

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	The Group		The Company	
		31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
ASSETS					
Cash and short-term funds		39,487,825	33,462,817	856,378	1,864,074
Reverse repurchase agreements		5,615,587	4,758,286	-	-
Deposits and placements with banks and other financial institutions		7,379,805	4,238,988	534	-
Financial assets held for trading	A8	23,169,678	23,803,771	-	-
Derivative financial instruments	A22	8,456,785	7,182,759	1,386	478
Financial investments available-for-sale	A9	35,895,474	32,286,522	-	-
Financial investments held-to-maturity	A10	18,930,580	18,261,561	-	-
Loans, advances and financing	A11	263,125,334	258,014,859	2	40
Other assets	A12	16,194,643	12,511,211	13,765	13,764
Tax recoverable		53,025	45,483	36,716	35,757
Deferred tax assets		322,055	272,587	-	-
Statutory deposits with central banks		7,064,274	6,841,165	-	-
Investment in subsidiaries		-	-	25,245,009	24,214,072
Investment in associates and joint ventures		1,106,689	1,086,389	3,834	3,834
Property, plant and equipment		1,479,161	1,466,634	2,071	2,126
Investment properties		4,000	4,000	466	471
Prepaid lease payments		133,811	136,419	-	-
Goodwill		8,020,672	7,911,160	-	-
Intangible assets		1,828,325	1,850,419	-	-
		438,267,723	414,135,030	26,160,161	26,134,616
Non-current assets held for sale		16,372	21,326	10,925	10,925
TOTAL ASSETS		438,284,095	414,156,356	26,171,086	26,145,541
LIABILITIES AND EQUITY					
Deposits from customers	A13	296,569,371	282,068,787	-	-
Deposits and placements of banks and other financial institutions	A14	32,705,420	32,149,798	-	-
Repurchase agreements		7,091,878	5,735,839	-	-
Financial liabilities designated at fair value	A15	3,642,135	3,690,701	-	-
Derivative financial instruments	A22	9,206,324	7,712,794	-	-
Bills and acceptances payable		4,299,228	2,998,134	-	-
Other liabilities	A16	14,293,408	10,816,798	3,543	4,061
Amount owing to a subsidiary		-	-	11	-
Current tax liabilities		224,396	231,276	-	-
Deferred tax liabilities		71,613	51,569	555	448
Bonds and debentures	B7	7,532,164	7,666,048	-	-
Other borrowings	B7	9,586,691	9,290,807	4,362,306	4,305,015
Subordinated obligations	B7	12,754,214	12,582,494	2,177,597	2,141,402
Non-cumulative guaranteed and redeemable preference shares		816,338	770,188	-	-
TOTAL LIABILITIES		398,793,180	375,765,233	6,544,012	6,450,926
Ordinary share capital		8,423,751	8,423,751	8,423,751	8,423,751
Reserves		30,012,146	28,937,290	11,203,365	11,270,906
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(42)	(42)	(42)	(42)
		38,435,292	37,360,436	19,627,074	19,694,615
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		855,623	830,687	-	-
TOTAL EQUITY		39,490,915	38,391,123	19,627,074	19,694,615
TOTAL EQUITY AND LIABILITIES		438,284,095	414,156,356	26,171,086	26,145,541
COMMITMENTS AND CONTINGENCIES	A23	770,616,682	702,740,799	500,000	500,000
Net assets per share attributable to owners of the Parent (RM)		4.56	4.44	2.33	2.34

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	Note	The Group			
		1st quarter ended		Three months ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
		RM'000	RM'000	RM'000	RM'000
Interest income	A17	4,277,861	3,807,897	4,277,861	3,807,897
Interest expense	A18	(2,086,908)	(1,741,132)	(2,086,908)	(1,741,132)
Net interest income		2,190,953	2,066,765	2,190,953	2,066,765
Income from Islamic Banking operations	A27(c)	366,913	368,013	366,913	368,013
Net non-interest income	A19	1,122,461	1,097,070	1,122,461	1,097,070
		3,680,327	3,531,848	3,680,327	3,531,848
Gain on disposal of subsidiaries and associates		-	6,205	-	6,205
		3,680,327	3,538,053	3,680,327	3,538,053
Overheads	A20	(2,339,754)	(2,010,943)	(2,339,754)	(2,010,943)
Profit before allowances		1,340,573	1,527,110	1,340,573	1,527,110
Allowance made for impairment losses on loans, advances and financing	A21	(534,306)	(111,445)	(534,306)	(111,445)
Allowance written back/(made) for impairment losses on other receivables		5,426	(4,717)	5,426	(4,717)
Allowance written back for commitments and contingencies		-	1,829	-	1,829
Allowance made for other impairment losses		(1,698)	(15,044)	(1,698)	(15,044)
		809,995	1,397,733	809,995	1,397,733
Share of results of joint ventures		(13,088)	(5,798)	(13,088)	(5,798)
Share of results of associates		26,673	39,134	26,673	39,134
Profit before taxation		823,580	1,431,069	823,580	1,431,069
Taxation	B4	(233,245)	(348,847)	(233,245)	(348,847)
Profit for the financial period		590,335	1,082,222	590,335	1,082,222
Profit for the financial period attributable to :					
Owners of the Parent		580,124	1,066,282	580,124	1,066,282
Non-controlling interests		10,211	15,940	10,211	15,940
		590,335	1,082,222	590,335	1,082,222
Earnings per share (sen):					
- Basic	B9(a)	6.9	13.2	6.9	13.2
- Fully diluted	B9(b)	N/A	N/A	N/A	N/A

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

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	The Group			
	1st quarter ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	590,335	1,082,222	590,335	1,082,222
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation				
- Actuarial gain	-	(30)	-	(30)
- Income tax effects	-	1,093	-	1,093
- Currency translation difference	(811)	(46)	(811)	(46)
	(811)	1,017	(811)	1,017
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	176,304	(33,548)	176,304	(33,548)
- Net gain/(loss) from change in fair value	271,135	(718)	271,135	(718)
- Realised gain transferred to statement of income on disposal and impairment	(58,176)	(32,464)	(58,176)	(32,464)
- Income tax effects	(39,540)	12,837	(39,540)	12,837
- Currency translation difference	2,885	(13,203)	2,885	(13,203)
Net investment hedge	(251,655)	1,456	(251,655)	1,456
Hedging reserve - cash flow hedge	(1,426)	3,249	(1,426)	3,249
- Net (loss)/gain from change in fair value	(2,335)	3,394	(2,335)	3,394
- Income tax effects	909	(145)	909	(145)
Exchange fluctuation reserve	584,040	679,114	584,040	679,114
Share of other comprehensive income of associates and joint ventures	6,542	10,969	6,542	10,969
	513,805	661,240	513,805	661,240
Total other comprehensive income for the financial period, net of tax	512,994	662,257	512,994	662,257
Total comprehensive income for the financial period	1,103,329	1,744,479	1,103,329	1,744,479
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	1,078,406	1,716,737	1,078,406	1,716,737
Non-controlling interests	24,923	27,742	24,923	27,742
	1,103,329	1,744,479	1,103,329	1,744,479

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	Note	The Company			
		1st quarter ended		Three months ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
		RM'000	RM'000	RM'000	RM'000
Interest income	A17	13,734	20,131	13,734	20,131
Interest expense	A18	(77,264)	(68,501)	(77,264)	(68,501)
Net interest income		(63,530)	(48,370)	(63,530)	(48,370)
Net non-interest income	A19	876	989,070	876	989,070
Overheads	A20	(62,654)	940,700	(62,654)	940,700
(loss)/Profit before taxation		(64,101)	937,560	(64,101)	937,560
Taxation	B4	(3,440)	(5,203)	(3,440)	(5,203)
(Loss)/Profit for the financial period		(67,541)	932,357	(67,541)	932,357

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	The Company				
	1st quarter ended		Three months ended		
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	
	RM'000	RM'000	RM'000	RM'000	
(Loss)/Profit for the financial period/					
Total comprehensive (expenses)/income for the financial period		(67,541)	932,357	(67,541)	932,357

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

The Group 31 March 2015	← Attributable to owners of the Parent →															
	Share capital RM'000	Share premium- ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available- for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2015	8,423,751	9,973,065	5,650,713	137,104	(1,183,616)	(563)	(42)	149,847	(564,090)	119,739	593,795	14,060,733	37,360,436	200,000	830,687	38,391,123
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	580,124	580,124	-	10,211	590,335	
Other comprehensive income/(expense) (net of tax)	-	-	439	-	570,751	-	-	180,288	(253,891)	695	-	498,282	-	14,712	512,994	
- financial investments available-for-sales	-	-	-	-	-	-	173,746	-	-	-	-	173,746	-	2,558	176,304	
- net investment hedge	-	-	-	-	-	-	-	(251,655)	-	-	-	(251,655)	-	-	(251,655)	
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	(1,425)	-	-	-	(1,425)	-	(1)	(1,426)	
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	(811)	-	-	-	(811)	-	-	(811)	
- currency translation difference	-	-	439	-	570,751	-	-	-	695	-	-	571,885	-	12,155	584,040	
- share of other comprehensive income of associate and joint ventures	-	-	-	-	-	-	6,542	-	-	-	-	6,542	-	-	6,542	
Total comprehensive income/(expense) for the financial period	-	-	439	-	570,751	-	180,288	(253,891)	695	-	580,124	1,078,406	-	24,923	1,103,329	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	35,874	(35,874)	-	-	-	-	
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	13	13	
Share-based payment expense	-	-	-	-	-	-	-	-	32,950	-	-	32,950	-	-	32,950	
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	41,432	(77,932)	-	-	(36,500)	-	-	(36,500)	
At 31 March 2015	8,423,751	9,973,065	5,651,152	137,104	(612,865)	(563)	(42)	330,135	(776,549)	75,452	629,669	14,604,983	38,435,292	200,000	855,623	39,490,915

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	← Attributable to owners of the Parent →															
	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2014	7,729,346	5,832,520	4,933,045	137,104	(2,106,977)	(563)	(41)	(42,709)	(271,510)	101,642	1,743,883	12,215,358	30,271,098	200,000	757,462	31,228,560
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,066,282	1,066,282	-	15,940	1,082,222
Other comprehensive income (net of tax)	-	-	100	-	667,252	-	-	(23,761)	5,722	1,142	-	-	650,455	-	11,802	662,257
- financial investments available-for-sales	-	-	-	-	-	-	-	(34,730)	-	-	-	-	(34,730)	-	1,182	(33,548)
- net investment hedge	-	-	-	-	-	-	-	-	1,456	-	-	-	1,456	-	-	1,456
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	3,249	-	-	-	3,249	-	-	3,249
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	1,017	-	-	-	1,017	-	-	1,017
- currency translation difference	-	-	100	-	667,252	-	-	-	-	1,142	-	-	668,494	-	10,620	679,114
- share of other comprehensive expense of associate and joint ventures	-	-	-	-	-	-	-	10,969	-	-	-	-	10,969	-	-	10,969
Total comprehensive income for the financial period	-	-	100	-	667,252	-	-	(23,761)	5,722	1,142	-	1,066,282	1,716,737	-	27,742	1,744,479
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15)	(15)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	71,584	(71,584)	-	-	-	-
Arising from (dilution)/accretion of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(10,275)	(10,275)	-	(26,973)	(37,248)
Arising from increase in capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,659	6,659
Share-based payment expense	-	-	-	-	-	-	-	-	-	20,730	-	-	20,730	-	-	20,730
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	68,604	(54,217)	-	-	14,387	-	-	14,387
Issuance of shares through private placement	500,000	3,041,534	-	-	-	-	-	-	-	-	-	-	3,541,534	-	-	3,541,534
At 31 March 2014	8,229,346	8,874,054	4,933,145	137,104	(1,439,725)	(563)	(41)	(66,470)	(197,184)	69,297	1,815,467	13,199,781	35,554,211	200,000	764,875	36,519,086

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

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

The Company	← Non-distributable		→ Distributable		Total RM'000	
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Treasury shares RM'000		Retained earnings RM'000
At 1 January 2015	8,423,751	9,973,065	55,982	(42)	1,241,859	19,694,615
Loss for the financial period	-	-	-	-	(67,541)	(67,541)
Total comprehensive expense for the financial period	-	-	-	-	(67,541)	(67,541)
At 31 March 2015	8,423,751	9,973,065	55,982	(42)	1,174,318	19,627,074

The Company	← Non-distributable		→ Distributable		Total RM'000	
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Treasury shares RM'000		Retained earnings RM'000
At 1 January 2014	7,729,346	5,832,520	55,982	(41)	1,306,058	14,923,865
Profit for the financial period	-	-	-	-	932,357	932,357
Total comprehensive income for the financial period	-	-	-	-	932,357	932,357
Issuance of shares through private placement	500,000	3,041,534	-	-	-	3,541,534
At 31 March 2014	8,229,346	8,874,054	55,982	(41)	2,238,415	19,397,756

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	The Group		The Company	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation	823,580	1,431,069	(64,101)	937,560
Adjustments for non-operating and non-cash items	499,199	51,759	24,074	(958,313)
Operating profit/(loss) before changes in working capital	1,322,779	1,482,828	(40,027)	(20,753)
Net changes in operating assets	(12,622,047)	(8,952,464)	(1,406)	30,822
Net changes in operating liabilities	21,216,810	3,902,409	47,794	36,547
	8,594,763	(5,050,055)	46,388	67,369
Cash flows generated from/(used in) operations	9,917,542	(3,567,227)	6,361	46,616
Taxation paid	(277,091)	(373,138)	(4,290)	(2,742)
Net cash flows generated from/(used in) operating activities	9,640,451	(3,940,365)	2,071	43,874
Net cash flows (used in)/generated from investing activities	(4,138,627)	(3,591,473)	(991,311)	986,747
Net cash flows (used in)/generated from financing activities	(493,021)	3,984,907	(18,456)	3,221,413
Net increase/(decrease) in cash and cash equivalents during the financial period	5,008,803	(3,546,931)	(1,007,696)	4,252,034
Effects of exchange rate changes	1,016,205	823,069	-	-
Cash and short-term funds at beginning of the financial period	33,462,817	33,678,882	1,864,074	69,573
Cash and short-term funds at end of the financial period	39,487,825	30,955,020	856,378	4,321,607
Statutory deposits with Bank Indonesia*	(4,226,352)	(3,844,138)	-	-
Monies held in trust	(32,540)	(31,624)	-	-
Cash and cash equivalents at end of the financial period	35,228,933	27,079,258	856,378	4,321,607

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

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 31 March 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 and 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 Company'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 Company 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"
- Amendments 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 Company.

