000	RM'000
Assets					
Cash and short-term funds		7,530,807	6,052,438	1,353,308	699,276
Deposits and placements with banks and other financial institutions		388,733	437,862	354,966	5,851
Financial assets held for trading		3,446,647	3,723,913	234,971	187,261
Islamic derivative financial instruments		692,863	264,582	3,842	717
Financial investments available-for-sale		2,791,781	2,398,454	437,912	360,362
Financial investments held-to-maturity		1,589,728	954,054	233,236	333,062
Financing, advances and other financing/loans	A26c	44,183,357	38,849,755	4,720,994	2,550,173
Other assets		252,999	111,010	18,588	9,636
Deferred taxation		25,792	21,503	-	-
Amount due from conventional operations		1,677,169	1,376,555	-	299
Amount due from related companies		3,084,228	2,438,305	3,083,575	2,437,643
Statutory deposits with Bank Negara Malaysia		1,325,745	1,297,654	-	-
Goodwill		136,000	136,000	-	-
Intangible assets		85,233	91,174	72	78
Property, plant and equipment		13,380	10,167	39	44
Total assets		67,224,462	58,163,426	10,441,503	6,584,402
Liabilities					
Deposits from customers	A26d	45,514,875	42,286,907	2,304,913	958,863
Placements from investment accounts	A26e	3,749,158	-	-	-
Deposits and placements of banks and other financial institutions		4,946,687	5,842,772	2,324,748	1,766,478
Financial liabilities designated at fair value	A26f	193,162	149,835	-	-
Islamic derivative financial instruments		789,642	330,197	286	-
Other liabilities		5,339,639	3,504,959	4,883,532	3,214,557
Amount due to related company		839,367	623,446	719,920	515,311
Provision for taxation and Zakat		62,600	27,959	-	-
Subordinated Sukuk		850,796	856,026	-	-
Total liabilities		62,285,926	53,622,101	10,233,399	6,455,209
Equity					
Ordinary share capital		1,000,000	1,000,000	-	-
Perpetual preference shares		220,000	220,000	-	-
Reserves		3,718,536	3,321,325	208,104	129,193
Total equity		4,938,536	4,541,325	208,104	129,193
Total equity and liabilities		67,224,462	58,163,426	10,441,503	6,584,402

PART A - EXPLANATORY NOTES (CONTINUED)

A26. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A26(b) UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	599,287	526,933	1,726,936	1,613,547
Net income derived from investment of shareholders' funds	84,851	76,563	310,912	152,520
Allowance for impairment losses on financing, advances and other financing/loans	(34,861)	(36,521)	(86,516)	(66,036)
Allowance for losses on other receivables written-back/(made)	45	39	(22)	178
Total distributable income	649,322	567,014	1,951,310	1,700,209
Income attributable to depositors	(338,488)	(289,101)	(1,021,865)	(802,575)
Total net income	310,834	277,913	929,445	897,634
Other operating expenses	(129,148)	(118,773)	(386,070)	(362,176)
Profit before taxation	181,686	159,140	543,375	535,458
Taxation	(37,991)	(40,242)	(122,855)	(128,894)
Profit for the financial period	143,695	118,898	420,520	406,564

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	143,695	118,898	420,520	406,564
Other comprehensive income/(expense):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve of financial investments available-for-sale	(50,729)	21,024	(35,131)	16,762
- Net (loss)/gain from change in fair value	(56,529)	25,650	(34,837)	23,262
- Realised loss/(gain) transferred to statement of income on disposal and impairment	(2,107)	(1,284)	(3,332)	(5,026)
- Income tax effects	7,907	(3,342)	3,038	(1,474)
Exchange fluctuation reserve	5,459	(1,147)	11,867	(233)
Other comprehensive (expense)/income for the financial period, net of tax	(45,270)	19,877	(23,264)	16,529
Total comprehensive income for the period	98,425	138,775	397,256	423,093
Total net income	310,834	277,913	929,445	897,634
Add: Allowance for impairment losses on financing, advances and other financing/loans	34,861	36,521	86,516	66,036
Add: Allowance for losses on other receivables (written-back)/ made	(45)	(39)	22	(178)
Income from Islamic operations (per page 2)	345,650	314,395	1,015,983	963,492

