

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	Group		Bank	
		31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Assets					
Cash and short term funds		29,773,782	25,456,055	21,125,552	21,435,099
Reverse repurchase agreements		5,024,398	4,512,949	5,024,398	4,406,653
Deposits and placements with banks and other financial institutions		7,025,476	3,844,882	7,977,523	5,383,015
Financial assets held for trading	A7	21,499,766	22,718,087	17,498,594	18,390,932
Derivative financial instruments	A21(i)	8,128,204	6,931,371	7,124,500	5,999,209
Financial investments available-for-sale	A8	30,280,470	27,533,335	24,106,097	22,769,832
Financial investments held-to-maturity	A9	17,305,784	16,714,871	14,073,419	13,496,116
Loans, advances and financing	A10	213,042,455	207,954,719	153,237,336	150,874,563
Other assets	A11	8,558,886	5,829,992	8,231,174	5,263,421
Tax recoverable		7,262	3,601	-	-
Deferred taxation		228,779	191,246	98,449	69,009
Statutory deposits with central banks		7,064,028	6,839,444	5,374,236	5,125,836
Amount due from ultimate holding company		28,853	28,853	-	-
Amount due from subsidiaries		-	-	250,597	6,264
Amount due from related companies		1,312,105	1,233,998	1,306,051	1,230,514
Investment in subsidiaries		-	-	5,036,252	5,036,252
Investment in joint venture		161,649	161,188	125,000	125,000
Investment in associates		808,199	785,797	319,089	318,329
Goodwill		5,053,954	4,965,324	3,555,075	3,555,075
Intangible assets		1,077,350	1,074,429	959,781	956,067
Prepaid lease payments		835	855	-	-
Property, plant and equipment		850,141	854,725	485,147	502,102
Investment properties		4,000	4,000	-	-
		357,236,376	337,639,721	275,908,270	264,943,288
Non-current assets/disposal groups held for sale		4,905	9,858	705	5,658
Total Assets		357,241,281	337,649,579	275,908,975	264,948,946
Liabilities					
Deposits from customers	A12	246,842,568	235,267,154	177,470,159	174,320,567
Deposits and placements of banks and other financial institutions	A13	31,619,303	31,417,322	32,790,801	31,538,303
Repurchase agreements		7,066,181	5,735,839	6,610,860	5,735,839
Financial liabilities designated at fair value	A14	3,642,135	3,690,701	2,800,111	2,726,392
Derivative financial instruments	A21(i)	8,971,385	7,558,799	7,861,981	6,601,809
Bills and acceptances payable		2,993,218	1,556,909	2,031,746	761,214
Amount due to subsidiaries		-	-	22,564	126,290
Amount due to related companies		15,309	40,783	12,946	23,250
Other liabilities	A15	6,609,970	4,144,584	5,709,853	3,437,224
Provision for taxation and Zakat		85,890	121,491	65,743	101,553
Deferred taxation		2,346	2,346	-	-
Bonds and debentures		5,869,615	6,014,471	3,988,974	3,921,746
Other borrowings		2,816,442	2,730,742	2,816,442	2,730,742
Subordinated obligations		10,182,729	10,068,609	8,950,620	8,833,276
Redeemable preference shares		779,671	733,522	-	-
Total Liabilities		327,496,762	309,083,272	251,132,800	240,858,205
Equity					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital		4,787,023	4,787,023	4,787,023	4,787,023
Reserves		24,362,255	23,197,849	19,759,412	19,073,978
		29,149,278	27,984,872	24,546,435	23,861,001
Perpetual preference shares		200,000	200,000	200,000	200,000
Redeemable preference shares		29,740	29,740	29,740	29,740
Non-controlling interests		365,501	351,695	-	-
Total Equity		29,744,519	28,566,307	24,776,175	24,090,741
Total Equity and Liabilities		357,241,281	337,649,579	275,908,975	264,948,946
Commitments and contingencies	A21(ii)	750,345,306	683,524,925	561,979,754	535,881,943
Net assets per ordinary share attributable to owners of the Parent (RM)		6.09	5.85	5.13	4.98

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

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

GROUP	Note	Individual Quarter 1st Quarter Ended		Cumulative Quarters Three Months Ended	
		31 Mar 2015 RM'000	31 Mar 2014 RM'000	31 Mar 2015 RM'000	31 Mar 2014 RM'000
Interest income	A16	2,769,396	2,481,165	2,769,396	2,481,165
Interest expense	A17	(1,303,469)	(1,068,751)	(1,303,469)	(1,068,751)
Net interest income		1,465,927	1,412,414	1,465,927	1,412,414
Income from Islamic Banking operations	A25(b)	329,813	329,896	329,813	329,896
Net non-interest income	A18	612,806	582,997	612,806	582,997
Net income		2,408,546	2,325,307	2,408,546	2,325,307
Overheads	A19	(1,261,397)	(1,182,722)	(1,261,397)	(1,182,722)
Profit before allowances		1,147,149	1,142,585	1,147,149	1,142,585
Allowances for impairment losses on loans, advances and financing	A20	(171,245)	(87,342)	(171,245)	(87,342)
Allowances for losses on other receivables		(1,713)	(163)	(1,713)	(163)
Allowances for commitments and contingencies written-back		-	1,829	-	1,829
Allowances for other impairment losses written-back/(made)		207	(13,644)	207	(13,644)
Profit after allowances		974,398	1,043,265	974,398	1,043,265
Share of results of joint venture		461	390	461	390
Share of results of associates		15,103	27,442	15,103	27,442
Profit before taxation		989,962	1,071,097	989,962	1,071,097
Taxation		(197,376)	(221,342)	(197,376)	(221,342)
Profit for the financial period		792,586	849,755	792,586	849,755
Profit for the financial period attributable to:					
Owners of the Parent		790,107	845,380	790,107	845,380
Non-controlling interests		2,479	4,375	2,479	4,375
		792,586	849,755	792,586	849,755
Earnings per share attributable to ordinary equity holders of the Parent - basic (sen)	B3	16.51	20.46	16.51	20.46

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

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

GROUP	Individual Quarter		Cumulative Quarters	
	1st Quarter Ended	31 Mar 2014	Three Months Ended	31 Mar 2014
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	792,586	849,755	792,586	849,755
Other comprehensive income/(expense):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve of financial investments available-for-sale	131,372	(71,746)	131,372	(71,746)
- Net gain/(loss) from change in fair value	190,219	(67,928)	190,219	(67,928)
- Realised gain transferred to statement of income on disposal and impairment	(35,617)	(31,556)	(35,617)	(31,556)
- Income tax effects	(26,722)	28,432	(26,722)	28,432
- Currency translation difference	3,492	(694)	3,492	(694)
Net investment hedge	(202,698)	6,455	(202,698)	6,455
Cash flow hedge	(1,425)	3,249	(1,425)	3,249
- Net (loss)/gain from change in fair value	(2,334)	3,394	(2,334)	3,394
- Income tax effects	909	(145)	909	(145)
Exchange fluctuation reserve	478,195	27,096	478,195	27,096
Share of other comprehensive income/(expense) of associate	6,541	(4,426)	6,541	(4,426)
	411,985	(39,372)	411,985	(39,372)
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligations	(748)	980	(748)	980
- Income tax effects	-	1,023	-	1,023
- Currency translation difference	(748)	(43)	(748)	(43)
Other comprehensive income/(expense) for the period, net of tax	411,237	(38,392)	411,237	(38,392)
Total comprehensive income for the financial period	1,203,823	811,363	1,203,823	811,363
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	1,190,017	805,768	1,190,017	805,768
Non-controlling interests	13,806	5,595	13,806	5,595
	1,203,823	811,363	1,203,823	811,363

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

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	Note	Individual Quarter 1st Quarter Ended		Cumulative Quarters Three Months Ended	
		31 Mar 2015 RM'000	31 Mar 2014 RM'000	31 Mar 2015 RM'000	31 Mar 2014 RM'000
<u>BANK</u>					
Interest income	A16	2,376,589	2,165,460	2,376,589	2,165,460
Interest expense	A17	(1,136,928)	(940,388)	(1,136,928)	(940,388)
Net interest income		1,239,661	1,225,072	1,239,661	1,225,072
Income from Islamic Banking operations	A25(b)	15,329	10,844	15,329	10,844
Net non-interest income	A18	518,771	530,883	518,771	530,883
Net income		1,773,761	1,766,799	1,773,761	1,766,799
Overheads	A19	(910,308)	(875,132)	(910,308)	(875,132)
Profit before allowances		863,453	891,667	863,453	891,667
Allowances for impairment losses on loans, advances and financing	A20	(50,167)	(44,363)	(50,167)	(44,363)
Allowances for losses on other receivables		(1,670)	(356)	(1,670)	(356)
Allowances for commitments and contingencies written-back		-	1,829	-	1,829
Allowances for other impairment losses written-back/(made)		243	(13,643)	243	(13,643)
Profit before taxation		811,859	835,134	811,859	835,134
Taxation		(153,327)	(168,016)	(153,327)	(168,016)
Profit for the financial period		658,532	667,118	658,532	667,118
Earnings per share - basic (sen)	B3	13.76	16.15	13.76	16.15

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

CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	Individual Quarter		Cumulative Quarters	
	1st Quarter Ended	1st Quarter Ended	Three Months Ended	Three Months Ended
<u>BANK</u>	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	658,532	667,118	658,532	667,118
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss				
Revaluation reserve of financial investments available-for-sale	125,275	(73,804)	125,275	(73,804)
- Net gain/(loss) from change in fair value	168,455	(88,967)	168,455	(88,967)
- Realised gain transferred to statement of income on disposal and impairment	(20,138)	(10,589)	(20,138)	(10,589)
- Income tax effects	(23,100)	26,460	(23,100)	26,460
- Currency translation difference	58	(708)	58	(708)
Net investment hedge	(202,698)	(21,659)	(202,698)	(21,659)
Cash flow hedge	(1,425)	3,249	(1,425)	3,249
- Net (loss)/gain from change in fair value	(2,334)	3,394	(2,334)	3,394
- Income tax effects	909	(145)	909	(145)
Exchange fluctuation reserve	130,498	3,181	130,498	3,181
Other comprehensive income/(expense) for the financial period, net of tax	51,650	(89,033)	51,650	(89,033)
Total comprehensive income for the financial period	710,182	578,085	710,182	578,085

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CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

