

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	The Group		The Company	
		30 June 2015	31 December 2014	30 June 2015	31 December 2014
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		31,897,987	33,462,817	523,118	1,864,074
Reverse repurchase agreements		6,868,985	4,758,286	-	-
Deposits and placements with banks and other financial institutions		6,402,947	4,238,988	539	-
Financial assets held for trading	A8	20,228,674	23,803,771	-	-
Derivative financial instruments	A22	8,527,098	7,182,759	646	478
Financial investments available-for-sale	A9	39,040,940	32,286,522	-	-
Financial investments held-to-maturity	A10	20,284,104	18,261,561	-	-
Loans, advances and financing	A11	272,595,777	258,014,859	1	40
Other assets	A12	16,691,178	12,511,211	445	13,764
Tax recoverable		52,980	45,483	35,925	35,757
Deferred tax assets		312,411	272,587	-	-
Statutory deposits with central banks		7,057,022	6,841,165	-	-
Investment in subsidiaries		-	-	26,021,595	24,214,072
Investment in associates and joint ventures		1,065,905	1,086,389	3,834	3,834
Property, plant and equipment		2,175,805	1,466,634	2,016	2,126
Investment properties		4,000	4,000	462	471
Prepaid lease payments		131,027	136,419	-	-
Goodwill		8,017,094	7,911,160	-	-
Intangible assets		1,813,914	1,850,419	-	-
		443,167,848	414,135,030	26,588,581	26,134,616
Non-current assets held for sale		15,829	21,326	10,925	10,925
TOTAL ASSETS		443,183,677	414,156,356	26,599,506	26,145,541
LIABILITIES AND EQUITY					
Deposits from customers	A13	294,724,311	282,068,787	-	-
Deposits and placements of banks and other financial institutions	A14	37,752,043	32,149,798	-	-
Repurchase agreements		7,251,935	5,735,839	-	-
Financial liabilities designated at fair value	A15	4,305,695	3,690,701	-	-
Derivative financial instruments	A22	8,349,883	7,712,794	-	-
Bills and acceptances payable		4,098,494	2,998,134	-	-
Other liabilities	A16	14,119,343	10,816,798	2,925	4,061
Amount owing to a subsidiary		-	-	21	-
Current tax liabilities		234,180	231,276	-	-
Deferred tax liabilities		89,366	51,569	555	448
Bonds and debentures	B7	9,889,341	7,666,048	-	-
Other borrowings	B7	9,266,251	9,290,807	4,357,584	4,305,015
Subordinated obligations	B7	12,540,703	12,582,494	1,989,253	2,141,402
Non-cumulative guaranteed and redeemable preference shares		809,504	770,188	-	-
TOTAL LIABILITIES		403,431,049	375,765,233	6,350,338	6,450,926
Ordinary share capital		8,489,791	8,423,751	8,489,791	8,423,751
Reserves		30,203,002	28,937,290	11,759,420	11,270,906
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(42)	(43)	(42)
		38,692,187	37,360,436	20,249,168	19,694,615
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		860,441	830,687	-	-
TOTAL EQUITY		39,752,628	38,391,123	20,249,168	19,694,615
TOTAL EQUITY AND LIABILITIES		443,183,677	414,156,356	26,599,506	26,145,541
COMMITMENTS AND CONTINGENCIES	A23	824,095,805	702,740,799	500,000	500,000
Net assets per share attributable to owners of the Parent (RM)		4.56	4.44	2.39	2.34

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	Note	The Group			
		2nd quarter ended		Six months ended	
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
		RM'000	RM'000	RM'000	RM'000
Interest income	A17	4,385,267	3,988,620	8,663,128	7,796,517
Interest expense	A18	(2,116,567)	(1,813,157)	(4,203,475)	(3,554,289)
Net interest income		2,268,700	2,175,463	4,459,653	4,242,228
Income from Islamic Banking operations	A27(c)	398,920	360,641	765,833	728,654
Net non-interest income	A19	1,165,227	871,084	2,287,688	1,968,154
		3,832,847	3,407,188	7,513,174	6,939,036
Gain on disposal of subsidiaries and associates		580	(14)	580	6,191
		3,833,427	3,407,174	7,513,754	6,945,227
Overheads	A20	(2,439,777)	(2,007,882)	(4,779,531)	(4,018,825)
Profit before allowances		1,393,650	1,399,292	2,734,223	2,926,402
Allowance made for impairment losses on loans, advances and financing	A21	(528,950)	(147,181)	(1,063,256)	(258,626)
Allowance written back/(made) for impairment losses on other receivables		72	(8,904)	5,498	(13,621)
Allowance (made)/written back for commitments and contingencies		(9,383)	-	(9,383)	1,829
Recoveries from investment management and securities services		-	804	-	804
Allowance made for other impairment losses		(723)	(743)	(2,421)	(15,787)
		854,666	1,243,268	1,664,661	2,641,001
Share of results of joint ventures		917	1,961	(12,171)	(3,837)
Share of results of associates		28,161	35,924	54,834	75,058
Profit before taxation		883,744	1,281,153	1,707,324	2,712,222
Taxation	B4	(231,941)	(317,082)	(465,186)	(665,929)
Profit for the financial period		651,803	964,071	1,242,138	2,046,293
Profit for the financial period attributable to :					
Owners of the Parent		639,754	949,938	1,219,878	2,016,220
Non-controlling interests		12,049	14,133	22,260	30,073
		651,803	964,071	1,242,138	2,046,293
Earnings per share (sen):					
- Basic	B9(a)	7.6	11.4	14.4	24.6
- Fully diluted	B9(b)	N/A	N/A	N/A	N/A

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	651,803	964,071	1,242,138	2,046,293
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation				
- Actuarial gain	-	(52)	-	(82)
- Income tax effects	-	(8)	-	1,085
- Currency translation difference	(8)	96	(819)	50
	(8)	36	(819)	1,053
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	(94,840)	59,248	81,464	25,700
- Net gain/(loss) from change in fair value	(61,228)	85,392	209,907	84,674
- Realised gain transferred to statement of income on disposal and impairment	(42,267)	(33,992)	(100,443)	(66,456)
- Income tax effects	9,339	(6,348)	(30,201)	6,489
- Currency translation difference	(684)	14,196	2,201	993
Net investment hedge	(139,591)	66,211	(391,246)	67,667
Hedging reserve - cash flow hedge	(5,755)	5,524	(7,181)	8,773
- Net (loss)/gain from change in fair value	(6,913)	7,062	(9,248)	10,166
- Income tax effects	1,158	(1,538)	2,067	(1,393)
Exchange fluctuation reserve	(79,185)	(722,040)	504,855	(42,926)
Share of other comprehensive income of associates and joint ventures	(6,286)	1,443	256	12,412
	(325,657)	(589,614)	188,148	71,626
Total other comprehensive income for the financial period, net of tax	(325,665)	(589,578)	187,329	72,679
Total comprehensive income for the financial period	326,138	374,493	1,429,467	2,118,972
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	320,404	373,899	1,398,810	2,090,636
Non-controlling interests	5,734	594	30,657	28,336
	326,138	374,493	1,429,467	2,118,972

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	Note	The Company			
		2nd quarter ended		Six months ended	
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
		RM'000	RM'000	RM'000	RM'000
Interest income	A17	9,540	13,926	23,274	34,057
Interest expense	A18	(76,253)	(66,544)	(153,517)	(135,045)
Net interest income		(66,713)	(52,618)	(130,243)	(100,988)
Net non-interest income	A19	752,505	10,119	753,381	999,189
Overheads	A20	685,792	(42,499)	623,138	898,201
		(3,871)	(2,926)	(5,318)	(6,066)
Profit/(Loss) before taxation		681,921	(45,425)	617,820	892,135
Taxation	B4	(2,522)	(3,491)	(5,962)	(8,694)
Profit/(Loss) for the financial period		679,399	(48,916)	611,858	883,441

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	The Company				
	2nd quarter ended		Six months ended		
	30 June 2015	30 June 2014	30 June 2015	30 June 2014	
		RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the financial period/					
Total comprehensive income/(expenses) for the financial period		679,399	(48,916)	611,858	883,441

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

The Group
30 June 2015

	← Attributable to owners of the Parent →															
	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2015	8,423,751	9,973,065	5,650,713	137,104	(1,183,616)	(563)	(42)	149,847	(564,090)	119,739	593,795	14,060,733	37,360,436	200,000	830,687	38,391,123
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,219,878	1,219,878	-	22,260	1,242,138
Other comprehensive income/(expense) (net of tax)	-	-	379	-	493,536	-	-	82,598	(399,245)	1,664	-	-	178,932	-	8,397	187,329
- financial investments available-for-sales	-	-	-	-	-	-	-	82,342	-	-	-	-	82,342	-	(878)	81,464
- net investment hedge	-	-	-	-	-	-	-	-	(391,246)	-	-	-	(391,246)	-	-	(391,246)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(7,180)	-	-	-	(7,180)	-	(1)	(7,181)
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	(819)	-	-	-	(819)	-	-	(819)
- currency translation difference	-	-	379	-	493,536	-	-	-	-	1,664	-	-	495,579	-	9,276	504,855
- share of other comprehensive income of associate and joint venture	-	-	-	-	-	-	-	256	-	-	-	-	256	-	-	256
Total comprehensive income/(expense) for the financial period	-	-	379	-	493,536	-	-	82,598	(399,245)	1,664	-	1,219,878	1,398,810	-	30,657	1,429,467
Dividend for the financial year ended 31 December 2014	-	-	-	-	-	-	-	-	-	-	-	(421,187)	(421,187)	-	-	(421,187)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,075)	(1,075)
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	48,267	-	-	-	-	-	-	-	-	(48,267)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	167,341	(167,341)	-	-	-	-
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arising from increase in capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	172	172
Purchase of treasury shares	-	-	-	-	-	-	(1)	-	-	-	-	-	(1)	-	-	(1)
Share-based payment expense	-	-	-	-	-	-	-	-	-	43,297	-	-	43,297	-	-	43,297
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	84,632	(83,217)	-	-	1,415	-	-	1,415
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(54,267)	-	-	-	(54,267)	-	-	(54,267)
Arising from staffs resigned under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	(199)	(199)	-	-	(199)
Issuance of shares through dividend reinvestment scheme	66,040	297,843	-	-	-	-	-	-	-	-	-	-	363,883	-	-	363,883
At 30 June 2015	8,489,791	10,270,908	5,699,359	137,104	(690,080)	(563)	(43)	232,445	(932,970)	81,483	761,136	14,643,617	38,692,187	200,000	860,441	39,752,628

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

← Attributable to owners of the Parent →

The Group
30 June 2014

	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2014	7,729,346	5,832,520	4,933,045	137,104	(2,106,977)	(563)	(41)	(42,709)	(271,510)	101,642	1,743,883	12,215,358	30,271,098	200,000	757,462	31,228,560
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	2,016,220	2,016,220	-	30,073	2,046,293
Other comprehensive income (net of tax)	-	-	(45)	-	(41,423)	-	-	38,155	77,493	236	-	-	74,416	-	(1,737)	72,679
- financial investments available-for-sales	-	-	-	-	-	-	-	25,743	-	-	-	-	25,743	-	(43)	25,700
- net investment hedge	-	-	-	-	-	-	-	-	67,667	-	-	-	67,667	-	-	67,667
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	8,773	-	-	-	8,773	-	-	8,773
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	1,053	-	-	-	1,053	-	-	1,053
- currency translation difference	-	-	(45)	-	(41,423)	-	-	-	-	236	-	-	(41,232)	-	(1,694)	(42,926)
- share of other comprehensive expense of associate and joint venture	-	-	-	-	-	-	-	12,412	-	-	-	-	12,412	-	-	12,412
Total comprehensive income for the financial period	-	-	(45)	-	(41,423)	-	-	38,155	77,493	236	-	2,016,220	2,090,636	-	28,336	2,118,972
Dividend for the financial year ended 31 December 2013	-	-	-	-	-	-	-	-	-	-	-	(850,091)	(850,091)	-	-	(850,091)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,328)	(1,328)
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	381,522	-	-	-	-	-	-	-	-	(381,522)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	154,504	(154,504)	-	-	-	-
Arising from (dilution)/accretion of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(9,681)	(9,681)	-	(26,922)	(36,603)
Arising from increase in capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,675	6,675
Share-based payment expense	-	-	-	-	-	-	-	-	-	48,102	-	-	48,102	-	-	48,102
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	69,305	(74,051)	-	-	(4,746)	-	-	(4,746)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(127,615)	-	-	-	(127,615)	-	-	(127,615)
Issuance of shares through private placement	500,000	3,041,534	-	-	-	-	-	-	-	-	-	-	3,541,534	-	-	3,541,534
Issuance of shares through dividend reinvestment scheme	107,176	594,827	-	-	-	-	-	-	-	-	-	-	702,003	-	-	702,003
At 30 June 2014	8,336,522	9,468,881	5,314,522	137,104	(2,148,400)	(563)	(41)	(4,554)	(252,327)	75,929	1,898,387	12,835,780	35,661,240	200,000	764,223	36,625,463