PART A - EXPLANATORY NOTES (CONTINUED)

A26. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A26(b) UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	24,937	14,135	64,897	40,612
Net income derived from investment of shareholders' funds	8,036	4,097	17,448	5,023
Allowance for impairment losses on financing, advances and other financing/loans (made)/written-back	<u>(182)</u>	<u>273</u>	<u>(689)</u>	<u>(963)</u>
Total distributable income	32,791	18,505	81,656	44,672
Income attributable to depositors	<u>(11,284)</u>	<u>(3,544)</u>	<u>(22,748)</u>	<u>(8,345)</u>
Total net income	21,507	14,961	58,908	36,327
Profit for the financial period	<u>21,507</u>	<u>14,961</u>	<u>58,908</u>	<u>36,327</u>

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	21,507	14,961	58,908	36,327
Other comprehensive income/(expense):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve of financial investments available-for-sale	(10,593)	6,308	(11,873)	9,631
- Net (loss)/gain from change in fair value	<u>(12,477)</u>	<u>6,300</u>	<u>(13,623)</u>	<u>10,668</u>
- Realised loss/(gain) transferred to statement of income on disposal and impairment	1,884	8	1,750	(1,037)
Exchange fluctuation reserve	<u>21,130</u>	<u>470</u>	<u>34,377</u>	<u>(426)</u>
Other comprehensive income for the financial period, net of tax	10,537	6,778	22,504	9,205
Total comprehensive income for the period	<u>32,044</u>	<u>21,739</u>	<u>81,412</u>	<u>45,532</u>
Total net income	21,507	14,961	58,908	36,327
Add: Allowances for impairment losses on financing, advances and other financing/loans made/(written-back)	182	(273)	689	963
Income from Islamic operations (per page 4)	<u>21,689</u>	<u>14,688</u>	<u>59,597</u>	<u>37,290</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A26. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A26c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS

i) By type and Shariah contract

The Group

	Qard	Bai'	Ijarah	Others	Total financing, advances and other financing/loans
At 30 Sept 2015	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line ^	7,245	551,982	-	1	559,228
Term financing					
- Housing financing	-	9,472,209	1,297,240	-	10,769,449
- Syndicated term financing	-	1,780,901	173,370	31,371	1,985,642
- Hire purchase receivables	-	-	4,561,869	-	4,561,869
- Other term financing	-	20,168,415	59,013	3,172,601	23,400,029
Credit card receivables	-	-	-	112,304	112,304
Bills receivable	-	5,002	-	-	5,002
Islamic trust receipts	-	18,324	-	146,695	165,019
Claim on customers under acceptance credit	-	293,839	-	-	293,839
Revolving credits	-	2,132,234	-	517,659	2,649,893
Share purchases financing	-	2,890	-	-	2,890
Ar Rahn	-	-	-	1,132	1,132
Other financing/loans	-	-	-	2	2
Gross financing, advances and other financing/loans	7,245	34,425,796	6,091,492	3,981,765	44,506,298
Fair value changes arising from fair value hedges					62,225
					44,568,523
Less: Allowance for impairment losses					
- Individual impairment allowance					(49,523)
- Portfolio impairment allowance					(335,643)
					(385,166)
					44,183,357