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

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

A2. CHANGES IN ESTIMATES

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

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the financial period ended 31 March 2015:-

(a) On 27 February 2015, the Company announced that it will seek its shareholders' approval at its 58th Annual General Meeting ("AGM") to be convened on a later announced date for the proposed renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up capital of the Company. Shareholders' approval was subsequently obtained at the AGM which was held on 28 April 2015.

Subsequent to the financial period, the Company purchased 100 of its own shares from the open market at an average price of RM5.96 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM640.

(b) The entitlement date pursuant to Single Tier Second Interim Dividend for financial year ended 31 December 2014 and the corresponding DRS was fixed for 31 March 2015. The Group had, on 28 April 2015, issued and allotted 66,040,583 new ordinary shares of RM1.00 each in New CIMB Shares. The New CIMB Shares were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m., Wednesday, 29 April 2015. With the listing of the New Shares, the enlarged issued and paid-up share capital of CIMBGH is 8,489,791,576 shares.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

(c) In January 2015, CIMB 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.

(d) During the financial period, CIMB Thai Bank issued various unsecured structured debentures amounting to THB126.4 million with embedded foreign exchange derivatives and early redemption option. The debentures will mature within 6 months from respective issuance dates. The debentures bear interest rates ranges from 0% - 7.0% per annum variable to index of THBFIX 6 months, payable on maturity.

Subsequent to period end, CIMB Thai Bank issued various unsecured structured debentures amounting to THB9.0 million with embedded interest rate derivatives and early redemption option. The debentures will mature within 6 months from respective issuance dates. The debentures bear interest rates ranges from 0% - 7.0% per annum variable to index of THBFIX 6 months, payable on maturity.

During and subsequent to the financial period, CIMB Thai Bank has early redeemed structured debentures amounting to THB69.1 million and THB39.5 million respectively.

(e) On 3 Apr 2015, the Company has redeemed its RM150 million unsecured subordinated fixed rate notes issued under the Subordinated Notes Programme approved on 12 June 2009.

(f) 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.

A4. DIVIDENDS PAID AND PROPOSED

A single-tier second interim dividend of 5.00 sen per ordinary share, on 8,423,746,385 ordinary shares amounting to RM421,187,319 in respect of the financial year ended 31 December 2014 was approved by the Board of Directors on 12 February 2015. The dividend consists of an electable portion of 5.00 sen which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Scheme ("DRS"). Following the completion of the DRS, a total cash dividend of RM57,303,707 was paid on 28 April 2015.

No dividend has been proposed during the financial period ended 31 March 2015.

A5. STATUS OF CORPORATE PROPOSAL

(a) On 1 April 2015, CIMB Real Estate Sdn Bhd ("CIMBRE"), a wholly-owned indirect subsidiary of the Company, completed a conditional Subscription Agreement with Lot A Sentral Sdn Bhd ("LASSB") for the subscription of new shares in LASSB, and a conditional Share Sale Agreement with Mapletree Dextra Pte Ltd and CMREF 1 Sdn Bhd ("CMREF1") for the acquisition of existing shares in LASSB, for a combined cash consideration of approximately RM646 million, subject to post-closing adjustments. Upon completion of the Transaction, LASSB has become a wholly-owned subsidiary of CIMBRE.

LASSB is a special-purpose company incorporated to own and manage the 40-storey commercial building called "Menara CIMB". Located in the prime location of Kuala Lumpur Sentral, "Menara CIMB" is the new headquarters for the Company and its subsidiaries.

(b) On 15 May 2015, the Company and CIMB Niaga 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. EVENTS DURING THE REPORTING PERIOD

(a) On 9 February 2015, following from a strategic review of the Group's entire businesses, the Group decided to close its offices in Sydney and Melbourne in Australia.

(b) On 23 July 2014, CIMB-Principal Asset Management Company Limited ("CPAM Thailand"), a 60%-owned indirect subsidiary of CIMB Group, has entered into a conditional Share Purchase Agreement with Finansa Public Company Limited in relation to the proposed acquisition of entire issued and outstanding shares of Finansa Asset Management Limited ("FAM"), for a cash consideration of THB225 million. The proposed acquisition has been completed on 22 January 2015.

A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events that had occurred between 31 March 2015 and the date of this announcement, other than those disclosed under Issuance and Repayment of Debts and Equity Securities, and Status of Corporate Proposal.

PART A - EXPLANATORY NOTES**A8. FINANCIAL ASSETS HELD FOR TRADING**

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	467,344	676,023
Cagamas bonds	-	9,970
Malaysian Government treasury bills	79,579	138,038
Bank Negara Malaysia Monetary Notes	1,365,647	3,662,375
Negotiable instruments of deposit	4,212,256	2,745,907
Bankers' acceptances and Islamic accepted bills	-	121,197
Other Government's securities	5,291,664	5,081,737
Commercial papers	280,743	151,700
Government Investment Issues	456,280	151,724
	12,153,513	12,738,671
Quoted securities:		
<i>In Malaysia:</i>		
Shares	1,425,468	1,581,737
<i>Outside Malaysia:</i>		
Shares	1,451,127	1,566,627
Private and Islamic debt securities	427,287	478,355
Other Government bonds	1,225,016	760,313
Investment linked funds	514,832	547,669
	5,043,730	4,934,701
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	2,634,676	2,540,888
Shares	6,802	6,716
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	3,188,448	3,447,364
Private equity funds	132,429	125,965
Unit trust	10,080	9,466
	5,972,435	6,130,399
Total financial assets held for trading	23,169,678	23,803,771

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	The Group	
	31 March 2015	31 December 2014
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	639,733	527,247
Cagamas bonds	245,241	148,161
Khazanah bonds	556,785	553,937
Other Government securities	354,633	261,407
Other Government treasury bills	54,610	72,335
Government Investment Issues	2,566,947	2,519,145
Commercial papers	-	74,805
Malaysian Government Sukuk	51,177	19,750
	4,469,126	4,176,787
Quoted securities:		
<i>In Malaysia:</i>		
Shares	157,085	135,882
Unit trusts	1,147	1,534
<i>Outside Malaysia:</i>		
Shares	90,323	83,154
Private and Islamic debt securities	2,247,169	1,771,630
Other Government bonds	6,485,262	5,116,797
Unit trusts	92,716	89,695
	9,073,702	7,198,692
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	15,207,169	14,240,932
Shares	1,074,419	1,083,030
Loan stocks	10,253	10,433
Property funds	183	183
<i>Outside Malaysia:</i>		
Shares	53,667	50,722
Private equity funds	588,498	615,448
Private and Islamic debt securities	5,681,530	5,171,761
Loan stocks	4,187	1,783
	22,619,906	21,174,292
	36,162,734	32,549,771
Allowance for impairment losses:		
Private debt securities	(62,668)	(64,924)
Private equity funds	(72,500)	(68,420)
Quoted shares	(15,988)	(15,988)
Quoted bonds	(6,331)	(5,565)
Unquoted shares	(99,189)	(97,528)
Unit trusts	(331)	(391)
Loan stocks	(10,253)	(10,433)
	(267,260)	(263,249)
Total financial investments available-for-sale	35,895,474	32,286,522

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group	
	31 March 2015	31 December 2014
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	1,136,148	1,116,365
Cagamas bonds	201,974	201,076
Other government securities	1,253,865	796,713
Other government treasury bills	17,510	17,170
Bank Negara Malaysia Monetary Notes	9,816	9,732
Khazanah bonds	245,895	245,369
Government Investment Issues	3,357,497	3,091,812
	6,222,705	5,478,237
Quoted securities		
<i>Outside Malaysia</i>		
Private debt securities	2,727,321	2,742,483
Islamic bonds	7,096	122,495
Other Government bonds	1,132,873	1,059,133
Bank Indonesia certificates	159,545	158,898
	4,026,835	4,083,009
Unquoted securities		
<i>In Malaysia</i>		
Private debt securities	7,887,003	7,625,544
Loan stocks	27,388	27,388
	7,914,391	7,652,932
<i>Outside Malaysia</i>		
Private debt securities	799,458	1,075,296
	8,713,849	8,728,228
	18,963,389	18,289,474
Accretion of discount, net of amortisation of premium	(39)	4,876
Less : Allowance for impairment losses	(32,770)	(32,789)
Total financial investments held-to-maturity	18,930,580	18,261,561

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 March 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.

A11. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group		The Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At amortised cost				
Overdrafts	5,459,226	5,596,931	-	-
Term loans/financing				
- Housing loans/financing	66,071,136	64,424,328	-	-
- Syndicated term loans	14,393,472	14,610,622	-	-
- Hire purchase receivables	19,647,332	19,220,193	-	-
- Lease receivables	105,082	111,666	-	-
- Factoring receivables	26,958	25,529	-	-
- Other term loans/financing	101,596,750	96,324,632	-	-
Bills receivable	9,804,614	10,778,037	-	-
Trust receipts	1,479,732	1,395,282	-	-
Claims on customers under acceptance credits	4,225,526	4,573,768	-	-
Staff loans *	953,165	896,023	2	40
Credit card receivables	7,749,037	7,575,611	-	-
Revolving credits	36,993,447	37,354,876	-	-
Share margin financing	1,647,357	1,752,933	-	-
Other loans	2,328	3,658	-	-
Gross loans, advances and financing	270,155,162	264,644,089	2	40
Fair value changes arising from fair value hedge	197,062	136,079	-	-
	270,352,224	264,780,168	2	40
Less: Allowance for impairment losses				
- Individual impairment allowance	(3,953,317)	(3,591,249)	-	-
- Portfolio impairment allowance	(3,273,573)	(3,174,060)	-	-
	(7,226,890)	(6,765,309)	-	-
Total net loans, advances and financing	263,125,334	258,014,859	2	40

* Included in staff loans of the Group are loans to Directors amounting to RM20,869,587 (2014: RM11,660,165).

(a) Included in the Group's loans, advances and financing balances are RM53 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.

(b) The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM7,620 million (2014: RM8,120 million), using interest rate swaps.

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
Gross loan hedged	7,620,249	8,119,997
Fair value changes arising from fair value hedges	197,062	136,079
	7,817,311	8,256,076

The fair value loss of interest rate swaps in these hedge transaction as at 31 March was RM228 million (2014: RM112 million).