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

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**

The Company	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000		
At 1 January 2015	8,423,751	9,973,065	55,982	(42)	1,241,859	19,694,615	
Profit for the financial period	-	-	-	-	611,858	611,858	
Total comprehensive income for the financial period	-	-	-	-	611,858	611,858	
Second interim dividend for the financial year ended 31 December 2014	-	-	-	-	(421,187)	(421,187)	
Issuance of shares through dividend reinvestment scheme	66,040	297,843	-	-	-	363,883	
Purchase of treasury shares	-	-	-	(1)	-	(1)	
At 30 June 2015	8,489,791	10,270,908	55,982	(43)	1,432,530	20,249,168	

The Company	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000		
At 1 January 2014	7,729,346	5,832,520	55,982	(41)	1,306,058	14,923,865	
Profit for the financial period	-	-	-	-	883,441	883,441	
Total comprehensive income for the financial period	-	-	-	-	883,441	883,441	
Second interim dividend for the financial year ended 31 December 2013	-	-	-	-	(850,091)	(850,091)	
Issuance of shares through private placement	500,000	3,041,534	-	-	-	3,541,534	
Issuance of shares through dividend reinvestment scheme	107,176	594,827	-	-	-	702,003	
At 30 June 2014	8,336,522	9,468,881	55,982	(41)	1,339,408	19,200,752	

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	The Group		The Company	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Profit/(Loss) before taxation	1,707,324	2,712,222	617,820	892,135
Adjustments for non-operating and non-cash items	996,850	268,701	(704,596)	48,090
Operating profit/(loss) before changes in working capital	2,704,174	2,980,923	(86,776)	940,225
Net changes in operating assets	(21,376,831)	(10,617,855)	12,651	24,782
Net changes in operating liabilities	25,084,141	11,621,677	(6,661)	(6,078)
	3,707,310	1,003,822	5,990	18,704
Cash flows generated from/(used in) operations	6,411,484	3,984,745	(80,786)	958,929
Taxation paid	(471,807)	(558,946)	(6,021)	(3,725)
Net cash flows generated from/(used in) operating activities	5,939,677	3,425,799	(86,807)	955,204
Net cash flows (used in)/generated from investing activities	(9,495,039)	(3,890,171)	(1,001,691)	(2,857,377)
Net cash flows generated from/(used in) financing activities	966,420	2,602,982	(252,458)	2,751,939
Net (decrease)/increase in cash and cash equivalents during the financial period	(2,588,942)	2,138,610	(1,340,956)	849,766
Effects of exchange rate changes	1,024,112	(151,107)	-	-
Cash and short-term funds at beginning of the financial period	33,462,817	33,678,882	1,864,074	69,573
Cash and short-term funds at end of the financial period	31,897,987	35,666,385	523,118	919,339
Statutory deposits with Bank Indonesia*	(4,347,225)	(3,632,536)	-	-
Monies held in trust	(31,981)	(31,202)	-	-
Cash and cash equivalents at end of the financial period	27,518,781	32,002,647	523,118	919,339

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

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

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

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

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

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

- Annual improvement to MFRSs 2010 - 2012 Cycle
 - Amendment to MFRS 2 “Share-based Payment”
 - Amendment to MFRS 3 “Business Combinations”
 - Amendment to MFRS 8 “Operating Segments”
 - Amendment to MFRS 13 “Fair Value Measurement”
 - Amendments to MFRS 116 “Property, Plant and Equipment” and MFRS 138 “Intangible Assets”
 - Amendment to MFRS 124 “Related Party Disclosures”
- Annual improvement to MFRSs 2011 - 2013 Cycle
 - Amendment to MFRS 3 “Business Combinations”
 - Amendment to MFRS 13 “Fair Value Measurement”
 - Amendment to MFRS 140 “Investment Property”
- Amendments to MFRS 119 “Defined Benefits Plans: Employee Contributions”

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

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

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the financial period ended 30 June 2015:-

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

(b) From 1 January 2015 to 30 June 2015, the Company purchased 100 of its own shares from the open market at an average market price of RM5.96 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM640.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

(d) In January 2015, CIMB Bank Berhad 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.

(e) During and subsequent to the financial period, CIMB Thai Bank issued various unsecured structured debentures amounting to THB294.6 million and THB9.9 million respectively, with embedded foreign exchange and commodity derivatives and early redemption option. The debentures will mature within 6 months from respective issuance dates.

During and subsequent to the financial period, CIMB Thai Bank has early redeemed structured debentures amounted to THB162.9 million and THB86.6 million respectively.

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

(g) On 5 May 2015, CIMB Bank Berhad issued USD313 million 30-year 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.

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

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

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

A4. DIVIDENDS PAID AND PROPOSED

A single-tier second interim dividend of 5.00 sen per ordinary share, on 8,423,746,385 ordinary shares amounting to RM421,187,319 in respect of the financial year ended 31 December 2014 was approved by the Board of Directors on 30 January 2015. The dividend consists of an electable portion of 5.00 sen which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Scheme ("DRS"). Following the completion of the DRS, a total cash dividend of RM57,303,707 was paid on 28 April 2015.

The Directors have proposed a single tier first interim dividend of 3 sen per ordinary share, on 8,489,786,868 ordinary shares amounting to RM255 million in respect of financial year ending 31 December 2015 under DRS.

A5. STATUS OF CORPORATE PROPOSAL

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

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

(b) On 7 August 2015, CIMB Bank Berhad obtained an in-principle approval to establish and operate a 100% owned subsidiary in Vietnam.

A6. EVENTS DURING THE REPORTING PERIOD

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

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

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

A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

PART A - EXPLANATORY NOTES

A8. FINANCIAL ASSETS HELD FOR TRADING

	The Group	
	30 June 2015 RM'000	31 December 2014 RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	218,683	676,023
Cagamas bonds	-	9,970
Malaysian Government treasury bills	52,751	138,038
Bank Negara Malaysia Monetary Notes	109,266	3,662,375
Negotiable instruments of deposit	4,975,585	2,745,907
Bankers' acceptances and Islamic accepted bills	61,862	121,197
Other Government's securities	4,558,116	5,081,737
Commercial papers	575,192	151,700
Government Investment Issues	217,094	151,724
	10,768,549	12,738,671
Quoted securities:		
<i>In Malaysia:</i>		
Shares	311,342	1,581,737
<i>Outside Malaysia:</i>		
Shares	806,051	1,566,627
Private and Islamic debt securities	645,222	478,355
Other Government bonds	1,279,379	760,313
Investment linked funds	498,237	547,669
	3,540,231	4,934,701
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	2,215,811	2,540,888
Shares	6,842	6,716
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	3,547,085	3,447,364
Private equity funds	140,158	125,965
Unit trust	9,998	9,466
	5,919,894	6,130,399
Total financial assets held for trading	20,228,674	23,803,771

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	The Group	
	30 June 2015	31 December 2014
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	772,916	527,247
Cagamas bonds	215,389	148,161
Khazanah bonds	557,930	553,937
Other Government securities	981,019	261,407
Other Government treasury bills	29,588	72,335
Government Investment Issues	2,618,218	2,519,145
Commercial papers	-	74,805
Malaysian Government Sukuk	41,861	19,750
	5,216,921	4,176,787
Quoted securities:		
<i>In Malaysia:</i>		
Shares	130,426	135,882
Unit trusts	1,155	1,534
<i>Outside Malaysia:</i>		
Shares	67,392	83,154
Private and Islamic debt securities	2,695,975	1,771,630
Other Government bonds	5,872,498	5,116,797
Unit trusts	95,865	89,695
	8,863,311	7,198,692
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	16,540,799	14,240,932
Shares	997,491	1,082,338
Loan stocks	10,211	10,433
Property funds	183	183
<i>Outside Malaysia:</i>		
Shares	54,027	51,414
Private equity funds	563,275	615,448
Private and Islamic debt securities	7,132,693	5,171,761
Loan stocks	4,575	1,783
	25,303,254	21,174,292
	39,383,486	32,549,771
Allowance for impairment losses:		
Private debt securities	(62,323)	(64,924)
Private equity funds	(73,860)	(68,420)
Quoted shares	(15,988)	(15,988)
Quoted bonds	(7,278)	(5,565)
Unquoted shares	(172,561)	(97,528)
Unit trusts	(325)	(391)
Loan stocks	(10,211)	(10,433)
	(342,546)	(263,249)
Total financial investments available-for-sale	39,040,940	32,286,522

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group	
	30 June 2015	31 December 2014
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	1,398,188	1,116,365
Cagamas bonds	354,014	201,076
Other government securities	1,310,165	796,713
Other government treasury bills	18,098	17,170
Bank Negara Malaysia Monetary Notes	12,404	9,732
Khazanah bonds	246,025	245,369
Government Investment Issues	3,806,026	3,091,812
	7,144,920	5,478,237
Quoted securities		
<i>Outside Malaysia</i>		
Private debt securities	2,637,778	2,742,483
Islamic bonds	7,090	122,495
Other Government bonds	1,296,720	1,059,133
Bank Indonesia certificates	234,322	158,898
	4,175,910	4,083,009
Unquoted securities		
<i>In Malaysia</i>		
Private debt securities	8,148,925	7,625,544
Loan stocks	7,020	27,388
<i>Outside Malaysia</i>		
Private debt securities	827,378	1,075,296
	8,983,323	8,728,228
	20,304,153	18,289,474
Amortisation of premium, net of accretion of discount	(7,878)	4,876
Less : Allowance for impairment losses	(12,171)	(32,789)
Total financial investments held-to-maturity	20,284,104	18,261,561

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

A11. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group		The Company	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
At amortised cost				
Overdrafts	5,463,298	5,596,931	-	-
Term loans/financing				
- Housing loans/financing	68,229,346	64,424,328	-	-
- Syndicated term loans	16,065,851	14,610,622	-	-
- Hire purchase receivables	19,769,797	19,220,193	-	-
- Lease receivables	97,423	111,666	-	-
- Factoring receivables	29,889	25,529	-	-
- Other term loans/financing	105,365,596	96,324,632	-	-
Bills receivable	9,410,151	10,778,037	-	-
Trust receipts	1,391,959	1,395,282	-	-
Claims on customers under acceptance credits	4,195,667	4,573,768	-	-
Staff loans *	1,012,641	896,023	1	40
Credit card receivables	7,934,771	7,575,611	-	-
Revolving credits	38,986,337	37,354,876	-	-
Share margin financing	1,650,672	1,752,933	-	-
Other loans	999	3,658	-	-
Gross loans, advances and financing	279,604,397	264,644,089	1	40
Fair value changes arising from fair value hedge	196,399	136,079	-	-
	279,800,796	264,780,168	1	40
Less: Allowance for impairment losses				
- Individual impairment allowance	(3,843,845)	(3,591,249)	-	-
- Portfolio impairment allowance	(3,361,174)	(3,174,060)	-	-
	(7,205,019)	(6,765,309)	-	-
Total net loans, advances and financing	272,595,777	258,014,859	1	40

* Included in staff loans of the Group are loans to Directors amounting to RM17,399,186 (2014: RM11,660,165).

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

(b) The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM6,009 million (2014: RM8,120 million), using interest rate swaps.

	The Group	
	30 June 2015 RM'000	31 December 2014 RM'000
Gross loan hedged	6,008,514	8,119,997
Fair value changes arising from fair value hedges	196,399	136,079
	6,204,913	8,256,076

The fair value loss of interest rate swaps in these hedge transaction as at 30 June 2015 was RM183 million (2014: RM112 million).