	Qard	Bai'	Ijarah	Others	Total financing, advances and other financing/loans
At 31 Dec 2014	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line^	10,277	554,680	-	-	564,957
Term financing					
- Housing financing	-	8,907,718	992,267	-	9,899,985
- Syndicated term financing	-	365,825	211,243	51,796	628,864
- Hire purchase receivables	-	-	5,298,240	-	5,298,240
- Other term financing	-	17,783,129	56,820	1,538,654	19,378,603
Credit card receivables	-	-	-	111,918	111,918
Bills receivable	-	2,939	-	-	2,939
Islamic trust receipts	-	19,168	-	76,273	95,441
Claim on customers under acceptance credit	-	392,033	-	-	392,033
Revolving credits	-	2,507,687	-	288,107	2,795,794
Share purchases financing	-	9,453	-	-	9,453
Ar Rahn	-	-	-	1,590	1,590
Other financing/loans	-	-	-	2	2
Gross financing, advances and other financing/loans	10,277	30,542,632	6,558,570	2,068,340	39,179,819
Fair value changes arising from fair value hedges					57,272
					39,237,091
Less: Allowance for impairment losses					
- Individual impairment allowance					(39,713)
- Portfolio impairment allowance					(347,623)
					(387,336)
					38,849,755

^ Includes current account in excess

PART A - EXPLANATORY NOTES (CONTINUED)

A26. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A26c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

i) By type and Shariah contract (continued)

The Bank

	Bai'	Others	Total financing, advances and other financing/loans
	RM'000	RM'000	RM'000
At 30 Sept 2015			
Cash line	-	1	1
Term financing			
- Syndicated term financing	-	31,371	31,371
- Other term financing	854,831	3,172,601	4,027,432
Islamic trust receipts	-	146,695	146,695
Revolving credits	-	517,659	517,659
Other financing/loans	-	2	2
Gross financing, advances and other financing/loans	<u>854,831</u>	<u>3,868,329</u>	<u>4,723,160</u>
Fair value changes arising from fair value hedges			-
			<u>4,723,160</u>
Less: Allowance for impairment losses			
- Individual impairment allowance			-
- Portfolio impairment allowance			<u>(2,166)</u>
			<u>(2,166)</u>
			<u>4,720,994</u>

	Bai'	Others	Total financing, advances and other financing/loans
	RM'000	RM'000	RM'000
At 31 Dec 2014			
Term financing			
- Syndicated term financing	-	51,796	51,796
- Other term financing	478,723	1,538,654	2,017,377
Islamic trust receipts	-	76,273	76,273
Revolving credits	117,811	288,107	405,918
Other financing/loans	-	2	2
Gross financing, advances and other financing/loans	<u>596,534</u>	<u>1,954,832</u>	<u>2,551,366</u>
Fair value changes arising from fair value hedges			-
			<u>2,551,366</u>
Less: Allowance for impairment losses			
- Individual impairment allowance			-
- Portfolio impairment allowance			<u>(1,193)</u>
			<u>(1,193)</u>
			<u>2,550,173</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A26. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A26c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

a) During the financial period, the Group has undertaken fair value hedges on the profit rate risk of RM4,075 million (2014: RM6,350 million) financing using Islamic profit rate swaps.

	Group	
	30 Sept 2015	31 Dec 2014
	RM'000	RM'000
Gross financing hedged	4,075,000	6,350,000
Fair value changes arising from fair value hedges	62,225	57,272
	<u>4,137,225</u>	<u>6,407,272</u>

The fair values loss on Islamic profit rate swaps in this hedge transaction as at 30 September 2015 was RM120 million (31 Dec 2014: RM83 million).

b) Included in financing, advances and other financing/loans are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), as part of an arrangement between CIMB Islamic Bank Berhad and CIMB Bank Berhad. CIMB Bank Berhad is exposed to risks and rewards on RPSIA financing and will account for all the portfolio and individual impairment for bad and doubtful financing arising thereon.

As at 30 September 2015, the gross exposures to RPSIA financing is RM2,965 million (31 December 2014: RM2,099 million) and the portfolio impairment allowance relating to this RPSIA amounting to RM6.7 million (31 December 2014: RM6.4 million) is recognised in the Financial Statements of CIMB Bank Berhad.