The Group	Attributable to owners of the Parent														Perpetual preference shares	Non-controlling interests	Total Equity
	Share capital	Redeemable Preference Shares	Share premium	Statutory reserve	Exchange fluctuation reserve	Revaluation reserve-financial investments available-for-sale	Merger deficit	Capital reserve	Hedging reserve	Regulatory reserve	Share-based payment reserve	Defined benefits reserve	Retained profits	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2015	4,787,023	29,740	8,898,945	5,839,094	541,793	275,761	(1,085,928)	735,457	(316,382)	593,795	57,542	(10,548)	7,668,320	28,014,612	200,000	351,695	28,566,307
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	790,107	790,107	-	2,479	792,586
Other comprehensive income/(expenses) (net of tax)	-	-	-	-	466,956	137,515	-	-	(204,123)	-	310	(748)	-	399,910	-	11,327	411,237
- financial investments available-for-sale	-	-	-	-	-	130,974	-	-	-	-	-	-	-	130,974	-	398	131,372
- net investment hedge	-	-	-	-	-	-	-	-	(202,698)	-	-	-	-	(202,698)	-	-	(202,698)
- cash flow hedge	-	-	-	-	-	-	-	-	(1,425)	-	-	-	-	(1,425)	-	-	(1,425)
- currency translation difference	-	-	-	-	466,956	-	-	-	-	-	310	-	-	467,266	-	10,929	478,195
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	(748)	-	(748)	-	-	(748)
- share of other comprehensive income of associate	-	-	-	-	-	6,541	-	-	-	-	-	-	-	6,541	-	-	6,541
Total comprehensive income/(expenses) for the financial period	-	-	-	-	466,956	137,515	-	-	(204,123)	-	310	(748)	790,107	1,190,017	-	13,806	1,203,823
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	35,874	-	-	(35,874)	-	-	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	23,691	-	-	23,691	-	-	23,691
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(49,302)	-	-	(49,302)	-	-	(49,302)
At 31 March 2015	4,787,023	29,740	8,898,945	5,839,094	1,008,749	413,276	(1,085,928)	735,457	(520,505)	629,669	32,241	(11,296)	8,422,553	29,179,018	200,000	365,501	29,744,519
At 1 January 2014	4,131,410	29,740	6,402,610	5,121,848	98,846	144,792	(1,085,928)	735,457	(126,490)	1,743,883	44,877	(5,129)	5,879,939	23,115,855	200,000	334,938	23,650,793
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	845,380	845,380	-	4,375	849,755
Other comprehensive income/(expenses) (net of tax)	-	-	-	-	25,941	(76,236)	-	-	9,704	-	(1)	980	-	(39,612)	-	1,220	(38,392)
- financial investments available-for-sale	-	-	-	-	-	(71,810)	-	-	-	-	-	-	-	(71,810)	-	64	(71,746)
- net investment hedge	-	-	-	-	-	-	-	-	6,455	-	-	-	-	6,455	-	-	6,455
- cash flow hedge	-	-	-	-	-	-	-	-	3,249	-	-	-	-	3,249	-	-	3,249
- currency translation difference	-	-	-	-	25,941	-	-	-	-	-	(1)	-	-	25,940	-	1,156	27,096
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	980	-	980	-	-	980
- share of other comprehensive expense of associate	-	-	-	-	-	(4,426)	-	-	-	-	-	-	-	(4,426)	-	-	(4,426)
Total comprehensive income/(expenses) for the financial period	-	-	-	-	25,941	(76,236)	-	-	9,704	-	(1)	980	845,380	805,768	-	5,595	811,363
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	71,584	-	-	(71,584)	-	-	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	13,026	-	-	13,026	-	-	13,026
Second interim dividends for the financial year ended 31 December 2013	-	-	-	-	-	-	-	-	-	-	-	-	(752,007)	(752,007)	-	-	(752,007)
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(32,044)	-	-	(32,044)	-	-	(32,044)
Issue of shares from rights issue	1	-	5	-	-	-	-	-	-	-	-	-	-	6	-	-	6
At 31 March 2014	4,131,411	29,740	6,402,615	5,121,848	124,787	68,556	(1,085,928)	735,457	(116,786)	1,815,467	25,858	(4,149)	5,901,728	23,150,604	200,000	340,533	23,691,137

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CIMB BANK BERHAD (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	← Non-distributable →										Distributable		Total Equity RM'000	
	Share capital RM'000	Redeemable Preference Shares RM'000	Share premium RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Revaluation reserve- financial investments available-for-sale RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained profits RM'000		Perpetual preference shares RM'000
The Bank														
At 1 January 2015	4,787,023	29,740	8,898,945	5,119,366	245,317	220,441	(1,047,872)	746,852	(227,853)	593,795	55,626	4,469,361	200,000	24,090,741
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	658,532	-	658,532
Other comprehensive (expenses)/income (net of tax)	-	-	-	-	130,283	125,275	-	-	(204,123)	-	215	-	-	51,650
- financial investments available-for-sale	-	-	-	-	-	125,275	-	-	-	-	-	-	-	125,275
- net investment hedge	-	-	-	-	-	-	-	-	(202,698)	-	-	-	-	(202,698)
- cash flow hedge	-	-	-	-	-	-	-	-	(1,425)	-	-	-	-	(1,425)
- currency translation difference	-	-	-	-	130,283	-	-	-	-	-	215	-	-	130,498
Total comprehensive (expenses)/income for the financial period	-	-	-	-	130,283	125,275	-	-	(204,123)	-	215	658,532	-	710,182
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	31,824	-	(31,824)	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	23,075	-	-	23,075
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(47,823)	-	-	(47,823)
At 31 March 2015	4,787,023	29,740	8,898,945	5,119,366	375,600	345,716	(1,047,872)	746,852	(431,976)	625,619	31,093	5,096,069	200,000	24,776,175
At 1 January 2014	4,131,410	29,740	6,402,610	4,499,957	113,706	125,231	(1,047,872)	746,852	(37,961)	1,513,795	43,871	3,300,141	200,000	20,021,480
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	667,118	-	667,118
Other comprehensive income/(expenses) (net of tax)	-	-	-	-	3,185	(73,804)	-	-	(18,410)	-	(4)	-	-	(89,033)
- financial investments available-for-sale	-	-	-	-	-	(73,804)	-	-	-	-	-	-	-	(73,804)
- net investment hedge	-	-	-	-	-	-	-	-	(21,659)	-	-	-	-	(21,659)
- cash flow hedge	-	-	-	-	-	-	-	-	3,249	-	-	-	-	3,249
- currency translation difference	-	-	-	-	3,185	-	-	-	-	-	(4)	-	-	3,181
Total comprehensive income/(expenses) for the financial period	-	-	-	-	3,185	(73,804)	-	-	(18,410)	-	(4)	667,118	-	578,085
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	54,844	-	(54,844)	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	12,748	-	-	12,748
Second interim dividend for the financial year ended 31 December 2013	-	-	-	-	-	-	-	-	-	-	-	(752,007)	-	(752,007)
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(31,333)	-	-	(31,333)
Issue of shares from rights issue	1	-	5	-	-	-	-	-	-	-	-	-	-	6
At 31 March 2014	4,131,411	29,740	6,402,615	4,499,957	116,891	51,427	(1,047,872)	746,852	(56,371)	1,568,639	25,282	3,160,408	200,000	19,828,979

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

CIMB BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	Group		Bank	
	31 Mar 2015 RM'000	31 Mar 2014 RM'000	31 Mar 2015 RM'000	31 Mar 2014 RM'000
Profit before taxation	989,962	1,071,097	811,859	835,134
Adjustments for non-operating and non-cash items	137,454	(304,871)	(159,098)	(239,798)
Operating profit before changes in working capital	1,127,416	766,226	652,761	595,336
Net changes in operating assets	(10,723,590)	(2,487,826)	(8,096,450)	(1,853,335)
Net changes in operating liabilities	16,990,180	4,064,384	8,701,154	4,838,394
	6,266,590	1,576,558	604,704	2,985,059
Cash flows generated from operations	7,394,006	2,342,784	1,257,465	3,580,395
Taxation paid	(299,831)	(264,076)	(237,971)	(205,792)
Net cash flows generated from operating activities	7,094,175	2,078,708	1,019,494	3,374,603
Net cash flows used in investing activities	(2,824,029)	(2,849,933)	(1,439,800)	(1,530,172)
Net cash flows used in financing activities	(654,878)	(396,413)	(316,571)	(937,587)
Net increase/(decrease) in cash and cash equivalents	3,615,268	(1,167,638)	(736,877)	906,844
Effects of exchange rate changes	702,459	15,779	427,330	(13,342)
Cash and cash equivalents at the beginning of financial period	25,456,055	24,941,166	21,435,099	18,467,152
Cash and cash equivalents at end of financial period	29,773,782	23,789,307	21,125,552	19,360,654

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 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, non-current assets/disposal groups held for sale and financial liabilities designated at fair value that have been measured at fair value.

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

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

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

Annual improvement to MFRSs 2010 - 2012 Cycle

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

Annual improvement to MFRSs 2011 - 2013 Cycle

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

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

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

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

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

PART A - EXPLANATORY NOTES

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

b) During the financial period, CIMB Thai Bank issued various unsecured structured debentures amounting to 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 THBFX 6 months, payable on maturity.

Subsequent to period end, CIMB Thai Bank issued various unsecured structured debentures amounting to THB89.0 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 THBFX 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.

c) 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

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

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

A5. STATUS OF CORPORATE PROPOSAL

There were no corporate proposals proposed or entered into during the financial period ended 31 March 2015.

A6. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

PART A - EXPLANATORY NOTES (CONTINUED)

A7. FINANCIAL ASSETS HELD FOR TRADING

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Money market instruments				
Unquoted:				
Malaysian Government Securities	467,344	676,023	467,344	676,023
Cagamas bonds	-	9,970	-	9,970
Malaysian Government treasury bills	79,579	138,038	45,391	123,212
Other Government securities	5,291,664	5,081,737	5,291,664	5,081,737
Bank Negara Malaysia Monetary Notes	1,365,647	3,662,375	143,230	1,426,838
Bankers' acceptances and Islamic accepted bills	-	121,197	-	121,197
Negotiable instruments of deposit	4,212,256	2,745,907	2,832,173	1,753,327
Commercial papers	280,743	151,700	280,743	151,700
Government Investment Issue	456,280	151,724	186,559	138,839
	<u>12,153,513</u>	<u>12,738,671</u>	<u>9,247,104</u>	<u>9,482,843</u>
Quoted securities:				
<u>In Malaysia</u>				
Shares	1,424,636	1,581,650	1,424,636	1,581,650
	<u>1,424,636</u>	<u>1,581,650</u>	<u>1,424,636</u>	<u>1,581,650</u>
<u>Outside Malaysia</u>				
Shares	1,253,881	1,558,635	1,253,881	1,558,635
Private debt securities	150,953	210,698	-	-
Other Government bonds	554,830	510,339	-	-
	<u>1,959,664</u>	<u>2,279,672</u>	<u>1,253,881</u>	<u>1,558,635</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	6,802	6,716	6,802	6,716
Private and Islamic debt securities	2,634,272	2,538,048	2,397,615	2,331,870
	<u>2,641,074</u>	<u>2,544,764</u>	<u>2,404,417</u>	<u>2,338,586</u>
<u>Outside Malaysia</u>				
Private equity funds	132,429	125,965	54,548	51,886
Private and Islamic debt securities	3,188,450	3,447,365	3,114,008	3,377,332
	<u>3,320,879</u>	<u>3,573,330</u>	<u>3,168,556</u>	<u>3,429,218</u>
Total financial assets held-for-trading	<u>21,499,766</u>	<u>22,718,087</u>	<u>17,498,594</u>	<u>18,390,932</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A8. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Money market instruments				
Unquoted:				
Malaysian Government Securities	639,733	527,247	639,733	527,247
Malaysian Government Sukuk	51,177	19,750	-	-
Khazanah bonds	556,785	553,937	485,589	483,723
Government Investment Issue	2,566,947	2,519,145	2,144,922	2,203,248
Other Government treasury bills	54,610	72,335	54,610	72,335
Other Government securities	354,633	261,407	354,633	261,407
Commercial papers	-	74,805	-	74,805
Cagamas bonds	245,241	148,161	216,321	139,657
	<u>4,469,126</u>	<u>4,176,787</u>	<u>3,895,808</u>	<u>3,762,422</u>
Quoted securities:				
<u>Outside Malaysia</u>				
Shares	14,290	9,795	130	99
Other Government bonds	3,032,269	2,209,594	-	-
Unit trusts	76,982	73,819	-	-
Private debt securities	468,001	297,039	-	-
	<u>3,591,542</u>	<u>2,590,247</u>	<u>130</u>	<u>99</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	982,257	981,731	972,374	972,333
Private debt securities	15,207,169	14,230,343	13,425,070	12,700,845
Loan stocks	10,253	10,433	10,253	10,433
	<u>16,199,679</u>	<u>15,222,507</u>	<u>14,407,697</u>	<u>13,683,611</u>
<u>Outside Malaysia</u>				
Shares	30,242	28,301	147	147
Private equity funds	588,498	615,448	454,118	479,497
Private debt securities	5,646,019	5,141,452	5,563,418	5,057,859
	<u>6,264,759</u>	<u>5,785,201</u>	<u>6,017,683</u>	<u>5,537,503</u>
	<u>30,525,106</u>	<u>27,774,742</u>	<u>24,321,318</u>	<u>22,983,635</u>
Allowance for impairment losses:				
Private debt securities	(62,668)	(64,924)	(62,668)	(64,924)
Private equity funds	(72,500)	(68,420)	(68,479)	(64,625)
Unquoted shares	(98,883)	(97,238)	(73,821)	(73,821)
Loan stocks	(10,253)	(10,433)	(10,253)	(10,433)
Unit trusts	(332)	(392)	-	-
	<u>(244,636)</u>	<u>(241,407)</u>	<u>(215,221)</u>	<u>(213,803)</u>
Total financial investments available-for-sale	<u>30,280,470</u>	<u>27,533,335</u>	<u>24,106,097</u>	<u>22,769,832</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A9. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Money market instruments				
Unquoted:				
Malaysian Government Securities	1,136,148	1,116,365	1,136,148	1,116,365
Government Investment Issue	3,357,497	3,091,812	3,299,433	3,084,244
Other Government securities	1,253,865	796,713	1,253,865	796,713
Cagamas bonds	201,974	201,076	201,974	201,076
Khazanah bonds	245,895	245,369	232,707	232,707
	<u>6,195,379</u>	<u>5,451,335</u>	<u>6,124,127</u>	<u>5,431,105</u>
Quoted securities:				
<u>Outside Malaysia</u>				
Private debt securities	2,470,132	2,602,142	-	-
	<u>2,470,132</u>	<u>2,602,142</u>	<u>-</u>	<u>-</u>
Unquoted securities:				
<u>In Malaysia</u>				
Loans stocks	27,388	27,388	-	-
Private debt securities	7,887,003	7,625,543	7,188,465	7,025,147
	<u>7,914,391</u>	<u>7,652,931</u>	<u>7,188,465</u>	<u>7,025,147</u>
<u>Outside Malaysia</u>				
Private debt securities	799,458	1,075,296	799,321	1,075,700
Accretion of discount, net of amortisation of premium	(46,040)	(39,307)	(38,494)	(35,836)
Less : Allowance for impairment losses	(27,536)	(27,526)	-	-
Total financial investments held-to-maturity	<u>17,305,784</u>	<u>16,714,871</u>	<u>14,073,419</u>	<u>13,496,116</u>

Included in the financial investments held-to-maturity of the Group as at 31 December 2014 are 10-year promissory notes of THB9 million which has matured in 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.