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

	The Group		The Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Domestic banking institutions	1,786,969	1,691,259	-	-
Domestic non-bank financial institutions				
- stockbroking companies	10,015	13,224	-	-
- others	2,893,547	3,189,524	-	-
Domestic business enterprises				
- small medium enterprises	42,925,906	44,009,610	-	-
- others	48,390,729	45,871,410	-	-
Government and statutory bodies	8,949,832	8,854,267	-	-
Individuals	129,888,611	125,997,751	2	40
Other domestic entities	2,706,211	2,589,715	-	-
Foreign entities	32,603,342	32,427,329	-	-
Gross loans, advances and financing	270,155,162	264,644,089	2	40

(iii) By interest/profit rate sensitivity

	The Group		The Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Fixed rate				
- Housing loans/financing	1,771,616	1,803,982	-	-
- Hire-purchase receivables	11,531,171	11,761,686	-	-
- Other fixed rate loans	40,189,042	39,630,807	2	40
Variable rate				
- BLR plus	137,723,697	135,903,034	-	-
- Cost plus	35,710,099	33,750,957	-	-
- Other variable rates	43,229,537	41,793,623	-	-
Gross loans, advances and financing	270,155,162	264,644,089	2	40

(iv) By economic purpose

	The Group		The Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Personal use	8,903,162	8,748,136	2	2
Credit card	7,749,037	7,575,611	-	-
Purchase of consumer durables	691,522	594,930	-	-
Construction	8,529,084	8,199,486	-	-
Residential property (Housing)	68,245,503	66,248,029	-	38
Non-residential property	21,603,371	20,636,518	-	-
Purchase of fixed assets other than land and building	16,081,633	15,761,176	-	-
Mergers and acquisitions	5,520,706	5,288,961	-	-
Purchase of securities	20,641,450	19,708,117	-	-
Purchase of transport vehicles	21,666,702	21,338,114	-	-
Working capital	73,509,711	74,273,300	-	-
Other purposes	17,013,281	16,271,711	-	-
Gross loans, advances and financing	270,155,162	264,644,089	2	40

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

	The Group		The Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Malaysia	155,704,611	152,318,680	2	40
Indonesia	54,189,538	53,830,114	-	-
Thailand	24,463,529	22,799,411	-	-
Singapore	24,199,812	22,785,545	-	-
United Kingdom	713,460	931,230	-	-
Hong Kong	660,402	612,930	-	-
China	5,115,903	6,039,313	-	-
Other countries	5,107,907	5,326,866	-	-
Gross loans, advances and financing	270,155,162	264,644,089	2	40

(vi) By residual contractual maturity

	The Group		The Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Within one year	67,023,758	69,042,090	-	-
One year to less than three years	26,306,422	23,881,021	2	2
Three years to less than five years	37,224,368	33,216,713	-	-
Five years and more	139,600,614	138,504,265	-	38
Gross loans, advances and financing	270,155,162	264,644,089	2	40

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

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
Personal use	313,791	312,471
Credit card	120,062	114,462
Purchase of consumer durables	8,926	5,657
Construction	1,342,432	1,222,102
Residential property (Housing)	1,553,276	1,479,522
Non-residential property	223,053	214,681
Purchase of fixed assets other than land and building	992,272	876,447
Purchase of securities	207,354	175,342
Purchase of transport vehicles	409,012	422,123
Working capital	2,577,999	2,565,699
Other purpose	833,984	794,183
Gross impaired loans, advances and financing	8,582,161	8,182,689

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

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
Malaysia	4,059,704	4,016,830
Indonesia	2,785,114	2,491,905
Thailand	1,534,763	1,437,752
Singapore	44,635	44,657
United Kingdom	1,611	2,518
China	101,467	95,775
Other countries	54,867	93,252
Gross impaired loans, advances and financing	8,582,161	8,182,689

A11. LOANS, ADVANCES AND FINANCING (Continued)

(ix) Movements in impaired loans

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
At 1 January	8,182,689	7,393,269
Classified as impaired during the period/year	1,284,314	4,672,395
Reclassified as not impaired during the period/year	(510,982)	(1,782,815)
Amount written back in respect of recoveries	(243,404)	(873,740)
Amount written off	(274,901)	(1,461,339)
Exchange fluctuation	144,445	234,919
At 31 March / 31 December	8,582,161	8,182,689
Ratio of gross impaired loans to gross loans, advances and financing	3.18%	3.09%

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

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
<u>Individual impairment allowance</u>		
At 1 January	3,591,249	3,005,066
Net allowance made during the period/year	318,608	952,176
Amount written off	(39,650)	(458,740)
Allowance written back and charged to deferred assets	-	(2,735)
Amount transferred from portfolio impairment allowance	506	3,160
Unwinding income	1,001	(2,626)
Exchange fluctuation	81,603	94,948
At 31 March / 31 December	3,953,317	3,591,249
<u>Portfolio impairment allowance</u>		
At 1 January	3,174,060	3,261,224
Net allowance made during the period/year	291,057	887,551
Amount transferred to individual impairment allowance	(506)	(3,160)
Amount written off	(202,011)	(982,482)
Allowance made and charged to deferred assets	-	381
Unwinding income	(9,441)	(33,195)
Exchange fluctuation	20,414	43,741
At 31 March / 31 December	3,273,573	3,174,060
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing (excluding RPSIA financing) less individual impairment allowance	1.52%	1.49%

A12. OTHER ASSETS

	The Group		The Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Due from brokers and clients net of allowance for doubtful debts	4,712,304	4,090,027	-	-
Other debtors, deposits and prepayments, net of allowance for doubtful debts	6,140,902	3,872,575	13,765	13,764
Due from a joint venture	1,208,476	1,189,074	-	-
Due from insurers, brokers and reinsurers	3,359	3,768	-	-
Option premium receivable	239,982	202,040	-	-
Foreclosed properties net of allowance for impairment losses	351,619	356,826	-	-
Collateral pledged for derivative transactions	3,538,001	2,796,901	-	-
	16,194,643	12,511,211	13,765	13,764

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
<u>By type of deposit</u>		
Demand deposits	65,388,849	64,732,253
Savings deposits	36,511,475	34,143,233
Fixed deposits	128,674,310	119,350,060
Negotiable instruments of deposit	3,848,682	3,486,878
Others	62,146,055	60,356,363
	296,569,371	282,068,787

By type of customer

Government and statutory bodies	10,264,224	9,641,728
Business enterprises	117,167,246	109,294,880
Individuals	117,615,239	111,598,994
Others	51,522,662	51,533,185
	296,569,371	282,068,787

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

Due within six months	104,600,617	99,066,019
Six months to less than one year	23,743,048	18,436,364
One year to less than three years	1,665,605	3,107,205
Three years to less than five years	1,896,704	1,580,796
Five years and more	617,018	646,554
	132,522,992	122,836,938

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
Licensed banks	28,478,435	28,034,956
Licensed finance companies	980,064	796,797
Licensed investment banks	610,409	469,185
Bank Negara Malaysia	578,123	491,349
Other financial institutions	2,058,389	2,357,511
	32,705,420	32,149,798

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

Due within six months	29,201,582	29,249,136
Six months to less than one year	2,294,399	1,979,195
One year to less than three years	800,660	392,932
Three years to less than five years	156,290	306,247
Five years and more	252,489	222,288
	32,705,420	32,149,798

A15. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
Deposits from customers - structured investments	2,974,275	2,876,227
Bills payables	522,107	402,839
Debentures	145,753	411,635
	3,642,135	3,690,701

The Group has issued structured investments, bills payable and debentures, 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 Group at 31 March 2015 of financial liabilities designated at fair value were RM350,083,000 (2014: RM403,475,000) lower than the contractual amount at maturity for the structured investments, RM2,070,000 (2014: RM3,610,000 higher) lower than the contractual amount at maturity for the bills payables and RM99,635,000 (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

	The Group		The Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Due to brokers and clients	4,413,813	3,864,299	-	-
Expenditure payable	1,922,155	1,974,624	2,843	3,361
Provision for legal claims	61,439	90,974	-	-
Sundry creditors	3,944,135	1,349,922	-	1
Insurance fund - life and takaful insurance business	72,714	68,069	-	-
Allowance for commitments and contingencies	10,626	9,182	-	-
Post employment benefit obligations	277,723	352,216	-	-
Credit card expenditure payable	180,889	180,824	-	-
Call deposit borrowing	1,273,166	1,042,645	-	-
Unit link contract liabilities	514,832	547,669	-	-
Others	1,621,916	1,336,374	700	699
	14,293,408	10,816,798	3,543	4,061

A17. INTEREST INCOME

	1st quarter ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Loans, advances and financing				
- Interest income	3,493,750	3,065,054	3,493,750	3,065,054
- Unwinding income [^]	10,493	23,903	10,493	23,903
Money at call and deposit placements with financial institutions	137,314	133,218	137,314	133,218
Reverse repurchase agreements	36,545	44,865	36,545	44,865
Financial assets held for trading	100,160	136,599	100,160	136,599
Financial investments available-for-sale	319,554	294,760	319,554	294,760
Financial investments held-to-maturity	179,581	104,830	179,581	104,830
Others	5,405	7,127	5,405	7,127
	4,282,802	3,810,356	4,282,802	3,810,356
Accretion of discounts, net of amortisation of premiums	(4,941)	(2,459)	(4,941)	(2,459)
	4,277,861	3,807,897	4,277,861	3,807,897

The Company

Loans, advances and financing				
- Interest income	-	1	-	1
Money at call and deposit placements with financial institutions	13,734	20,100	13,734	20,100
Others	-	30	-	30
	13,734	20,131	13,734	20,131

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

A18. INTEREST EXPENSE

	1st quarter ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits and placements of banks and other financial institutions	110,688	50,520	110,688	50,520
Deposits from other customers	1,533,308	1,314,016	1,533,308	1,314,016
Repurchase agreements	22,451	17,064	22,451	17,064
Bonds and debentures	69,273	63,778	69,273	63,778
Subordinated obligations	163,016	139,926	163,016	139,926
Financial liabilities designated at fair value	26,977	22,223	26,977	22,223
Negotiable certificates of deposits	50,322	34,048	50,322	34,048
Other borrowings	91,430	82,270	91,430	82,270
Others	19,443	17,287	19,443	17,287
	2,086,908	1,741,132	2,086,908	1,741,132
The Company				
Subordinated obligations	36,195	36,195	36,195	36,195
Other borrowings	41,069	32,306	41,069	32,306
	77,264	68,501	77,264	68,501

A19. NET NON-INTEREST INCOME

	1st quarter ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
(a) Net fee income and commission income:				
Commissions	184,152	154,160	184,152	154,160
Fee on loans, advances and financing	148,245	165,003	148,245	165,003
Portfolio management fees	5,230	5,546	5,230	5,546
Service charges and fees	168,265	139,870	168,265	139,870
Corporate advisory fees	53,958	20,717	53,958	20,717
Guarantee fees	15,783	17,272	15,783	17,272
Other fee income	84,689	84,522	84,689	84,522
Placement fees	2,455	17,520	2,455	17,520
Underwriting commission	10,971	16,551	10,971	16,551
Fee and commission income	673,748	621,161	673,748	621,161
Fee and commission expense	(142,291)	(118,699)	(142,291)	(118,699)
Net fee and commission income	531,457	502,462	531,457	502,462
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	9,055	3,043	9,055	3,043
- Financial investments available-for-sale	10	7,451	10	7,451
<i>Outside Malaysia</i>				
- Financial assets held for trading	62	80	62	80
- Financial investments available-for-sale	1,624	359	1,624	359
	10,751	10,933	10,751	10,933
(c) Net (loss)/gain arising from financial assets held for trading	(82,983)	46,175	(82,983)	46,175
- realised	(77,273)	(44,410)	(77,273)	(44,410)
- unrealised	(5,710)	90,585	(5,710)	90,585
(d) Net gain/(loss) arising from derivative financial instruments	422,686	380,322	422,686	380,322
- realised	336,371	(49,394)	336,371	(49,394)
- unrealised	86,315	429,716	86,315	429,716
(e) Net (loss)/gain arising from financial liability designated at fair value	(128,892)	16,500	(128,892)	16,500
- realised	(9,679)	(18,456)	(9,679)	(18,456)
- unrealised	(119,213)	34,956	(119,213)	34,956
(f) Net gain arising from hedging activities	14,501	14,066	14,501	14,066
(g) Net gain from sale of financial investments available-for-sale	57,814	32,458	57,814	32,458
(h) Net gain from redemption of financial investment held-to-maturity	16	2,596	16	2,596
(i) Income from assets management and securities services	71,587	61,971	71,587	61,971
(j) Brokerage income	130,234	120,112	130,234	120,112
(k) Other non-interest income:				
Foreign exchange gain/(loss)	32,646	(184,826)	32,646	(184,826)
Rental income	3,409	3,372	3,409	3,372
Gain/(Loss) on disposal of property, plant and equipment/assets	1,846	(1,319)	1,846	(1,319)
Underwriting surplus before management expenses	3,356	5,029	3,356	5,029
Loss on disposal of foreclosed properties	(13,876)	(15,394)	(13,876)	(15,394)
Other non-operating income	67,909	102,613	67,909	102,613
	95,290	(90,525)	95,290	(90,525)
Total other operating income	1,122,461	1,097,070	1,122,461	1,097,070

A19. NET NON-INTEREST INCOME (CONTINUED)

	1st quarter ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
The Company				
(b) Gross dividend income from :				
<u>In Malaysia</u>				
- Subsidiaries	-	986,992	-	986,992
	-	986,992	-	986,992
(d) Net gain/(loss) arising from derivative financial instruments				
- unrealised	908	(79)	908	(79)
	908	(79)	908	(79)
(k) Other non-interest income:				
Foreign exchange (loss)/gain	(103)	1,795	(103)	1,795
Rental income	71	71	71	71
Other non-operating income	-	291	-	291
	(32)	2,157	(32)	2,157
	876	989,070	876	989,070