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

	The Group		The Company	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Domestic banking institutions	665,294	1,691,259	-	-
Domestic non-bank financial institutions				
- stockbroking companies	-	13,224	-	-
- others	2,866,030	3,189,524	-	-
Domestic business enterprises				
- small medium enterprises	43,750,914	44,009,610	-	-
- others	50,933,383	45,871,410	-	-
Government and statutory bodies	8,851,514	8,854,267	-	-
Individuals	133,077,445	125,997,751	1	40
Other domestic entities	2,438,497	2,589,715	-	-
Foreign entities	37,021,320	32,427,329	-	-
Gross loans, advances and financing	279,604,397	264,644,089	1	40

(iii) By interest/profit rate sensitivity

	The Group		The Company	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Fixed rate				
- Housing loans/financing	1,788,889	1,803,982	-	-
- Hire-purchase receivables	11,117,272	11,761,686	-	-
- Other fixed rate loans	41,162,513	39,630,807	1	40
Variable rate				
- BLR plus	139,879,268	135,903,034	-	-
- Cost plus	36,179,301	33,750,957	-	-
- Other variable rates	49,477,154	41,793,623	-	-
Gross loans, advances and financing	279,604,397	264,644,089	1	40

(iv) By economic purpose

	The Group		The Company	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Personal use	9,691,326	8,748,136	1	2
Credit card	7,934,771	7,575,611	-	-
Purchase of consumer durables	111,136	594,930	-	-
Construction	8,589,257	8,199,486	-	-
Residential property (Housing)	70,487,183	66,248,029	-	38
Non-residential property	22,925,794	20,636,518	-	-
Purchase of fixed assets other than land and building	16,075,335	15,761,176	-	-
Mergers and acquisitions	4,717,277	5,288,961	-	-
Purchase of securities	22,589,090	19,708,117	-	-
Purchase of transport vehicles	22,015,562	21,338,114	-	-
Working capital	76,193,912	74,273,300	-	-
Other purposes	18,273,754	16,271,711	-	-
Gross loans, advances and financing	279,604,397	264,644,089	1	40

A11. LOANS, ADVANCES AND FINANCING (Continued)

(v) By geographical distribution

	The Group		The Company	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Malaysia	158,480,161	152,318,680	1	40
Indonesia	55,156,450	53,830,114	-	-
Thailand	24,909,855	22,799,411	-	-
Singapore	27,345,934	22,785,545	-	-
United Kingdom	805,729	931,230	-	-
Hong Kong	1,085,379	612,930	-	-
China	4,722,442	6,039,313	-	-
Other countries	7,098,447	5,326,866	-	-
Gross loans, advances and financing	279,604,397	264,644,089	1	40

(vi) By residual contractual maturity

	The Group		The Company	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Within one year	67,627,917	69,042,090	1	-
One year to less than three years	27,208,739	23,881,021	-	2
Three years to less than five years	41,118,610	33,216,713	-	-
Five years and more	143,649,131	138,504,265	-	38
Gross loans, advances and financing	279,604,397	264,644,089	1	40

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

	The Group	
	30 June 2015 RM'000	31 December 2014 RM'000
Personal use	325,683	312,471
Credit card	135,036	114,462
Purchase of consumer durables	118	5,657
Construction	1,375,074	1,222,102
Residential property (Housing)	1,600,257	1,479,522
Non-residential property	232,006	214,681
Purchase of fixed assets other than land and building	980,328	876,447
Purchase of securities	160,147	175,342
Purchase of transport vehicles	394,702	422,123
Working capital	3,214,325	2,565,699
Other purpose	833,207	794,183
Gross impaired loans, advances and financing	9,250,883	8,182,689

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

	The Group	
	30 June 2015 RM'000	31 December 2014 RM'000
Malaysia	4,005,020	4,016,830
Indonesia	3,486,980	2,491,905
Thailand	1,587,874	1,437,752
Singapore	56,843	44,657
United Kingdom	1,920	2,518
China	58,557	95,775
Other countries	53,689	93,252
Gross impaired loans, advances and financing	9,250,883	8,182,689

A11. LOANS, ADVANCES AND FINANCING (Continued)

(ix) Movements in impaired loans

	The Group	
	30 June 2015 RM'000	31 December 2014 RM'000
At 1 January	8,182,689	7,393,269
Classified as impaired during the period/year	3,315,258	4,672,395
Reclassified as not impaired during the period/year	(806,851)	(1,782,815)
Amount written back in respect of recoveries	(570,380)	(873,740)
Amount written off	(923,187)	(1,461,339)
Exchange fluctuation	53,354	234,919
At 30 June / 31 December	9,250,883	8,182,689
Ratio of gross impaired loans to gross loans, advances and financing	3.31%	3.09%

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

	The Group	
	30 June 2015 RM'000	31 December 2014 RM'000
<u>Individual impairment allowance</u>		
At 1 January	3,591,249	3,005,066
Net allowance made during the period/year	576,901	952,176
Amount written off	(396,506)	(458,740)
Allowance written back and charged to deferred assets	-	(2,735)
Amount transferred (to)/from portfolio impairment allowance	(4,671)	3,160
Unwinding income	306	(2,626)
Exchange fluctuation	76,566	94,948
At 30 June / 31 December	3,843,845	3,591,249
<u>Portfolio impairment allowance</u>		
At 1 January	3,174,060	3,261,224
Net allowance made during the period/year	645,162	887,551
Amount transferred from/(to) individual impairment allowance	4,671	(3,160)
Amount written off	(518,668)	(982,482)
Allowance made and charged to deferred assets	-	381
Unwinding income	(19,392)	(33,195)
Exchange fluctuation	75,341	43,741
At 30 June / 31 December	3,361,174	3,174,060
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing (excluding RPSIA financing) less individual impairment allowance	1.53%	1.49%

A12. OTHER ASSETS

	The Group		The Company	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Due from brokers and clients net of allowance for doubtful debts	4,218,758	4,090,027	-	-
Other debtors, deposits and prepayments, net of allowance for doubtful debts	5,772,617	3,872,575	445	13,764
Due from a joint venture	1,210,832	1,189,074	-	-
Due from insurers, brokers and reinsurers	2,437	3,768	-	-
Structured financing	1,880,108	202,040	-	-
Foreclosed properties net of allowance for impairment losses	333,917	356,826	-	-
Collateral pledged for derivative transactions	3,272,509	2,796,901	-	-
	16,691,178	12,511,211	445	13,764

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	30 June 2015	31 December 2014
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	68,183,204	64,732,253
Savings deposits	36,225,387	34,143,233
Fixed deposits	127,962,451	119,350,060
Negotiable instruments of deposit	1,163,846	3,486,878
Others	61,189,423	60,356,363
	294,724,311	282,068,787
<u>By type of customer</u>		
Government and statutory bodies	10,435,112	9,641,728
Business enterprises	115,877,205	109,294,880
Individuals	118,226,696	111,598,994
Others	50,185,298	51,533,185
	294,724,311	282,068,787

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

Due within six months	103,968,230	99,066,019
Six months to less than one year	21,200,546	18,436,364
One year to less than three years	1,970,815	3,107,205
Three years to less than five years	1,402,910	1,580,796
Five years and more	583,796	646,554
	129,126,297	122,836,938

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 June 2015 RM'000	31 December 2014 RM'000
Licensed banks	33,113,743	28,034,956
Licensed finance companies	1,194,725	796,797
Licensed investment banks	494,613	469,185
Bank Negara Malaysia	550,481	491,349
Other financial institutions	2,398,481	2,357,511
	37,752,043	32,149,798

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

Due within six months	35,342,254	29,249,136
Six months to less than one year	1,022,815	1,979,195
One year to less than three years	911,717	392,932
Three years to less than five years	202,386	306,247
Five years and more	272,871	222,288
	37,752,043	32,149,798

A15. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	The Group	
	30 June 2015 RM'000	31 December 2014 RM'000
Deposits from customers - structured investments	2,919,769	2,876,227
Bills payables	759,789	402,839
Debentures	626,137	411,635
	4,305,695	3,690,701

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

The carrying amount of the Group at 30 June 2015 of financial liabilities designated at fair value were RM369,176,000 (2014: RM403,475,000) lower than the contractual amount at maturity for the structured investments, RM13,946,000 (2014: RM3,610,000 higher) lower than the contractual amount at maturity for the bills payables and RM73,236,000 (2014: RM78,436,000) higher than the contractual amount at maturity for the debentures. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

A16. OTHER LIABILITIES

	The Group		The Company	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Due to brokers and clients	3,665,950	3,864,299	-	-
Expenditure payable	2,264,563	1,974,624	2,225	3,361
Provision for legal claims	61,632	90,974	-	-
Sundry creditors	3,661,855	1,349,922	1	1
Insurance fund - life and takaful insurance business	75,268	68,069	-	-
Allowance for commitments and contingencies	19,616	9,182	-	-
Post employment benefit obligations	237,576	352,216	-	-
Credit card expenditure payable	198,338	180,824	-	-
Call deposit borrowing	1,728,443	1,042,645	-	-
Unit link contract liabilities	492,411	547,669	-	-
Others	1,713,691	1,336,374	699	699
	14,119,343	10,816,798	2,925	4,061

A17. INTEREST INCOME

	2nd quarter ended		Six months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Loans, advances and financing				
- Interest income	3,566,933	3,159,078	7,060,683	6,224,132
- Unwinding income [^]	18,942	28,620	29,435	52,523
Money at call and deposit placements with financial institutions	115,675	111,675	252,989	244,893
Reverse repurchase agreements	35,917	40,348	72,462	85,213
Financial assets held for trading	112,002	149,075	212,162	285,674
Financial investments available-for-sale	352,103	299,062	671,657	593,822
Financial investments held-to-maturity	190,937	192,077	370,518	296,907
Others	7,054	7,838	12,459	14,965
	4,399,563	3,987,773	8,682,365	7,798,129
Accretion of discounts, net of amortisation of premiums	(14,296)	847	(19,237)	(1,612)
	4,385,267	3,988,620	8,663,128	7,796,517
The Company				
Loans, advances and financing				
- Interest income	-	-	-	1
Money at call and deposit placements with financial institutions	9,540	13,926	23,274	34,026
Others	-	-	-	30
	9,540	13,926	23,274	34,057

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

A18. INTEREST EXPENSE

	2nd quarter ended		Six months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits and placements of banks and other financial institution:	92,390	57,880	203,078	108,400
Deposits from other customers	1,560,452	1,385,989	3,093,760	2,700,005
Repurchase agreements	45,261	18,375	67,712	35,439
Bonds and debentures	75,249	58,097	144,522	121,875
Subordinated obligations	154,792	151,300	317,808	291,226
Financial liabilities designated at fair value	28,394	20,321	55,371	42,544
Negotiable certificates of deposits	50,055	26,269	100,377	60,317
Other borrowings	90,773	79,077	182,203	161,347
Others	19,201	15,849	38,644	33,136
	2,116,567	1,813,157	4,203,475	3,554,289
The Company				
Subordinated obligations	34,658	36,597	70,853	72,792
Other borrowings	41,595	29,947	82,664	62,253
	76,253	66,544	153,517	135,045