PART A - EXPLANATORY NOTES (CONTINUED)

A10. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
(i) By type of financing				
At amortised cost				
Overdrafts	5,334,970	5,472,339	3,749,136	3,890,702
Term loans/financing				
- Housing loan/financing	59,213,848	57,366,545	43,116,257	42,099,364
- Syndicated term loan	14,390,953	14,608,120	12,878,491	14,031,052
- Other term loans/financing	87,446,596	82,732,253	60,355,809	56,888,652
- Factoring receivables	26,958	25,529	-	-
- Lease receivables	31,148	34,610	-	-
- Hire purchase receivables	15,911,966	15,685,097	8,424,383	8,155,403
Bills receivable	9,737,360	10,699,811	6,300,312	7,253,446
Trust receipts	1,407,468	1,316,462	683,185	617,123
Claim on customers under acceptance credit	2,812,337	3,070,409	2,532,913	2,678,005
Staff loans	571,572	537,940	473,409	446,359
Credit card receivables	6,206,820	6,089,363	6,086,129	5,971,925
Revolving credit	12,976,491	13,243,998	10,650,313	10,813,908
Share margin financing	777,069	801,329	771,149	791,876
Gross loans, advances and financing	<u>216,845,556</u>	<u>211,683,805</u>	<u>156,021,486</u>	<u>153,637,815</u>
Fair value changes arising from fair value hedges	197,062	136,079	81,103	81,704
	<u>217,042,618</u>	<u>211,819,884</u>	<u>156,102,589</u>	<u>153,719,519</u>
Less: Allowance for impairment losses				
- Individual impairment allowance	(1,986,660)	(1,897,017)	(1,632,421)	(1,613,522)
- Portfolio impairment allowance	(2,013,503)	(1,968,148)	(1,232,832)	(1,231,434)
	<u>(4,000,163)</u>	<u>(3,865,165)</u>	<u>(2,865,253)</u>	<u>(2,844,956)</u>
Total net loans, advances and financing	<u>213,042,455</u>	<u>207,954,719</u>	<u>153,237,336</u>	<u>150,874,563</u>

(a) Included in the Group's and the Bank'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.

PART A - EXPLANATORY NOTES (CONTINUED)

A10. LOANS, ADVANCES AND FINANCING (CONTINUED)

(b) The Group and the Bank have undertaken fair value hedge on the interest rate risk of loans, advances and financing of RM7,620 million (2014: RM8,120 million) and RM1,696 million (2014: RM1,724 million) respectively, using interest rate swaps.

	Group		Bank	
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Gross loan hedged	7,620,249	8,119,997	1,695,803	1,723,826
Fair value changes arising from fair value hedges	197,062	136,079	81,103	81,704
	<u>7,817,311</u>	<u>8,256,076</u>	<u>1,776,906</u>	<u>1,805,530</u>

The fair value loss of interest rate swaps of the Group and the Bank in these hedge transactions as at 31 March 2015 were RM228 million (2014: RM112 million) and RM34 million (2014: RM28 million) respectively.

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

As at 31 March 2015, the gross exposure and portfolio impairment allowance relating to RPSIA financing are RM2,527 million (2014: RM2,099 million) and RM7.3 million (2014: RM6.4 million) respectively.

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

	Group		Bank	
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
(ii) By type of customers				
Domestic banking institutions	2,494,886	2,359,359	2,471,625	2,334,649
Domestic non-bank financial institutions				
- stockbroking companies	10,015	13,224	10,015	10,016
- others	2,893,547	3,189,524	961,026	1,192,017
Domestic business enterprises				
- small medium enterprises	22,321,650	22,627,554	16,087,243	16,411,211
- others	31,782,155	30,104,596	18,155,189	17,816,636
Government and statutory bodies	8,949,832	8,854,267	2,123,113	2,078,806
Individuals	114,905,753	111,276,128	83,507,281	81,264,868
Other domestic entities	813,052	783,966	404,687	411,303
Foreign entities	32,674,666	32,475,187	32,301,307	32,118,309
Gross loans, advances and financing	<u>216,845,556</u>	<u>211,683,805</u>	<u>156,021,486</u>	<u>153,637,815</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10. LOANS, ADVANCES AND FINANCING (CONTINUED)

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
(iii) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/ financing	1,657,938	1,678,201	993,272	995,268
- Hire purchase receivables	11,531,162	11,761,674	4,031,372	4,220,635
- Other fixed rate loans	29,512,789	29,484,969	16,246,962	16,288,634
Variable rate				
- BLR plus	96,177,156	94,364,692	79,681,451	78,420,393
- Cost-plus	36,418,016	34,419,057	29,241,206	28,095,239
- Other variable rates	41,548,495	39,975,212	25,827,223	25,617,646
Gross loans, advances and financing	<u>216,845,556</u>	<u>211,683,805</u>	<u>156,021,486</u>	<u>153,637,815</u>
(iv) By economic purpose				
Personal use	8,194,608	8,061,845	3,190,073	3,127,394
Credit cards	6,206,820	6,089,363	6,086,129	5,971,925
Purchase of consumer durables	691,454	594,860	668,767	573,051
Construction	7,461,693	7,540,856	3,840,322	3,970,192
Residential property (housing)	61,206,519	59,318,648	44,870,121	43,853,494
Non-residential property	21,541,472	20,573,059	17,945,873	16,999,410
Purchase of fixed assets other than land and buildings	2,249,621	2,394,976	1,764,822	1,902,427
Mergers and acquisitions	5,520,706	5,288,961	5,519,860	5,288,027
Purchase of securities	19,756,989	18,741,333	18,775,410	18,157,220
Purchase of transport vehicles	16,043,162	15,815,995	8,725,266	8,442,752
Working capital	51,308,713	51,389,488	37,345,300	37,316,882
Other purposes	16,663,799	15,874,421	7,289,543	8,035,041
Gross loans, advances and financing	<u>216,845,556</u>	<u>211,683,805</u>	<u>156,021,486</u>	<u>153,637,815</u>
(v) By geographical distribution				
Malaysia	155,428,635	152,322,219	117,302,991	115,446,107
Indonesia	3,233,183	3,147,194	3,233,183	3,147,194
Thailand	23,705,373	22,002,463	1,973,274	1,734,635
Singapore	23,513,054	21,987,428	23,513,054	21,987,428
United Kingdom	564,137	795,982	564,137	795,982
Hong Kong	634,287	588,990	634,287	588,990
China	5,017,958	5,980,515	5,017,958	5,980,515
Other countries	4,748,929	4,859,014	3,782,602	3,956,964
Gross loans, advances and financing	<u>216,845,556</u>	<u>211,683,805</u>	<u>156,021,486</u>	<u>153,637,815</u>
(vi) By residual contractual maturity				
Within one year	44,357,501	46,557,134	34,357,205	37,060,827
One year to less than three years	17,230,703	15,156,770	13,068,719	11,814,674
Three years to less than five years	29,052,788	25,353,765	18,549,632	15,860,777
Five years and more	126,204,564	124,616,136	90,045,930	88,901,537
Gross loans, advances and financing	<u>216,845,556</u>	<u>211,683,805</u>	<u>156,021,486</u>	<u>153,637,815</u>

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

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
(vii) Impaired loans, advances and financing by economic purpose				
Personal use	233,090	226,761	89,200	93,829
Credit cards	102,175	97,279	98,970	94,357
Purchase of consumer durables	8,857	5,588	8,845	5,582
Construction	1,069,888	1,069,624	1,017,779	1,016,867
Residential property (housing)	1,038,382	950,842	695,535	652,515
Non-residential property	161,677	151,818	119,227	118,389
Purchase of fixed assets other than land and buildings	6,130	4,986	2,942	1,770
Purchase of securities	175,523	142,961	172,345	142,761
Purchase of transport vehicles	383,130	398,813	173,030	184,142
Working capital	909,942	934,734	692,550	722,536
Other purposes	468,297	388,398	43,633	37,763
Gross impaired loans, advances and financing	<u>4,557,091</u>	<u>4,371,804</u>	<u>3,114,056</u>	<u>3,070,511</u>
(viii) Impaired loans, advances and financing by geographical distribution				
Malaysia	3,291,249	3,224,126	2,828,860	2,758,892
Indonesia	115,536	108,839	115,536	108,839
Thailand	961,819	816,468	591	-
Singapore	30,541	30,827	30,541	30,827
United Kingdom	1,611	2,518	1,611	2,518
China	101,467	95,775	101,467	95,775
Other countries	54,868	93,251	35,450	73,660
Gross impaired loans, advances and financing	<u>4,557,091</u>	<u>4,371,804</u>	<u>3,114,056</u>	<u>3,070,511</u>
(ix) Movements in impaired loans, advances and financing				
At 1 January	4,371,804	4,274,943	3,070,511	3,331,299
Classified as impaired during the financial period/year	860,095	3,178,159	529,395	1,875,539
Reclassified as not impaired during the financial period/year	(360,729)	(1,449,335)	(250,019)	(963,866)
Amount written back in respect of recoveries	(173,906)	(831,284)	(157,333)	(659,578)
Amount written off	(217,837)	(860,796)	(96,434)	(533,317)
Exchange fluctuation	77,664	60,117	17,936	20,434
At 31 March/31 December	<u>4,557,091</u>	<u>4,371,804</u>	<u>3,114,056</u>	<u>3,070,511</u>
Ratio of gross impaired loans to total loans, advances and financing	<u>2.10%</u>	<u>2.07%</u>	<u>2.00%</u>	<u>2.00%</u>

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

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

	Group		Bank	
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
<u>Individual impairment allowance</u>				
At 1 January	1,897,017	1,767,230	1,613,522	1,526,098
Net allowance made/(written-back) during the financial period/year	46,767	310,299	(4,667)	253,223
Allowance written-back and charged to deferred assets	-	(2,735)	-	(2,735)
Amount written off	(58)	(212,388)	-	(179,094)
Amount transferred from portfolio impairment allowance	506	3,160	-	-
Exchange fluctuation	42,428	31,451	23,566	16,030
At 31 March/31 December	<u>1,986,660</u>	<u>1,897,017</u>	<u>1,632,421</u>	<u>1,613,522</u>
<u>Portfolio impairment allowance</u>				
At 1 January	1,968,148	1,933,552	1,231,434	1,245,458
Net allowance made during the financial period/year	186,927	639,287	96,831	338,241
Allowance made and charged to deferred assets	-	381	-	381
Amount written off	(171,091)	(633,170)	(96,518)	(354,668)
Amount transferred to individual impairment allowance	(506)	(3,160)	-	-
Exchange fluctuation	30,025	31,258	1,085	2,022
At 31 March/31 December	<u>2,013,503</u>	<u>1,968,148</u>	<u>1,232,832</u>	<u>1,231,434</u>
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing less individual impairment allowance	<u>1.3%</u>	<u>1.3%</u>	<u>1.2%</u>	<u>1.2%</u>