A20. OVERHEADS

	1st quarter ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonus	978,550	910,825	978,550	910,825
- Pension cost	93,264	83,976	93,264	83,976
- Overtime	8,938	8,910	8,938	8,910
- Staff incentives and other staff payments	60,701	58,380	60,701	58,380
- Medical expenses	21,810	24,934	21,810	24,934
- Others	159,736	49,012	159,736	49,012
	1,322,999	1,136,037	1,322,999	1,136,037
Establishment costs				
- Depreciation of property, plant and equipment	89,541	83,588	89,541	83,588
- Amortisation of prepaid lease payments	2,735	2,807	2,735	2,807
- Rental	190,750	120,894	190,750	120,894
- Repair and maintenance	121,085	118,573	121,085	118,573
- Outsourced services	67,606	66,040	67,606	66,040
- Security expenses	31,886	24,865	31,886	24,865
- Others	62,838	52,866	62,838	52,866
	566,441	469,633	566,441	469,633
Marketing expenses				
- Sales commission	1,496	2,198	1,496	2,198
- Advertisement	69,971	63,684	69,971	63,684
- Others	24,116	20,281	24,116	20,281
	95,583	86,163	95,583	86,163
Administration and general expenses				
- Amortisation of intangible assets	77,763	77,869	77,763	77,869
- Legal and professional fees	41,094	26,964	41,094	26,964
- Stationery	14,557	15,306	14,557	15,306
- Communication	36,052	38,440	36,052	38,440
- Incidental expenses on banking operations	11,907	9,209	11,907	9,209
- Insurance	65,122	54,799	65,122	54,799
- Others	108,236	96,523	108,236	96,523
	354,731	319,110	354,731	319,110
	2,339,754	2,010,943	2,339,754	2,010,943

A20. OVERHEADS (CONTINUED)

	1st quarter ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
The Company				
Personnel costs				
- Staff incentives and other staff payments	5	2	5	2
- Others	-	2	-	2
	5	4	5	4
Establishment costs				
- Depreciation of property, plant and equipment	55	166	55	166
- Depreciation of investment properties	6	4	6	4
- Repair and maintenance	36	42	36	42
- Others	80	52	80	52
	177	264	177	264
Administration and general expenses				
- Legal and professional fees	396	1,937	396	1,937
- Communication	-	2	-	2
- Others	869	933	869	933
	1,265	2,872	1,265	2,872
	1,447	3,140	1,447	3,140

A21. ALLOWANCE MADE FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING

	1st quarter ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Allowance made for impaired loans, advances and financing:				
Net allowance made/(written back) during the financial period				
- Individual impairment allowance	318,608	(7,660)	318,608	(7,660)
- Portfolio impairment allowance	291,057	208,701	291,057	208,701
Impaired loans, advances and financing:				
- recovered	(91,421)	(96,204)	(91,421)	(96,204)
- written off	16,062	6,608	16,062	6,608
	534,306	111,445	534,306	111,445

A22. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 31 March 2015	The Group			The Company		
	Principal amount	Fair values		Principal amount	Fair values	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange derivatives</u>						
Currency forward	19,859,578	403,896	(516,669)	-	-	-
- Up to 1 year	16,079,569	282,595	(208,822)	-	-	-
- More than 1 year to 3 years	2,639,885	120,125	(118,039)	-	-	-
- More than 3 years	1,140,124	1,176	(189,808)	-	-	-
Currency swaps	161,230,532	1,653,786	(1,552,825)	-	-	-
- Up to 1 year	158,572,923	1,524,690	(1,493,079)	-	-	-
- More than 1 year to 3 years	2,497,038	97,990	(58,695)	-	-	-
- More than 3 years	160,571	31,106	(1,051)	-	-	-
Currency spot	12,136,065	13,439	(16,061)	-	-	-
- Up to 1 year	12,136,065	13,439	(16,061)	-	-	-
Currency options	9,538,794	109,660	(103,190)	-	-	-
- Up to 1 year	8,909,032	84,172	(73,533)	-	-	-
- More than 1 year to 3 years	508,830	19,178	(24,004)	-	-	-
- More than 3 years	120,932	6,310	(5,653)	-	-	-
Cross currency interest rate swaps	50,344,561	2,404,578	(2,438,871)	-	-	-
- Up to 1 year	11,624,183	269,260	(532,521)	-	-	-
- More than 1 year to 3 years	19,778,400	1,151,345	(997,697)	-	-	-
- More than 3 years	18,941,978	983,973	(908,653)	-	-	-
	253,109,530	4,585,359	(4,627,616)	-	-	-
<u>Interest rate derivative</u>						
Interest rate swaps	369,989,890	2,298,610	(1,812,427)	500,000	1,386	-
- Up to 1 year	125,844,379	110,755	(112,126)	-	-	-
- More than 1 year to 3 years	127,114,477	537,682	(505,574)	500,000	1,386	-
- More than 3 years	117,031,034	1,650,173	(1,194,727)	-	-	-
Interest rate futures	1,870,370	1,268	(2,912)	-	-	-
- Up to 1 year	1,694,795	903	(2,912)	-	-	-
- More than 1 year to 3 years	175,575	365	-	-	-	-
Interest rate options	188,038	644	(1,582)	-	-	-
- Up to 1 year	114,147	282	(1,228)	-	-	-
- More than 1 year to 3 years	73,891	362	(354)	-	-	-
	372,048,298	2,300,522	(1,816,921)	500,000	1,386	-
<u>Equity related derivatives</u>						
Equity futures	1,545,612	16,011	(15,006)	-	-	-
- Less than 1 year	1,545,612	16,011	(15,006)	-	-	-
Equity options	6,794,364	255,724	(877,418)	-	-	-
- Up to 1 year	3,834,779	42,508	(333,872)	-	-	-
- More than 1 year to 3 years	2,004,340	10,634	(506,933)	-	-	-
- More than 3 years	955,245	202,582	(36,613)	-	-	-
Equity swaps	616,840	3,889	(3,844)	-	-	-
- More than 1 year to 3 years	35,812	-	-	-	-	-
- More than 3 years	581,028	3,889	(3,844)	-	-	-
	8,956,816	275,624	(896,268)	-	-	-

A22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 March 2015	The Group			The Company		
	Principal amount RM'000	Fair values		Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Commodity related derivatives</u>						
Commodity swaps	2,349,454	871,879	(867,356)	-	-	-
- Up to 1 year	2,220,669	762,053	(759,000)	-	-	-
- More than 1 year to 3 years	128,785	109,826	(108,356)	-	-	-
Commodity futures	53,211	856	(304)	-	-	-
- Less than 1 year	52,667	856	(304)	-	-	-
- 1 year to 3 years	544	-	-	-	-	-
Commodity options	654,879	142,550	(56,619)	-	-	-
- Up to 1 year	358,668	17,913	(17,913)	-	-	-
- More than 1 year to 3 years	296,211	124,637	(38,706)	-	-	-
	3,057,544	1,015,285	(924,279)	-	-	-
<u>Credit related contract</u>						
Credit default swaps	4,855,562	68,020	(77,804)	-	-	-
- Up to 1 year	993,017	2,220	(2,692)	-	-	-
- More than 1 year to 3 years	3,082,570	60,827	(62,334)	-	-	-
- More than 3 years	779,975	4,973	(12,778)	-	-	-
Total return swaps	509,600	24,688	(38,970)	-	-	-
- More than 1 year to 3 years	185,250	-	(12,597)	-	-	-
- More than 3 years	324,350	24,688	(26,373)	-	-	-
	5,365,162	92,708	(116,774)	-	-	-
Hedging derivatives						
Interest rate swaps	22,030,754	74,624	(392,043)	-	-	-
- Up to 1 year	1,582,411	35,812	(7,684)	-	-	-
- More than 1 year to 3 years	7,354,626	21,094	(24,161)	-	-	-
- More than 3 years	13,093,717	17,718	(360,198)	-	-	-
Currency swaps	3,525,309	69,733	(248,868)	-	-	-
- Up to 1 year	3,525,309	69,733	(248,868)	-	-	-
Cross currency interest rate swaps	4,042,066	42,930	(183,555)	-	-	-
- Up to 1 year	541,022	1,693	(12,223)	-	-	-
- More than 1 year to 3 years	1,914,877	32,923	(59,797)	-	-	-
- More than 3 years	1,586,167	8,314	(111,535)	-	-	-
	29,598,129	187,287	(824,466)	-	-	-
Total derivative assets/(liabilities)	672,135,479	8,456,785	(9,206,324)	500,000	1,386	-

A22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2014	The Group			The Company		
	Principal amount RM'000	Fair values		Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange derivatives</u>						
Currency forward	20,681,855	356,939	(357,014)	-	-	-
- Up to 1 year	17,560,152	306,288	(153,902)	-	-	-
- More than 1 year to 3 years	1,916,948	49,694	(71,808)	-	-	-
- More than 3 years	1,204,755	957	(131,304)	-	-	-
Currency swaps	142,878,690	1,304,368	(1,301,463)	-	-	-
- Up to 1 year	141,722,647	1,229,142	(1,292,228)	-	-	-
- More than 1 year to 3 years	846,165	46,244	(6,942)	-	-	-
- More than 3 years	309,878	28,982	(2,293)	-	-	-
Currency spot	6,177,249	2,995	(9,857)	-	-	-
- Up to 1 year	6,177,249	2,995	(9,857)	-	-	-
Currency options	5,317,174	47,724	(42,272)	-	-	-
- Up to 1 year	4,645,415	34,516	(29,679)	-	-	-
- 1 year to 3 years	488,553	8,075	(8,073)	-	-	-
- More than 3 years	183,206	5,133	(4,520)	-	-	-
Cross currency interest rate swaps	46,562,720	1,649,042	(1,663,874)	-	-	-
- Up to 1 year	10,055,874	151,249	(347,397)	-	-	-
- More than 1 year to 3 years	16,542,367	640,308	(632,659)	-	-	-
- More than 3 years	19,964,479	857,485	(683,818)	-	-	-
	221,617,688	3,361,068	(3,374,480)	-	-	-
<u>Interest rate derivative</u>						
Interest rate swaps	335,873,215	2,124,912	(1,723,731)	500,000	478	-
- Up to 1 year	119,108,017	108,215	(123,630)	-	-	-
- More than 1 year to 3 years	108,492,608	510,567	(488,832)	500,000	478	-
- More than 3 years	108,272,590	1,506,130	(1,111,269)	-	-	-
Interest rate futures	1,640,898	2,096	(180)	-	-	-
- Up to 1 year	1,450,968	1,885	(180)	-	-	-
- More than 1 year to 3 years	189,930	211	-	-	-	-
Interest rate options	456,065	1,222	(7,665)	-	-	-
- Up to 1 year	351,298	964	(6,396)	-	-	-
- More than 1 year to 3 years	104,767	258	(1,269)	-	-	-
	337,970,178	2,128,230	(1,731,576)	500,000	478	-
<u>Equity related derivatives</u>						
Equity futures	1,367,538	8,795	(14,647)	-	-	-
- Up to 1 year	1,367,538	8,795	(14,647)	-	-	-
Equity options	7,114,019	233,718	(955,892)	-	-	-
- Up to 1 year	4,234,877	55,788	(395,595)	-	-	-
- More than 1 year to 3 years	1,854,926	13,736	(529,323)	-	-	-
- More than 3 years	1,024,216	164,194	(30,974)	-	-	-
Equity swaps	1,070,726	105,169	(28,543)	-	-	-
- Up to 1 year	64,466	12,631	-	-	-	-
- More than 1 year to 3 years	416,592	65,317	(19,428)	-	-	-
- More than 3 years	589,668	27,221	(9,115)	-	-	-
	9,552,283	347,682	(999,082)	-	-	-

A22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2014	The Group			The Company		
	Principal amount RM'000	Fair values		Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Commodity related derivatives</u>						
Commodity swaps	2,557,153	1,020,245	(1,014,696)	-	-	-
- Up to 1 year	2,198,926	569,074	(567,433)	-	-	-
- More than 1 year to 3 years	358,227	451,171	(447,263)	-	-	-
Commodity futures	10,656	34	(219)	-	-	-
- Up to 1 year	10,656	34	(219)	-	-	-
Commodity options	491,457	111,059	(22,839)	-	-	-
- Up to 1 year	315,601	9,499	(9,499)	-	-	-
- More than 1 year to 3 years	175,856	101,560	(13,340)	-	-	-
	3,059,266	1,131,338	(1,037,754)	-	-	-
<u>Credit related contract</u>						
Credit default swaps	5,133,915	58,510	(63,207)	-	-	-
- Up to 1 year	1,164,049	2,658	(3,431)	-	-	-
- More than 1 year to 3 years	2,751,343	48,011	(46,789)	-	-	-
- More than 3 years	1,218,523	7,841	(12,987)	-	-	-
Total return swaps	506,655	9,548	(24,184)	-	-	-
- More than 1 year to 3 years	174,825	-	(13,104)	-	-	-
- More than 3 years	331,830	9,548	(11,080)	-	-	-
	5,640,570	68,058	(87,391)	-	-	-
<u>Hedging derivatives</u>						
Interest rate swaps	21,394,899	90,151	(261,556)	-	-	-
- Up to 1 year	1,459,768	33,704	(9,288)	-	-	-
- More than 1 year to 3 years	6,835,197	8,854	(27,804)	-	-	-
- More than 3 years	13,099,934	47,593	(224,464)	-	-	-
Currency forward	18,055	-	(53)	-	-	-
- Up to 1 year	18,055	-	(53)	-	-	-
Currency swaps	5,054,260	36,426	(141,369)	-	-	-
- Up to 1 year	5,054,260	36,426	(141,369)	-	-	-
Cross currency interest rate swaps	3,483,815	19,806	(79,533)	-	-	-
- Up to 1 year	162,380	1,436	(4,403)	-	-	-
- More than 1 year to 3 years	2,103,854	15,861	(39,871)	-	-	-
- More than 3 years	1,217,581	2,509	(35,259)	-	-	-
	29,951,029	146,383	(482,511)	-	-	-
Total derivative assets/(liabilities)	607,791,014	7,182,759	(7,712,794)	500,000	478	-

A22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The Group's and the Company'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 31 March 2015, the amount of credit risk in the Group and the Company, measured in terms of the cost to replace the profitable contracts, was RM8,457,000,000 and RM1,386,000 respectively (2014: RM7,183,000,000 and RM478,000 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 annual financial statements for the financial year ended 31 December 2014 and the Risk Management section of the 2014 Annual Report.