A19. NET NON-INTEREST INCOME

	2nd quarter ended		Six months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
(a) Net fee income and commission income:				
Commissions	184,281	177,053	368,433	331,213
Fee on loans, advances and financing	160,360	100,417	308,605	265,420
Portfolio management fees	5,402	5,837	10,632	11,383
Service charges and fees	163,483	160,920	331,748	306,688
Corporate advisory fees	8,826	8,560	62,784	29,277
Guarantee fees	15,020	23,450	30,803	40,722
Other fee income	70,730	73,695	155,419	176,698
Placement fees	7,974	5,262	10,429	22,782
Underwriting commission	6,812	11,153	17,783	27,704
Fee and commission income	622,888	566,347	1,296,636	1,211,887
Fee and commission expense	(134,725)	(113,634)	(277,016)	(256,712)
Net fee and commission income	488,163	452,713	1,019,620	955,175
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	14,476	11,676	23,531	14,719
- Financial investments available-for-sale	5,389	2,623	5,399	10,074
<i>Outside Malaysia</i>				
- Financial assets held for trading	4,439	703	4,501	783
- Financial investments available-for-sale	1,948	1,727	3,572	2,086
	26,252	16,729	37,003	27,662
(c) Net (loss)/gain arising from financial assets held for trading	(214,083)	47,630	(297,066)	93,805
- realised	81,761	(13,607)	4,488	(58,017)
- unrealised	(295,844)	61,237	(301,554)	151,822
(d) Net gain/(loss) arising from derivative financial instruments	273,483	(18,147)	696,169	362,175
- realised	(1,073,448)	79,317	(737,077)	29,923
- unrealised	1,346,931	(97,464)	1,433,246	332,252
(e) Net gain/(loss) arising from financial liability designated at fair value	30,583	8,246	(98,309)	24,746
- realised	(3,243)	(6,400)	(12,922)	(24,856)
- unrealised	33,826	14,646	(85,387)	49,602
(f) Net gain/(loss) arising from hedging activities	15,982	(7,943)	30,483	6,123
(g) Net gain from sale of financial investments available-for-sale	42,263	34,036	100,077	66,494
(h) Net gain from redemption of financial investment held-to-maturity	-	18	16	2,614
(i) Income from assets management and securities services	95,681	60,774	167,268	122,745
(j) Brokerage income	112,178	121,292	242,412	241,404
(k) Other non-interest income:				
Foreign exchange gain/(loss)	223,309	97,519	255,955	(87,307)
Rental income	6,278	3,000	9,687	6,372
(Loss)/Gain on disposal of property, plant and equipment/assets held for sale	(984)	3,043	862	1,724
Underwriting surplus before management expenses	4,031	1,745	7,387	6,774
Gain/(Loss) on disposal of foreclosed properties	5,711	(15,710)	(8,165)	(31,104)
Other non-operating income	56,380	66,139	124,289	168,752
	294,725	155,736	390,015	65,211
Total other operating income	1,165,227	871,084	2,287,688	1,968,154

A19. NET NON-INTEREST INCOME (CONTINUED)

	2nd quarter ended		Six months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
The Company				
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Subsidiaries	752,992	-	752,992	986,992
	752,992	-	752,992	986,992
(d) Net gain/(loss) arising from derivative financial instruments				
- realised	199	1,571	199	1,571
- unrealised	(740)	(1,944)	168	(2,023)
	(541)	(373)	367	(452)
(k) Other non-interest income:				
Foreign exchange (loss)/gain	(17)	10,351	(120)	12,146
Rental income	71	71	142	142
Gain on disposal of property, plant and equipment/assets held for sale	-	70	-	70
Other non-operating income	-	-	-	291
	54	10,492	22	12,649
	752,505	10,119	753,381	999,189

A20. OVERHEADS

	2nd quarter ended		Six months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonus	967,484	877,912	1,946,034	1,788,737
- Pension cost	90,707	84,833	183,971	168,809
- Mutual separation scheme	316,361	-	316,361	-
- Overtime	5,680	8,947	14,618	17,857
- Staff incentives and other staff payments	59,907	75,574	120,608	133,954
- Medical expenses	29,760	27,122	51,570	52,056
- Others	43,316	47,916	203,052	96,928
	1,513,215	1,122,304	2,836,214	2,258,341
Establishment costs				
- Depreciation of property, plant and equipment	83,348	85,677	172,889	169,265
- Amortisation of prepaid lease payments	2,748	3,038	5,483	5,845
- Rental	111,407	111,187	302,157	232,081
- Repair and maintenance	122,253	104,627	243,338	223,200
- Outsourced services	64,198	66,742	131,804	132,782
- Security expenses	30,900	41,963	62,786	66,828
- Others	61,287	55,511	124,125	108,377
	476,141	468,745	1,042,582	938,378
Marketing expenses				
- Sales commission	1,564	2,401	3,060	4,599
- Advertisement	61,675	62,352	131,646	126,036
- Others	22,067	23,126	46,183	43,407
	85,306	87,879	180,889	174,042
Administration and general expenses				
- Amortisation of intangible assets	77,592	75,733	155,355	153,602
- Legal and professional fees	44,199	43,539	85,293	70,503
- Stationery	13,937	17,237	28,494	32,543
- Communication	31,464	33,396	67,516	71,836
- Incidental expenses on banking operations	10,364	9,339	22,271	18,548
- Insurance	63,567	54,271	128,689	109,070
- Others	123,992	95,439	232,228	191,962
	365,115	328,954	719,846	648,064
	2,439,777	2,007,882	4,779,531	4,018,825

A20. OVERHEADS (CONTINUED)

	2nd quarter ended		Six months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
The Company				
Personnel costs				
- Staff incentives and other staff payments	1	-	6	2
- Others	-	1	-	3
	1	1	6	5
Establishment costs				
- Depreciation of property, plant and equipment	55	117	110	283
- Depreciation of investment properties	3	5	9	9
- Repair and maintenance	4	34	40	76
- Others	27	42	107	94
	89	198	266	462
Marketing expenses				
- Advertisement	11	-	11	-
- Others	2	66	2	66
	13	66	13	66
Administration and general expenses				
- Legal and professional fees	1,156	2,057	1,552	3,994
- Communication	-	6	-	8
- Others	2,612	598	3,481	1,531
	3,768	2,661	5,033	5,533
	3,871	2,926	5,318	6,066

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

	2nd quarter ended		Six months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Allowance made for impaired loans, advances and financing:				
Net allowance made during the financial period				
- Individual impairment allowance	258,293	63,892	576,901	56,232
- Portfolio impairment allowance	354,105	156,561	645,162	365,262
Impaired loans, advances and financing:				
- recovered	(96,154)	(79,689)	(187,575)	(175,893)
- written off	12,706	6,417	28,768	13,025
	528,950	147,181	1,063,256	258,626

A22. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 30 June 2015	The Group			The Company		
	Principal amount RM'000	Fair values		Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange derivatives</u>						
Currency forward	19,844,782	356,549	(597,171)	-	-	-
- Up to 1 year	15,533,176	277,312	(196,576)	-	-	-
- More than 1 year to 3 years	2,960,562	78,483	(154,696)	-	-	-
- More than 3 years	1,351,044	754	(245,899)	-	-	-
Currency swaps	171,747,576	1,859,660	(1,548,700)	-	-	-
- Up to 1 year	169,630,321	1,764,487	(1,515,093)	-	-	-
- More than 1 year to 3 years	1,972,169	66,758	(33,159)	-	-	-
- More than 3 years	145,086	28,415	(448)	-	-	-
Currency spot	15,952,573	17,689	(20,181)	-	-	-
- Up to 1 year	15,952,573	17,689	(20,181)	-	-	-
Currency options	7,762,496	80,951	(85,688)	-	-	-
- Up to 1 year	7,008,797	63,721	(64,296)	-	-	-
- More than 1 year to 3 years	530,770	13,808	(17,721)	-	-	-
- More than 3 years	222,929	3,422	(3,671)	-	-	-
Cross currency interest rate swaps	60,600,473	2,629,536	(2,867,734)	-	-	-
- Up to 1 year	14,289,886	379,039	(678,603)	-	-	-
- More than 1 year to 3 years	22,601,025	1,232,956	(1,186,062)	-	-	-
- More than 3 years	23,709,562	1,017,541	(1,003,069)	-	-	-
	275,907,900	4,944,385	(5,119,474)	-	-	-
<u>Interest rate derivative</u>						
Interest rate swaps	388,303,615	2,339,200	(1,652,378)	500,000	646	-
- Up to 1 year	131,795,112	136,636	(122,431)	-	-	-
- More than 1 year to 3 years	133,848,575	674,509	(673,040)	500,000	646	-
- More than 3 years	122,659,928	1,528,055	(856,907)	-	-	-
Interest rate futures	9,618,482	2,634	(3,712)	-	-	-
- Up to 1 year	5,493,858	2,478	(2,590)	-	-	-
- More than 1 year to 3 years	3,718,120	68	(1,097)	-	-	-
- More than 3 years	406,504	88	(25)	-	-	-
Interest rate options	129,682	278	(1,624)	-	-	-
- Up to 1 year	53,533	-	(1,351)	-	-	-
- More than 1 year to 3 years	76,149	278	(273)	-	-	-
	398,051,779	2,342,112	(1,657,714)	500,000	646	-
<u>Equity related derivatives</u>						
Equity futures	869,660	7,463	(3,889)	-	-	-
- Less than 1 year	869,660	7,463	(3,889)	-	-	-
Index futures	25,047	40	-	-	-	-
- Up to 1 year	25,047	40	-	-	-	-
Equity options	8,825,631	259,305	(175,115)	-	-	-
- Up to 1 year	2,281,947	36,407	(1,562)	-	-	-
- More than 1 year to 3 years	3,358,202	13,771	(95,745)	-	-	-
- More than 3 years	3,185,482	209,127	(77,808)	-	-	-
Equity swaps	774,065	1,647	(1,556)	-	-	-
- More than 3 years	774,065	1,647	(1,556)	-	-	-
	10,494,403	268,455	(180,560)	-	-	-

A22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 30 June 2015	The Group			The Company		
	Principal amount	Fair values		Principal amount	Fair values	
	RM'000	Assets	Liabilities	RM'000	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trading derivatives						
<u>Commodity related derivatives</u>						
Commodity swaps	1,932,680	610,311	(604,917)	-	-	-
- Up to 1 year	1,815,059	510,137	(506,097)	-	-	-
- More than 1 year to 3 years	117,621	100,174	(98,820)	-	-	-
Commodity futures	121,664	2,010	(1,994)	-	-	-
- Less than 1 year	118,800	1,979	(1,990)	-	-	-
- 1 year to 3 years	2,864	31	(4)	-	-	-
Commodity options	2,305,863	169,159	(89,513)	-	-	-
- Up to 1 year	1,288,843	35,676	(35,676)	-	-	-
- More than 1 year to 3 years	1,017,020	133,483	(53,837)	-	-	-
	4,360,207	781,480	(696,424)	-	-	-
<u>Credit related contract</u>						
Credit default swaps	6,257,595	45,952	(51,791)	-	-	-
- Up to 1 year	2,125,464	3,531	(1,472)	-	-	-
- More than 1 year to 3 years	2,712,640	36,228	(35,543)	-	-	-
- More than 3 years	1,419,491	6,193	(14,776)	-	-	-
Total return swaps	1,261,017	10,893	(22,029)	-	-	-
- Up to 1 year	752,442	1,969	-	-	-	-
- More than 1 year to 3 years	188,725	-	(11,151)	-	-	-
- More than 3 years	319,850	8,924	(10,878)	-	-	-
	7,518,612	56,845	(73,820)	-	-	-
Hedging derivatives						
Interest rate swaps	25,465,396	106,725	(310,230)	-	-	-
- Up to 1 year	1,900,800	19,487	(6,320)	-	-	-
- More than 1 year to 3 years	7,824,275	17,260	(17,152)	-	-	-
- More than 3 years	15,740,321	69,978	(286,758)	-	-	-
Currency swaps	3,482,973	1,194	(130,729)	-	-	-
- Up to 1 year	3,482,973	1,194	(130,729)	-	-	-
Cross currency interest rate swaps	4,614,407	25,902	(180,932)	-	-	-
- Up to 1 year	1,086,996	2,220	(20,267)	-	-	-
- More than 1 year to 3 years	1,915,460	19,128	(54,724)	-	-	-
- More than 3 years	1,611,951	4,554	(105,941)	-	-	-
	33,562,776	133,821	(621,891)	-	-	-
Total derivative assets/(liabilities)	729,895,677	8,527,098	(8,349,883)	500,000	646	-

A22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

A22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

A22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 June 2015, the amount of credit risk in the Group and the Company, measured in terms of the cost to replace the profitable contracts, was RM8,527,098,000 and RM646,000 respectively (2014: RM7,182,759,000 and RM478,000 respectively). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

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

A23. COMMITMENTS AND CONTINGENCIES

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

	30 June 2015	31 December 2014
	Principal Amount RM'000	Principal Amount RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	5,736,957	5,952,788
Certain transaction-related contingent items	5,665,758	5,746,700
Short-term self-liquidating trade-related contingencies	5,882,297	6,013,684
Obligations under underwriting agreement	80,573	140,000
Irrevocable commitments to extend credit		
- maturity not exceeding one year	46,060,009	49,895,290
- maturity exceeding one year	26,816,105	23,764,999
Miscellaneous commitments and contingencies	3,958,429	3,436,324
Total credit-related commitments and contingencies	94,200,128	94,949,785
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- up to one year	226,984,722	185,396,032
- more than one year to five years	45,027,525	36,662,043
- more than five years	11,993,033	8,115,743
	284,005,280	230,173,818
<u>Interest rate related contracts</u>		
- up to one year	139,243,303	122,370,051
- more than one year to five years	239,393,724	195,116,637
- more than five years	44,880,149	42,182,789
	423,517,176	359,669,477
<u>Equity related contracts</u>		
- up to one year	3,176,653	5,666,881
- more than one year to five years	6,740,264	3,241,558
- more than five years	577,485	643,844
	10,494,402	9,552,283
<u>Credit related contracts</u>		
- up to one year	2,877,906	1,164,049
- more than one year to five years	4,199,594	3,683,152
- more than five years	441,112	488,969
	7,518,612	5,336,170
<u>Commodity related contracts</u>		
- up to one year	3,222,702	2,525,183
- more than one year to five years	1,137,505	534,083
	4,360,207	3,059,266
Total treasury-related commitments and contingencies	729,895,677	607,791,014
	824,095,805	702,740,799
The Company		
<u>Interest rate related contracts</u>		
- more than one year to five years	500,000	500,000
	500,000	500,000

A24. CAPITAL ADEQUACY

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

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

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

The risk-weighted assets of CIMB Investment Bank Group are computed in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets). The Standardised Approach is applied for Credit Risk and Market Risk while Operational Risk is based on Basic Indicator Approach.