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

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Foreclosed properties	148,265	154,541	-	-
Option premium receivables	233,817	196,002	233,817	196,002
Collateral pledged for derivative transactions	3,849,091	3,116,901	3,539,779	2,912,711
Other debtors, deposits and prepayments	4,327,713	2,362,548	4,457,578	2,154,708
	8,558,886	5,829,992	8,231,174	5,263,421

A12. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
(i) By type of deposit				
Demand deposits	55,049,962	53,904,127	45,200,546	45,491,420
Saving deposits	24,924,343	23,096,321	15,898,389	15,515,443
Fixed deposits	99,753,913	92,411,506	75,778,766	71,697,746
Negotiable instruments of deposit	3,866,237	3,507,324	912,599	979,361
Others	63,248,113	62,347,876	39,679,859	40,636,597
	246,842,568	235,267,154	177,470,159	174,320,567
(ii) By type of customer				
Government and statutory bodies	10,209,824	9,587,328	6,271,520	5,826,576
Business enterprises	106,826,734	99,468,496	81,582,451	76,420,167
Individuals	82,784,071	78,603,149	60,524,846	60,088,610
Others	47,021,939	47,608,181	29,091,342	31,985,214
	246,842,568	235,267,154	177,470,159	174,320,567
(iii) Maturity structure of fixed deposits and negotiable instruments of deposit				
Due within six months	81,016,657	75,053,581	63,169,271	58,206,017
Six months to less than one year	20,337,954	17,111,437	11,702,471	12,760,658
One year to less than three years	990,991	2,719,683	545,433	676,738
Three years to less than five years	680,732	402,914	680,374	402,479
Five years and more	593,816	631,215	593,816	631,215
	103,620,150	95,918,830	76,691,365	72,677,107

PART A - EXPLANATORY NOTES (CONTINUED)

A13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Licensed banks	27,451,187	27,451,929	29,990,156	28,733,819
Licensed finance companies	980,064	796,797	52,669	63,257
Licensed investment banks	888,195	776,499	644,950	575,378
Bank Negara Malaysia	578,123	491,349	490,084	461,965
Other financial institutions	1,721,734	1,900,748	1,612,942	1,703,884
	31,619,303	31,417,322	32,790,801	31,538,303

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

	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Due within six months	28,124,285	28,525,411	29,310,635	28,657,143
Six months to less than one year	2,286,853	1,970,780	2,272,238	1,960,357
One year to less than three years	799,385	392,596	799,148	392,268
Three years to less than five years	156,290	306,247	156,290	306,247
Five years and more	252,490	222,288	252,490	222,288
	31,619,303	31,417,322	32,790,801	31,538,303

A14. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	Group		Bank	
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Deposits from customers - structured investments	2,974,275	2,876,227	2,800,111	2,726,392
Bills payable	522,107	402,839	-	-
Debentures	145,753	411,635	-	-
	3,642,135	3,690,701	2,800,111	2,726,392

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

The carrying amount of financial liabilities designated at fair value of the Group and the Bank at 31 March 2015 were RM350,083,000 (2014: RM403,475,000) and RM346,228,000 (2014: RM394,924,000) respectively 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 payable 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.

A15. OTHER LIABILITIES

	Group		Bank	
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	-	56,856	-	56,856
Accrued employee benefits	19,546	22,361	19,528	18,697
Post employment benefit obligations	72,574	159,446	72,278	26,952
Sundry creditors	3,388,256	989,616	3,188,545	972,197
Expenditure payable	1,022,605	1,221,971	871,241	963,560
Allowance for commitments and contingencies	7,626	6,182	2,704	2,704
Provision for legal claims	60,790	71,135	44,938	54,533
Credit card expenditure payable	113,111	108,618	110,448	108,618
Call deposit borrowing	1,273,166	1,042,645	1,072,121	898,765
Others	652,296	465,754	328,050	334,342
	6,609,970	4,144,584	5,709,853	3,437,224

PART A - EXPLANATORY NOTES (CONTINUED)**A16. INTEREST INCOME**

	1st Quarter Ended		Three Months Ended	
	31 Mar 2015 RM'000	31 Mar 2014 RM'000	31 Mar 2015 RM'000	31 Mar 2014 RM'000
Group				
Loans and advances				
- interest income	2,162,444	1,889,075	2,162,444	1,889,075
- unwinding income [^]	11,087	13,003	11,087	13,003
Money at call and deposits with financial institutions	97,551	113,552	97,551	113,552
Reverse repurchase agreements	27,797	35,608	27,797	35,608
Financial assets held for trading	86,021	118,527	86,021	118,527
Financial investments available-for-sale	232,373	226,028	232,373	226,028
Financial investments held-to-maturity	157,075	87,878	157,075	87,878
	<u>2,774,348</u>	<u>2,483,671</u>	<u>2,774,348</u>	<u>2,483,671</u>
Accretion of discount, net of amortisation of premium	(4,952)	(2,506)	(4,952)	(2,506)
	<u>2,769,396</u>	<u>2,481,165</u>	<u>2,769,396</u>	<u>2,481,165</u>
Bank				
Loans and advances				
- interest income	1,781,743	1,570,999	1,781,743	1,570,999
- unwinding income [^]	9,544	12,202	9,544	12,202
Money at call and deposits with financial institutions	129,984	160,175	129,984	160,175
Reverse repurchase agreements	27,099	29,398	27,099	29,398
Financial assets held for trading	82,093	112,566	82,093	112,566
Financial investments available-for-sale	207,940	208,617	207,940	208,617
Financial investments held-to-maturity	135,461	73,329	135,461	73,329
	<u>2,373,864</u>	<u>2,167,286</u>	<u>2,373,864</u>	<u>2,167,286</u>
Accretion of discount, net of amortisation of premium	2,725	(1,826)	2,725	(1,826)
	<u>2,376,589</u>	<u>2,165,460</u>	<u>2,376,589</u>	<u>2,165,460</u>

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

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

	1st Quarter Ended		Three Months Ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits and placements of banks and other financial institutions	103,596	45,038	103,596	45,038
Deposits from other customers	932,041	812,168	932,041	812,168
Repurchase agreements	22,451	17,064	22,451	17,064
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
Bonds and debentures	38,300	32,362	38,300	32,362
Redeemable preference shares	11,987	10,917	11,987	10,917
Subordinated obligations	106,944	85,059	106,944	85,059
Other borrowings	10,851	9,872	10,851	9,872
	<u>1,303,469</u>	<u>1,068,751</u>	<u>1,303,469</u>	<u>1,068,751</u>
Bank				
Deposits and placements of banks and other financial institutions	103,258	69,660	103,258	69,660
Deposits from other customers	803,189	694,733	803,189	694,733
Repurchase agreements	18,534	10,251	18,534	10,251
Financial liabilities designated at fair value	23,510	18,297	23,510	18,297
Negotiable certificates of deposits	48,618	31,641	48,618	31,641
Bonds and debentures	26,143	10,253	26,143	10,253
Subordinated obligations	103,526	97,076	103,526	97,076
Other borrowings	10,150	8,477	10,150	8,477
	<u>1,136,928</u>	<u>940,388</u>	<u>1,136,928</u>	<u>940,388</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A18. NET NON-INTEREST INCOME

Group	1st Quarter Ended		Three Months Ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Net fee and commission income				
Commissions	83,903	65,347	83,903	65,347
Fee on loans and advances	136,164	154,514	136,164	154,514
Service charges and fees	129,637	110,172	129,637	110,172
Guarantee fees	15,783	17,272	15,783	17,272
Other fee income	63,000	55,659	63,000	55,659
Fee and commission income	428,487	402,964	428,487	402,964
Fee and commission expense	(100,049)	(90,832)	(100,049)	(90,832)
Net fee and commission income	328,438	312,132	328,438	312,132
Gross dividend income from:				
Financial assets held for trading	9,055	3,043	9,055	3,043
Financial investments available-for-sale	1,624	6,225	1,624	6,225
	10,679	9,268	10,679	9,268
Net (loss)/gain arising from financial assets held for trading:				
- realised loss	(94,496)	(52,814)	(94,496)	(52,814)
- unrealised (loss)/gain	(630)	84,863	(630)	84,863
	(95,126)	32,049	(95,126)	32,049
Net gain arising from derivative financial instrument				
- realised gain/(loss)	343,465	(16,875)	343,465	(16,875)
- unrealised gain	109,794	368,649	109,794	368,649
	453,259	351,774	453,259	351,774
Net (loss)/gain arising from financial liabilities designated at fair value				
- realised loss	(9,679)	(18,456)	(9,679)	(18,456)
- unrealised (loss)/gain	(119,213)	34,956	(119,213)	34,956
	(128,892)	16,500	(128,892)	16,500
Net gain arising from hedging activities	9,078	4,908	9,078	4,908
Net gain from sale of financial investments available-for-sale	35,617	31,556	35,617	31,556
Net gain from redemption of financial investments held-to-maturity	16	2,596	16	2,596
Brokerage income	237	-	237	-
Other non-interest income				
Foreign exchange loss	(9,463)	(180,809)	(9,463)	(180,809)
Rental income	2,524	2,679	2,524	2,679
Gain/(loss) on disposal of property, plant and equipment/assets held for sale	2,077	(1,385)	2,077	(1,385)
Loss on disposal of foreclosed properties	(13,792)	(15,333)	(13,792)	(15,333)
Others	18,154	17,062	18,154	17,062
	(500)	(177,786)	(500)	(177,786)
	612,806	582,997	612,806	582,997

PART A - EXPLANATORY NOTES (CONTINUED)

A18. NET NON-INTEREST INCOME (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Bank				
Net fee and commission income				
Commissions	69,291	53,254	69,291	53,254
Fee on loans and advances	136,154	154,492	136,154	154,492
Service charges and fees	112,115	96,520	112,115	96,520
Guarantee fees	12,791	14,193	12,791	14,193
Other fee income	43,042	42,052	43,042	42,052
Fee and commission income	373,393	360,511	373,393	360,511
Fee and commission expense	(92,336)	(84,932)	(92,336)	(84,932)
Net fee and commission income	281,057	275,579	281,057	275,579
Gross dividend income from:				
Financial assets held for trading	9,055	3,043	9,055	3,043
Financial investments available-for-sale	-	4,467	-	4,467
Subsidiary	15,000	-	15,000	-
	24,055	7,510	24,055	7,510
Net (loss)/gain arising from financial assets held for trading				
- realised loss	(99,892)	(61,080)	(99,892)	(61,080)
- unrealised (loss)/gain	(283)	86,469	(283)	86,469
	(100,175)	25,389	(100,175)	25,389
Net gain arising from derivative financial instrument				
- realised gain/(loss)	336,069	(12,562)	336,069	(12,562)
- unrealised gain	96,251	330,077	96,251	330,077
	432,320	317,515	432,320	317,515
Net (loss)/gain arising from financial liabilities designated at fair value				
- realised loss	(5,087)	(14,712)	(5,087)	(14,712)
- unrealised (loss)/gain	(109,762)	22,858	(109,762)	22,858
	(114,849)	8,146	(114,849)	8,146
Net gain arising from hedging activities	11,726	5,082	11,726	5,082
Net gain from sale of financial investments available-for-sale	20,138	10,589	20,138	10,589
Net gain from redemption of financial investments held-to-maturity	16	2,596	16	2,596
Brokerage income	237	-	237	-
Other non-interest income				
Foreign exchange loss	(49,213)	(134,624)	(49,213)	(134,624)
Rental income	1,556	1,906	1,556	1,906
Gain on disposal of property, plant and equipment/assets held for sale	2,419	49	2,419	49
Others	9,484	11,146	9,484	11,146
	(35,754)	(121,523)	(35,754)	(121,523)
	518,771	530,883	518,771	530,883