A23. COMMITMENTS AND CONTINGENCIES

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

	31 March 2015	31 December 2014
	Principal	Principal
	Amount	Amount
	RM'000	RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	6,251,390	5,952,788
Certain transaction-related contingent items	5,713,398	5,746,700
Short-term self-liquidating trade-related contingencies	5,339,115	6,013,684
Obligations under underwriting agreement	250,000	140,000
Irrevocable commitments to extend credit		
- maturity not exceeding one year	51,344,157	49,895,290
- maturity exceeding one year	24,954,070	23,764,999
Miscellaneous commitments and contingencies	4,629,073	3,436,324
Total credit-related commitments and contingencies	98,481,203	94,949,785
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- up to one year	211,388,103	185,396,032
- more than one year to five years	41,239,812	36,662,043
- more than five years	8,048,990	8,115,743
	260,676,905	230,173,818
<u>Interest rate related contracts</u>		
- up to one year	129,235,732	122,370,051
- more than one year to five years	230,945,025	195,116,637
- more than five years	33,898,295	42,182,789
	394,079,052	359,669,477
<u>Equity related contracts</u>		
- up to one year	5,380,392	5,666,881
- more than one year to five years	2,824,370	3,241,558
- more than five years	752,054	643,844
	8,956,816	9,552,283
<u>Credit related contracts</u>		
- up to one year	993,017	1,164,049
- more than one year to five years	3,688,410	3,683,152
- more than five years	683,735	488,969
	5,365,162	5,336,170
<u>Commodity related contracts</u>		
- up to one year	2,632,004	2,525,183
- more than one year to five years	425,540	534,083
	3,057,544	3,059,266
Total treasury-related commitments and contingencies	672,135,479	607,791,014
	770,616,682	702,740,799
The Company		
<u>Interest rate related contracts</u>		
- more than one year to five years	500,000	500,000
	500,000	500,000

A24. CAPITAL ADEQUACY

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

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 sets 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 CIMB Bank Group (other than CIMB Thai Bank and CIMB Bank PLC), CIMB Bank and 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 Investment Bank Group are computed in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets). The Standardised Approach is applied for Credit Risk and Market Risk 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) while Operational Risk is based on Basic Indicator Approach.

The capital adequacy ratios of Bank CIMB Niaga is based on Bank Indonesia requirements. The approach for Credit Risk and Market Risk is Standardised Approach (SA approach). 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.

A24. CAPITAL ADEQUACY (Continued)
31 March 2015

(a) The capital adequacy ratios of the banking subsidiaries of the Group are as follows:

	CIMB Bank **	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC*
Common equity tier 1 ratio	10.191% # ^	10.895%	9.485%	9.612% # ^	27.602%	N/A	N/A
Tier 1 ratio	11.378% # ^	11.714%	9.485%	10.583% # ^	27.602%	14.263%	N/A
Total capital ratio	13.557% # ^	14.348%	14.351%	13.545% # ^	27.602%	16.401%	15.598%

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

	CIMB Bank ** RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	132,600,097	21,705,573	20,436,298	175,981,467	1,139,887	46,256,411	961,642
Market risk	13,061,096	559,299	3,024,110	15,527,604	56,648	575,521	-
Operational risk	12,086,258	2,034,179	1,450,932	16,085,020	715,171	6,544,743	-
Large exposure risk	516,618	-	-	516,618	-	-	-
	158,264,069	24,299,051	24,911,340	208,110,709	1,911,706	53,376,675	961,642

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

	CIMB Bank ** RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Common Equity Tier I capital							
Ordinary shares	4,787,023	1,000,000	1,199,992	4,787,023	100,000	456,945	166,725
Other reserves	18,567,114	2,006,891	1,273,150	22,855,017	491,772	7,379,359	(19,649)
Qualifying non-controlling interests	-	-	-	269,347	-	-	-
Common Equity Tier I capital before regulatory adjustments	23,354,137	3,006,891	2,473,142	27,911,387	591,772	7,836,304	147,076
Less: Regulatory adjustments							
Goodwill	(3,555,075)	(136,000)	-	(5,053,954)	(964)	-	-
Intangible assets	(841,343)	(85,362)	(16,101)	(942,660)	-	-	(665)
Deferred tax assets	(218,042)	(21,958)	(94,180)	(361,123)	(49,754)	-	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,531,674)	-	-	(298,854)	(3,022)	(223,418)	-
Deduction in excess of Tier 2 capital	-	-	-	-	(10,238)	-	-
Shortfall of eligible provisions to expected losses	(256,210)	(112,140)	-	(403,469)	-	-	-
Others	(822,799)	(4,050)	-	(848,321)	(118)	-	(4,222)
Common Equity Tier I capital after regulatory adjustments	16,128,994	2,647,381	2,362,861	20,003,006	527,676	7,612,886	142,189
Additional Tier I capital							
Perpetual preference shares	140,000	199,000	-	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	-	-	-	53,391	-	-	-
Additional Tier I capital before regulatory adjustments	1,968,260	199,000	-	2,021,651	-	-	-
Less: Regulatory adjustments							
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(89,304)	-	-	(1,304)	-	-	-
Additional Tier I capital after regulatory adjustments	1,878,956	199,000	-	2,020,347	-	-	-
Total Tier I Capital	18,007,950	2,846,381	2,362,861	22,023,353	527,676	7,612,886	142,189
Tier II capital							
Subordinated notes	5,600,000	595,000	1,140,548	5,600,000	-	635,748	-
Redeemable preference shares	20,818	-	-	20,818	7	-	-
Qualifying capital instruments held by third parties	-	-	-	391,669	-	-	-
Portfolio impairment allowance & Regulatory reserve √	260,740	45,121	71,682	603,007	2,878	505,651	7,805
Tier II capital before regulatory adjustments	5,881,558	640,121	1,212,230	6,615,494	2,885	1,141,399	7,805
Less: Regulatory adjustments							
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(2,433,563)	-	-	(450,237)	(13,123)	-	-
Total Tier II capital	3,447,995	640,121	1,212,230	6,165,257	-	1,141,399	7,805
Total capital base	21,455,945	3,486,502	3,575,091	28,188,610	527,676	8,754,285	149,994

The first interim dividend on Redeemable Preference Shares was paid on 17 April 2015.

√ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 March 2015 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM214 million, RM191 million and RM23 million respectively.

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

^ CIMB Group Holdings Berhad ("CIMB Group"), the ultimate holding company of the Bank, implemented a Dividend Reinvestment Scheme ("DRS") for the second interim dividend in respect of the financial year ended 2014. Pursuant to the DRS, CIMB Group intends to reinvest the excess cash dividend into the Bank, which would increase the capital adequacy ratios of the Group and the Bank above those stated above.

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

A24. CAPITAL ADEQUACY (Continued)

31 December 2014

(a) The capital adequacy ratios of the banking subsidiaries of the Group are as follows:

	CIMB Bank **	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC*
Before deducting proposed dividend							
Common equity tier 1 ratio	11.688% # ^	11.448%	9.913%	10.493% # ^	28.765%	N/A	N/A
Tier 1 ratio	13.137% # ^	12.345%	9.913%	11.651% # ^	28.765%	13.395%	N/A
Total capital ratio	15.158% # ^	15.493%	14.977%	14.888% # ^	28.765%	15.390%	15.377%
After deducting proposed dividend							
Common equity tier 1 ratio	11.193% ^	11.448%	9.913%	10.114% ^	28.765%	N/A	N/A
Tier 1 ratio	12.642% ^	12.345%	9.913%	11.272% ^	28.765%	13.395%	N/A
Total capital ratio	14.663% ^	15.493%	14.977%	14.509% ^	28.765%	15.390%	15.377%

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

	CIMB Bank ** RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	125,820,234	20,439,165	18,773,991	166,270,354	1,164,171	47,897,974	889,948
Market risk	13,831,101	498,080	2,349,855	16,080,788	52,221	359,844	-
Operational risk	11,971,135	2,011,728	1,354,827	15,851,297	697,657	5,996,868	-
Large exposure risk	502,139	-	-	502,139	-	-	-
	152,124,609	22,948,973	22,478,673	198,704,578	1,914,049	54,254,686	889,948

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

	CIMB Bank ** RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Common Equity Tier I capital							
Ordinary shares	4,787,023	1,000,000	1,120,508	4,787,023	100,000	454,434	157,343
Other reserves	19,193,658	1,991,444	1,192,964	23,197,847	507,156	6,924,126	(22,824)
Qualifying non-controlling interests	-	-	-	257,010	-	-	-
Common Equity Tier I capital before regulatory adjustments	23,980,681	2,991,444	2,313,472	28,241,880	607,156	7,378,560	134,519
Less: Regulatory adjustments							
Goodwill	(3,555,075)	(136,000)	-	(4,965,324)	(964)	-	-
Intangible assets	(844,072)	(89,744)	(7,567)	(949,186)	-	-	(889)
Deferred tax assets	(182,140)	(22,855)	(77,684)	(314,145)	(46,428)	-	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(765,837)	-	-	(144,137)	(1,460)	(111,095)	-
Deduction in excess of Tier 2 capital	-	-	-	-	(7,603)	-	-
Shortfall of eligible provisions to expected losses	(125,800)	(115,689)	-	(280,596)	-	-	-
Others	(728,079)	-	-	(738,239)	(118)	-	(4,075)
Common Equity Tier I capital after regulatory adjustments	17,779,678	2,627,156	2,228,221	20,850,253	550,583	7,267,465	129,555
Additional Tier I capital							
Perpetual preference shares	160,000	206,000	-	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 regulatory adjustments	2,249,440	206,000	-	2,300,515	-	-	-
Less: Regulatory adjustments							
Investments in Additional Tier 1 capital instruments of subsidiaries and other financial and insurance/takaful entities	(44,349)	-	-	(349)	-	-	-
Additional Tier I capital before and after regulatory adjustments	2,205,091	206,000	-	2,300,166	-	-	-
Total Tier I Capital	19,984,769	2,833,156	2,228,221	23,150,419	550,583	7,267,465	129,555
Tier II capital							
Subordinated notes	6,050,000	680,000	1,070,316	6,050,000	-	649,229	-
Redeemable preference shares	29,740	-	-	29,740	8	-	-
Qualifying capital instruments held by third parties	-	-	-	378,488	-	-	-
Portfolio impairment allowance & Regulatory reserve	240,204	42,233	68,061	552,993	2,729	511,618	7,290
Others	-	-	-	-	-	32,358	-
Tier II capital before regulatory adjustments	6,319,944	722,233	1,138,377	7,011,221	2,737	1,193,205	7,290
Less: Regulatory adjustments							
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(3,245,289)	-	-	(577,946)	(10,340)	(111,095)	-
Total Tier II capital	3,074,655	722,233	1,138,377	6,433,275	-	1,082,110	7,290
Total capital base	23,059,424	3,555,389	3,366,598	29,583,694	550,583	8,349,575	136,845
Less :							
Proposed dividends	(753,000)	-	-	(753,000)	-	-	-
Total capital base (net of proposed dividend)	22,306,424	3,555,389	3,366,598	28,830,694	550,583	8,349,575	136,845

The second interim dividend on Redeemable Preference Shares was paid on 17 April 2015.

√ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 December 2014 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM223 million, RM198 million and RM25 million respectively.

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

^ On 30 October 2014, CIMBGH completed its fourth Dividend Reinvestment Scheme ("DRS") of which RM591 million was reinvested into new CIMBGH shares. Pursuant to the completion of the DRS, CIMBGH reinvested cash dividend surplus of RM515 million into CIMB Bank via rights issue which was completed on 18 December 2014.

CIMBGH proposed to continue with DRS implementation for the second interim dividend in respect of the financial year ended 20 14. Pursuant to the completion of DRS, CIMBGH intend to reinvest the excess cash dividend surplus into CIMB Bank which would increase the capital adequacy ratios of the Group and Bank above those stated ratios. The second interim dividend was approved by the Board and Bank Negara Malaysia on 30 January 2015 and 18 February 2015 respectively.

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

A25. SEGMENTAL REPORT

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

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

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

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

Business segment reporting

Definition of segments:

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.

A25. SEGMENTAL REPORT (Continued)

Wholesale Banking (Continued)

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.

Group Asset Management and Investments

Group Asset Management and Investments consists of the Group's public and private asset management portfolios.

Public Markets consists of CIMB Principal Assets Management Group. Private Markets consists of other private equity investments and strategic investments.

Group Funding

Group Funding consists of the Group's assets and liabilities management, capital's investment in fixed income investments and investment in the Group's proprietary capital and funding.

A25. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Asset Management and Investments RM'000	Group Funding RM'000	Total RM'000
31 March 2015						
Net interest income						
- external income	1,116,284	539,544	480,046	9,898	45,181	2,190,953
- inter-segment (expense)/income	(42,321)	(109,096)	138,821	(16)	12,612	-
	1,073,963	430,448	618,867	9,882	57,793	2,190,953
Income from Islamic Banking operations	187,310	38,567	116,309	-	24,727	366,913
Net non-interest income	369,394	89,057	493,232	114,871	55,907	1,122,461
Net income	1,630,667	558,072	1,228,408	124,753	138,427	3,680,327
Overheads	(1,015,758)	(325,405)	(819,053)	(85,556)	(93,982)	(2,339,754)
of which:						
- Depreciation of property, plant and equipment	(49,688)	(7,185)	(23,906)	(2,477)	(6,285)	(89,541)
- Amortisation of prepaid lease payments	(54)	(2)	(40)	(2,639)	-	(2,735)
- Amortisation of intangible assets	(36,209)	(1,388)	(5,469)	(23,773)	(10,924)	(77,763)
Profit before allowances	614,909	232,667	409,355	39,197	44,445	1,340,573
Allowance (made)/written back for impairment losses on loans, advances and financing	(178,181)	(104,566)	(252,252)	-	693	(534,306)
Allowance (made)/written back for losses on other receivables	(422)	(295)	2,114	3,828	201	5,426
Allowance written back/(made) for other impairment losses	-	-	249	(1,318)	(629)	(1,698)
Segment results	436,306	127,806	159,466	41,707	44,710	809,995
Share of results of joint ventures	461	-	-	(13,549)	-	(13,088)
Share of results of associates	-	-	-	26,673	-	26,673
Profit before taxation	436,767	127,806	159,466	54,831	44,710	823,580
% of profit before taxation	53.0	15.5	19.4	6.7	5.4	100.0
Taxation						(233,245)
Profit for the period						590,335

A25. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Asset Management and Investments RM'000	Group Funding RM'000	Total RM'000
31 March 2014						
Net interest income						
- external income/(expense)	914,289	512,302	502,314	6,646	131,214	2,066,765
- inter-segment (expense)/income	26,440	(144,238)	58,959	(1)	58,840	-
	940,729	368,064	561,273	6,645	190,054	2,066,765
Income from Islamic Banking operations	189,106	32,296	144,841	-	1,770	368,013
Net non-interest income	350,221	66,558	542,530	95,636	42,125	1,097,070
Gain on disposal of subsidiaries and associates	-	-	4,100	2,105	-	6,205
Net income	1,480,056	466,918	1,252,744	104,386	233,949	3,538,053
Overheads	(936,105)	(293,096)	(626,665)	(60,090)	(94,987)	(2,010,943)
of which:						
- Depreciation of property, plant and equipment	(50,609)	(6,665)	(22,582)	(2,225)	(1,507)	(83,588)
- Amortisation of prepaid lease payments	(77)	(2)	(38)	(2,690)	-	(2,807)
- Amortisation of intangible assets	(28,779)	(765)	(5,528)	(22,374)	(20,423)	(77,869)
Profit/(loss) before allowances	543,951	173,822	626,079	44,296	138,962	1,527,110
Allowance (made)/written back for impairment losses on loans, advances and financing	(149,735)	23,957	12,839	-	1,494	(111,445)
Allowance (made)/written back for losses on other receivables	(990)	(704)	2,598	(4,414)	(1,207)	(4,717)
Allowance written back for commitments and contingencies	-	1,829	-	-	-	1,829
Allowance written back/(made) for other impairment losses	37	(19)	78	(1,000)	(14,140)	(15,044)
Segment results	393,263	198,885	641,594	38,882	125,109	1,397,733
Share of results of joint ventures	390	-	-	(6,188)	-	(5,798)
Share of results of associates	-	-	-	39,137	(3)	39,134
Profit/(loss) before taxation	393,653	198,885	641,594	71,831	125,106	1,431,069
% of profit before taxation	27.5	13.9	44.8	5.0	8.8	100.0
Taxation						(348,847)
Profit for the period						1,082,222

A26. 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;
- 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.

A26. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and the Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 March 2015 and 31 December 2014.

The Group	Carrying amount RM'000	Fair Value			Total RM'000
		Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
31 March 2015					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial assets held for trading					
- Money market instruments	12,153,513	-	12,153,513	-	12,153,513
- Quoted securities	5,043,730	3,392,758	1,650,972	-	5,043,730
- Unquoted securities	5,972,435	-	5,833,205	139,230	5,972,435
Financial investments available-for-sale					
- Money market instruments	4,469,126	-	4,469,126	-	4,469,126
- Quoted securities	9,051,052	318,420	8,732,632	-	9,051,052
- Unquoted securities	22,375,296	-	20,873,417	1,501,879	22,375,296
Derivative financial instruments					
- Trading derivatives	8,269,498	18,185	8,222,989	28,324	8,269,498
- Hedging derivatives	187,287	-	187,287	-	187,287
Total	67,521,937	3,729,363	62,123,141	1,669,433	67,521,937
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	8,381,858	58,879	8,244,518	78,461	8,381,858
- Hedging derivatives	824,466	-	824,466	-	824,466
Financial liabilities designated at fair value	3,642,135	-	3,273,390	368,745	3,642,135
Total	12,848,459	58,879	12,342,374	447,206	12,848,459

The Group	Carrying amount RM'000	Fair Value			Total RM'000
		Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
31 December 2014					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial assets held for trading					
- Money market instruments	12,738,671	-	12,738,671	-	12,738,671
- Quoted securities	4,934,701	3,727,154	1,207,547	-	4,934,701
- Unquoted securities	6,130,399	-	5,997,718	132,681	6,130,399
Financial investments available-for-sale					
- Money market instruments	4,176,787	-	4,176,787	-	4,176,787
- Quoted securities	7,176,748	272,102	6,904,646	-	7,176,748
- Unquoted securities	20,932,987	-	19,400,519	1,532,468	20,932,987
Derivative financial instruments					
- Trading derivatives	7,036,376	11,023	6,958,680	66,673	7,036,376
- Hedging derivatives	146,383	-	146,383	-	146,383
Total	63,273,052	4,010,279	57,530,951	1,731,822	63,273,052
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	7,230,283	73,002	7,100,419	56,862	7,230,283
- Hedging derivatives	482,511	-	482,511	-	482,511
Financial liabilities designated at fair value	3,690,701	-	3,329,965	360,736	3,690,701
Total	11,403,495	73,002	10,912,895	417,598	11,403,495

A26. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 March 2015 and 31 December 2014.

The Company	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Fair Value		Total RM'000
			Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
31 March 2015					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Derivative financial instruments					
- Trading derivatives	1,386	-	1,386	-	1,386
Total	1,386	-	1,386	-	1,386

The Company	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Fair Value		Total RM'000
			Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
31 December 2014					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Derivative financial instruments					
- Trading derivatives	478	-	478	-	478
Total	478	-	478	-	478

A26. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial period/year ended 31 March 2015 and 31 December 2014 for the Group.

	Financial Assets			Total	Financial Liabilities		
	Financial assets held for trading	Financial investments available-for-sale	Derivative financial instruments		Financial liabilities designated at fair value	Derivative financial instruments	Total
	Unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000		RM'000	Trading derivatives RM'000	RM'000
31 March 2015							
At 1 January	132,681	1,532,468	66,673	1,731,822	(360,736)	(56,862)	(417,598)
Total (losses)/gains recognised in Statement of Income	(939)	46	(1,354)	(2,247)	(17,783)	(35,402)	(53,185)
Total losses recognised in Other Comprehensive Income	-	(9,788)	-	(9,788)	-	-	-
Purchases	-	5,246	4,177	9,423	-	(969)	(969)
Sales	-	(83)	-	(83)	-	-	-
Settlements	-	(57,582)	(41,172)	(98,754)	9,774	14,772	24,546
Exchange fluctuation	7,488	31,572	-	39,060	-	-	-
At 31 March	139,230	1,501,879	28,324	1,669,433	(368,745)	(78,461)	(447,206)
Total (losses)/gains recognised in Statement of Income for financial period ended 31 March 2015 under:							
- net non-interest income	(939)	46	(1,354)	(2,247)	(14,509)	(35,402)	(49,911)
- interest expense	-	-	-	-	(3,274)	-	(3,274)
Total losses recognised in Other Comprehensive Income for the financial period ended 31 March 2015 under "revaluation reserves"	-	(9,788)	-	(9,788)	-	-	-
Change in unrealised (losses)/gains recognised in Statement of Income relating to assets held on 31 March 2015 under "net non-interest income"	(939)	-	168	(771)	(14,509)	(27,958)	(42,467)

A26. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial period /year ended 31 March 2015 and 31 December 2014 for the Group (Continued)

	Financial Assets			Total	Financial Liabilities		
	Financial assets held for trading	Financial investments available-for-sale	Derivative financial instruments		Financial liabilities designated at fair value	Derivative financial instruments	Total
	Unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000		Trading derivatives RM'000	RM'000	RM'000
31 December 2014							
At 1 January	73,048	1,278,934	49,675	1,401,657	-	(943,151)	(943,151)
Total gains/(losses) recognised in Statement of Income	2,567	(3,044)	13,149	12,672	60,733	280,894	341,627
Total gains recognised in Other Comprehensive Income	-	68,299	-	68,299	-	-	-
Purchases	49,083	235,190	17,314	301,587	-	(1,224)	(1,224)
New issuances	-	18	-	18	(435,872)	-	(435,872)
Sales	-	(21,555)	-	(21,555)	-	-	-
Settlements	-	(25,664)	(13,465)	(39,129)	14,403	606,619	621,022
Transfers out of Level 3 to Level 1	-	(856)	-	(856)	-	-	-
Redemption	-	(1,128)	-	(1,128)	-	-	-
Disposal of subsidiaries	-	(1,192)	-	(1,192)	-	-	-
Exchange fluctuation	7,983	3,466	-	11,449	-	-	-
At 31 December	132,681	1,532,468	66,673	1,731,822	(360,736)	(56,862)	(417,598)
Total gains/(losses) recognised in Statement of Income for financial year ended 31 December 2014 under:							
- net non-interest income	2,567	(3,044)	13,149	12,672	73,274	280,894	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"	-	68,299	-	68,299	-	-	-
Change in unrealised gains 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	73,274	91,097	164,371

In 2014, the transfer out of Level 3 of RM856,000 to Level 1 was due to the conversion of convertible notes to quoted shares in active markets.

The financial assets held-for-trading and financial investments available-for-sale categorised under Level 3 include unquoted securities. The fair value are driven based on net tangible assets.

Derivative financial instruments categorised under Level 3 includes credit derivatives and equity derivatives. The valuation techniques used are discounted cash flow, Stochastic Default, foreign currency correlation and option pricing model.

A26. FAIR VALUE ESTIMATION (Continued)

The following represents the Group's and the Company's non-financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 March 2015 and 31 December 2014.

Investment properties (Recurring)

The investment properties of the Group are valued annually at fair value based on market values determined by independent qualified valuers. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size.

Non-current assets held for sales (Non-recurring)

In accordance with MFRS5, the non-current assets held for sales were stated at the lower of carrying amount and fair value less cost to sell. As at 31 March 2015, the property plant and equipment and investment properties held for sales of the Group that were stated at fair value less cost to sell was RM4,905,000 (2014: RM9,858,000). This is a non-recurring fair value which has been measured using observable inputs under sales comparison approach performed by independent valuers. Sales prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. Therefore, it is within level 2 of the fair value hierarchy.