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

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

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

A24. CAPITAL ADEQUACY (Continued)

30 June 2015

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

	CIMB Bank **	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC*
Before deducting proposed dividend							
Common equity tier 1 ratio	10.620% # ^	11.519%	9.129%	9.954% # ^	29.577%	N/A	N/A
Tier 1 ratio	11.758% # ^	12.337%	9.129%	10.889% # ^	29.577%	13.796%	N/A
Total capital ratio	13.849% # ^	15.028%	13.786%	13.757% # ^	29.577%	15.872%	16.286%
After deducting proposed dividend							
Common equity tier 1 ratio	10.124% # ^	11.519%	9.129%	9.576% # ^	29.577%	N/A	N/A
Tier 1 ratio	11.262% # ^	12.337%	9.129%	10.511% # ^	29.577%	13.796%	N/A
Total capital ratio	13.354% # ^	15.028%	13.786%	13.379% # ^	29.577%	15.872%	16.286%

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

	CIMB Bank ** RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	140,506,314	21,685,265	20,751,088	184,600,556	1,177,857	47,469,956	937,553
Market risk	12,157,549	600,688	3,310,188	15,285,005	85,075	611,870	-
Operational risk	12,392,197	2,055,659	1,569,165	16,498,958	660,355	6,541,413	-
Large exposure risk	73,498	-	-	73,498	-	-	-
	165,129,558	24,341,612	25,630,441	216,458,017	1,923,287	54,623,239	937,553

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

	CIMB Bank ** RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Common Equity Tier I capital							
Ordinary shares	4,896,591	1,000,000	1,178,384	4,896,591	100,000	456,712	169,853
Other reserves	20,255,560	2,197,123	1,268,632	24,698,134	518,015	7,379,115	(20,017)
Qualifying non-controlling interests	-	-	-	283,589	-	-	-
Common Equity Tier I capital before regulatory adjustments	25,152,151	3,197,123	2,447,016	29,878,314	618,015	7,835,827	149,836
Less: Regulatory adjustments							
Goodwill	(3,555,075)	(136,000)	-	(5,029,859)	(964)	-	-
Intangible assets	(891,371)	(85,627)	(15,330)	(991,933)	-	-	(534)
Deferred tax assets	(179,444)	(15,957)	(92,005)	(310,510)	(42,245)	(76,842)	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,539,182)	-	-	(300,376)	(3,127)	(223,305)	-
Deduction in excess of Tier 2 capital	-	-	-	-	(2,730)	-	-
Shortfall of eligible provisions to expected losses	(541,718)	(105,905)	-	(721,654)	-	-	-
Others	(909,101)	(49,731)	-	(977,564)	(103)	-	(5,137)
Common Equity Tier I capital after regulatory adjustments	17,536,260	2,803,903	2,339,681	21,546,418	568,846	7,535,680	144,165
Additional Tier I capital							
Perpetual preference shares	140,000	199,000	-	140,000	-	-	-
Non-innovative Tier I Capital	700,000	-	-	700,000	-	-	-
Innovative Tier I Capital	1,128,260	-	-	1,128,260	-	-	-
Qualifying capital instruments held by third parties	-	-	-	56,559	-	-	-
Additional Tier I capital before regulatory adjustments	1,968,260	199,000	-	2,024,819	-	-	-
Less: Regulatory adjustments							
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(88,904)	-	-	(904)	-	-	-
Additional Tier I capital after regulatory adjustments	1,879,356	199,000	-	2,023,915	-	-	-
Total Tier I Capital	19,415,616	3,002,903	2,339,681	23,570,333	568,846	7,535,680	144,165
Tier II capital							
Subordinated notes	5,600,000	595,000	1,120,010	5,600,000	-	615,507	-
Redeemable preference shares	20,818	-	-	20,818	7	-	-
Qualifying capital instruments held by third parties	-	-	-	407,106	-	-	-
Portfolio impairment allowance & Regulatory reserve [√]	278,113	60,225	73,775	630,898	2,973	518,402	8,521
Tier II capital before regulatory adjustments	5,898,931	655,225	1,193,785	6,658,822	2,980	1,133,909	8,521
Less: Regulatory adjustments							
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(2,445,725)	-	-	(451,920)	(5,710)	-	-
Total Tier II capital	3,453,206	655,225	1,193,785	6,206,902	-	1,133,909	8,521
Total capital base	22,868,822	3,658,128	3,533,466	29,777,235	568,846	8,669,589	152,686
Less:							
Proposed dividends	(818,000)	-	-	(818,000)	-	-	-
Total capital base (net of proposed dividend)	22,050,822	3,658,128	3,533,466	28,959,235	568,846	8,669,589	152,686

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

√ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 30 June 2015 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM211 million, RM186 million and RM25 million respectively.

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

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

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

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

A24. CAPITAL ADEQUACY (Continued)

31 December 2014

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

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

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

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

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

	CIMB Bank ** RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Common Equity Tier I capital							
Ordinary shares	4,787,023	1,000,000	1,120,508	4,787,023	100,000	454,434	157,343
Other reserves	19,193,658	1,991,444	1,192,964	23,197,847	507,156	6,924,126	(22,824)
Qualifying non-controlling interests	-	-	-	257,010	-	-	-
Common Equity Tier I capital before regulatory adjustments	23,980,681	2,991,444	2,313,472	28,241,880	607,156	7,378,560	134,519
Less: Regulatory adjustments							
Goodwill	(3,555,075)	(136,000)	-	(4,965,324)	(964)	-	-
Intangible assets	(844,072)	(89,744)	(7,567)	(949,186)	-	-	(889)
Deferred tax assets	(182,140)	(22,855)	(77,684)	(314,145)	(46,428)	-	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(765,837)	-	-	(144,137)	(1,460)	(111,095)	-
Deduction in excess of Tier 2 capital	-	-	-	-	(7,603)	-	-
Shortfall of eligible provisions to expected losses	(125,800)	(115,689)	-	(280,596)	-	-	-
Others	(728,079)	-	-	(738,239)	(118)	-	(4,075)
Common Equity Tier I capital after regulatory adjustments	17,779,678	2,627,156	2,228,221	20,850,253	550,583	7,267,465	129,555
Additional Tier I capital							
Perpetual preference shares	160,000	206,000	-	160,000	-	-	-
Non-innovative Tier I Capital	800,000	-	-	800,000	-	-	-
Innovative Tier I Capital	1,289,440	-	-	1,289,440	-	-	-
Qualifying capital instruments held by third parties	-	-	-	51,075	-	-	-
Additional Tier I capital before regulatory adjustments	2,249,440	206,000	-	2,300,515	-	-	-
Less: Regulatory adjustments							
Investments in Additional Tier I capital instruments of subsidiaries and other financial and insurance/takaful entities	(44,349)	-	-	(349)	-	-	-
Additional Tier I capital before and after regulatory adjustments	2,205,091	206,000	-	2,300,166	-	-	-
Total Tier I Capital	19,984,769	2,833,156	2,228,221	23,150,419	550,583	7,267,465	129,555
Tier II capital							
Subordinated notes	6,050,000	680,000	1,070,316	6,050,000	-	649,229	-
Redeemable preference shares	29,740	-	-	29,740	8	-	-
Qualifying capital instruments held by third parties	-	-	-	378,488	-	-	-
Portfolio impairment allowance & Regulatory reserve ✓	240,204	42,233	68,061	552,993	2,729	511,618	7,290
Others	-	-	-	-	-	32,358	-
Tier II capital before regulatory adjustments	6,319,944	722,233	1,138,377	7,011,221	2,737	1,193,205	7,290
Less: Regulatory adjustments							
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(3,245,289)	-	-	(577,946)	(10,340)	(111,095)	-
Total Tier II capital	3,074,655	722,233	1,138,377	6,433,275	-	1,082,110	7,290
Total capital base	23,059,424	3,555,389	3,366,598	29,583,694	550,583	8,349,575	136,845
Less :							
Proposed dividends	(753,000)	-	-	(753,000)	-	-	-
Total capital base (net of proposed dividend)	22,306,424	3,555,389	3,366,598	28,830,694	550,583	8,349,575	136,845

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

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

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

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

CIMBGH proposed to continue with DRS implementation for the second interim dividend in respect of the financial year ended 2014. Pursuant to the completion of DRS, CIMBGH intend to reinvest the excess cash dividend surplus into CIMB Bank which would increase the capital adequacy ratios of the Group and Bank above those stated ratios. The second interim dividend was approved by the Board and Bank Negara Malaysia on 30 January 2015 and 18 February 2015 respectively.

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

A25. SEGMENTAL REPORT

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

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

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

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

Commercial Banking

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

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

Wholesale Banking

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

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

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

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

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

A25. SEGMENTAL REPORT (Continued)

Wholesale Banking (Continued)

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

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

Group Asset Management and Investments

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

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

Group Funding and Others

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

A25. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Asset Management and Investments RM'000	Group Funding and Others RM'000	Total RM'000
30 June 2015						
Net interest income						
- external income	2,295,001	754,239	1,337,304	18,807	54,302	4,459,653
- inter-segment (expense)/income	(129,862)	(45,018)	114,182	(68)	60,766	-
	2,165,139	709,221	1,451,486	18,739	115,068	4,459,653
Income from Islamic Banking operations	377,576	75,177	225,600	-	87,480	765,833
Net non-interest income	730,413	156,575	1,046,134	254,984	99,582	2,287,688
Gain on disposal of subsidiaries and associates	-	-	-	580	-	580
Net income	3,273,128	940,973	2,723,220	274,303	302,130	7,513,754
Overheads	(2,010,880)	(541,592)	(1,561,533)	(184,269)	(481,257)	(4,779,531)
of which:						
- Depreciation of property, plant and equipment	(102,419)	(5,097)	(36,968)	(7,750)	(20,655)	(172,889)
- Amortisation of prepaid lease payments	(106)	(5)	(81)	(5,291)	-	(5,483)
- Amortisation of intangible assets	(72,201)	(2,813)	(11,044)	(47,678)	(21,619)	(155,355)
Profit before allowances	1,262,248	399,381	1,161,687	90,034	(179,127)	2,734,223
Allowance (made)/written back for impairment losses on loans, advances and financing	(339,346)	(95,321)	(629,518)	-	929	(1,063,256)
Allowance written back/(made) for losses on other receivables	572	26	2,542	3,404	(1,046)	5,498
Allowance made for commitments and contingencies	-	-	-	(9,383)	-	(9,383)
Allowance written back/(made) for other impairment losses	-	-	393	(1,318)	(1,496)	(2,421)
Segment results	923,474	304,086	535,104	82,737	(180,740)	1,664,661
Share of results of joint ventures	1,640	-	-	(13,811)	-	(12,171)
Share of results of associates	-	-	-	54,834	-	54,834
Profit/(Loss) before taxation	925,114	304,086	535,104	123,760	(180,740)	1,707,324
% of profit before taxation	54.3	17.8	31.3	7.2	(10.6)	100.0
Taxation						(465,186)
Profit for the period						1,242,138

