

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

	Note	The Group		The Company	
		31 December 2015	31 December 2014	30 December 2015	31 December 2014
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		29,318,830	33,462,817	59,573	1,864,074
Reverse repurchase agreements		9,714,112	4,758,286	-	-
Deposits and placements with banks and other financial institutions		1,829,482	4,238,988	-	-
Financial assets held for trading	A8	20,680,266	23,803,771	-	-
Derivative financial instruments	A23	11,708,849	7,182,759	74	478
Financial investments available-for-sale	A9	32,767,548	32,286,522	-	-
Financial investments held-to-maturity	A10	25,759,169	18,261,561	2,002,540	-
Loans, advances and financing	A11	290,295,664	258,014,859	-	40
Other assets	A12	17,666,142	12,511,211	440	13,764
Tax recoverable		70,042	45,483	35,687	35,757
Deferred tax assets		366,653	272,587	-	-
Statutory deposits with central banks		7,699,821	6,841,165	-	-
Investment in subsidiaries		-	-	27,400,205	24,214,072
Investment in associates and joint ventures		1,037,448	1,086,389	3,834	3,834
Property, plant and equipment		2,403,016	1,466,634	1,629	2,126
Investment properties		1,120	4,000	453	471
Prepaid lease payments		125,402	136,419	-	-
Goodwill		8,297,486	7,911,160	-	-
Intangible assets		1,820,593	1,850,419	-	-
		461,561,643	414,135,030	29,504,435	26,134,616
Non-current assets held for sale		15,500	21,326	10,925	10,925
TOTAL ASSETS		461,577,143	414,156,356	29,515,360	26,145,541
LIABILITIES AND EQUITY					
Deposits from customers	A13	317,423,581	282,068,787	-	-
Placements from investment accounts	A14	232,716	-	-	-
Deposits and placements of banks and other financial institutions	A15	23,691,950	32,149,798	-	-
Repurchase agreements		8,527,463	5,735,839	-	-
Financial liabilities designated at fair value	A16	4,952,771	3,690,701	-	-
Derivative financial instruments	A23	12,139,849	7,712,794	-	-
Bills and acceptances payable		2,328,959	2,998,134	-	-
Other liabilities	A17	13,984,681	10,816,798	7,196	4,061
Recourse obligation on loans and financing sold to Cagamas		1,817,816	-	-	-
Amount owing to a subsidiary		-	-	6	-
Current tax liabilities		213,278	231,276	-	-
Deferred tax liabilities		22,260	51,569	277	448
Bonds and debentures	B7	11,277,176	7,666,048	-	-
Other borrowings	B7	9,037,124	9,290,807	4,672,609	4,305,015
Subordinated obligations	B7	13,694,891	12,582,494	3,992,277	2,141,402
Non-cumulative guaranteed and redeemable preference shares		-	770,188	-	-
TOTAL LIABILITIES		419,344,515	375,765,233	8,672,365	6,450,926
Ordinary share capital		8,527,272	8,423,751	8,527,272	8,423,751
Reserves		32,524,112	28,937,290	12,315,766	11,270,906
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(42)	(43)	(42)
		41,050,778	37,360,436	20,842,995	19,694,615
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		981,850	830,687	-	-
TOTAL EQUITY		42,232,628	38,391,123	20,842,995	19,694,615
TOTAL EQUITY AND LIABILITIES		461,577,143	414,156,356	29,515,360	26,145,541
COMMITMENTS AND CONTINGENCIES	A24	883,583,439	702,740,799	500,000	500,000
Net assets per share attributable to owners of the Parent (RM)		4.81	4.44	2.44	2.34

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

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

	Note	The Group			
		4th quarter ended		Twelve months ended	
		31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Interest income	A18	4,779,639	4,222,245	18,098,619	16,059,003
Interest expense	A19	(2,318,617)	(1,979,976)	(8,761,875)	(7,403,455)
Net interest income		2,461,022	2,242,269	9,336,744	8,655,548
Income from Islamic Banking operations	A28(c)	416,936	377,366	1,569,017	1,461,278
Net non-interest income	A20	1,166,658	975,526	4,488,892	3,931,128
		4,044,616	3,595,161	15,394,653	14,047,954
(Loss)/gain on deemed disposal/disposal of subsidiaries and associates		(3,053)	76,940	1,137	97,970
Overheads	A21	4,041,563	3,672,101	15,395,790	14,145,924
		(2,211,366)	(2,239,242)	(9,248,978)	(8,291,963)
Profit before allowances		1,830,197	1,432,859	6,146,812	5,853,961
Allowance made for impairment losses on loans, advances and financing	A22	(579,221)	(919,215)	(2,168,624)	(1,522,068)
Allowance made for impairment losses on other receivables		(28,595)	(7,018)	(30,215)	(26,072)
Allowance (made)/written back for commitments and contingencies		(552)	(1,976)	(9,935)	8,942
Recoveries from investment management and securities services		-	-	-	804
Allowance made for other impairment losses		(108,948)	(138,907)	(109,679)	(162,497)
		1,112,881	365,743	3,828,359	4,153,070
Share of results of joint ventures		6,058	609	(9,863)	(1,942)
Share of results of associates		13,222	18,586	95,497	125,295
Profit before taxation		1,132,161	384,938	3,913,993	4,276,423
Taxation	B4	(296,556)	(159,617)	(1,018,048)	(1,101,866)
Profit for the financial period		835,605	225,321	2,895,945	3,174,557
Profit for the financial period attributable to :					
Owners of the Parent		825,739	200,318	2,849,509	3,106,808
Non-controlling interests		9,866	25,003	46,436	67,749
		835,605	225,321	2,895,945	3,174,557
Earnings per share (sen):					
- Basic	B9(a)	9.7	2.4	33.6	37.5
- Fully diluted	B9(b)	N/A	N/A	N/A	N/A