A27. OPERATIONS OF ISLAMIC BANKING**A27a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015**

	Note	The Group	
		31 March 2015 RM'000	31 December 2014 RM'000
ASSETS			
Cash and short-term funds		14,220,731	6,549,105
Reverse repurchase agreements		26,739	-
Deposits and placements with banks and other financial institutions		1,226,849	742,096
Financial assets held for trading		3,426,069	3,723,913
Islamic derivative financial instruments		250,155	286,468
Financial investments available-for-sale		2,820,048	2,398,454
Financial investments held-to-maturity		1,316,709	1,165,553
Financing, advances and other financing/loans	A27d(i)	42,747,094	40,600,338
Deferred tax assets		17,604	21,518
Amount due from conventional operations		3,666,293	3,824,466
Statutory deposits with Bank Negara Malaysia		1,475,873	1,297,654
Property, plant and equipment		12,076	13,169
Other assets		701,738	454,723
Goodwill		136,000	136,000
Intangible assets		90,471	91,937
TOTAL ASSETS		72,134,449	61,305,394
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS			
Deposits from customers	A27(e)	51,706,447	44,345,984
Deposits and placements of banks and other financial institutions		7,873,889	5,812,183
Islamic derivative financial instruments		409,067	340,823
Financial liabilities designated at fair value	A27(f)	174,164	149,835
Amount due to conventional operations		1,035,366	623,717
Provision for taxation and Zakat		19,237	26,805
Other liabilities		4,726,884	3,977,161
Subordinated Sukuk		853,538	856,026
TOTAL LIABILITIES		66,798,592	56,132,534
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,250	55,250
Perpetual preference shares		220,000	220,000
Reserves		4,050,066	3,887,440
		5,325,316	5,162,690
Non-controlling interests		10,541	10,170
TOTAL ISLAMIC BANKING CAPITAL FUNDS		5,335,857	5,172,860
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		72,134,449	61,305,394

A27b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD ENDED 31 MARCH 2015

	The Group			
	1st quarter ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	587,195	549,866	587,195	549,866
Net income derived from investment of shareholders' funds	136,909	54,533	136,909	54,533
Allowance made for impairment losses on financing, advances and other financing/loans	(33,885)	(15,446)	(33,885)	(15,446)
Allowance (made)/written back for impairment losses on other receivables	(35)	155	(35)	155
Total distributable income	690,184	589,108	690,184	589,108
Income attributable to depositors	(357,191)	(236,386)	(357,191)	(236,386)
Total net income	332,993	352,722	332,993	352,722
Other operating expenses	(145,577)	(137,411)	(145,577)	(137,411)
Profit before allowances	187,416	215,311	187,416	215,311
Allowance written back for other impairment losses	-	22	-	22
Profit before taxation	187,416	215,333	187,416	215,333
Taxation	(42,318)	(48,260)	(42,318)	(48,260)
Profit for the period	145,098	167,073	145,098	167,073
Profit for the period attributable to:				
Owners of the Parent	144,715	166,801	144,715	166,801
Non-controlling interests	383	272	383	272
	145,098	167,073	145,098	167,073

A27c. UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2015

	The Group			
	1st quarter ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	145,098	167,073	145,098	167,073
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	13,061	(2,520)	13,061	(2,520)
- Net gain/(loss) from change in fair value	17,105	(5,448)	17,105	(5,448)
- Realised gain transferred to statement of income on disposal and impairment	(143)	(1,758)	(143)	(1,758)
- Income tax effects	(3,901)	4,686	(3,901)	4,686
Exchange fluctuation reserve	5,136	6,641	5,136	6,641
Other comprehensive income for the period, net of tax	18,197	4,121	18,197	4,121
Total comprehensive income for the period	163,295	171,194	163,295	171,194
Total comprehensive income for the period attributable to:				
Owners of the Parent	163,307	171,060	163,307	171,060
Non-controlling interests	(12)	134	(12)	134
	163,295	171,194	163,295	171,194
<u>Income from Islamic operations (per page 2)</u>				
Total net income	332,993	352,722	332,993	352,722
Add: Allowance made for impairment losses on financing, advances and other financing/loans	33,885	15,446	33,885	15,446
Add: Allowance made/(written back) for impairment losses on other receivables	35	(155)	35	(155)
	366,913	368,013	366,913	368,013

A27d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS

(i) By type and Shariah contract

31 March 2015

At amortised cost	The Group				Others RM'000	Total RM'000
	Bai' RM'000	Ijarah RM'000	Musharakah RM'000	Qard RM'000		
Cash line [^]	546,685	-	-	7,930	-	554,615
Term financing						
House Financing	9,336,089	1,086,539	-	-	-	10,422,628
Syndicated Financing	1,313,957	198,505	-	-	50,406	1,562,868
Hire purchase receivables	762,630	5,056,254	-	-	-	5,818,884
Other term financing	19,268,904	58,026	-	-	2,075,299	21,402,229
Bills receivable	2,670	-	-	-	-	2,670
Trust receipts	16,145	-	-	-	47,600	63,745
Claims on customers under acceptance credits	278,974	-	-	-	-	278,974
Staff financing	-	-	-	-	2	2
Revolving credits	2,401,932	-	-	-	340,008	2,741,940
Credit card receivables	-	-	-	-	140,189	140,189
Share margin financing	5,920	-	26,356	-	46,660	78,936
Ar Rahn	-	-	-	-	2,407	2,407
Other financing	-	13,644	-	-	12,697	26,341
Gross financing, advances and other financing/loans	33,933,906	6,412,968	26,356	7,930	2,715,268	43,096,428
Fair value changes arising from fair value hedge						119,160
						43,215,588
Less: Allowance for impairment losses						
- Individual impairment allowance						(101,533)
- Portfolio impairment allowance						(366,961)
						(468,494)
Net financing, advances and other financing/loans						42,747,094

31 December 2014

At amortised cost	The Group				Others RM'000	Total RM'000
	Bai' RM'000	Ijarah RM'000	Musharakah RM'000	Qard RM'000		
Cash line [^]	554,680	-	-	10,277	-	564,957
Term financing						
House Financing	9,206,917	992,267	-	-	-	10,199,184
Syndicated Financing	365,825	211,243	-	-	51,796	628,864
Hire purchase receivables	690,273	5,298,240	-	-	-	5,988,513
Other term financing	18,460,187	56,820	-	-	1,559,574	20,076,581
Bills receivable	2,939	-	-	-	-	2,939
Trust receipts	19,168	-	-	-	76,273	95,441
Claims on customers under acceptance credits	392,033	-	-	-	-	392,033
Staff financing	-	-	-	-	2	2
Revolving credits	2,507,687	-	-	-	288,107	2,795,794
Credit card receivables	-	-	-	-	140,705	140,705
Share margin financing	9,453	-	29,421	-	53,053	91,927
Ar Rahn	-	-	-	-	2,348	2,348
Other financing	-	13,256	-	-	13,562	26,818
Gross financing, advances and other financing/loans	32,209,162	6,571,826	29,421	10,277	2,185,420	41,006,106
Fair value changes arising from fair value hedge						57,272
						41,063,378
Less: Allowance for impairment losses						
- Individual impairment allowance						(88,336)
- Portfolio impairment allowance						(374,704)
						(463,040)
Net financing, advances and other financing/loans						40,600,338

[^] Includes current account in excess

A27d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**(i) By type and Shariah contract (Continued)**

(a) During the financial period, the Group has undertaken fair value hedges on RM5,875 million (2014: RM6,350 million) financing using profit rate swaps.

	The Group	
	31 March 2015	31 December 2014
	RM'000	RM'000
Gross financing hedged	5,875,000	6,350,000
Fair value changes arising from fair value hedges	119,160	57,272
	5,994,160	6,407,272

The fair value loss on profit rate swaps in the hedge transaction as at 31 March 2015 were RM193 million (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 31 March 2015, the gross exposures to RPSIA financing is RM2,527 million (2014: RM2,099 million) and the portfolio impairment allowance relating to this RPSIA amounting to RM7.3 million (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	
	31 March 2015	31 December 2014
	RM'000	RM'000
At 1 January	10,277	2,006
New disbursement	2,126	10,068
Repayment	(4,473)	(1,797)
At 31 March / 31 December	7,930	10,277

b) Sources and uses of Qard Financing**Sources of Qard fund:**

Depositors' fund	7,425	9,665
Shareholders' fund	505	612
	7,930	10,277

Uses of Qard fund:

Personal use	289	1,156
Business use	7,641	9,121
	7,930	10,277

(ii) By geographical distribution

	The Group	
	31 March 2015	31 December 2014
	RM'000	RM'000
Malaysia	38,124,826	36,781,908
Indonesia	1,912,481	1,866,915
Singapore	2,111,850	1,633,620
Other countries	947,271	723,663
Gross financing, advances and other financing/loans	43,096,428	41,006,106

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

	The Group	
	31 March 2015	31 December 2014
	RM'000	RM'000
Malaysia	459,624	457,860
Indonesia	82,114	82,060
Gross impaired financing, advances and other financing/loans	541,738	539,920

A27d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

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

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
At 1 January	539,920	375,428
Classified as impaired during the period/year	153,247	859,063
Reclassified as not impaired during the period/year	(93,032)	(375,431)
Amount recovered	(22,789)	(103,631)
Amount transferred to conventional operations	-	(38,104)
Amount written off	(38,920)	(182,722)
Exchange fluctuation	3,312	5,317
At 31 March / 31 December	541,738	539,920
Ratio of gross impaired financing, advances and other financing/loans to gross financing, advances and other financing/loans	1.26%	1.32%

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

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
Individual impairment allowance		
At 1 January	88,336	48,093
Allowance made during the period/year	12,931	53,064
Amount written off	-	(9,105)
Amount transferred to conventional operations	-	(5,216)
Exchange fluctuation	266	1,500
At 31 March / 31 December	101,533	88,336
Portfolio impairment allowance		
At 1 January	374,704	414,807
Allowance made during the period/year	31,020	154,030
Amount written off	(38,930)	(173,618)
Exchange fluctuation	167	(20,515)
At 31 March / 31 December	366,961	374,704
Portfolio impairment allowance as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	1.10%	1.16%

A27e. DEPOSITS FROM CUSTOMERS

(i) By type of deposits

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
Savings deposit		
Wadiah	2,935,828	2,742,201
Mudharabah	214,251	190,452
	3,150,079	2,932,653
Demand deposit		
Wadiah	8,870,147	7,377,966
Qard	76,156	61,320
Mudharabah	782,599	755,889
	9,728,902	8,195,175
Term deposit		
<i>Commodity Murabahah</i>	29,112,801	21,691,342
<i>Islamic negotiable instruments</i>	3,154,082	2,563,732
Mudharabah	352,427	389,915
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	2,801,655	2,173,817
<i>Short term money market deposit-i</i>	2,977,738	5,116,670
Wakalah	2,966,359	5,109,756
Wadiah	11,379	6,914
<i>Fixed Deposit-i</i>	817,877	1,067,331
Wakalah	298,672	608,700
Wadiah	519,205	458,631
<i>General investment account</i>	2,418,145	2,433,388
Mudharabah	2,418,145	2,433,388
<i>Specific investment account</i>	329,411	326,806
Mudharabah	329,411	326,806
	38,810,054	33,199,269
Others - Qard	17,412	18,887
	51,706,447	44,345,984
(ii) By maturity structures of term deposit		
Due within six months	32,355,329	31,429,165
Six months to one year	5,757,013	1,067,187
One year to three years	376,724	381,594
Three years to five years	358	436
More than five years	320,630	320,887
	38,810,054	33,199,269
(iii) By type of customer		
Government and statutory bodies	3,978,773	3,791,645
Business enterprises	20,653,488	17,899,026
Individuals	8,953,245	6,821,940
Others	18,120,941	15,833,373
	51,706,447	44,345,984

A27f. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	The Group	
	31 March 2015	31 December 2014
	RM'000	RM'000
Deposits from customers - structured investments	174,164	149,835

The Group has issued structured investments, and have 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 Group as at 31 March 2015 of financial liabilities designated at fair value were RM3,855,000 (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.

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

CIMB Group Holdings Berhad (“CIMB Group”) results

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) today reported a net profit of RM580 million for 1Q15, equivalent to a net earnings per share (“EPS”) of 6.9 sen. Excluding exceptional restructuring expenses of RM202 million in 1Q15, the Group’s Business As Usual (“BAU”) 1Q15 net profit decreased by 26.6% year-on-year (“Y-o-Y”). The Group’s annualised BAU 1Q15 net return on average equity (“ROE”) was 8.2%.

The Group had started 2015 on a better note after a difficult end to 2014. The Group’s core banking operations were performing well especially the Consumer and Commercial Banking segments. Despite the continued challenging environment, the Group was pleased with the 4.0% Y-o-Y growth in operating income and much improved Q-o-Q profitability.