A25. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Asset Management and Investments RM'000	Group Funding and Others RM'000	Total RM'000
30 June 2014						
Net interest income						
- external income/(expense)	1,881,982	707,460	1,406,011	14,231	232,544	4,242,228
- inter-segment (expense)/income	(7,012)	(94,959)	(2,983)	(6)	104,960	-
	1,874,970	612,501	1,403,028	14,225	337,504	4,242,228
Income from Islamic Banking operations	367,477	63,142	242,668	-	55,367	728,654
Net non-interest income	722,665	116,103	871,734	198,988	58,664	1,968,154
Gain on disposal of subsidiaries and associates	-	-	4,086	2,105	-	6,191
Net income	2,965,112	791,746	2,521,516	215,318	451,535	6,945,227
Overheads	(1,865,632)	(491,109)	(1,344,367)	(142,309)	(175,408)	(4,018,825)
of which:						
- Depreciation of property, plant and equipment	(104,983)	(5,310)	(41,399)	(4,280)	(13,293)	(169,265)
- Amortisation of prepaid lease payments	(155)	(3)	(74)	(5,613)	-	(5,845)
- Amortisation of intangible assets	(57,252)	(1,523)	(11,535)	(44,526)	(38,766)	(153,602)
Profit/(loss) before allowances	1,099,480	300,637	1,177,149	73,009	276,127	2,926,402
Allowance (made)/written back for impairment losses on loans, advances and financing	(296,574)	52,890	(30,206)	-	15,264	(258,626)
Allowance (made)/written back for losses on other receivables	(2,495)	(1,193)	(3,330)	(4,947)	(1,656)	(13,621)
Allowance written back for commitments and contingencies	-	1,829	-	-	-	1,829
Recoveries written back from investment management and securities services	-	-	-	-	804	804
Allowance written back/(made) for other impairment losses	-	(19)	239	(2,275)	(13,732)	(15,787)
Segment results	800,411	354,144	1,143,852	65,787	276,807	2,641,001
Share of results of joint ventures	1,694	-	-	(5,531)	-	(3,837)
Share of results of associates	-	-	-	75,061	(3)	75,058
Profit before taxation	802,105	354,144	1,143,852	135,317	276,804	2,712,222
% of profit before taxation	29.6	13.1	42.2	5.0	10.1	100.0
Taxation						(665,929)
Profit for the period						2,046,293

A26. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

Valuation Model Review and Approval

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

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

A26. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and the Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 June 2015 and 31 December 2014.

The Group	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Fair Value		Total RM'000
			Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
30 June 2015					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial assets held for trading					
- Money market instruments	10,768,549	-	10,768,549	-	10,768,549
- Quoted securities	3,540,231	1,617,507	1,922,724	-	3,540,231
- Unquoted securities	5,919,894	-	5,772,894	147,000	5,919,894
Financial investments available-for-sale					
- Money market instruments	5,216,921	-	5,216,921	-	5,216,921
- Quoted securities	8,839,720	273,684	8,566,036	-	8,839,720
- Unquoted securities	24,984,299	-	23,658,658	1,325,641	24,984,299
Derivative financial instruments					
- Trading derivatives	8,393,277	12,126	8,335,378	45,773	8,393,277
- Hedging derivatives	133,821	-	133,821	-	133,821
Total	67,796,712	1,903,317	64,374,981	1,518,414	67,796,712
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	7,727,992	63,928	7,616,089	47,975	7,727,992
- Hedging derivatives	621,891	1,502	620,389	-	621,891
Financial liabilities designated at fair value	4,305,695	-	3,938,936	366,759	4,305,695
Total	12,655,578	65,430	12,175,414	414,734	12,655,578
31 December 2014					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial assets held for trading					
- Money market instruments	12,738,671	-	12,738,671	-	12,738,671
- Quoted securities	4,934,701	3,727,154	1,207,547	-	4,934,701
- Unquoted securities	6,130,399	-	5,997,718	132,681	6,130,399
Financial investments available-for-sale					
- Money market instruments	4,176,787	-	4,176,787	-	4,176,787
- Quoted securities	7,176,748	272,102	6,904,646	-	7,176,748
- Unquoted securities	20,932,987	-	19,400,519	1,532,468	20,932,987
Derivative financial instruments					
- Trading derivatives	7,036,376	11,023	6,958,680	66,673	7,036,376
- Hedging derivatives	146,383	-	146,383	-	146,383
Total	63,273,052	4,010,279	57,530,951	1,731,822	63,273,052
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	7,230,283	73,002	7,100,419	56,862	7,230,283
- Hedging derivatives	482,511	-	482,511	-	482,511
Financial liabilities designated at fair value	3,690,701	-	3,329,965	360,736	3,690,701
Total	11,403,495	73,002	10,912,895	417,598	11,403,495

A26. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 June 2015 and 31 December 2014.

The Company	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Fair Value		Total RM'000
			Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
30 June 2015					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Derivative financial instruments					
- Trading derivatives	646	-	646	-	646
Total	646	-	646	-	646
31 December 2014					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Derivative financial instruments					
- Trading derivatives	478	-	478	-	478
Total	478	-	478	-	478

A26. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial period/year ended 30 June 2015 and 31 December 2014 for the Group.

	Financial Assets			Total	Financial Liabilities		
	Financial assets held for trading	Financial investments available-for-sale	Derivative financial instruments		Financial liabilities designated at fair value	Derivative financial instruments	Total
	Unquoted securities	Unquoted securities	Trading derivatives			Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2015							
At 1 January	132,681	1,532,468	66,673	1,731,822	(360,736)	(56,862)	(417,598)
Total gains/(losses) recognised in Statement of Income	4,156	(15,290)	(15,530)	(26,664)	(23,376)	6,231	(17,145)
Total losses recognised in Other Comprehensive Income	-	(29,993)	-	(29,993)	-	-	-
Purchases	-	5,782	21,446	27,228	-	(19,771)	(19,771)
Sales and redemptions	-	(207,650)	-	(207,650)	-	-	-
Settlements	-	-	(26,816)	(26,816)	17,353	22,427	39,780
Exchange fluctuation	10,163	40,324	-	50,487	-	-	-
At 30 June	147,000	1,325,641	45,773	1,518,414	(366,759)	(47,975)	(414,734)
Total gains/(losses) recognised in Statement of Income for financial period ended 30 June 2015 under:							
- net non-interest income	4,156	(15,290)	(15,530)	(26,664)	(16,701)	6,231	(10,470)
- interest expense	-	-	-	-	(6,675)	-	(6,675)
Total losses recognised in Other Comprehensive Income for the financial period ended 30 June 2015 under "revaluation reserves"	-	(29,993)	-	(29,993)	-	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 30 June 2015 under "net non-interest income"	4,156	(8,333)	(13,166)	(17,343)	(16,701)	45,769	29,068

A26. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial period /year ended 30 June 2015 and 31 December 2014 for the Group (Continued)

	Financial Assets			Total	Financial Liabilities		
	Financial assets held for trading	Financial investments available-for-sale	Derivative financial instruments		Financial liabilities designated at fair value	Derivative financial instruments	Total
	Unquoted securities	Unquoted securities	Trading derivatives			Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
31 December 2014							
At 1 January	73,048	1,278,934	49,675	1,401,657	-	(943,151)	(943,151)
Total gains/(losses) recognised in Statement of Income	2,567	(3,044)	13,149	12,672	60,733	280,894	341,627
Total gains recognised in Other Comprehensive Income	-	68,299	-	68,299	-	-	-
Purchases	49,083	235,190	17,314	301,587	-	(1,224)	(1,224)
New issuances	-	18	-	18	(435,872)	-	(435,872)
Sales and redemptions	-	(48,347)	-	(48,347)	-	-	-
Settlements	-	-	(13,465)	(13,465)	14,403	606,619	621,022
Transfers out of Level 3 to Level 1	-	(856)	-	(856)	-	-	-
Disposal of subsidiaries	-	(1,192)	-	(1,192)	-	-	-
Exchange fluctuation	7,983	3,466	-	11,449	-	-	-
At 31 December	132,681	1,532,468	66,673	1,731,822	(360,736)	(56,862)	(417,598)
Total gains/(losses) recognised in Statement of Income for financial year ended 31 December 2014 under:							
- net non-interest income	2,567	(3,044)	13,149	12,672	73,274	280,894	354,168
- interest expense	-	-	-	-	(12,541)	-	(12,541)
Total gains recognised in Other Comprehensive Income for financial year ended 31 December 2014 under "revaluation reserves"	-	68,299	-	68,299	-	-	-
Change in unrealised gains recognised in Statement of Income relating to assets held on 31 December 2014 under "net non-interest income"	2,567	(3,082)	14,778	14,263	73,274	91,097	164,371

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

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

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

A26. FAIR VALUE ESTIMATION (Continued)

The following represents the Group's and the Company's non-financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 June 2015 and 31 December 2014.

Investment properties (Recurring)

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

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

In accordance with MFRS5, the non-current assets held for sales were stated at the lower of carrying amount and fair value less cost to sell. As at 30 June 2015, the property plant and equipment and investment properties held for sales of the Group that were stated at fair value less cost to sell was RM4,905,000 (2014: RM9,858,000). This is a non-recurring fair value which has been measured using observable inputs under sales comparison approach performed by independent valuers. Sales prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. Therefore, it is within level 2 of the fair value hierarchy.

A27. OPERATIONS OF ISLAMIC BANKING

A27a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	The Group	
		30 June 2015 RM'000	31 December 2014 RM'000
ASSETS			
Cash and short-term funds		8,820,644	6,549,105
Reverse repurchase agreements		28,161	-
Deposits and placements with banks and other financial institutions		2,176,788	742,096
Financial assets held for trading		2,968,940	3,723,913
Islamic derivative financial instruments		265,124	286,468
Financial investments available-for-sale		3,002,664	2,398,454
Financial investments held-to-maturity		1,670,417	1,165,553
Financing, advances and other financing/loans	A27d(i)	44,263,617	40,600,338
Deferred tax assets		14,180	21,518
Amount due from conventional operations		4,656,365	3,824,466
Statutory deposits with Bank Negara Malaysia		1,386,105	1,297,654
Property, plant and equipment		17,703	13,169
Other assets		737,788	454,723
Goodwill		136,000	136,000
Intangible assets		88,536	91,937
TOTAL ASSETS		70,233,032	61,305,394
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS			
Deposits from customers	A27(e)	47,204,986	44,345,984
Deposits and placements of banks and other financial institutions		9,455,962	5,812,183
Islamic derivative financial instruments		408,697	340,823
Financial liabilities designated at fair value	A27(f)	202,356	149,835
Amount due to conventional operations		851,807	623,717
Provision for taxation and Zakat		35,405	26,805
Other liabilities		5,710,325	3,977,161
Subordinated Sukuk		857,756	856,026
TOTAL LIABILITIES		64,727,294	56,132,534
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,250	55,250
Perpetual preference shares		220,000	220,000
Reserves		4,219,982	3,887,440
		5,495,232	5,162,690
Non-controlling interests		10,506	10,170
TOTAL ISLAMIC BANKING CAPITAL FUNDS		5,505,738	5,172,860
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		70,233,032	61,305,394

A27b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD ENDED 30 JUNE 2015

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	664,515	605,512	1,250,538	1,195,308
Net income derived from investment of shareholders' funds	125,483	40,401	263,564	97,269
Allowance made for impairment losses on financing, advances and other financing/loans	(35,286)	(32,223)	(69,171)	(47,669)
Allowance (made)/written back for impairment losses on other receivables	(56)	(9)	(91)	146
Total distributable income	754,656	613,681	1,444,840	1,245,054
Income attributable to depositors	(391,078)	(285,272)	(748,269)	(563,923)
Total net income	363,578	328,409	696,571	681,131
Other operating expenses	(148,166)	(132,805)	(293,743)	(270,216)
Profit before allowances	215,412	195,604	402,828	410,915
Allowance written back for other impairment losses	-	103	-	125
Profit before taxation	215,412	195,707	402,828	411,040
Taxation	(48,683)	(42,305)	(91,001)	(90,565)
Profit for the period	166,729	153,402	311,827	320,475
Profit for the period attributable to:				
Owners of the Parent	166,766	153,107	311,481	319,908
Non-controlling interests	(37)	295	346	567
	166,729	153,402	311,827	320,475