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

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

	The Group			
	4th quarter ended		Twelve months ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Profit for the financial period	835,605	225,321	2,895,945	3,174,557
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation				
- Actuarial loss	(757)	(16,287)	(757)	(16,368)
- Income tax effects	2,442	1,499	2,442	2,607
- Currency translation difference	73	(524)	(1,889)	(645)
	1,758	(15,312)	(204)	(14,406)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	363,430	(652)	(297,279)	188,535
- Net gain/(loss) from change in fair value	433,030	39,577	(121,825)	340,368
- Realised gain transferred to statement of income on disposal and impairment	(31,703)	(7,463)	(174,608)	(92,912)
- Income tax effects	(38,681)	(27,468)	6,676	(55,870)
- Currency translation difference	784	(5,298)	(7,522)	(3,051)
Net investment hedge	132,361	(269,029)	(1,012,280)	(248,380)
Hedging reserve - cash flow hedge	3,090	(3,583)	(14,151)	4,041
- Net gain/(loss) from change in fair value	4,359	(5,758)	(19,429)	3,852
- Income tax effects	(1,269)	2,175	5,278	189
Exchange fluctuation reserve	97,918	949,701	2,316,600	941,601
Share of other comprehensive (expense)/income of associates and joint ventures	(13,340)	10,909	(8,956)	7,164
	583,459	687,346	983,934	892,961
Total other comprehensive income for the financial period, net of tax	585,217	672,034	983,730	878,555
Total comprehensive income for the financial period	1,420,822	897,355	3,879,675	4,053,112
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	1,405,359	852,016	3,795,179	3,965,367
Non-controlling interests	15,463	45,339	84,496	87,745
	1,420,822	897,355	3,879,675	4,053,112

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

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

	Note	The Company			
		4th quarter ended		Twelve months ended	
		31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Interest income	A18	11,016	10,297	39,947	52,504
Interest expense	A19	(80,683)	(67,387)	(311,275)	(268,624)
Net interest income		(69,667)	(57,090)	(271,328)	(216,120)
Net non-interest income	A20	6,479	2,664	1,587,666	1,859,076
Overheads	A21	(63,188) (6,722)	(54,426) (1,710)	1,316,338 (15,493)	1,642,956 (11,681)
(Loss)/profit before taxation		(69,910)	(56,136)	1,300,845	1,631,275
Taxation	B4	(4,263)	(2,346)	(11,378)	(11,731)
(Loss)/profit for the financial period		(74,173)	(58,482)	1,289,467	1,619,544

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

	The Company				
	4th quarter ended		Twelve months ended		
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000	
(Loss)/profit for the financial period/ Total comprehensive (expense)/income for the financial period		(74,173)	(58,482)	1,289,467	1,619,544

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

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

The Group
31 December 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	-	-	-	-	-	-	-	-	-	-	-	2,849,509	2,849,509	-	46,436	2,895,945
Other comprehensive income/(expense) (net of tax)	-	-	921	-	2,268,874	-	-	(302,413)	(1,026,634)	4,922	-	-	945,670	-	38,060	983,730
- financial investments available-for-sales	-	-	-	-	-	-	-	(293,930)	-	-	-	-	(293,930)	-	(3,349)	(297,279)
- net investment hedge	-	-	-	-	-	-	-	-	(1,012,280)	-	-	-	(1,012,280)	-	-	(1,012,280)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(14,150)	-	-	-	(14,150)	-	(1)	(14,151)
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	(204)	-	-	-	(204)	-	-	(204)
- currency translation difference	-	-	921	-	2,269,347	-	-	-	-	4,922	-	-	2,275,190	-	41,410	2,316,600
- share of other comprehensive income of associate and joint venture	-	-	-	-	(473)	-	-	(8,483)	-	-	-	-	(8,956)	-	-	(8,956)
Total comprehensive income/(expense) for the financial period	-	-	921	-	2,268,874	-	-	(302,413)	(1,026,634)	4,922	-	2,849,509	3,795,179	-	84,496	3,879,675
Dividend for the financial year ended 31 December 2014	-	-	-	-	-	-	-	-	-	-	-	(421,187)	(421,187)	-	-	(421,187)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	(254,694)	(254,694)	-	-	(254,694)
Dividend for the financial year ended 31 December 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,625)	(2,625)
- single tier interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,625)	(2,625)
Transfer to statutory reserve	-	-	788,811	-	-	-	-	-	-	-	-	(788,811)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	427,888	(427,888)	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,153	23,153
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,883)	(1,883)	-	14,863	12,980
Arising from increase in capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,122	3,122
Right issues of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,154	28,154
Purchase of treasury shares	-	-	-	-	-	-	(1)	-	-	-	-	(1)	-	-	-	(1)
Share-based payment expense	-	-	-	-	-	-	-	-	-	93,076	-	-	93,076	-	-	93,076
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	125,270	(125,752)	-	-	(482)	-	-	(482)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(54,267)	-	-	-	(54,267)	-	-	(54,267)
Arising from staffs resigned under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	(194)	(194)	-	-	(194)
Issuance of shares through dividend reinvestment scheme	103,521	431,274	-	-	-	-	-	-	-	-	-	-	534,795	-	-	534,795
At 31 December 2015	8,527,272	10,404,339	6,440,445	137,104	1,085,258	(563)	(43)	(152,566)	(1,519,721)	91,985	1,021,683	15,015,585	41,050,778	200,000	981,850	42,232,628

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

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

The Group
31 December 2014

	← Attributable to owners of the Parent →															
	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2014	7,729,346	5,832,520	4,933,045	137,104	(2,106,977)	(563)	(41)	(42,709)	(271,510)	101,642	1,743,883	12,215,358	30,271,098	200,000	757,462	31,228,560
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	3,106,808	3,106,808	-	67,749	3,174,557
Other comprehensive income (net of tax)	-	-	422	-	923,361	-	-	192,556	(258,795)	1,015	-	-	858,559	-	19,996	878,555
- financial investments available-for-sales	-	-	-	-	-	-	-	185,392	-	-	-	-	185,392	-	3,143	188,535
- net investment hedge	-	-	-	-	-	-	-	-	(248,380)	-	-	-	(248,380)	-	-	(248,380)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	3,991	-	-	-	3,991	-	50	4,041
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	(14,406)	-	-	-	(14,406)	-	-	(14,406)
- currency translation difference	-	-	422	-	923,361	-	-	-	-	1,015	-	-	924,798	-	16,803	941,601
- share of other comprehensive expense of associate and joint venture	-	-	-	-	-	-	-	7,164	-	-	-	-	7,164	-	-	7,164
Total comprehensive income for the financial period	-	-	422	-	923,361	-	-	192,556	(258,795)	1,015	-	3,106,808	3,965,367	-	87,745	4,053,112
Dividend for the financial year ended 31 December 2013	-	-	-	-	-	-	-	-	-	-	-	(850,091)	(850,091)	-	-	(850,091)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend for the financial year ended 31 December 2014	-	-	-	-	-	-	-	-	-	-	-	(833,652)	(833,652)	-	-	(833,652)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,333)	(3,333)	
Transfer to statutory reserve	-	-	717,246	-	-	-	-	-	-	-	-	(717,246)	-	-	-	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	(1,150,088)	1,150,088	-	-	-	
Arising from acquisition of additional interest of subsidiary	-	-	-	-	-	-	-	-	-	-	-	(10,069)	(10,069)	-	(26,348)	(36,417)
Arising from dilution/disposal of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,045	5,045
Contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,116	10,116
Purchase of treasury shares	-	-	-	-	-	-	(1)	-	-	-	-	-	(1)	-	-	(1)
Share-based payment expense	-	-	-	-	-	-	-	-	-	114,494	-	-	114,494	-	-	114,494
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	93,830	(97,412)	-	-	(3,582)	-	-	(3,582)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(127,615)	-	-	-	(127,615)	-	-	(127,615)
Arising from staffs resigned under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	(463)	(463)	-	-	(463)
Issuance of shares through private placement	500,000	3,041,534	-	-	-	-	-	-	-	-	-	-	3,541,534	-	-	3,541,534
Issuance of shares through dividend reinvestment scheme	194,405	1,099,011	-	-	-	-	-	-	-	-	-	-	1,293,416	-	-	1,293,416
At 31 December 2014	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