There was no individual impairment provided on this RPSIA financing.

c) Movement of Qard financing

	The Group	
	30 Sept 2015	31 Dec 2014
	RM'000	RM'000
As at 1 January	10,277	2,006
New disbursement	2,328	10,067
Repayment	(5,360)	(1,796)
As at 30 September/31 December	<u>7,245</u>	<u>10,277</u>
Sources of Qard fund:		
Depositors' fund	6,803	9,665
Shareholders' fund	442	612
	<u>7,245</u>	<u>10,277</u>
Uses of Qard fund:		
Personal use	546	1,156
Business purpose	6,699	9,121
	<u>7,245</u>	<u>10,277</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A26. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A26c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

ii) By geographical distribution

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Malaysia	40,066,759	36,781,908	283,621	153,455
Indonesia	61,539	40,628	61,539	40,628
Singapore	3,068,878	1,633,620	3,068,878	1,633,620
Other countries	1,309,122	723,663	1,309,122	723,663
Gross financing, advances and other financing/loans	<u>44,506,298</u>	<u>39,179,819</u>	<u>4,723,160</u>	<u>2,551,366</u>

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

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Malaysia	486,429	457,860	-	-
Gross impaired financing, advances and other financing/loans	<u>486,429</u>	<u>457,860</u>	<u>-</u>	<u>-</u>

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

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
At 1 January	457,860	310,150	-	-
Classified as impaired during the financial period/year	420,213	769,607	-	-
Reclassified as not impaired during the financial period/year	(200,533)	(355,338)	-	-
Amount written back in respect of recoveries	(75,468)	(103,631)	-	-
Amount written off	(115,643)	(162,928)	-	-
Balance as at 30 September/31 December	<u>486,429</u>	<u>457,860</u>	<u>-</u>	<u>-</u>
Ratio of gross impaired financing, advances and other loans to total financing, advances and other financing/loans	<u>1.09%</u>	<u>1.17%</u>	<u>0.00%</u>	<u>0.00%</u>

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

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Individual impairment allowance				
At 1 January	39,713	29,801	-	-
Net allowance made during the financial period/year	11,055	19,016	-	-
Amount written off	(1,245)	(9,104)	-	-
Balance as at 30 September/31 December	<u>49,523</u>	<u>39,713</u>	<u>-</u>	<u>-</u>
Portfolio impairment allowance				
At 1 January	347,623	376,849	1,193	-
Net allowance made during the financial period/year	102,115	124,569	690	1,165
Amount written off	(114,378)	(153,823)	-	-
Exchange fluctuation	283	28	283	28
Balance as at 30 September/31 December	<u>335,643</u>	<u>347,623</u>	<u>2,166</u>	<u>1,193</u>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other financing/loans (excluding RPSIA financing) less individual impairment allowance	<u>1.69%</u>	<u>1.14%</u>	<u>-</u>	<u>-</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A26. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A26d. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 Sept 2015 RM'000	31 Dec 2014 RM'000	30 Sept 2015 RM'000	31 Dec 2014 RM'000
(i) By type of deposits				
Savings deposit				
Wadiah	2,656,151	2,288,951	117,658	86,173
Demand deposit				
Wadiah	9,469,301	7,229,933	183,509	128,350
Qard	153,724	61,320	-	-
Mudharabah	-	738,098	-	-
Term deposit				
Commodity Murabahah	31,286,544	21,691,342	1,446,415	271,021
Islamic negotiable instruments				
Mudharabah	344,681	389,915	-	-
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	742,477	2,173,817	-	-
Short term money market deposit-i				
Wakalah	18,265	5,109,756	18,265	16,244
Wadiah	139,362	6,914	139,362	6,914
Fixed Deposit-i				
Wakalah	-	608,700	-	-
Wadiah	410,402	458,631	399,704	450,161
General investment account				
Mudharabah	105,524	1,336,037	-	-
Specific investment account				
Mudharabah	172,676	174,606	-	-
Others - Qard	15,768	18,887	-	-
	45,514,875	42,286,907	2,304,913	958,863
(ii) By maturity structures of term deposits				
Due within six months	28,289,078	30,412,274	1,206,600	743,467
Six months to less than one year	4,403,566	987,641	797,146	873
One year to less than three years	360,235	380,679	-	-
Three years to less than five years	623	436	-	-
Five years and more	166,429	168,688	-	-
	33,219,931	31,949,718	2,003,746	744,340
(iii) By type of customer				
Government and statutory bodies	4,003,664	3,737,245	273	-
Business enterprises	18,619,330	17,057,959	1,475,460	692,220
Individuals	9,017,198	5,662,079	817,117	261,873
Others	13,874,683	15,829,624	12,063	4,770
	45,514,875	42,286,907	2,304,913	958,863