A27c. UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2015

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	166,729	153,402	311,827	320,475
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	2,537	(616)	15,598	(3,136)
- Net gain/(loss) from change in fair value	4,587	1,770	21,692	(3,678)
- Realised gain transferred to statement of income on disposal and impairment	(1,082)	(1,984)	(1,225)	(3,742)
- Income tax effects	(968)	(402)	(4,869)	4,284
Exchange fluctuation reserve	511	(360)	5,647	6,281
Other comprehensive income for the period, net of tax	3,048	(976)	21,245	3,145
Total comprehensive income for the period	169,777	152,426	333,072	323,620
Total comprehensive income for the period attributable to:				
Owners of the Parent	169,775	152,451	333,082	323,511
Non-controlling interests	2	(25)	(10)	109
	169,777	152,426	333,072	323,620
<u>Income from Islamic operations (per page 2)</u>				
Total net income	363,578	328,409	696,571	681,131
Add: Allowance made for impairment losses on financing, advances and other financing/loans	35,286	32,223	69,171	47,669
Add: Allowance made/(written back) for impairment losses on other receivables	56	9	91	(146)
	398,920	360,641	765,833	728,654

A27d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS
(i) By type and Shariah contract
30 June 2015

At amortised cost	The Group					Total RM'000
	Bai' RM'000	Ijarah RM'000	Musharakah RM'000	Qard RM'000	Others RM'000	
Cash line [^]	568,202	-	-	6,050	-	574,252
Term financing						
House Financing	9,559,739	1,206,238	-	-	-	10,765,977
Syndicated Financing	1,745,493	185,968	-	-	49,971	1,981,432
Hire purchase receivables	729,990	4,807,051	-	-	-	5,537,041
Other term financing	19,843,323	58,435	-	-	2,647,985	22,549,743
Bills receivable	2,741	-	-	102	-	2,843
Trust receipts	12,027	-	-	-	100,576	112,603
Claims on customers under acceptance credits	288,683	-	-	-	-	288,683
Staff financing	-	-	-	-	2	2
Revolving credits	2,138,974	-	-	-	362,332	2,501,306
Credit card receivables	-	-	-	-	145,386	145,386
Share margin financing	7,559	-	59,517	-	40,535	107,611
Ar Rahnu	-	-	-	-	2,603	2,603
Other financing	-	16,894	-	-	11,593	28,487
Gross financing, advances and other financing/loans	34,896,731	6,274,586	59,517	6,152	3,360,983	44,597,969
Fair value changes arising from fair value hedge						129,811
						44,727,780
Less: Allowance for impairment losses						
- Individual impairment allowance						(111,853)
- Portfolio impairment allowance						(352,310)
						(464,163)
Net financing, advances and other financing/loans						44,263,617

31 December 2014

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

[^] Includes current account in excess

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

(a) During the financial period, the Group has undertaken fair value hedges on RM4,875 million (2014: RM6,350 million) financing using profit rate swaps.

	The Group	
	30 June 2015	31 December 2014
	RM'000	RM'000
Gross financing hedged	4,875,000	6,350,000
Fair value changes arising from fair value hedges	129,811	57,272
	5,004,811	6,407,272

The fair value loss on profit rate swaps in the hedge transaction as at 30 June 2015 were RM155 million (2014: RM83 million).

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

As at 30 June 2015, the gross exposures to RPSIA financing is RM2,463 million (2014: RM2,099 million) and the portfolio impairment allowance relating to this RPSIA amounting to RM6.4 million (2014: RM6.4 million) is recognised in the Financial Statements of CIMB Bank Berhad.

There was no individual impairment provided on this RPSIA financing.

c) Movement of Qard financing

	The Group	
	30 June 2015	31 December 2014
	RM'000	RM'000
At 1 January	10,277	2,006
New disbursement	1,128	10,068
Repayment	(5,253)	(1,797)
At 30 June / 31 December	6,152	10,277

b) Sources and uses of Qard Financing

Sources of Qard fund:		
Depositors' fund	5,777	9,665
Shareholders' fund	375	612
	6,152	10,277
Uses of Qard fund:		
Personal use	330	1,156
Business use	5,822	9,121
	6,152	10,277

(ii) By geographical distribution

	The Group	
	30 June 2015	31 December 2014
	RM'000	RM'000
Malaysia	38,986,368	36,781,908
Indonesia	1,897,306	1,866,915
Singapore	2,549,099	1,633,620
Other countries	1,165,196	723,663
Gross financing, advances and other financing/loans	44,597,969	41,006,106

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

	The Group	
	30 June 2015	31 December 2014
	RM'000	RM'000
Malaysia	440,056	457,860
Indonesia	83,454	82,060
Gross impaired financing, advances and other financing/loans	523,510	539,920

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

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

	The Group	
	30 June 2015	31 December 2014
	RM'000	RM'000
At 1 January	539,920	375,428
Classified as impaired during the period/year	280,996	859,063
Reclassified as not impaired during the period/year	(159,028)	(375,431)
Amount recovered	(49,955)	(103,631)
Amount transferred to conventional operations	-	(38,104)
Amount written off	(88,578)	(182,722)
Exchange fluctuation	155	5,317
At 30 June / 31 December	523,510	539,920
Ratio of gross impaired financing, advances and other financing/loans to gross financing, advances and other financing/loans	1.17%	1.32%

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

	The Group	
	30 June 2015	31 December 2014
	RM'000	RM'000
Individual impairment allowance		
At 1 January	88,336	48,093
Allowance made during the period/year	24,466	53,064
Amount written off	(1,296)	(9,105)
Amount transferred to conventional operations	-	(5,216)
Exchange fluctuation	347	1,500
At 30 June / 31 December	111,853	88,336
Portfolio impairment allowance		
At 1 January	374,704	414,807
Allowance made during the period/year	64,579	154,030
Amount written off	(87,261)	(173,618)
Exchange fluctuation	288	(20,515)
At 30 June / 31 December	352,310	374,704
Portfolio impairment allowance as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	1.09%	1.16%

A27e. DEPOSITS FROM CUSTOMERS
(i) By type of deposits

	The Group	
	30 June 2015 RM'000	31 December 2014 RM'000
Savings deposit		
Wadiah	3,043,664	2,742,201
Mudharabah	276,737	190,452
	3,320,401	2,932,653
Demand deposit		
Wadiah	9,171,809	7,377,966
Qard	131,215	61,320
Mudharabah	777,479	755,889
	10,080,503	8,195,175
Term deposit		
<i>Commodity Murabahah</i>	31,172,843	21,691,342
<i>Islamic negotiable instruments</i>	544,421	2,563,732
Mudharabah	345,265	389,915
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	199,156	2,173,817
<i>Short term money market deposit-i</i>	126,975	5,116,670
Wakalah	15,612	5,109,756
Wadiah	111,363	6,914
<i>Fixed Deposit-i</i>	241,627	1,067,331
Wakalah	-	608,700
Wadiah	241,627	458,631
<i>General investment account</i>	1,379,827	2,433,388
Mudharabah	1,379,827	2,433,388
<i>Specific investment account</i>	322,610	326,806
Mudharabah	322,610	326,806
	33,788,303	33,199,269
Others - Qard	15,779	18,887
	47,204,986	44,345,984

(ii) By maturity structures of term deposit

Due within six months	28,966,814	31,429,165
Six months to one year	4,135,243	1,067,187
One year to three years	369,213	381,594
Three years to five years	368	436
More than five years	316,665	320,887
	33,788,303	33,199,269

(iii) By type of customer

Government and statutory bodies	4,341,465	3,791,645
Business enterprises	18,190,475	17,899,026
Individuals	10,409,433	6,821,940
Others	14,263,613	15,833,373
	47,204,986	44,345,984

A27f. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	The Group	
	30 June 2015 RM'000	31 December 2014 RM'000
Deposits from customers - structured investments	202,356	149,835

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

The carrying amount of the Group as at 30 June 2015 of financial liabilities designated at fair value were RM5,102,000 (2014: RM8,551,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

A28. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	The Group	
	30 June 2015	31 December 2014
	RM'000	RM'000
Outstanding credit exposures with connected parties	13,289,565	12,171,744
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	3.73%	3.66%
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	0.00%	0.00%

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

CIMB Group Holdings Berhad (“CIMB Group”) results

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) reported a net profit of RM1.220 billion for the first half of 2015 (“1H15”), equivalent to a net earnings per share (“EPS”) of 14.4 sen. Excluding exceptional expenses of RM518 million (consisting RM202 million in restructuring expenses and RM316 million from the MSS, the Group’s BAU 1H15 net profit decreased by 17.7% year-on-year (“Y-o-Y”), on the back of a 8.2% Y-o-Y growth in operating income offset by increased provisions. The Group’s annualised BAU 1H15 net return on average equity (“ROE”) was 8.7%. The Group declared a first interim net dividend of 3.00 sen per share to be paid via cash or an optional Dividend Reinvestment Scheme (“DRS”). The total interim dividend amounts to a net payment of RM255 million, translating to a dividend payout ratio of 20.9% of 1H15 profits.

The Group posted a respectable 1H15 financial performance in an increasingly challenging operating environment, with a continued Q-o-Q growth momentum. The Group’s core banking operations continue to make positive headway, particularly in Consumer and Wholesale Banking across the region. The 8.2% Y-o-Y increase in operating income was largely driven by the expansion in gross loans, while it is pleased to have kept core operating expenses firmly under control.

CIMB Group 1H15 Y-o-Y Results

For comparative purposes, the Y-o-Y performance is based on BAU numbers for 1H15. CIMB Group’s 1H15 operating income grew 8.2% Y-o-Y to RM7.514 billion underpinned by a 17.3% expansion in non-interest income and a 4.4% growth in net interest income. The 6.0% Y-o-Y increase in operating expenses were largely due to higher personnel expenses from inflationary effects in Indonesia, bringing about an 11.1% improvement in the Group’s PPOP. However, the Group’s PBT was 18.0% lower at RM2.225 billion on the back of the higher corporate loan provisions from Indonesia.

The Group’s regional Consumer Bank PBT increased by 15.3% Y-o-Y in 1H15 to RM925 million, making up 42% of Group PBT. Contributions were stronger from all geographies with the Indonesia consumer operations performing significantly better in addition to lower operational losses from Thailand. The regional Commercial Banking PBT was 14.1% lower Y-o-Y at RM304 million on the back increased provisions in Indonesia and Thailand. The Group’s Regional Wholesale Banking PBT declined by 35.6% Y-o-Y to RM737 million attributed to increased Corporate Banking provisions and softer Treasury & Markets, while the Investment Banking operations improved from increased market activity after excluding the one-off restructuring costs. Group Asset Management and Investments (“GAMI”) PBT was 6.7% lower Y-o-Y on asset revaluations, while Group Funding PBT declined 52.0% Y-o-Y due to higher cost of funds and lower investment returns.

Non-Malaysian PBT contribution to the Group was lower at 22% in 1H15 compared to 35% in 1H14, principally due to the 87.4% Y-o-Y decline in Indonesia’s PBT to RM93 million from lower CIMB Niaga earnings. Thailand’s PBT contribution declined 18.4% Y-o-Y to RM102 million following increased provisions in 1H15. Total PBT contribution from Singapore expanded by 36.9% to RM219 million as both the bank and securities operations performed better.

The Group’s total gross loans (excluding the bad bank) expanded 16.5% Y-o-Y and was 12.2% higher excluding FX fluctuations. Total deposits grew 9.6% Y-o-Y or 6.2% excluding FX fluctuations. The Group’s loan to deposit (“LDR”) ratio rose to 94.0% compared to 88.8% previously.

The Group’s gross impairment ratio rose to 3.3% as at June 2015 from 3.1% in June 2014, with a higher allowance coverage of 86.1% as at June 2015. The Group’s BAU cost to income ratio improved to 56.7% compared to 57.9% previously, as the growth in operating income outstripped the increase in operating expenses. The Group’s Net Interest Margins (“NIM”) were lower at 2.64% mainly due to the higher consumer deposit costs in Malaysia.