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

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	-	-	-	-	1,289,467	1,289,467	
Total comprehensive income for the financial period	-	-	-	-	1,289,467	1,289,467	
Second interim dividend for the financial year ended 31 December 2014	-	-	-	-	(421,187)	(421,187)	
First interim dividend for the financial year ended 31 December 2015	-	-	-	-	(254,694)	(254,694)	
Issuance of shares through dividend reinvestment scheme	103,521	431,274	-	-	-	534,795	
Purchase of treasury shares	-	-	-	(1)	-	(1)	
At 31 December 2015	8,527,272	10,404,339	55,982	(43)	1,855,445	20,842,995	

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	-	-	-	-	1,619,544	1,619,544	
Total comprehensive income for the financial period	-	-	-	-	1,619,544	1,619,544	
Second interim dividend for the financial year ended 31 December 2013	-	-	-	-	(850,091)	(850,091)	
First interim dividend for the financial year ended 31 December 2014	-	-	-	-	(833,652)	(833,652)	
Issuance of shares through private placement	500,000	3,041,534	-	-	-	3,541,534	
Issuance of shares through dividend reinvestment scheme	194,405	1,099,011	-	-	-	1,293,416	
Purchase of treasury shares	-	-	-	(1)	-	(1)	
At 31 December 2014	8,423,751	9,973,065	55,982	(42)	1,241,859	19,694,615	

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

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

	The Group		The Company	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Profit before taxation	3,913,993	4,276,423	1,300,845	1,631,275
Adjustments for non-operating and non-cash items	2,025,601	1,728,417	(1,410,926)	(1,756,320)
Operating profit/(loss) before changes in working capital	5,939,594	6,004,840	(110,081)	(125,045)
Net changes in operating assets	(40,630,818)	(34,272,627)	13,364	31,547
Net changes in operating liabilities	34,925,226	33,085,977	2,332	(3,934)
	(5,705,592)	(1,186,650)	15,696	27,613
Cash flows generated from/(used in) operations	234,002	4,818,190	(94,385)	(97,432)
Taxation paid	(1,183,980)	(1,150,390)	(11,478)	(11,411)
Net cash flows generated from/(used in) operating activities	(949,978)	3,667,800	(105,863)	(108,843)
Net cash flows used in from investing activities	(9,534,034)	(9,278,297)	(3,455,779)	(1,591,492)
Net cash flows generated from/(used in) financing activities	1,440,140	3,872,005	1,757,141	3,494,836
Net decrease in cash and cash equivalents during the financial period	(9,043,872)	(1,738,492)	(1,804,501)	1,794,501
Effects of exchange rate changes	4,899,885	1,522,427	-	-
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	29,318,830	33,462,817	59,573	1,864,074
Statutory deposits with Bank Indonesia*	(4,547,670)	(4,127,783)	-	-
Monies held in trust	(28,396)	(32,376)	-	-
Cash and cash equivalents at end of the financial period	24,742,764	29,302,658	59,573	1,864,074

* 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 year ended 31 December 2015 have been prepared under the historical cost convention, except for financial assets held for trading, financial investments available-for-sale, derivative financial instruments, investment properties and non-current assets/disposal groups held for sale and financial liabilities designated at fair value, that have been measured at fair value.

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

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

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

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

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

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

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the financial period ended 31 December 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 31 December 2015, the Company purchased 200 of its own shares from the open market at an average market price of RM5.68 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM1,049.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES (Continued)

(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.

The entitlement date pursuant to Single Tier First Interim Dividend for financial year ending 31 December 2015 and the corresponding DRS was fixed for 23 September 2015. The Group had, on 23 October 2015, issued and allotted 37,480,662 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, 26 October 2015. With the listing of the New Shares, the enlarged issued and paid-up share capital of CIMBGH is 8,527,272,238 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 the financial period, CIMB Thai Bank issued various unsecured structured debentures amounting to THB354.5 million, with embedded foreign exchange and commodity derivatives and early redemption option. The debentures will mature within 6 months from respective issuance dates.

During the financial period, CIMB Thai Bank has early redeemed structured debentures amounting to THB655.0 million.

(f) On 3 Apr 2015, the Company 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.

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

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

(l) On 4 September 2015, CIMB Bank PLC has successfully issued USD7.0 million Tier 2 subordinated debt ("Subordinated Debt") which is intended to qualify as a Tier 2 capital for CIMB Bank PLC for the purpose of computation of minimum Solvency Requirements by the National Bank of Cambodia ("NBC"). The Subordinated Debt was issued as a single tranche at 3.00% per annum with a maturity of 10 years from the issue date with a call option starting at the end of year 5 and on each relevant Coupon Payment Date thereafter. The interest rate will remain unchanged throughout the tenor of the Subordinated Debt.

Redemption of the Subordinated Debts on the call dates shall be subject to NBC's approval. There is no step up coupon after call dates. The proceeds of the Subordinated Debts shall be made available to CIMB Bank PLC, without limitation, for its working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing and future outstanding senior debt and existing and future outstanding subordinated debt previously issued by the Issuer.