PART A - EXPLANATORY NOTES (CONTINUED)**A19. OVERHEADS**

Group	1st Quarter Ended		Three Months Ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	597,324	519,361	597,324	519,361
- Pension costs (defined contribution plan)	57,310	48,421	57,310	48,421
- Pension costs (defined benefit plan)	4,128	3,399	4,128	3,399
- Overtime	4,005	4,318	4,005	4,318
- Staff incentives and other staff payments	38,140	37,600	38,140	37,600
- Medical expenses	15,282	19,696	15,282	19,696
- Others	13,001	11,387	13,001	11,387
	729,190	644,182	729,190	644,182
Establishment costs				
- Depreciation of property, plant and equipment	52,276	47,841	52,276	47,841
- Amortisation of prepaid lease payments	49	72	49	72
- Rental	61,750	54,960	61,750	54,960
- Repair and maintenance	67,899	73,694	67,899	73,694
- Outsourced services	35,511	36,515	35,511	36,515
- Security expenses	26,984	24,784	26,984	24,784
- Others	33,645	27,697	33,645	27,697
	278,114	265,563	278,114	265,563
Marketing expenses				
- Sales commission	859	984	859	984
- Advertisement	45,396	35,252	45,396	35,252
- Others	7,267	6,630	7,267	6,630
	53,522	42,866	53,522	42,866
Administration and general expenses				
- Communication	11,987	13,187	11,987	13,187
- Consultancy and professional fees	9,006	6,336	9,006	6,336
- Legal expenses	3,548	2,404	3,548	2,404
- Stationery	8,347	9,548	8,347	9,548
- Amortisation of intangible assets	43,451	46,673	43,451	46,673
- Postages	10,286	11,078	10,286	11,078
- Administrative travelling and vehicle expenses	10,400	8,556	10,400	8,556
- Incidental expenses on banking operations	11,603	9,183	11,603	9,183
- Insurance	39,651	31,945	39,651	31,945
- Others	32,221	28,428	32,221	28,428
	180,500	167,338	180,500	167,338
Shared service cost	20,071	62,773	20,071	62,773
	1,261,397	1,182,722	1,261,397	1,182,722

PART A - EXPLANATORY NOTES (CONTINUED)**A19. OVERHEADS (CONTINUED)**

	1st Quarter Ended		Three Months Ended	
	31 Mar 2015 RM'000	31 Mar 2014 RM'000	31 Mar 2015 RM'000	31 Mar 2014 RM'000
Bank				
Personnel costs				
- Salaries, allowances and bonuses	469,759	410,389	469,759	410,389
- Pension costs (defined contribution plan)	51,629	43,502	51,629	43,502
- Overtime	2,476	2,840	2,476	2,840
- Staff incentives and other staff payments	32,371	32,536	32,371	32,536
- Medical expenses	14,080	18,995	14,080	18,995
- Others	11,032	9,543	11,032	9,543
	<u>581,347</u>	<u>517,805</u>	<u>581,347</u>	<u>517,805</u>
Establishment costs				
- Depreciation of property, plant and equipment	38,550	35,562	38,550	35,562
- Rental	50,900	43,601	50,900	43,601
- Repair and maintenance	61,442	67,341	61,442	67,341
- Outsourced services	59,761	54,074	59,761	54,074
- Security expenses	27,393	26,035	27,393	26,035
- Others	19,239	21,627	19,239	21,627
	<u>257,285</u>	<u>248,240</u>	<u>257,285</u>	<u>248,240</u>
Marketing expenses				
- Sales commission	-	380	-	380
- Advertisement	39,776	31,440	39,776	31,440
- Others	3,576	3,470	3,576	3,470
	<u>43,352</u>	<u>35,290</u>	<u>43,352</u>	<u>35,290</u>
Administration and general expenses				
- Communication	10,299	11,578	10,299	11,578
- Consultancy and professional fees	8,239	5,112	8,239	5,112
- Legal expenses	767	1,150	767	1,150
- Stationery	6,346	7,592	6,346	7,592
- Amortisation of intangible assets	37,709	42,847	37,709	42,847
- Postages	6,878	7,984	6,878	7,984
- Administrative travelling and vehicle expenses	7,911	6,086	7,911	6,086
- Incidental expenses on banking operations	6,500	5,245	6,500	5,245
- Insurance	9,955	8,690	9,955	8,690
- Others	8,658	9,058	8,658	9,058
	<u>103,262</u>	<u>105,342</u>	<u>103,262</u>	<u>105,342</u>
Shared service cost	(74,938)	(31,545)	(74,938)	(31,545)
	<u>910,308</u>	<u>875,132</u>	<u>910,308</u>	<u>875,132</u>

PART A - EXPLANATORY NOTES (CONTINUED)**A20. ALLOWANCES FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING**

	1st Quarter Ended		Three Months Ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Group				
Allowances for impaired loans and financing :				
Net allowance made/(written-back) during the financial period				
- Individual impairment allowance	46,767	(1,426)	46,767	(1,426)
- Portfolio impairment allowance	186,927	154,649	186,927	154,649
Impaired loans and advances :				
- recovered	(69,211)	(71,353)	(69,211)	(71,353)
- written off	6,762	5,472	6,762	5,472
	<u>171,245</u>	<u>87,342</u>	<u>171,245</u>	<u>87,342</u>
Bank				
Allowances for impaired loans and financing :				
Net allowance made/(written-back) during the financial period				
- Individual impairment allowance	(4,667)	(19,706)	(4,667)	(19,706)
- Portfolio impairment allowance	96,831	105,443	96,831	105,443
Impaired loans and advances :				
- recovered	(45,327)	(45,214)	(45,327)	(45,214)
- written off	3,330	3,840	3,330	3,840
	<u>50,167</u>	<u>44,363</u>	<u>50,167</u>	<u>44,363</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A21. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES

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

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

(i) Derivative financial instruments

At 31 Mar 2015	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	18,209,367	391,117	(512,837)	14,071,591	316,197	(494,911)
- Up to 1 year	14,429,357	269,816	(204,990)	11,014,304	239,382	(182,607)
- More than 1 year to 3 years	2,639,886	120,125	(118,039)	2,009,586	76,815	(118,079)
- More than 3 years	1,140,124	1,176	(189,808)	1,047,701	-	(194,225)
Currency swaps	158,570,589	1,635,919	(1,545,744)	89,148,541	1,371,326	(1,233,248)
- Up to 1 year	155,912,980	1,506,823	(1,485,998)	87,649,901	1,250,008	(1,210,195)
- More than 1 year to 3 years	2,497,038	97,990	(58,695)	1,386,362	94,384	(23,053)
- More than 3 years	160,571	31,106	(1,051)	112,278	26,934	-
Currency spots	11,698,823	13,351	(15,789)	10,731,922	12,426	(14,816)
- Up to 1 year	11,698,823	13,351	(15,789)	10,731,922	12,426	(14,816)
Currency options	8,981,460	109,586	(103,159)	8,107,011	91,703	(88,611)
- Up to 1 year	8,351,701	84,098	(73,507)	7,793,305	78,724	(71,237)
- More than 1 year to 3 years	508,827	19,178	(23,999)	253,708	9,782	(14,179)
- More than 3 years	120,932	6,310	(5,653)	59,998	3,197	(3,195)
Cross currency interest rate swaps	44,905,221	2,162,218	(2,236,461)	27,033,395	2,044,833	(2,096,006)
- Up to 1 year	10,585,593	269,021	(460,966)	4,373,025	242,694	(434,582)
- More than 1 year to 3 years	16,311,917	936,429	(870,017)	10,382,499	863,741	(763,036)
- More than 3 years	18,007,711	956,768	(905,478)	12,277,871	938,398	(898,388)
	242,365,460	4,312,191	(4,413,990)	149,092,460	3,836,485	(3,927,592)
<u>Interest rate derivatives</u>						
Interest rate swaps	366,735,891	2,260,865	(1,803,662)	279,102,107	1,543,472	(1,259,617)
- Up to 1 year	125,411,816	109,072	(111,894)	93,010,805	75,788	(71,992)
- More than 1 year to 3 years	125,742,894	527,315	(501,154)	99,204,802	380,993	(366,921)
- More than 3 years	115,581,181	1,624,478	(1,190,614)	86,886,500	1,086,691	(820,704)
Interest rate futures	1,870,370	1,268	(2,912)	1,870,370	1,268	(2,912)
- Up to 1 year	1,694,795	903	(2,912)	1,694,795	903	(2,912)
- More than 1 year to 3 years	175,575	365	-	175,575	365	-
Interest rate options	188,038	644	(1,582)	199,420	1,068	(1,582)
- Up to 1 year	114,147	282	(1,228)	114,147	282	(1,228)
- More than 1 year to 3 years	73,891	362	(354)	85,273	786	(354)
	368,794,299	2,262,777	(1,808,156)	281,171,897	1,545,808	(1,264,111)
<u>Equity related derivatives</u>						
Equity swaps	616,840	3,889	(3,844)	616,840	3,889	(3,844)
- More than 1 year to 3 years	35,812	-	-	35,812	-	-
- More than 3 years	581,028	3,889	(3,844)	581,028	3,889	(3,844)
Equity options	6,792,373	255,724	(877,308)	6,573,835	249,371	(870,955)
- Up to 1 year	3,832,787	42,508	(333,762)	3,828,557	42,508	(333,762)
- More than 1 year to 3 years	2,004,341	10,634	(506,933)	1,920,462	7,015	(503,315)
- More than 3 years	955,245	202,582	(36,613)	824,816	199,848	(33,878)
Equity futures	1,545,612	16,011	(15,006)	1,545,612	16,011	(15,006)
- Up to 1 year	1,545,612	16,011	(15,006)	1,545,612	16,011	(15,006)
	8,954,825	275,624	(896,158)	8,736,287	269,271	(889,805)

PART A - EXPLANATORY NOTES (CONTINUED)

A21. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

At 31 Mar 2015	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	2,349,455	871,879	(867,356)	2,295,309	871,736	(866,236)
- Up to 1 year	2,220,670	762,053	(759,000)	2,166,524	761,910	(757,880)
- More than 1 year to 3 years	128,785	109,826	(108,356)	128,785	109,826	(108,356)
Commodity futures	53,211	856	(304)	53,211	856	(304)
- Up to 1 year	52,667	856	(304)	52,667	856	(304)
- More than 1 year to 3 years	544	-	-	544	-	-
Commodity options	654,879	142,550	(56,619)	654,879	142,550	(56,619)
- Up to 1 year	358,668	17,913	(17,913)	358,668	17,913	(17,913)
- More than 1 year to 3 years	296,211	124,637	(38,706)	296,211	124,637	(38,706)
	3,057,545	1,015,285	(924,279)	3,003,399	1,015,142	(923,159)
<u>Credit related contract</u>						
Credit default swaps	5,337,212	68,021	(79,690)	5,337,212	68,021	(79,690)
- Up to 1 year	1,363,517	2,220	(3,631)	1,363,517	2,220	(3,631)
- More than 1 year to 3 years	3,193,720	60,828	(63,281)	3,193,720	60,828	(63,281)
- More than 3 years	779,975	4,973	(12,778)	779,975	4,973	(12,778)
Total return swaps	831,620	11,632	(24,646)	773,280	11,516	(24,531)
- More than 1 year to 3 years	185,250	-	(12,597)	185,250	-	(12,597)
- More than 3 years	646,370	11,632	(12,049)	588,030	11,516	(11,934)
	6,168,832	79,653	(104,336)	6,110,492	79,537	(104,221)
<u>Hedging derivatives</u>						
Currency swaps	3,525,309	69,733	(248,867)	3,525,309	69,733	(248,867)
- Up to 1 year	3,525,309	69,733	(248,867)	3,525,309	69,733	(248,867)
Cross currency interest rate swaps	4,042,066	42,930	(183,555)	3,182,050	42,930	(110,924)
- Up to 1 year	541,022	1,693	(12,223)	541,022	1,693	(12,223)
- More than 1 year to 3 years	1,914,877	32,923	(59,797)	1,914,877	32,923	(59,797)
- More than 3 years	1,586,167	8,314	(111,535)	726,151	8,314	(38,904)
Interest rate swaps	21,747,335	70,011	(392,044)	28,126,033	265,594	(393,302)
- Up to 1 year	1,582,411	35,812	(7,684)	1,582,411	35,812	(7,684)
- More than 1 year to 3 years	7,071,207	16,481	(24,161)	7,580,571	18,714	(25,419)
- More than 3 years	13,093,717	17,718	(360,199)	18,963,051	211,068	(360,199)
Total derivatives assets/(liabilities)	658,655,671	8,128,204	(8,971,385)	482,947,927	7,124,500	(7,861,981)

PART A - EXPLANATORY NOTES (CONTINUED)

A21. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

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

PART A - EXPLANATORY NOTES (CONTINUED)