CIMB Group 1Q15 Y-o-Y Results

For comparative purposes, the Y-o-Y performance is based on BAU numbers for both 1Q15 and 1Q14. CIMB Group’s 1Q15 operating income grew 4.0% Y-o-Y at RM3.680 billion underpinned by a 4.7% expansion in net interest income and a 2.5% growth in non-interest income. Operating expenses were 6.3% higher Y-o-Y on the back of increased personnel expenses, bringing about a 1.0% improvement in the Group’s PPOP. However, the Group’s PBT declined by 28.3% to RM1.026 billion owing to the higher corporate loan provisions from Indonesia.

The Group’s regional Consumer Bank PBT increased by 11.2% Y-o-Y in 1Q15 to RM437 million, making up 43% of Group PBT. Contributions were stronger from all geographies with a larger jump from the Indonesia consumer operations as well as lower operational losses from Thailand. The regional Commercial Banking PBT was 18.1% higher Y-o-Y at RM196 million on the back of solid asset growth. The Group’s Regional Wholesale Banking PBT declined by 56.6% Y-o-Y to RM293 million attributed to increased Corporate Banking provisions and softer Treasury & Markets, while the Investment Banking operations improved from increased market activity after excluding the one-off restructuring costs. Group Asset Management and Investments (“GAMI”) PBT was down 23.7% Y-o-Y on asset revaluations, while Group Funding PBT was 64.0% lower Y-o-Y due to higher cost of funds and lower investment returns.

Non-Malaysian PBT contribution to the Group was lower at 20% in 1Q15 compared to 38% in 1Q14, principally due to the 89.4% Y-o-Y decline in Indonesia’s PBT to RM45 million from lower CIMB Niaga earnings. Thailand’s PBT contribution to the Group declined 23.9% Y-o-Y to RM54 million following increased corporate banking provisions in 1Q15. Total PBT contribution from Singapore expanded by 46.1% to RM109 million as both the bank and securities operations performed better.

The Group’s total gross loans (excluding the declining bad bank loan book) expanded 12.8% Y-o-Y. Over the same period, total deposits grew by a similar 12.8% Y-o-Y. The Group’s loan to deposit (“LDR”) ratio was slightly lower at 90.3% compared to 90.7% previously.

The Group’s gross impairment ratio rose to 3.2% as at March 2015 from 3.1% in March 2014, with a higher allowance coverage of 84.2% as at March 2015. The Group’s BAU cost to income ratio was higher at 58.1% compared to 56.8% previously, as operating expenses grew ahead of operating income. The Group’s Net Interest Margins (“NIM”) were lower at 2.65%.

As at 31 March 2015, CIMB Group’s total capital ratio stood at 14.3% while the Common Equity Tier 1 (“CET1”) capital ratio stood at 10.0%. This is higher than the 31 March 2014 CET1 ratio of 9.6% following the release of the regulatory reserves by Bank Negara Malaysia (“BNM”) in 4Q14, as well as the continued Dividend Reinvestment Scheme (“DRS”).

CIMB Group 1Q15 Q-o-Q Results

On a Q-o-Q basis, the 1Q15 operating income grew 3.8% to RM3.680 billion as the 18.4% expansion in non-interest income more than offset the 1.8% decline in net interest income. The Consumer, Commercial and Wholesale Banking operations grew well from asset growth, improved capital market flows and increased bancassurance revenues. 1Q15 BAU net profit was 210.3% higher Y-o-Y at RM782 million due to the lower corporate banking loan impairments in Indonesia and absence of large provisions in Malaysia.

CIMB Islamic

CIMB Islamic’s Y-o-Y PBT decreased by 18.8% to RM114 million due to the slower Islamic capital markets activity. CIMB Islamic’s gross financing assets increased by 6.2% Y-o-Y, accounting for 14.2% of total Group loans. Total deposits grew by 27.5% Y-o-Y to RM48.2 billion.

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

Other Highlights

On the M&A front, CIMB Group decided to abort the proposed merger discussions with RHB Capital Berhad and Malaysia Building Society Berhad in 1Q15 in light of the economic conditions.

Target 18 (“T18”) And Key Organisation Changes

On 26 February 2015, Tengku Dato’ Zafrul Tengku Abdul Aziz was confirmed as Group CEO. Dato’ Sri Nazir Razak had taken over as Chairman of CIMB Group on 1 September 2014.

On 6 February 2015, CIMB Group Holdings outlined its new T18 plans and key organization changes, with a mid-term target of achieving an ROE of 15%, CET1 ratio of over 11%, a cost to income ratio of below 50% and a 60% consumer banking income contribution by end-2018. The reorganisation exercise will see the creation of new regional divisions and key management changes across the Group. On 12 March 2015, the Group had announced the nomination of Tigor M. Siahaan as President Director of CIMB Niaga, pending regulatory approvals, as well as the appointment of Effendy Shahul Hamid as CEO, Group Asset Management & Investments and Kwan Keen Yew as Group Chief Compliance Officer.

As part of the T18 initiative, the Group closed its offices in Sydney and Melbourne in Australia, in line with the objective of reducing its Asia Pacific investment banking and equities operating cost by 30% in 2015. On 15 May, the Group announced a voluntary MSS to employees in Malaysia and Indonesia as part of the realignment of cost structures and operating efficiencies.

B2. CORPORATE DEVELOPMENTS

Capital Management

- On 3 Apr 2015, CIMB Group Holdings Bhd redeemed its RM150 million subordinated note.
- On 29 April 2015, CIMB Group issued and allotted 66,040,583 new ordinary shares of RM1 each in new CIMB Group shares pursuant to the DRS arising from the Second Interim Dividend announcement for FY14. The new shares were listed and quoted on the Main Market of Bursa Securities on 29 April 2015.

Mergers and Acquisitions

- On 14 January 2015, CIMB Group announced the Board of Directors had decided to abort the proposed merger with RHB Capital and Malaysia Building Society Bhd (“MBSB”) in light of the economic conditions.
- On 1 April 2015, CIMB Group’s wholly owned subsidiary CIMB Real Estate SdnBhd completed the acquisition of the 40-storey commercial building called “Menara CIMB” for RM646 million.

Others

- On 7 January 2015, Dagong Global Credit Rating Co. affirmed CIMB Bank’s long term local and foreign currency issuer default ratings of ‘AA’ and ‘AA-’ respectively. The outlook is stable.
- On 25 February 2015, CIMB Group confirmed the appointment of Tengku Dato’ Zafrul Tengku Abdul Aziz as Group CEO. On 6 February 2015, CIMB Group Holdings outlined its new Target 2018 (“T18”) plans and key organization changes. On 9 February 2015, the Group announced its decision to close its offices in Sydney and Melbourne in Australia. On 12 March 2015, Tigor M. Siahaan was nominated President Director of CIMB Niaga, Effendy Shahul Hamid was appointed CEO, Group Asset Management & Investments and Kwan Keen Yew was appointed Group Chief Compliance Officer.
- On 23 March 2015, Moody's reaffirmed CIMB Group Holdings long term issuer rating of A3. The rating is under review following Moody's change in methodology.
- On 23 March 2015, Moody's reaffirmed CIMB Bank and CIMB Islamic’s foreign currency rating of A3/P-2, the outlook is stable. The local currency rating is A1/P-1. The rating is under review following Moody's change in methodology.
- On 23 March 2015, Moody's reaffirmed CIMB Thai’s deposit and issuer rating of Baa2/P-2 with a stable outlook.
- On 15 May 2015, CIMB Group announced a Mutual Separation Scheme to all employees in Malaysia and Indonesia.

B3. PROSPECTS FOR THE CURRENT FINANCIAL PERIOD

As predicted, 2015 looks challenging and is CIMB's year of recalibration. The Group will continue to focus on cost management and operational streamlining, at the same time continue to ensure core operations remain robust. It's early days yet, but the changes and decisions that the Group has been taken in line with T18 starts to show some results, and the Group will continue to be single minded and focused on the execution our plans.

The Group remain cautious on its outlook given the regional economic environment and the moderation in consumer spending in Malaysia. CIMB Singapore continues to perform positively with continued business growth. CIMB Thai will likely show operational improvements despite the uncertain macroeconomic environment. And as expected, CIMB Niaga remains challenged by near term asset quality concerns in light of ongoing economic uncertainties.

B4. TAXATION

	1st quarter ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Major components of tax expense:				
Current tax expense	279,626	351,090	279,626	351,090
Deferred tax expense	(45,695)	(1,686)	(45,695)	(1,686)
Over accrual in prior years	(686)	(557)	(686)	(557)
	233,245	348,847	233,245	348,847

Reconciliation

Profit before taxation	823,580	1,431,069	823,580	1,431,069
Tax at statutory income tax rate of 25% (2014: 25%)	205,895	357,767	205,895	357,767
Effect of different tax rates in other countries and change in tax rates	564	2,692	564	2,692
Due to expenses not deductible for tax purposes and income not subject to income tax	27,472	(11,055)	27,472	(11,055)
Over accrual in prior years	(686)	(557)	(686)	(557)
	233,245	348,847	233,245	348,847

The Company

Major components of tax expense:

Current tax expense	3,212	4,756	3,212	4,756
Deferred tax expense	108	447	108	447
Under accrual in prior years	120	-	120	-
	3,440	5,203	3,440	5,203

Reconciliation

(Loss)/Profit before taxation	(64,101)	937,560	(64,101)	937,560
Tax at statutory income tax rate of 25% (2014: 25%)	(16,025)	357,767	(16,025)	357,767
Due to expenses not deductible for tax purposes and income not subject to income tax	19,345	(352,564)	19,345	(352,564)
Under accrual in prior years	120	-	120	-
	3,440	5,203	3,440	5,203

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

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

B6. REALISED AND UNREALISED PROFITS

	The Group		The Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Total retained earnings of the Group and subsidiaries				
- Realised	13,676,423	13,432,440	1,083,974	849,048
- Unrealised	(289,523)	(370,906)	90,344	392,810
	13,386,900	13,061,534	1,174,318	1,241,858
Total share of retained earnings from associates				
- Realised	728,708	703,757	-	-
- Unrealised	4,229	2,507	-	-
Total share of retained earnings from joint ventures				
- Realised	90,304	104,684	-	-
- Unrealised	1,293	1	-	-
	14,211,434	13,872,483	1,174,318	1,241,858
Consolidation adjustments	393,549	188,250	-	-
Total group retained earnings as per consolidated financial statements	14,604,983	14,060,733	1,174,318	1,241,858

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

The marked-to-market gains and losses on derivative contracts and financial investments at fair value through profit or loss that remain outstanding in the financial statements of the Group and the Company as at 31 March 2015 and 31 December 2014 are deemed unrealised and should be read together as it reflects the nature of the transactions and financial position of the Group and the Company. In addition, the unrealised retained profits of the Group and the Company as disclosed above excludes the translation gains and losses on monetary items denominated in a currency other than the functional currency, as these gains and losses are incurred in the ordinary course of business of the Group and the Company, and are hence deemed as realised.

B7. BORROWINGS AND DEBT SECURITIES

	The Group	
	31 March 2015 RM'000	31 December 2014 RM'000
Bonds and debentures*		
Unsecured		
One year or less (short term)	2,129,593	1,938,455
More than one year (medium/long term)	5,402,571	5,727,593
	7,532,164	7,666,048

* Included in bonds and debentures for the current period are IDR denominated bonds equivalent to IDR5,248,000 million, IDR denominated notes equivalent to IDR600,000 million, HKD denominated bonds equivalent to HKD4,718 million, USD denominated bonds equivalent to USD370 million, THB denominated debentures equivalent to THB12,129 million, SGD denominated bonds equivalent to SGD20 million and AUD denominated bonds equivalent to AUD100 million. USD45 million bonds has been redeemed in January 2015.

	The Group		The Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Other borrowing **				
Unsecured				
One year or less (short term)	4,021,676	1,540,099	2,144,158	-
More than one year (medium/long term)	5,565,015	7,750,708	2,218,148	4,305,015
	9,586,691	9,290,807	4,362,306	4,305,015
Subordinated obligations***				
Unsecured				
One year or less (short term)	1,948,559	-	153,577	-
More than one year (medium/long term)	10,805,655	12,582,494	2,024,020	2,141,402
	12,754,214	12,582,494	2,177,597	2,141,402

*** Included in subordinated notes for current period are IDR denominated Subordinated Notes of IDR2,980,000 million and THB denominated Subordinated Notes of THB6,544 million. Subsequent to the financial period ended, the Company redeemed RM150 million subordinated notes on 3 April 2015.

B8. MATERIAL LITIGATION

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

B9. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

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

	The Group			
	1st quarter ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests	580,124	1,066,282	580,124	1,066,282
Weighted average number of ordinary shares in issue ('000)	8,423,746	8,107,119	8,423,746	8,107,119
Basic earnings per share (expressed in sen per share)	6.9	13.2	6.9	13.2

b) Diluted EPS

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