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

(n) On 23 December 2015, CIMB Bank Berhad exercised its option to early redeem the RM1.0 billion subordinated debt on the first optional redemption date of 23 December 2015.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES (Continued)

(o) On 23 December 2015, the Company issued MYR2.0 Billion 10 years non-callable 5 years Tier 2 subordinated debt bearing a fixed rate coupon of 5.15% p.a. payable semi annually. The said subordinated debt was issued out of a RM10 billion Tier 2 subordinated debt programme established on 14 December 2015. The proceeds from the issuance were used to subscribe to a RM2.0 Billion Tier 2 subordinated notes issued by CIMB Bank Berhad on the same day, based on similar terms.

(p) On 28 December 2015, the Company redeemed its RM1,130 million Medium Term Notes Papers ("MTNs") which had matured on 28 December 2015.

(q) On 28 December 2015, the Company issued RM100 million 3-month commercial papers ("CPs") and RM150 million 6-month CPs. The CPs bears a discount rate of 4.18% and 4.25%, respectively and will mature on 28 March 2016 and 28 June 2016, respectively. The CPs were issued out of its conventional commercial papers programme which together with its Islamic commercial papers programme, has a combined limit of RM6.0 billion in nominal value.

(r) On 28 December 2015, the Company issued RM200 million medium term notes ("MTNs") which will mature on 29 December 2016. The MTNs bears an interest rate of 4.50% per annum payable semi-annually in arrears. The MTNs were issued out of its existing conventional medium term notes programme which together with its Islamic medium term notes programme, has a combined limit of RM6.0 billion in nominal value.

(s) During the financial year, CIMB Securities (Thailand) issued a THB5.0 million short-term unsubordinated and unsecured structured note under its THB1.50 billion Structured Notes Programme established on 28 August 2015. The note will mature in 1 month from the issue date. The note payoff shall range from 2% - 20%, depending on underlying securities as well as other terms such as strike level, protection level, etc

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.

A single-tier first interim dividend of 3.00 sen per ordinary share, on 8,489,786,868 ordinary shares amounting to RM254,693,606 in respect of the financial year ending 31 December 2015 was approved by the Board of Directors on 13 August 2015. The dividend consists of an electable portion of 3.00 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 RM83,781,787 was paid on 23 October 2015.

The Directors have proposed a single tier second interim dividend of 11.00 sen per ordinary share, on 8,527,267,430 ordinary shares amounting to RM938 million in respect of financial year ended 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.

(c) On 17 November 2015, CIMB Group Sdn Berhad, a wholly owned subsidiary to the Company, entered into a strategic collaboration agreement with Philippine Long Distance Telephone Company ("PLDT") to offer digital financial solutions in the Philippines and across ASEAN.

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 31 December 2015 and the date of this announcement, other than those disclosed under Issuance and Repayment of Debts and Equity Securities, and Status of Corporate Proposal.

PART A - EXPLANATORY NOTES

A8. FINANCIAL ASSETS HELD FOR TRADING

	The Group	
	31 December 2015	31 December 2014
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	634,713	676,023
Cagamas bonds	45,925	9,970
Malaysian Government treasury bills	47,739	138,038
Bank Negara Malaysia Monetary Notes	20,914	3,662,375
Negotiable instruments of deposit	4,747,035	2,745,907
Bankers' acceptances and Islamic accepted bills	-	121,197
Other Government's securities	5,671,778	5,081,737
Commercial papers	506,398	151,700
Government Investment Issues	437,313	151,724
	12,111,815	12,738,671
Quoted securities:		
<i>In Malaysia:</i>		
Shares	207,898	1,581,737
<i>Outside Malaysia:</i>		
Shares	278,632	1,566,627
Private and Islamic debt securities	727,498	478,355
Other Government bonds	1,677,774	760,313
Investment linked funds	546,519	547,669
	3,438,321	4,934,701
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	1,761,728	2,540,888
Shares	1	6,716
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	3,211,017	3,447,364
Private equity funds	157,384	125,965
Unit trust	-	9,466
	5,130,130	6,130,399
Total financial assets held for trading	20,680,266	23,803,771

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	The Group	
	31 December 2015	31 December 2014
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	457,708	527,247
Cagamas bonds	207,300	148,161
Khazanah bonds	328,709	553,937
Other Government securities	975,949	261,407
Other Government treasury bills	-	72,335
Government Investment Issues	496,811	2,519,145
Commercial papers	-	74,805
Negotiable instruments of deposit	258,112	-
Malaysian Government Sukuk	44,168	19,750
	2,768,757	4,176,787
Quoted securities:		
<i>In Malaysia:</i>		
Shares	158,983	135,882
Unit trusts	-	1,534
<i>Outside Malaysia:</i>		
Shares	82,235	83,154
Private and Islamic debt securities	2,456,271	1,771,630
Other Government bonds	5,218,530	5,116,797
Unit trusts	32,916	89,695
	7,948,935	7,198,692
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	13,944,324	14,240,932
Shares	1,113,614	1,082,338
Loan stocks	10,211	10,433
Property funds	325	183
<i>Outside Malaysia:</i>		
Shares	55,384	51,414
Private equity funds	480,272	615,448
Private and Islamic debt securities	6,907,509	5,171,761
Loan stocks	1,930	1,783
	22,513,569	21,174,292
	33,231,261	32,549,771
Allowance for impairment losses:		
Private debt securities	(60,306)	(64,924)
Private equity funds	(84,006)	(68,420)
Quoted shares	(69,283)	(15,988)
Quoted bonds	(64,877)	(5,565)
Unquoted shares	(174,683)	(97,528)
Unit trusts	(347)	(391)
Loan stocks	(10,211)	(10,433)
	(463,713)	(263,249)
Total financial investments available-for-sale	32,767,548	32,286,522

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group		The Company	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Money market instruments:				
Unquoted				
Malaysian Government Securities	1,674,626	1,116,365	-	-
Cagamas bonds	267,966	201,076	-	-
Other government securities	1,419,211	796,713	-	-
Other government treasury bills	19,699	17,170	-	-
Bank Negara Malaysia Monetary Notes	2,558	9,732	-	-
Khazanah bonds	391,667	245,369	-	-
Government Investment Issues	6,062,711	3,091,812	-	-
	9,838,438	5,478,237	-	-
Quoted securities				
<i>Outside Malaysia</i>				
Private debt securities	2,909,060	2,742,483	2,002,540	-
Islamic bonds	7,797	122,495	-	-
Other Government bonds	1,531,991	1,059,133	-	-
Bank Indonesia certificates	248,058	158,898	-	-
	4,696,906	4,083,009	2,002,540	-
Unquoted securities				
<i>In Malaysia</i>				
Private debt securities	10,526,121	7,625,544	-	-
Loan stocks	7,020	27,388	-	-
<i>Outside Malaysia</i>				
Private debt securities	726,407	1,075,296	-	-
	11,259,548	8,728,228	-	-
	25,794,892	18,289,474	2,002,540	-
Amortisation of premium, net of accretion of discount	(23,150)	4,876	-	-
Less : Allowance for impairment losses	(12,573)	(32,789)	-	-
Total financial investments held-to-maturity	25,759,169	18,261,561	2,002,540	-