A21. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

At 31 Dec 2014	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	2,557,153	1,020,245	(1,014,696)	2,557,153	1,020,245	(1,014,696)
- Up to 1 year	2,198,928	569,074	(567,433)	2,198,928	569,074	(567,433)
- More than 1 year to 3 years	358,225	451,171	(447,263)	358,225	451,171	(447,263)
Commodity futures	10,656	34	(219)	10,656	34	(219)
- Less than 1 year	10,656	34	(219)	10,656	34	(219)
Commodity options	491,457	111,059	(22,838)	491,457	111,059	(22,838)
- Up to 1 year	315,601	9,499	(9,498)	315,601	9,499	(9,498)
- More than 1 year to 3 years	175,856	101,560	(13,340)	175,856	101,560	(13,340)
	3,059,266	1,131,338	(1,037,753)	3,059,266	1,131,338	(1,037,753)
<u>Credit related contract</u>						
Credit default swaps	5,588,460	58,511	(65,425)	5,588,460	58,511	(65,425)
- Up to 1 year	1,513,699	2,658	(4,567)	1,513,699	2,658	(4,567)
- More than 1 year to 3 years	2,856,238	48,012	(47,871)	2,856,238	48,012	(47,871)
- More than 3 years	1,218,523	7,841	(12,987)	1,218,523	7,841	(12,987)
Total return swaps	846,335	12,382	(25,940)	787,395	12,083	(25,642)
- More than 1 year to 3 years	174,825	-	(13,104)	174,825	-	(13,104)
- More than 3 years	671,510	12,382	(12,836)	612,570	12,083	(12,538)
	6,434,795	70,893	(91,365)	6,375,855	70,594	(91,067)
<u>Hedging derivatives</u>						
Currency swaps	5,054,260	36,426	(141,369)	5,054,261	36,426	(141,369)
- Up to 1 year	5,054,260	36,426	(141,369)	5,054,261	36,426	(141,369)
Cross currency interest rate swaps	3,483,815	19,806	(79,533)	3,048,869	19,806	(70,145)
- Up to 1 year	162,380	1,436	(4,403)	162,380	1,436	(4,403)
- More than 1 year to 3 years	2,103,854	15,861	(39,871)	2,103,854	15,861	(39,871)
- More than 3 years	1,217,581	2,509	(35,259)	782,635	2,509	(25,871)
Interest rate swaps	21,394,899	89,049	(261,438)	28,250,295	204,750	(290,911)
- Up to 1 year	1,459,768	33,703	(9,288)	1,459,768	33,703	(9,288)
- More than 1 year to 3 years	6,835,197	7,753	(27,686)	7,345,713	12,091	(28,494)
- More than 3 years	13,099,934	47,593	(224,464)	19,444,814	158,956	(253,129)
Total derivatives assets/(liabilities)	595,348,995	6,931,371	(7,558,799)	458,080,172	5,999,209	(6,601,809)

PART A - EXPLANATORY NOTES (CONTINUED)

A21. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Derivative financial instruments (continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2015, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM8,128 million and RM7,125 million respectively (31 December 2014: RM6,931 million and RM5,999 million respectively). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A21. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(ii) Commitments and contingencies

	31 Mar 2015	31 Dec 2014
	Principal	Principal
	RM'000	RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	3,322,011	3,030,141
Transaction-related contingent items	4,599,850	4,641,921
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	48,766,987	47,176,313
- maturity exceeding one year	24,923,505	23,742,050
Miscellaneous commitments and contingencies	4,488,167	3,431,821
Total credit-related commitments and contingencies	<u>91,689,635</u>	<u>88,175,930</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- up to one year	205,044,785	179,194,315
- more than one year to five years	36,839,062	33,042,178
- more than five years	8,048,988	8,115,741
	249,932,835	220,352,234
Interest rate related contracts :		
- up to one year	128,803,169	121,560,683
- more than one year to five years	229,290,023	193,990,442
- more than five years	32,448,442	40,405,477
	390,541,634	355,956,602
Equity related contracts:		
- up to one year	5,378,399	5,660,695
- more than one year to five years	2,548,031	2,974,164
- more than five years	1,028,395	911,239
	8,954,825	9,546,098
Credit related contracts:		
- up to one year	1,363,517	1,513,699
- more than one year to five years	3,799,560	3,788,047
- more than five years	1,005,755	1,133,049
	6,168,832	6,434,795
Commodity related contracts:		
- up to one year	2,632,005	2,525,185
- more than one year to five years	425,540	534,081
	3,057,545	3,059,266
Total treasury-related commitments and contingencies	<u>658,655,671</u>	<u>595,348,995</u>
	<u>750,345,306</u>	<u>683,524,925</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A21. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(ii) Commitments and contingencies (continued)

	31 Mar 2015	31 Dec 2014
	Principal	Principal
	RM'000	RM'000
The Bank		
<u>Credit-related</u>		
Direct credit substitutes	3,149,174	2,882,929
Transaction-related contingent items	3,309,716	3,388,757
Short-term self-liquidating trade-related contingencies	4,882,373	5,487,561
Obligations under underwriting agreement	250,000	140,000
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	43,263,523	41,875,477
- maturity exceeding one year	21,618,128	21,369,075
Miscellaneous commitments and contingencies	2,558,913	2,657,972
Total credit-related commitments and contingencies	<u>79,031,827</u>	<u>77,801,771</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- up to one year	125,628,788	115,440,257
- more than one year to five years	23,878,495	24,366,195
- more than five years	6,292,536	5,860,135
	155,799,819	145,666,587
Interest rate related contracts :		
- up to one year	96,402,158	94,452,030
- more than one year to five years	175,509,936	162,844,011
- more than five years	37,385,836	36,482,700
	309,297,930	293,778,741
Equity related contracts:		
- up to one year	5,374,169	5,557,684
- more than one year to five years	2,426,088	2,829,877
- more than five years	936,030	812,162
	8,736,287	9,199,723
Credit related contracts:		
- up to one year	1,363,517	1,513,699
- more than one year to five years	3,799,560	3,788,047
- more than five years	947,415	1,074,109
	6,110,492	6,375,855
Commodity related contracts:		
- up to one year	2,577,859	2,525,185
- more than one year to five years	425,540	534,081
	3,003,399	3,059,266
Total treasury-related commitments and contingencies	<u>482,947,927</u>	<u>458,080,172</u>
	<u>561,979,754</u>	<u>535,881,943</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A22. CAPITAL ADEQUACY

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

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

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

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

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

31 March 2015 - Basel III

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

	The Group	The Bank*
	RM'000	RM'000
Common equity tier 1 ratio	9.612%	10.191%
Tier 1 ratio	10.583%	11.378%
Total capital ratio	<u>13.545%</u>	<u>13.557%</u>

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.

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

	The Group	The Bank*
	RM'000	RM'000
Credit risk	175,981,467	132,600,097
Market risk	15,527,604	13,061,096
Large exposure risk requirements	516,618	516,618
Operational risk	<u>16,085,020</u>	<u>12,086,258</u>
Total risk-weighted assets	<u>208,110,709</u>	<u>158,264,069</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A22. CAPITAL ADEQUACY (Continued)

31 March 2015 - Basel III (Continued)

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

	The Group RM'000	The Bank* RM'000
Common Equity Tier I capital		
Ordinary shares	4,787,023	4,787,023
Other reserves	22,855,017	18,567,114
Qualifying non-controlling interests	269,347	-
Common Equity Tier I capital before regulatory adjustments	<u>27,911,387</u>	<u>23,354,137</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(5,053,954)	(3,555,075)
Intangible assets	(942,660)	(841,343)
Deferred tax assets	(361,123)	(218,042)
Shortfall of eligible provisions to expected losses	(403,469)	(256,210)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(298,854)	(1,531,674)
Others	(848,321)	(822,799)
Common Equity Tier I capital after regulatory adjustments	<u>20,003,006</u>	<u>16,128,994</u>
Additional Tier I capital		
Perpetual preference shares	140,000	140,000
Non-innovative Tier I Capital	700,000	700,000
Innovative Tier I Capital	1,128,260	1,128,260
Qualifying capital instruments held by third parties	53,391	-
	<u>2,021,651</u>	<u>1,968,260</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,304)	(89,304)
Additional Tier I capital after regulatory adjustments	<u>2,020,347</u>	<u>1,878,956</u>
Total Tier I capital	<u>22,023,353</u>	<u>18,007,950</u>
Tier II capital		
Subordinated notes	5,600,000	5,600,000
Redeemable preference shares	20,818	20,818
Qualifying capital instruments held by third parties	391,669	-
Portfolio impairment allowance and regulatory reserves ^	603,007	260,740
Tier II capital before regulatory adjustments	<u>6,615,494</u>	<u>5,881,558</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(450,237)	(2,433,563)
Total Tier II capital	<u>6,165,257</u>	<u>3,447,995</u>
Total capital	<u>28,188,610</u>	<u>21,455,945</u>

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

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC
Common equity tier 1 ratio	10.895%	9.485%	N/A
Tier 1 ratio	11.714%	9.485%	N/A
Total capital ratio	<u>14.348%</u>	<u>14.351%</u>	<u>15.598%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A22. CAPITAL ADEQUACY (Continued)

31 Dec 2014 - Basel III

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

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

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

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

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A22. CAPITAL ADEQUACY (Continued)

31 Dec 2014 - Basel III (Continued)

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

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

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

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

^ The capital base of the Group and the Bank has excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM214 million (2014: RM223 million) and RM191 million (2014: RM198 million) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A23. SEGMENTAL REPORT

Definition of segments

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

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

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

Commercial Banking

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

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

Wholesale Banking

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

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

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

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

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

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

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

Investments

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

Support and others

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

PART A - EXPLANATORY NOTES (CONTINUED)**A23. SEGMENTAL REPORT (CONTINUED)**

Group
31 Mar 2015

	Consumer Banking	Commercial Banking	Wholesale Banking	Investments	Support and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income						
- external income	988,322	177,878	179,224	122,719	(2,216)	1,465,927
- inter-segment	(161,997)	17,906	150,416	(2,273)	(4,052)	-
	826,325	195,784	329,640	120,446	(6,268)	1,465,927
Income from Islamic Banking operations	174,230	33,103	101,610	19,681	1,189	329,813
Net non-interest income	258,066	58,782	250,777	36,085	9,096	612,806
Net income	1,258,621	287,669	682,027	176,212	4,017	2,408,546
Overheads	(756,504)	(153,576)	(303,972)	(40,356)	(6,989)	(1,261,397)
of which:						
Depreciation of property, plant and equipment	(39,774)	(1,645)	(5,315)	(5,542)	-	(52,276)
Amortisation of prepaid lease payments	(44)	(1)	(4)	-	-	(49)
Amortisation of intangible assets	(33,485)	(698)	(3,147)	(6,121)	-	(43,451)
Profit/(loss) before allowances	502,117	134,093	378,055	135,856	(2,972)	1,147,149
Allowances for impairment losses on loans, advances and financing written-back/(made)	(157,816)	24,958	(38,387)	-	-	(171,245)
Allowances for losses on other receivables	-	-	-	-	(1,713)	(1,713)
Allowances for other impairment losses written-back/(made)	-	244	-	(37)	-	207
Segment result	344,301	159,295	339,668	135,819	(4,685)	974,398
Share of results of joint venture	461	-	-	-	-	461
Share of results of associates	-	-	-	15,103	-	15,103
Taxation						(197,376)
Profit for the financial period						792,586

PART A - EXPLANATORY NOTES (CONTINUED)

A23. SEGMENTAL REPORT (CONTINUED)

Group
31 Mar 2014

	Consumer Banking	Commercial Banking	Wholesale Banking	Investments	Support and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income						
- external income	820,575	164,095	313,834	116,450	(2,540)	1,412,414
- inter-segment	(60,935)	7,885	65,090	(4,267)	(7,773)	-
	759,640	171,980	378,924	112,183	(10,313)	1,412,414
Income from Islamic Banking operations	169,491	25,977	113,409	19,805	1,214	329,896
Net non-interest income	225,151	42,980	279,210	28,645	7,011	582,997
Net income	1,154,282	240,937	771,543	160,633	(2,088)	2,325,307
Overheads	(710,145)	(138,429)	(285,167)	(38,686)	(10,295)	(1,182,722)
of which:						
Depreciation of property, plant and equipment	(41,858)	(1,746)	(3,701)	(536)	-	(47,841)
Amortisation of prepaid lease payments	(68)	(2)	(2)	-	-	(72)
Amortisation of intangible assets	(28,109)	(765)	(3,570)	(14,229)	-	(46,673)
Profit/(loss) before allowances	444,137	102,508	486,376	121,947	(12,383)	1,142,585
Allowances for impairment losses on loans, advances and financing written-back/(made)	(111,175)	26,421	(2,588)	-	-	(87,342)
Allowances for losses on other receivables	-	-	-	-	(163)	(163)
Allowances for commitments and contingencies written-back	-	1,829	-	-	-	1,829
Allowances for other impairment losses written-back/(made)	37	51	-	(13,732)	-	(13,644)
Segment result	332,999	130,809	483,788	108,215	(12,546)	1,043,265
Share of results of joint venture	390	-	-	-	-	390
Share of results of associates	-	-	-	27,442	-	27,442
Taxation						(221,342)
Profit for the financial period						849,755