PART A - EXPLANATORY NOTES (CONTINUED)

A26. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A26e. PLACEMENTS FROM INVESTMENT ACCOUNTS

	Group		Bank	
	30 Sept 2015	31 Dec 2014	30 Sept 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Restricted investment accounts	197,822	-	-	-
Unrestricted investment accounts	3,551,336	-	-	-
	<u>3,749,158</u>	<u>-</u>	<u>-</u>	<u>-</u>

A26f. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	Group		Bank	
	30 Sept 2015	31 Dec 2014	30 Sept 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Deposits from customers - structured investments	193,162	149,835	-	-

The Group has issued structured investments, and has designated them at fair value in accordance with MFRS139. The Group has the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of the financial liabilities designated at fair value of the Group as at 30 September 2015 was RM14,500,000 (31 December 2014: RM8,551,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

Part B

B1. GROUP PERFORMANCE REVIEW

The Group registered a pre-tax profit of RM3,019.5 million for the nine months period ended 30 September 2015, RM171.4 million or 5.4% lower as compared to the pre-tax profit of RM3,190.9 million registered in the previous corresponding period. Profit after tax decreased by 5.3% to RM2,397.0 million.

Net interest income increased by 4.6% to RM4,626.7 million while income from Islamic Banking operations increased by 5.4% or RM52.5 million to RM1,016.0 million. Net non-interest income increased by RM409.0 million or 26.2% to RM1,969.4 million, mainly due to higher net gain from derivative financial instruments and net gain from financial liabilities designated at fair value by RM1,450.8 million and RM94.0 million respectively. The higher gain is however offset by higher net loss arising from financial assets held for trading by RM780.9 million and foreign exchange loss of RM509.1 million (YTD Sept: foreign exchange gain of RM31.9 million).

Overheads increased by RM521.9 million or 14.6% to RM4,084.3 million, mainly due to non-recurring expenses comprising the provision for Mutual Separation Scheme of RM302.8 million incurred in the second quarter of 2015.

Allowances made for impairment losses on loans, advances and financing increased by RM306.3 million to RM582.9 million while allowances made for other impairment losses reduced by RM17.9 million to RM2.9 million.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

2015 is proving to be a challenging year for the financial services industry. The Group's Malaysia operations showed encouraging performance in difficult conditions, but the Group continues to be cognisant of moderating economic growth and a slowdown in consumer spending. In Singapore, despite industry tightening measures, the Group continue to sustain positive growth momentum on the back of our cost-efficient business platform. While prospects for Thai operations are challenging in the prevailing economic environment, the Group remains committed in view of the long-term strategic prospects.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

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

	Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests (RM '000)	888,181	872,179	2,386,887	2,521,636
Weighted average number of ordinary shares in issue ('000)	4,825,954	4,457,510	4,825,954	4,457,510
Basic earnings per share (expressed in sen per share)	18.40	19.57	49.46	56.57

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	668,768	685,539	1,927,855	2,003,405
Weighted average number of ordinary shares in issue ('000)	4,825,954	4,457,510	4,825,954	4,457,510
Basic earnings per share (expressed in sen per share)	13.86	15.38	39.95	44.94

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 September 2015 and 30 September 2014.