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

A11. LOANS, ADVANCES AND FINANCING

(i) By type	The Group		The Company	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Overdrafts	5,504,852	5,596,931	-	-
Term loans/financing				
- Housing loans/financing	73,580,261	64,424,328	-	-
- Syndicated term loans	17,030,250	14,610,622	-	-
- Hire purchase receivables	20,443,916	19,220,193	-	-
- Lease receivables	166,884	111,666	-	-
- Factoring receivables	48,114	25,529	-	-
- Other term loans/financing	112,553,750	96,324,632	-	-
Bills receivable	6,463,208	10,778,037	-	-
Trust receipts	2,008,748	1,395,282	-	-
Claims on customers under acceptance credits	4,498,597	4,573,768	-	-
Staff loans *	1,094,875	896,023	-	40
Credit card receivables	8,842,990	7,575,611	-	-
Revolving credits	43,930,344	37,354,876	-	-
Share margin financing	1,652,830	1,752,933	-	-
Other loans	2,525	3,658	-	-
Gross loans, advances and financing	297,822,144	264,644,089	-	40
Fair value changes arising from fair value hedge	164,694	136,079	-	-
	297,986,838	264,780,168	-	40
Less: Allowance for impairment losses				
- Individual impairment allowance	(4,256,108)	(3,591,249)	-	-
- Portfolio impairment allowance	(3,435,066)	(3,174,060)	-	-
	(7,691,174)	(6,765,309)	-	-
Total net loans, advances and financing	290,295,664	258,014,859	-	40

* Included in staff loans of the Group are loans to Directors amounting to RM23,465,231 (2014: RM11,660,165).

(a) Included in the Group's loans, advances and financing balances are RM47 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 RM4,880 million (2014: RM8,120 million), using interest rate swaps.

A11. LOANS, ADVANCES AND FINANCING (Continued)

(ii) By type of customers	The Group		The Company	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Domestic banking institutions	383,801	1,691,259	-	-
Domestic non-bank financial institutions				
- stockbroking companies	-	13,224	-	-
- others	3,100,402	3,189,524	-	-
Domestic business enterprises				
- small medium enterprises	45,847,011	44,009,610	-	-
- others	55,572,380	45,871,410	-	-
Government and statutory bodies	8,852,539	8,854,267	-	-
Individuals	142,293,811	125,997,751	-	40
Other domestic entities	3,223,190	2,589,715	-	-
Foreign entities	38,549,010	32,427,329	-	-
Gross loans, advances and financing	297,822,144	264,644,089	-	40

(iii) By interest/profit rate sensitivity	The Group		The Company	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans/financing	2,153,840	1,803,982	-	-
- Hire-purchase receivables	10,497,253	11,761,686	-	-
- Other fixed rate loans	41,669,712	39,630,807	-	40
Variable rate				
- BLR plus	145,038,101	135,903,034	-	-
- Cost plus	36,282,400	33,750,957	-	-
- Other variable rates	62,180,838	41,793,623	-	-
Gross loans, advances and financing	297,822,144	264,644,089	-	40

(iv) By economic purpose	The Group		The Company	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Personal use	10,608,392	8,748,136	-	2
Credit card	8,842,990	7,575,611	-	-
Purchase of consumer durables	109,330	594,930	-	-
Construction	9,580,644	8,199,486	-	-
Residential property (Housing)	75,495,049	66,248,029	-	38
Non-residential property	25,170,510	20,636,518	-	-
Purchase of fixed assets other than land and building	15,919,886	15,761,176	-	-
Mergers and acquisitions	3,617,161	5,288,961	-	-
Purchase of securities	27,168,120	19,708,117	-	-
Purchase of transport vehicles	23,296,590	21,338,114	-	-
Working capital	79,417,645	74,273,300	-	-
Other purposes	18,595,827	16,271,711	-	-
Gross loans, advances and financing	297,822,144	264,644,089	-	40

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

	The Group		The Company	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Malaysia	166,318,991	152,603,608	-	40
Indonesia	59,624,809	53,923,410	-	-
Thailand	28,957,926	22,799,336	-	-
Singapore	30,168,540	21,895,630	-	-
United Kingdom	1,092,339	1,196,457	-	-
Hong Kong	1,197,214	630,926	-	-
China	2,116,292	5,996,529	-	-
Other countries	8,346,033	5,598,193	-	-
Gross loans, advances and financing	297,822,144	264,644,089	-	40

(vi) By residual contractual maturity

	The Group		The Company	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Within one year	68,475,753	69,042,090	-	-
One year to less than three years	36,627,785	23,881,021	-	2
Three years to less than five years	35,403,399	33,216,713	-	-
Five years and more	157,315,207	138,504,265	-	38
Gross loans, advances and financing	297,822,144	264,644,089	-	40

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

	The Group	
	31 December	31 December
	2015	2014
	RM'000	RM'000
Personal use	265,698	312,471
Credit card	168,730	114,462
Purchase of consumer durables	228	5,657
Construction	1,335,050	1,222,102
Residential property (Housing)	1,436,177	1,479,522
Non-residential property	214,972	214,681
Purchase of fixed assets other than land and building	911,108	876,447
Purchase of securities	186,946	175,342
Purchase of transport vehicles	393,839	422,123
Working capital	3,450,245	2,565,699
Other purpose	718,766	794,183
Gross impaired loans, advances and financing	9,081,759	8,182,689

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

	The Group	
	31 December	31 December
	2015	2014
	RM'000	RM'000
Malaysia	3,735,122	4,016,830
Indonesia	3,750,452	2,491,905
Thailand	1,352,567	1,437,752
Singapore	112,545	44,657
United Kingdom	2,838	3,982
China	64,860	95,775
Other countries	63,375	91,788
Gross impaired loans, advances and financing	9,081,759	8,182,689

A11. LOANS, ADVANCES AND FINANCING (Continued)