PART A - EXPLANATORY NOTES (CONTINUED)

A23. SEGMENTAL REPORT (CONTINUED)

Group
31 Mar 2015

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Investments RM'000	Total RM'000
Segment assets	122,224,550	28,389,709	174,157,997	20,748,585	345,520,841
Unallocated assets					11,720,440
Total assets					357,241,281
Segment liabilities	101,370,680	28,644,759	189,672,030	1,296,622	320,984,091
Unallocated liabilities					6,512,671
Total liabilities					327,496,762
Other segment items					
Capital expenditure	67,988	2,133	7,774	10,910	88,805
Investment in joint venture	161,649	-	-	-	161,649
Investment in associates	-	-	-	808,199	808,199

Group
31 Dec 2014

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

PART A-EXPLANATORY NOTES (CONTINUED)

A24. 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 and Board for approval;
- Market Risk Management is mandated to perform mark-to-market, mark-to-model and rate reasonableness verification;
- Any material uncertainty arising from the modeling and market inputs shall be disclosed to the Group Risk Committee;
- Market rate sources and model inputs for the purpose of Mark-to-Model must be verified by Group Risk Management Quantitative Analysts and approved by Chief Risk Officer or / and Group Risk Committee;
- Group Risk Management Quantitative Analysts are the guardian of the financial models and valuation methodology. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer;
- Model risk and unobservable parameter reserve must be considered to provide for the uncertainty of the model assumptions; and
- Independent price verification process shall be carried out by Market Risk Management to ensure that financial assets/liabilities are recorded at fair value.

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

PART A-EXPLANATORY NOTES (CONTINUED)

A24. FAIR VALUE ESTIMATION (CONTINUED)

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

	Fair Value 31 Mar 2015				The Group					Fair Value 31 Dec 2014			
	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000			
Recurring fair value measurements													
Financial assets													
Financial assets held for trading													
-Money market instruments	12,153,513	-	12,153,513	-	12,153,513	12,738,671	-	12,738,671	-	12,738,671			
-Quoted securities	3,384,300	2,678,517	705,783	-	3,384,300	3,861,322	3,140,285	721,037	-	3,861,322			
-Unquoted securities	5,961,953	-	5,822,723	139,230	5,961,953	6,118,094	-	5,985,413	132,681	6,118,094			
Financial investments available-for-sale													
-Money market instruments	4,469,126	-	4,469,126	-	4,469,126	4,176,787	-	4,176,787	-	4,176,787			
-Quoted securities	3,591,210	90,940	3,500,270	-	3,591,210	2,589,855	83,223	2,506,632	-	2,589,855			
-Unquoted securities	22,220,134	-	20,790,511	1,429,623	22,220,134	20,766,693	-	19,306,296	1,460,397	20,766,693			
Derivative financial instruments													
-Trading derivatives	7,945,530	18,185	7,899,021	28,324	7,945,530	6,786,090	11,023	6,708,394	66,673	6,786,090			
-Hedging derivatives	182,674	-	182,674	-	182,674	145,281	-	145,281	-	145,281			
Non-financial assets													
Investment Properties	4,000	-	4,000	-	4,000	4,000	-	4,000	-	4,000			
Non-recurring fair value measurements													
Non-financial assets													
Non-current assets/disposal groups held for sale	4,905	-	4,905	-	4,905	9,858	-	9,858	-	9,858			
Total	59,917,345	2,787,642	55,532,526	1,597,177	59,917,345	57,196,651	3,234,531	52,302,369	1,659,751	57,196,651			
Recurring fair value measurements													
Financial liabilities													
Derivative financial instruments													
- Trading derivatives	8,146,919	58,736	8,009,722	78,461	8,146,919	7,076,459	72,445	6,947,152	56,862	7,076,459			
- Hedging derivatives	824,466	-	824,466	-	824,466	482,340	-	482,340	-	482,340			
Financial liabilities designated at fair values	3,642,135	-	3,273,390	368,745	3,642,135	3,690,701	-	3,329,965	360,736	3,690,701			
Total	12,613,520	58,736	12,107,578	447,206	12,613,520	11,249,500	72,445	10,759,457	417,598	11,249,500			

	Fair Value 31 Mar 2015				The Bank					Fair Value 31 Dec 2014			
	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000			
Recurring fair value measurements													
Financial assets													
Financial assets held for trading													
-Money market instruments	9,247,104	-	9,247,104	-	9,247,104	9,482,843	-	9,482,843	-	9,482,843			
-Quoted securities	2,678,517	2,678,517	-	-	2,678,517	3,140,285	3,140,285	-	-	3,140,285			
-Unquoted securities	5,572,973	-	5,511,623	61,350	5,572,973	5,767,804	-	5,709,202	58,602	5,767,804			
Financial investments available-for-sale													
-Money market instruments	3,895,808	-	3,895,808	-	3,895,808	3,762,422	-	3,762,422	-	3,762,422			
-Quoted securities	130	130	-	-	130	99	99	-	-	99			
-Unquoted securities	20,210,159	-	18,925,820	1,284,339	20,210,159	19,007,311	-	17,693,780	1,313,531	19,007,311			
Derivative financial instruments													
-Trading derivatives	6,746,243	18,185	6,699,734	28,324	6,746,243	5,738,227	11,023	5,660,531	66,673	5,738,227			
-Hedging derivatives	378,257	-	378,257	-	378,257	260,982	-	260,982	-	260,982			
Non-recurring fair value measurements													
Non-financial assets													
Non-current assets/disposal groups held for sale	705	-	705	-	705	5,658	-	5,658	-	5,658			
Total	48,729,896	2,696,832	44,659,051	1,374,013	48,729,896	47,165,631	3,151,407	42,575,418	1,438,806	47,165,631			
Recurring fair value measurements													
Financial liabilities													
Derivative financial instruments													
-Trading derivatives	7,108,888	58,736	6,971,691	78,461	7,108,888	6,099,384	72,445	5,970,077	56,862	6,099,384			
-Hedging derivatives	753,093	-	753,093	-	753,093	502,425	-	502,425	-	502,425			
Financial liabilities designated at fair values	2,800,111	-	2,431,366	368,745	2,800,111	2,726,392	-	2,365,656	360,736	2,726,392			
Total	10,662,092	58,736	10,156,150	447,206	10,662,092	9,328,201	72,445	8,838,158	417,598	9,328,201			

PART A-EXPLANATORY NOTES (CONTINUED)

A24. FAIR VALUE ESTIMATION (CONTINUED)

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

	Financial Assets				Financial Liabilities		
	Financial assets held-for-trading	Financial investments available-for-sale	Derivative financial instruments		Derivative financial instruments	Financial liabilities designated at fair value	
	Unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000	Total RM'000	Trading derivatives RM'000	RM'000	Total RM'000
The Bank							
2015							
At 1 January	58,602	1,313,531	66,673	1,438,806	(56,862)	(360,736)	(417,598)
Total losses recognised in statement of income	(338)	-	(1,354)	(1,692)	(35,402)	(17,783)	(53,185)
Total gains recognised in other comprehensive income	-	496	-	496	-	-	-
Purchases	-	4,369	4,177	8,546	(969)	-	(969)
Settlements	-	(57,582)	(41,172)	(98,754)	14,772	9,774	24,546
Exchange fluctuation	3,086	23,525	-	26,611	-	-	-
At 31 March	61,350	1,284,339	28,324	1,374,013	(78,461)	(368,745)	(447,206)
Total losses recognised in statement of income for financial period ended 31 March 2015 under:							
- net non-interest income	(338)	-	(1,354)	(1,692)	(35,402)	(14,509)	(49,912)
- interest expense	-	-	-	-	-	(3,274)	(3,274)
Total gains recognised in other comprehensive income for financial period ended 31 March 2015 under "revaluation reserves"	-	496	-	496	-	-	-
Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 31 March 2015 under "net non-interest income"	(338)	-	168	(170)	(27,958)	(14,509)	(42,467)

	Financial Assets				Financial Liabilities		
	Financial assets held-for-trading	Financial investments available-for-sale	Derivative financial instruments		Derivative financial instruments	Financial liabilities designated at fair value	
	Unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000	Total RM'000	Trading derivatives RM'000	RM'000	Total RM'000
The Bank							
2014							
At 1 January	6,716	1,070,703	49,675	1,127,094	(943,151)	-	(943,151)
Total (losses)/gains recognised in statement of income	(526)	(4,331)	13,149	8,292	280,894	60,733	341,627
Total gains recognised in other comprehensive income	-	55,003	-	55,003	-	-	-
Purchases	49,083	223,027	17,314	289,424	(1,224)	-	(1,224)
New issuances	-	-	-	-	-	(435,872)	(435,872)
Sales	-	(763)	-	(763)	-	-	-
Settlements	-	(24,478)	(13,465)	(37,943)	606,619	14,403	621,022
Transfers out of Level 3	-	(856)	-	(856)	-	-	-
Exchange fluctuation	3,329	(4,774)	-	(1,445)	-	-	-
At 31 December	58,602	1,313,531	66,673	1,438,806	(56,862)	(360,736)	(417,598)
Total (losses)/gains recognised in statement of income for financial year ended 31 December 2014 under:							
- net non-interest income	(526)	(4,331)	13,149	8,292	280,894	73,274	354,168
- interest expense	-	-	-	-	-	(12,541)	(12,541)
Total gains recognised in other comprehensive income for financial year ended 31 December 2014 under "revaluation reserves"	-	55,003	-	55,003	-	-	-
Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 31 December 2014 under "net non-interest income"	(526)	(4,331)	14,778	9,922	91,097	73,274	164,371

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

PART A - EXPLANATORY NOTES (CONTINUED)

A25. OPERATIONS OF ISLAMIC BANKING

A25a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015

		Group		Bank	
	Note	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Assets					
Cash and short-term funds		13,566,632	6,052,438	1,011,612	699,276
Deposits and placements with banks and other financial institutions		925,415	437,862	5,560	5,851
Financial assets held for trading		3,426,069	3,723,913	206,464	187,261
Islamic derivative financial instruments		235,420	264,582	1,052	717
Financial investments available-for-sale		2,820,048	2,398,454	369,973	360,362
Financial investments held-to-maturity		1,109,376	954,054	338,129	333,062
Financing, advances and other financing/loans	A25c	40,917,678	38,849,755	3,317,701	2,550,173
Other assets		317,388	111,010	61,414	9,636
Deferred taxation		17,612	21,503	-	-
Amount due from conventional operations		1,297,202	1,376,555	259	299
Amount due from related companies		2,358,143	2,438,305	2,354,586	2,437,643
Statutory deposits with Bank Negara Malaysia		1,475,873	1,297,654	-	-
Goodwill		136,000	136,000	-	-
Intangible assets		89,782	91,174	74	78
Property, plant and equipment		9,300	10,167	41	44
Total assets		68,701,938	58,163,426	7,666,865	6,584,402
Liabilities					
Deposits from customers	A25d	49,487,875	42,286,907	1,295,296	958,863
Deposits and placements of banks and other financial institutions		7,729,336	5,842,772	1,698,341	1,766,478
Financial liabilities designated at fair value	A25e	174,164	149,835	-	-
Islamic derivative financial instruments		401,906	330,197	-	-
Other liabilities		4,319,107	3,504,959	3,824,223	3,214,557
Amount due to conventional operations		241,782	-	-	-
Amount due to related company		793,306	623,446	694,628	515,311
Provision for taxation and Zakat		18,458	27,959	-	-
Subordinated Sukuk		853,538	856,026	-	-
Total liabilities		64,019,472	53,622,101	7,512,488	6,455,209
Equity					
Ordinary share capital		1,000,000	1,000,000	-	-
Perpetual preference shares		220,000	220,000	-	-
Reserves		3,462,466	3,321,325	154,377	129,193
Total equity		4,682,466	4,541,325	154,377	129,193
Total equity and liabilities		68,701,938	58,163,426	7,666,865	6,584,402