As at 30 June 2015, CIMB Group’s total capital ratio stood at 13.9% while the Common Equity Tier 1 (“CET1”) capital ratio stood at 9.7%. This is higher than the 30 June 2014 CET1 ratio of 9.5% following the release of the regulatory reserves by Bank Negara Malaysia (“BNM”) in 4Q14, as well as the continued DRS.

CIMB Group 2Q15 Q-o-Q Results

On a Q-o-Q basis, the 2Q15 operating income grew 4.2% to RM3.834 billion from a 6.0% expansion in non-interest income and a 3.3% increase in net interest income. The Consumer and Wholesale Banking PBT improved on the back of asset growth and lower corporate banking provisions. The Commercial banking PBT was lower from higher provisions in Thailand and Indonesia. 2Q15 BAU net profit was 12.1% higher Q-o-Q at RM877 million due to the improvement in operating income as well as lower operating expenses.

CIMB Islamic

CIMB Islamic’s 1H15 Y-o-Y PBT decreased by 7.3% to RM257 million due to the slower Islamic capital markets activity. CIMB Islamic’s gross financing assets increased by 12.5% Y-o-Y, accounting for 13.8% of total Group loans. Total deposits grew by 8.5% Y-o-Y to RM43.5 billion.

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

Target 18 (“T18”) And Key Organisation Changes

On 26 February 2015, Tengku Dato’ Zafrul Tengku Abdul Aziz was confirmed as Group Chief Executive Officer (“CEO”). Dato’ Sri Nazir Razak had taken over as Chairman of CIMB Group on 1 September 2014. On 20 July 2015, CIMB Group announced the appointment of Datuk Mohd Nasir Ahmad and Dato’ Lee Kok Kwan as Independent Director and Non-Executive Non-Independent Director respectively.

On 6 February 2015, CIMB Group outlined its new T18 plans and key organization changes, with a mid-term target of achieving an ROE of 15%, CET1 ratio of over 11%, a cost to income ratio of below 50% and a 60% consumer banking income contribution by end-2018. The reorganisation exercise will see the creation of new regional divisions and key management changes across the Group. On 12 March 2015, the Group announced the appointment of Effendy Shahul Hamid as CEO, Group Asset Management & Investments and Kwan Keen Yew as Group Chief Compliance Officer. On 1 June 2015, Tigor M. Siahaan was appointed as President Director of CIMB Niaga.

As part of the T18 initiative, the Group closed its offices in Sydney and Melbourne in Australia, in line with the objective of reducing its Asia Pacific investment banking and equities operating cost by 30% in 2015. On 15 May, the Group announced a voluntary MSS to employees in Malaysia and Indonesia as part of the realignment of cost structures and operating efficiencies. On 1 July 2015, the MSS was completed with a total of 3,599 applications approved (1,891 in Malaysia and 1,708 in Indonesia).

B2. CORPORATE DEVELOPMENTS

Capital Management

- “ On 3 April 2015, CIMB Group Holdings Bhd redeemed its RM150 million subordinated notes.
- “ On 28 April 2015, CIMB Group issued and allotted 66,040,583 new ordinary shares of RM1 each in new CIMB Group shares pursuant to the DRS arising from the Second Interim Dividend announcement for FY14. The new shares were listed and quoted on the Main Market of Bursa Securities on 29 April 2015.
- “ On 27 August 2015, CIMB Thai announced a rights issue of 3,689,853,654 new ordinary shares with a par value of THB 0.50 per share at a ratio of 7 rights shares for every 40 existing CIMB Thai shares held at an offer price of THB1 per share.

Mergers and Acquisitions

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

Others

- “ On 7 January 2015, Dagong Global Credit Rating Co. affirmed CIMB Bank’s long term local and foreign currency issuer default ratings of ‘AA’ and ‘AA-’ respectively. The outlook is stable.
- “ On 25 February 2015, CIMB Group confirmed the appointment of Tengku Dato’ Zafrul Tengku Abdul Aziz as Group CEO. On 12 March 2015, Effendy Shahul Hamid was appointed CEO, Group Asset Management & Investments and Kwan Keen Yew was appointed Group Chief Compliance Officer. On 1 June 2015, Tigor M. Siahaan was appointed as President Director of CIMB Niaga. On 14 July 2015, CIMB Group announced the resignation of Badlisyah Abdul Ghani as CIMB Islamic Bank’s CEO. On 20 July 2015, CIMB Group announced the appointment of Datuk Mohd Nasir Ahmad and Dato’ Lee Kok Kwan as Independent Director and Non-Executive Non-Independent Director respectively. On 21 August 2015, CIMB announced the resignation of Dato’ Sulaiman Mohd Tahir as CEO and Executive Director of CIMB Bank.
- “ On 2 March 2015, Fitch Ratings affirmed CIMB Thai’s long-term and short-term national ratings at AA-(tha) and F1+(tha) respectively. The outlook is stable.
- “ On 13 April 2015, Fitch Ratings affirmed CIMB Niaga’s long-term and short-term issuer default ratings at BBB and F3 respectively, as well as long-term and short-term national ratings at AAA(idn) and F1+(idn) respectively. The outlook is stable.
- “ On 15 May 2015, CIMB Group announced a MSS to all employees in Malaysia and Indonesia. On 1 July 2015, CIMB Group and CIMB Niaga completed the MSS with a total of 3,599 applications approved.

B2. CORPORATE DEVELOPMENTS (continued)

Others (continued)

- “ On 9 June 2015, Moody’s affirmed CIMB Niaga’s long-term and short-term foreign currency deposits ratings at Baa3 and P-3 respectively. The outlook is stable.
- “ On 10 June 2015, Moody’s reaffirmed CIMB Thai’s long-term and short-term foreign currency deposits ratings at Baa2 and P-2 respectively. The outlook is stable.
- “ On 16 June 2015, Moody’s lowered CIMB Group Holdings long-term issuer rating from A3 to Baa1, driven by Moody’s new bank rating methodology. On 2 July 2015, Moody’s reaffirmed the rating and the positive outlook.
- “ On 16 June 2015, Moody’s lowered CIMB Bank’s A1/P-1 local currency rating to A3/P-2, driven by Moody’s new bank rating methodology. On 2 July 2015, Moody’s reaffirmed the long-term and short-term foreign currency ratings at A3 and P-2 respectively. The outlook is positive.
- “ On 16 June 2015, Moody’s lowered CIMB Islamic Bank’s A1/P-1 local currency rating to A3/P-2, driven by Moody’s new bank rating methodology. On 2 July 2015, Moody’s reaffirmed the long-term and short-term foreign currency ratings at A3 and P-2 respectively. The outlook is positive.
- “ On 10 July 2015, Moody’s affirmed CIMB Investment Bank’s long-term and short-term issuer ratings at A3 and P-2 respectively. The outlook is stable.
- “ On 7 August 2015, CIMB Group Holdings obtained an in-principle approval to establish and operate a 100%-owned subsidiary in Vietnam.

B3. PROSPECTS FOR THE CURRENT FINANCIAL PERIOD

2015 is turning out to be a testing year for the financial services industry. It is timely that the Group is on track in recalibrating the organisation to be leaner and more efficient. It is now even more crucial that the Group push through its T18 operational and structural realignment to ensure that the Group’s core operations remain strong in this difficult environment.

The Group’s stance continues to be a cautious one, in light of the recent moderation of regional economies and softer capital markets. The Malaysia operations remain robust, but its still mindful of potentially slower domestic consumption. CIMB Singapore continues to perform well as its businesses expand. Economic conditions may give rise to some challenges at CIMB Thai while asset quality concerns will remain a factor in CIMB Niaga on the back of continued economic uncertainty.

B4. TAXATION

	2nd quarter ended		Six months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Major components of tax expense:				
Current tax expense	196,244	199,892	475,870	550,982
Deferred tax expense	37,365	115,493	(8,330)	113,807
(Over)/Under accrual in prior years	(1,668)	1,697	(2,354)	1,140
	231,941	317,082	465,186	665,929
Reconciliation				
Profit before taxation	883,744	1,281,153	1,707,324	2,712,222
Tax at statutory income tax rate of 25% (2014: 25%)	220,936	320,289	426,831	678,056
Effect of different tax rates in other countries and change in tax rates	1,676	2,853	2,240	5,545
Due to expenses not deductible for tax purposes and income not subject to income tax	10,997	(7,757)	38,469	(18,812)
(Over)/Under accrual in prior years	(1,668)	1,697	(2,354)	1,140
	231,941	317,082	465,186	665,929
The Company				
Major components of tax expense:				
Current tax expense	2,522	3,861	5,734	8,617
Deferred tax expense	-	(370)	108	77
Under accrual in prior years	-	-	120	-
	2,522	3,491	5,962	8,694
Reconciliation				
Profit/(Loss) before taxation	681,921	(45,425)	617,820	892,135
Tax at statutory income tax rate of 25% (2014: 25%)	170,480	(134,733)	154,455	223,034
Due to expenses not deductible for tax purposes and income not subject to income tax	(167,958)	138,224	(148,613)	(214,340)
Under accrual in prior years	-	-	120	-
	2,522	3,491	5,962	8,694

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

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

B6. REALISED AND UNREALISED PROFITS

	The Group		The Company	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Total retained earnings of the Group and subsidiaries				
- Realised	13,147,417	13,432,440	1,329,883	849,048
- Unrealised	381,155	(370,906)	102,647	392,810
	13,528,572	13,061,534	1,432,530	1,241,858
Total share of retained earnings from associates				
- Realised	756,869	703,757	-	-
- Unrealised	4,229	2,507	-	-
Total share of retained earnings from joint ventures				
- Realised	91,221	104,684	-	-
- Unrealised	1,293	1	-	-
	14,382,184	13,872,483	1,432,530	1,241,858
Consolidation adjustments	261,433	188,250	-	-
Total group retained earnings as per consolidated financial statements	14,643,617	14,060,733	1,432,530	1,241,858

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

The marked-to-market gains and losses on derivative contracts and financial investments at fair value through profit or loss that remain outstanding in the financial statements of the Group and the Company as at 30 June 2015 and 31 December 2014 are deemed unrealised and should be read together as it reflects the nature of the transactions and financial position of the Group and the Company. In addition, the unrealised retained profits of the Group and the Company as disclosed above excludes the translation gains and losses on monetary items denominated in a currency other than the functional currency, as these gains and losses are incurred in the ordinary course of business of the Group and the Company, and are hence deemed as realised.

B7. BORROWINGS AND DEBT SECURITIES

	The Group	
	30 June 2015 RM'000	31 December 2014 RM'000
Bonds and debentures*		
Unsecured		
One year or less (short term)	3,401,235	1,938,455
More than one year (medium/long term)	6,488,106	5,727,593
	9,889,341	7,666,048

* Included in bonds and debentures for the current period are IDR denominated bonds equivalent to IDR5,370,000 million, IDR denominated notes equivalent to IDR600,000 million, HKD denominated bonds equivalent to HKD4,718 million, USD denominated bonds equivalent to USD683 million, THB denominated debentures equivalent to THB18,872 million, SGD denominated bonds equivalent to SGD120 million, AUD denominated bonds equivalent to AUD100 million and EUR denominated bonds equivalent to EUR30 million. USD45 million bonds has been redeemed in January 2015.

	The Group		The Company	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Other borrowing **				
Unsecured				
One year or less (short term)	3,197,982	1,540,099	1,131,065	-
More than one year (medium/long term)	6,068,269	7,750,708	3,226,519	4,305,015
	9,266,251	9,290,807	4,357,584	4,305,015
Subordinated obligations***				
Unsecured				
One year or less (short term)	1,776,197	-	-	-
More than one year (medium/long term)	10,764,506	12,582,494	1,989,253	2,141,402
	12,540,703	12,582,494	1,989,253	2,141,402

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

B8. MATERIAL LITIGATION

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

B9. COMPUTATION OF EARNINGS PER SHARE (EPS)**a) Basic EPS**

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

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests	639,754	949,938	1,219,878	2,016,220
Weighted average number of ordinary shares in issue ('000)	8,469,467	8,309,429	8,446,733	8,208,833
Basic earnings per share (expressed in sen per share)	7.6	11.4	14.4	24.6

b) Diluted EPS

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