(ix) Movements in impaired loans

	The Group	
	31 December	31 December 2014
	2015	2014
	RM'000	RM'000
At 1 January	8,182,689	7,393,269
Classified as impaired during the year	5,188,677	4,672,395
Reclassified as not impaired during the year	(1,789,331)	(1,782,815)
Amount written back in respect of recoveries	(1,086,947)	(873,740)
Amount written off	(1,479,247)	(1,461,339)
Sale of impaired loans	(337,401)	-
Exchange fluctuation	403,319	234,919
At 31 December	9,081,759	8,182,689
Ratio of gross impaired loans to gross loans, advances and financing	3.05%	3.09%

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

	The Group	
	31 December	31 December 2014
	2015	2014
	RM'000	RM'000
<u>Individual impairment allowance</u>		
At 1 January	3,591,249	3,005,066
Net allowance made during the year	1,053,963	952,176
Amount written off	(664,920)	(458,740)
Allowance written back and charged to deferred assets	-	(2,735)
Amount transferred (to)/from portfolio impairment allowance	(6,876)	3,160
Allowance for Impaired loan disposed to third party	(42,825)	-
Unwinding income	6,384	(2,626)
Exchange fluctuation	319,133	94,948
At 31 December	4,256,108	3,591,249
<u>Portfolio impairment allowance</u>		
At 1 January	3,174,060	3,261,224
Net allowance made during the year	1,411,219	887,551
Amount transferred from/(to) individual impairment allowance	6,876	(3,160)
Amount written off	(1,128,204)	(982,482)
Allowance made and charged to deferred assets	-	381
Unwinding income	(40,662)	(33,195)
Allowance for Impaired loan disposed to third party	(85,802)	-
Exchange fluctuation	97,579	43,741
At 31 December	3,435,066	3,174,060
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing (excluding RPSIA financing) less individual impairment allowance	1.56%	1.49%

A12. OTHER ASSETS

	The Group		The Company	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Due from brokers and clients net of allowance for doubtful debts	3,709,795	4,090,027	-	-
Other debtors, deposits and prepayments, net of allowance for doubtful debts	4,184,508	3,872,575	440	13,764
Due from a joint venture	1,237,928	1,189,074	-	-
Due from insurers, brokers and reinsurers	3,556	3,768	-	-
Structured financing	2,279,166	202,040	-	-
Foreclosed properties net of allowance for impairment losses	404,142	356,826	-	-
Collateral for securities lending	463,326	-	-	-
Collateral pledged for derivative transactions	5,383,721	2,796,901	-	-
	17,666,142	12,511,211	440	13,764

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	31 December 2015 RM'000	31 December 2014 RM'000
<u>By type of deposit</u>		
Demand deposits	67,912,293	64,732,253
Savings deposits	41,260,084	34,143,233
Fixed deposits	142,241,288	119,350,060
Negotiable instruments of deposit	1,596,448	3,486,878
Others	64,413,468	60,356,363
	317,423,581	282,068,787

By type of customer

Government and statutory bodies	9,306,280	9,641,728
Business enterprises	124,013,990	109,294,880
Individuals	127,373,004	111,598,994
Others	56,730,307	51,533,185
	317,423,581	282,068,787

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

Due within six months	115,580,330	99,066,019
Six months to less than one year	24,158,631	18,436,364
One year to less than three years	2,525,301	3,107,205
Three years to less than five years	1,002,774	1,580,796
Five years and more	570,700	646,554
	143,837,736	122,836,938

A14. PLACEMENTS FROM INVESTMENT ACCOUNTS

	The Group	
	31 December 2015 RM'000	31 December 2014 RM'000
Unrestricted investment accounts	232,716	-

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	31 December	
	2015	31 December 2014
	RM'000	RM'000
Licensed banks	17,814,252	28,034,956
Licensed finance companies	1,246,197	796,797
Licensed investment banks	720,097	469,185
Bank Negara Malaysia	165,547	491,349
Other financial institutions	3,745,857	2,357,511
	23,691,950	32,149,798

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

Due within six months	18,469,624	29,249,136
Six months to less than one year	3,909,385	1,979,195
One year to less than three years	918,419	392,932
Three years to less than five years	102,585	306,247
Five years and more	291,937	222,288
	23,691,950	32,149,798

A16. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	The Group	
	31 December	
	2015	31 December 2014
	RM'000	RM'000
Deposits from customers - structured investments	3,047,985	2,876,227
Bills payables	924,583	402,839
Debentures	980,203	411,635
	4,952,771	3,690,701

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

The carrying amount of the Group at 31 December 2015 of financial liabilities designated at fair value were RM567,569,000 (2014: RM403,475,000) lower than the contractual amount at maturity for the structured investments, RM18,606,000 lower (2014: RM3,610,000 higher) than the contractual amount at maturity for the debentures and RM131,549,000 (2014: RM78,436,000) higher than the contractual amount at maturity for the bills payable. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

A17. OTHER LIABILITIES

	The Group		The Company	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	3,219,671	3,864,299	-	-
Expenditure payable	2,024,324	1,974,624	6,702	3,361
Provision for legal claims	62,133	90,974	-	-
Sundry creditors	1,704,889	1,349,922	1	1
Insurance fund - life and takaful insurance business	70,249	68,069	-	-
Allowance for commitments and contingencies	9,219	9,182	-	-
Post employment benefit obligations	468,081	352,216	-	-
Credit card expenditure payable	172,033	180,824	-	-
Call deposit borrowing	3,161,566	1,042,645	-	-
Unit link contract liabilities	512,039	547,669	-	-
Collateral for securities borrowings	669,469	-	-	-
Others	1,911,008	1,336,374	493	699
	13,984,681	10,816,798	7,196	4,061

A18. INTEREST INCOME

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Loans, advances and financing				
- Interest income	3,914,478	3,455,646	14,760,286	12,959,181
- Unwinding income [^]	13,271	16,320	63,949	88,250
Money at call and deposit placements with financial institutions	120,168	106,322	488,308	455,385
Reverse repurchase agreements	37,989	33,218	147,610	149,032
Financial assets held for trading	114,951	92,618	460,139	519,141
Financial investments available-for-sale	346,657	317,443	1,391,453	1,193,931
Financial investments held-to-maturity	234,619	176,590	803,473	645,622
Others	5,800	13,974	25,599	37,366
	4,787,933	4,212,131	18,140,817	16,047,908
Accretion of discounts, net of amortisation of premiums	(8,294)	10,114	(42,198)	11,095
	4,779,639	4,222,245	18,098,619	16,059,003
The Company				
Loans, advances and financing				
- Interest income	-	-	-	2
Money at call and deposit placements with financial institutions	8,476	10,297	37,407	52,472
Financial investments held-to-maturity	2,540	-	2,540	-
Others	-	-	-	30
	11,016	10,297	39,947	52,504