PART A - EXPLANATORY NOTES (CONTINUED)

A25. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A25b. UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

	Group			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	527,508	534,590	527,508	534,590
Net income derived from investment of shareholders' funds	128,501	47,085	128,501	47,085
Allowance for impairment losses on financing, advances and other financing/loans	(33,700)	(5,736)	(33,700)	(5,736)
Allowance for losses on other receivables (made)/written-back	(25)	151	(25)	151
Total distributable income	622,284	576,090	622,284	576,090
Income attributable to depositors	(326,196)	(251,779)	(326,196)	(251,779)
Total net income	296,088	324,311	296,088	324,311
Other operating expenses	(130,835)	(125,157)	(130,835)	(125,157)
Profit before taxation	165,253	199,154	165,253	199,154
Taxation	(41,371)	(47,442)	(41,371)	(47,442)
Profit for the financial period	123,882	151,712	123,882	151,712

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

	Group			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	123,882	151,712	123,882	151,712
Other comprehensive income/(expense):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve of financial investments available-for-sale	13,061	(3,503)	13,061	(3,503)
- Net gain/(loss) from change in fair value	17,105	(3,966)	17,105	(3,966)
- Realised gain transferred to statement of income on disposal and impairment	(143)	(1,758)	(143)	(1,758)
- Income tax effects	(3,901)	2,221	(3,901)	2,221
Exchange fluctuation reserve	4,499	169	4,499	169
Other comprehensive income/(expense) for the financial period, net of tax	17,560	(3,334)	17,560	(3,334)
Total comprehensive income for the period	141,442	148,378	141,442	148,378
Total net income	296,088	324,311	296,088	324,311
Add: Allowance for impairment losses on financing, advances and other financing/loans	33,700	5,736	33,700	5,736
Add: Allowance for losses on other receivables made/(written-back)	25	(151)	25	(151)
Income from Islamic operations (per page 2)	329,813	329,896	329,813	329,896

PART A - EXPLANATORY NOTES (CONTINUED)

A25. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A25b. UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

	Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	15,430	12,716	15,430	12,716
Net income derived from investment of shareholders' funds	5,043	307	5,043	307
Allowance for impairment losses on financing, advances and other financing/loans	(152)	-	(152)	-
Total distributable income	20,321	13,023	20,321	13,023
Income attributable to depositors	(5,144)	(2,179)	(5,144)	(2,179)
Total net income	15,177	10,844	15,177	10,844
Profit for the financial period	15,177	10,844	15,177	10,844

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

	Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	15,177	10,844	15,177	10,844
Other comprehensive income/(expense):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve of financial investments available-for-sale	961	3,182	961	3,182
- Net gain from change in fair value	1,094	3,472	1,094	3,472
- Realised gain transferred to statement of income on disposal and impairment	(133)	(290)	(133)	(290)
Exchange fluctuation reserve	9,625	(82)	9,625	(82)
Other comprehensive income for the financial period, net of tax	10,586	3,100	10,586	3,100
Total comprehensive income for the period	25,763	13,944	25,763	13,944
Total net income	15,177	10,844	15,177	10,844
Add: Allowances for impairment losses on financing, advances and other financing/loans	152	-	152	-
Income from Islamic operations (per page 4)	15,329	10,844	15,329	10,844

PART A - EXPLANATORY NOTES (CONTINUED)

A25. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A25c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS

i) By type and Shariah contract

The Group

	Qard	Bai'	Ijarah	Others	Total financing, advances and other financing/loans
At 31 Mar 2015	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line ^	7,930	546,686	-	-	554,616
Term financing					
- Housing financing	-	9,044,299	1,086,539	-	10,130,838
- Syndicated term financing	-	1,313,957	198,505	50,406	1,562,868
- Hire purchase receivables	-	-	5,056,254	-	5,056,254
- Other term financing	-	18,569,474	58,026	2,055,537	20,683,037
Credit card receivables	-	-	-	110,921	110,921
Bills receivable	-	2,670	-	-	2,670
Islamic trust receipts	-	16,145	-	47,600	63,745
Claim on customers under acceptance credit	-	278,974	-	-	278,974
Revolving credits	-	2,401,932	-	340,008	2,741,940
Share purchases financing	-	5,920	-	-	5,920
Ar Rahn	-	-	-	1,800	1,800
Other financing/loans	-	-	-	2	2
Gross financing, advances and other financing/loans	7,930	32,180,057	6,399,324	2,606,274	41,193,585
Fair value changes arising from fair value hedges					119,160
					41,312,745
Less: Allowance for impairment losses					
- Individual impairment allowance					(53,419)
- Portfolio impairment allowance					(341,648)
					(395,067)
					40,917,678

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

^ Includes current account in excess

PART A - EXPLANATORY NOTES (CONTINUED)

A25. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A25c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

i) By type and Shariah contract (continued)

The Bank

	Bai'	Others	Total financing, advances and other financing/loans
	RM'000	RM'000	RM'000
At 31 Mar 2015			
Term financing			
- Syndicated term financing	-	50,406	50,406
- Other term financing	700,607	2,055,537	2,756,144
Islamic trust receipts	-	47,600	47,600
Revolving credits	124,910	340,008	464,918
Other financing/loans	-	2	2
Gross financing, advances and other financing/loans	825,517	2,493,553	3,319,070
Fair value changes arising from fair value hedges			-
			3,319,070
Less: Allowance for impairment losses			
- Individual impairment allowance			-
- Portfolio impairment allowance			(1,369)
			(1,369)
			3,317,701

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

PART A - EXPLANATORY NOTES (CONTINUED)

A25. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A25c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

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

	Group	
	31 Mar 2015	31 Dec 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 values loss on Islamic profit rate swaps in this hedge transaction as at 31 March 2015 was RM193 million (31 Dec 2014: RM83 million).

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

As at 31 March 2015, the gross exposures to RPSIA financing is RM2,527 million (31 December 2014: RM2,099 million) and the portfolio impairment allowance relating to this RPSIA amounting to RM7.3 million (31 December 2014: RM6.4 million) is recognised in the Financial Statements of CIMB Bank Berhad.

There was no individual impairment provided on this RPSIA financing.

c) Movement of Qard financing

	The Group	
	31 Mar 2015	31 Dec 2014
	RM'000	RM'000
As at 1 January	10,277	2,006
New disbursement	2,126	10,067
Repayment	(4,473)	(1,796)
As at 31 March/31 December	7,930	10,277
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 purpose	7,641	9,121
	7,930	10,277

PART A - EXPLANATORY NOTES (CONTINUED)

A25. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A25c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

ii) By geographical distribution

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Malaysia	38,124,827	36,781,908	250,312	153,455
Indonesia	9,638	40,628	9,638	40,628
Singapore	2,111,850	1,633,620	2,111,850	1,633,620
Other countries	947,270	723,663	947,270	723,663
Gross financing, advances and other financing/loans	41,193,585	39,179,819	3,319,070	2,551,366

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

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Malaysia	459,623	457,860	-	-
Gross impaired financing, advances and other financing/loans	459,623	457,860	-	-

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

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
At 1 January	457,860	310,150	-	-
Classified as impaired during the financial period/year	132,146	769,607	-	-
Reclassified as not impaired during the financial period/year	(71,546)	(355,338)	-	-
Amount written back in respect of recoveries	(22,789)	(103,631)	-	-
Amount written off	(36,048)	(162,928)	-	-
Balance as at 31 March/31 December	459,623	457,860	-	-
Ratio of gross impaired financing, advances and other loans to total financing, advances and other financing/loans	1.12%	1.17%	0.00%	0.00%

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

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Individual impairment allowance				
At 1 January	39,713	29,801	-	-
Net allowance made during the financial period/year	13,706	19,016	-	-
Amount written off	-	(9,104)	-	-
Balance as at 31 March/31 December	53,419	39,713	-	-
Portfolio impairment allowance				
At 1 January	347,623	376,849	1,193	-
Net allowance made during the financial period/year	30,059	124,569	152	1,165
Amount written off	(36,058)	(153,823)	-	-
Exchange fluctuation	24	28	24	28
Balance as at 31 March/31 December	341,648	347,623	1,369	1,193
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other financing/loans (excluding RPSIA financing) less individual impairment allowance	1.86%	1.14%	-	-

PART A - EXPLANATORY NOTES (CONTINUED)**A25. OPERATIONS OF ISLAMIC BANKING (CONTINUED)****A25d. DEPOSITS FROM CUSTOMERS**

	Group		Bank	
	31 Mar 2015 RM'000	31 Dec 2014 RM'000	31 Mar 2015 RM'000	31 Dec 2014 RM'000
(i) By type of deposits				
Savings deposit				
Wadiah	2,469,577	2,288,951	83,791	86,173
Demand deposit				
Wadiah	8,697,114	7,229,933	242,377	128,350
Qard	76,156	61,320	-	-
Mudharabah	761,023	738,098	-	-
Term deposit				
Commodity Murabahah	29,112,801	21,691,342	428,905	271,021
Islamic negotiable instruments				
Mudharabah	352,427	389,915	-	-
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	2,801,655	2,173,817	-	-
Short term money market deposit-i				
Wakalah	2,966,359	5,109,756	18,620	16,244
Wadiah	11,379	6,914	11,379	6,914
Fixed Deposit-i				
Wakalah	298,672	608,700	-	-
Wadiah	519,205	458,631	510,224	450,161
General investment account				
Mudharabah	1,223,284	1,336,037	-	-
Specific investment account				
Mudharabah	180,811	174,606	-	-
Others - Qard	17,412	18,887	-	-
	49,487,875	42,286,907	1,295,296	958,863
(ii) By maturity structures of term deposits				
Due within six months	31,241,429	30,412,274	963,571	743,467
Six months to less than one year	5,676,784	987,641	5,557	873
One year to less than three years	375,992	380,679	-	-
Three years to less than five years	358	436	-	-
Five years and more	172,030	168,688	-	-
	37,466,593	31,949,718	969,128	744,340
(iii) By type of customer				
Government and statutory bodies	3,924,373	3,737,245	-	-
Business enterprises	19,667,638	17,057,959	980,614	692,220
Individuals	7,778,672	5,662,079	271,405	261,873
Others	18,117,192	15,829,624	43,277	4,770
	49,487,875	42,286,907	1,295,296	958,863

PART A - EXPLANATORY NOTES (CONTINUED)

A25. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A25e. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	Group		Bank	
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Deposits from customers - structured investments	174,164	149,835	-	-

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

The carrying amount of the financial liabilities designated at fair value of the Group as at 31 March 2015 was RM3,855,000 (31 December 2014: RM8,551,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

Part B

B1. GROUP PERFORMANCE REVIEW

The Group registered a pre-tax profit of RM990.0 million for the period ended 31 March 2015, RM81.1 million or 7.6% lower as compared to RM1,071.1 million registered in the previous corresponding period.

Net interest income increased by RM53.5 million (3.8%) to RM1,465.9 million while net non-interest income increased by RM29.8 million (5.1%) to RM612.8 million. This was however offset by higher overhead expenses by RM78.7 million (6.7%), higher allowance for impairment losses on loans, advances and financing by RM83.9 million (96.1%) and lower share of results from associates by RM12.3 million (45.0%).

Profit after tax reduced by 6.7% to RM792.6 million.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Growth prospects for CIMB Malaysia are expected to track the cautious economic environment (GDP growth projected to ease to 4.5%-5.5% this year from 6% in 2014) and the moderation in consumer spending following the GST implementation. CIMB Singapore is expected to perform positively with continued business expansion amidst steady economic growth. CIMB Thai will likely show operational improvement despite the uncertain macroeconomic backdrop.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

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

	Group			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests (RM '000)	790,107	845,380	790,107	845,380
Weighted average number of ordinary shares in issue ('000)	4,787,023	4,131,411	4,787,023	4,131,411
Basic earnings per share (expressed in sen per share)	16.51	20.46	16.51	20.46

	Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	658,532	667,118	658,532	667,118
Weighted average number of ordinary shares in issue ('000)	4,787,023	4,131,411	4,787,023	4,131,411
Basic earnings per share (expressed in sen per share)	13.76	16.15	13.76	16.15

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 31 March 2015 and 31 March 2014.