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

A19. INTEREST EXPENSE

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits and placements of banks and other financial institutions	87,291	100,730	417,327	280,481
Deposits from other customers	1,725,924	1,469,228	6,455,322	5,574,600
Repurchase agreements	65,758	13,100	184,840	64,104
Bonds and debentures	80,022	55,772	312,010	246,483
Subordinated obligations	172,594	159,358	653,717	611,389
Financial liabilities designated at fair value	35,810	43,517	124,505	106,235
Negotiable certificates of deposits	41,097	35,994	181,282	118,187
Other borrowings	95,390	80,033	369,142	322,706
Recourse obligation on loan and financing sold to Cagamas	5,591	-	5,591	-
Others	9,140	22,244	58,139	79,270
	2,318,617	1,979,976	8,761,875	7,403,455
The Company				
Subordinated obligations	37,535	36,999	143,384	146,790
Other borrowings	43,148	30,388	167,891	121,834
	80,683	67,387	311,275	268,624

A20. NET NON-INTEREST INCOME

	4th quarter ended		Twelve months ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
(a) Net fee income and commission income:				
Commissions	206,481	188,856	771,850	689,754
Fee on loans, advances and financing	116,518	126,472	560,215	523,127
Portfolio management fees	8,541	6,164	25,358	22,401
Service charges and fees	167,238	171,439	656,866	633,820
Corporate advisory fees	31,250	17,078	105,965	56,844
Guarantee fees	15,275	15,688	67,680	75,394
Other fee income	65,789	86,668	308,341	337,962
Placement fees	11,226	3,841	28,190	33,794
Underwriting commission	6,865	15,590	28,392	57,645
Fee and commission income	629,183	631,796	2,552,857	2,430,741
Fee and commission expense	(157,976)	(140,534)	(583,946)	(527,774)
Net fee and commission income	471,207	491,262	1,968,911	1,902,967
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	6,882	16,275	51,080	58,139
- Financial investments available-for-sale	9,606	188	18,815	16,565
<i>Outside Malaysia</i>				
- Financial assets held for trading	584	800	5,617	2,630
- Financial investments available-for-sale	602	3,360	5,939	7,100
	17,674	20,623	81,451	84,434
(c) Net (loss)/gain arising from financial assets held for trading	(31,375)	(235,366)	(769,857)	(202,263)
- realised	(93,128)	(87,893)	(248,353)	(77,858)
- unrealised	61,753	(147,473)	(521,504)	(124,405)
(d) Net gain/(loss) arising from derivative financial instruments	609,164	536,682	2,454,934	1,003,765
- realised	437,691	563,194	736,695	772,391
- unrealised	171,473	(26,512)	1,718,239	231,374
(e) Net gain/(loss) arising from financial liability designated at fair value	(181,444)	(80,022)	(111,799)	(94,965)
- realised	(22,304)	(20,977)	(40,496)	(60,487)
- unrealised	(159,140)	(59,045)	(71,303)	(34,478)
(f) Net gain/(loss) arising from hedging activities	(8,073)	2,477	27,616	16,344
(g) Net gain from sale of financial investments available-for-sale	29,829	34,333	172,347	119,822
(h) Net gain from redemption of financial investment held-to-maturity	-	11	16	2,640
(i) Income from assets management and securities services	75,557	75,213	313,436	263,081
(j) Brokerage income	98,196	132,818	440,232	511,572
(k) Other non-interest income:				
Foreign exchange loss	(20,750)	(140,085)	(381,104)	(14,910)
Rental income	7,519	4,559	24,197	16,882
Gain on disposal of property, plant and equipment/ assets held for sale	3,456	66,357	4,475	68,875
Gain on disposal of leased assets	85	42	85	42
Gain from distribution from joint ventures	14,824	-	14,824	-
Loss on revaluation of investment properties	(2,880)	-	(2,880)	-
Underwriting surplus before management expenses	7,740	5,688	20,066	18,807
Loss on disposal of foreclosed properties	(11,591)	(12,997)	(27,326)	(61,557)
Other non-operating income	87,520	73,931	259,268	295,592
	85,923	(2,505)	(88,395)	323,731
Total other operating income	1,166,658	975,526	4,488,892	3,931,128

A20. NET NON-INTEREST INCOME (CONTINUED)

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
The Company				
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Subsidiaries	-	3,000	1,581,503	1,846,982
	-	3,000	1,581,503	1,846,982
(d) Net gain/(loss) arising from derivative financial instruments				
- realised	177	1,278	376	2,849
- unrealised	82	(1,622)	(404)	(3,462)
	259	(344)	(28)	(613)
(k) Other non-interest income:				
Foreign exchange gain/(loss)	185	(64)	(107)	12,061
Rental income	71	71	284	284
Gain on disposal of property, plant and equipment	-	-	50	-
Other non-operating income	5,964	1	5,964	362
	6,220	8	6,191	12,707
	6,479	2,664	1,587,666	1,859,076

A21. OVERHEADS

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonus	957,812	1,018,785	3,871,356	3,674,600
- Pension cost	88,460	84,415	361,975	334,998
- Mutual separation scheme	32,385	-	482,792	-
- Overtime	8,300	8,284	29,217	34,133
- Staff incentives and other staff payments	32,944	48,812	206,845	253,013
- Medical expenses	29,781	28,757	106,286	107,358
- Others	44,420	58,699	263,487	205,469
	1,194,102	1,247,752	5,321,958	4,609,571
Establishment costs				
- Depreciation of property, plant and equipment	91,612	70,491	354,014	322,108
- Impairment of property, plant and equipment	1,094	-	1,094	-
- Amortisation of prepaid lease payments	2,896	2,359	11,215	11,364
- Rental	127,708	122,220	559,461	472,263
- Repair and maintenance	107,833	111,411	470,294	450,730
- Outsourced services	63,075	74,720	284,179	284,662
- Security expenses	31,430	29,843	125,779	129,305
- Others	60,535	77,014	241,474	250,239
	486,183	488,058	2,047,510	1,920,671
Marketing expenses				
- Sales commission	2,278	2,122	6,917	8,483
- Advertisement	62,990	71,136	262,954	260,151
- Others	23,105	34,046	89,282	102,928
	88,373	107,304	359,153	371,562
Administration and general expenses				
- Amortisation of intangible assets	107,616	85,259	340,159	323,477
- Legal and professional fees	57,393	53,627	201,842	172,114
- Stationery	17,853	15,412	61,348	63,519
- Communication	32,745	37,286	115,729	145,165
- Incidental expenses on banking operations	13,625	11,617	46,151	41,087
- Insurance	68,732	58,592	263,302	223,032
- Others	144,744	134,335	491,826	421,765
	442,708	396,128	1,520,357	1,390,159
	2,211,366	2,239,242	9,248,978	8,291,963

A21. OVERHEADS (CONTINUED)

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
The Company				
Personnel costs				
- Staff incentives and other staff payments	-	1	6	5
- Others	5	26	5	233
	5	27	11	238
Establishment costs				
- Depreciation of property, plant and equipment	41	145	497	546
- Depreciation of investment properties	4	5	18	19
- Repair and maintenance	47	41	115	152
- Others	2	26	174	(79)
	94	217	804	638
Marketing expenses				
- Advertisement	-	-	11	-
- Others	3	6	6	74
	3	6	17	74
Administration and general expenses				
- Legal and professional fees	6,237	1,079	9,138	7,810
- Communication	-	-	-	10
- Others	383	381	5,523	2,911
	6,620	1,460	14,661	10,731
	6,722	1,710	15,493	11,681

A22. ALLOWANCE MADE FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	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	275,888	719,230	1,053,963	952,176
- Portfolio impairment allowance	381,384	286,315	1,411,219	887,551
Impaired loans, advances and financing:				
- recovered	(86,843)	(92,739)	(351,674)	(342,424)
- written off	8,792	6,409	55,116	24,765
	579,221	919,215	2,168,624	1,522,068

A23. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 31 December 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	22,598,973	513,526	(1,028,858)	-	-	-
- Less than 1 year	18,382,140	394,157	(357,914)	-	-	-
- 1 year to 3 years	3,211,696	119,338	(327,348)	-	-	-
- More than 3 years	1,005,137	31	(343,596)	-	-	-
Currency swaps	169,278,538	2,549,979	(1,954,427)	-	-	-
- Less than 1 year	167,165,772	2,394,420	(1,905,419)	-	-	-
- 1 year to 3 years	2,021,981	122,259	(48,854)	-	-	-
- More than 3 years	90,785	33,300	(154)	-	-	-
Currency spot	3,698,680	3,929	(6,006)	-	-	-
- Less than 1 year	3,698,680	3,929	(6,006)	-	-	-
Currency options	6,791,662	298,646	(319,083)	-	-	-
- Less than 1 year	5,249,635	198,341	(215,634)	-	-	-
- 1 year to 3 years	500,340	16,335	(16,869)	-	-	-
- More than 3 years	1,041,687	83,970	(86,580)	-	-	-
Cross currency interest rate swaps	65,638,738	4,806,435	(5,467,534)	-	-	-
- Less than 1 year	15,885,861	583,349	(1,259,675)	-	-	-
- 1 year to 3 years	24,980,250	2,069,496	(2,450,869)	-	-	-
- More than 3 years	24,772,627	2,153,590	(1,756,990)	-	-	-
	268,006,591	8,172,515	(8,775,908)	-	-	-
<u>Interest rate derivative</u>						
Interest rate swaps	451,862,590	2,263,420	(1,624,709)	500,000	74	-
- Less than 1 year	194,262,147	125,970	(139,295)	500,000	74	-
- 1 year to 3 years	132,036,362	662,449	(605,321)	-	-	-
- More than 3 years	125,564,081	1,475,001	(880,093)	-	-	-
Interest rate futures	7,948,164	2,673	(5,102)	-	-	-
- Less than 1 year	4,299,204	2,673	(2,307)	-	-	-
- 1 year to 3 years	3,434,349	-	(2,795)	-	-	-
- More than 3 years	214,611	-	-	-	-	-
Interest rate options	216,491	413	(2,213)	-	-	-
- Less than 1 year	155,677	-	(1,800)	-	-	-
- 1 year to 3 years	60,814	413	(413)	-	-	-
	460,027,245	2,266,506	(1,632,024)	500,000	74	-
<u>Equity related derivatives</u>						
Equity futures	146,909	599	(626)	-	-	-
- Less than 1 year	146,909	599	(626)	-	-	-
Equity options	9,569,385	179,010	(265,215)	-	-	-
- Less than 1 year	2,906,866	158,391	(141,482)	-	-	-
- 1 year to 3 years	5,639,857	9,566	(112,829)	-	-	-
- More than 3 years	1,022,662	11,053	(10,904)	-	-	-
Equity swaps	683,337	2,867	(14,342)	-	-	-
- Less than 1 year	5,718	319	-	-	-	-
- 1 year to 3 years	61,605	1,208	(13,086)	-	-	-
- More than 3 years	616,014	1,340	(1,256)	-	-	-
	10,399,631	182,476	(280,183)	-	-	-

A23. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2015	The Group			The Company		
	Principal amount RM'000	Fair values		Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Commodity related derivatives</u>						
Commodity swaps	1,723,092	514,369	(452,384)	-	-	-
- Less than 1 year	1,477,397	237,143	(221,302)	-	-	-
- 1 year to 3 years	245,695	277,226	(231,082)	-	-	-
Commodity futures	732,519	7,654	(60,370)	-	-	-
- Less than 1 year	721,352	7,654	(58,906)	-	-	-
- 1 year to 3 years	11,167	-	(1,464)	-	-	-
Commodity options	2,456,172	300,144	(227,970)	-	-	-
- Less than 1 year	2,341,527	230,997	(203,924)	-	-	-
- 1 year to 3 years	114,645	69,147	(24,046)	-	-	-
	4,911,783	822,167	(740,724)	-	-	-
<u>Credit related contract</u>						
Credit default swaps	7,658,804	89,669	(84,747)	-	-	-
- Less than 1 year	3,845,714	20,411	(19,440)	-	-	-
- 1 year to 3 years	2,248,053	49,758	(46,359)	-	-	-
- More than 3 years	1,565,037	19,500	(18,948)	-	-	-
Total return swaps	2,619,029	12,281	(19,394)	-	-	-
- Less than 1 year	2,087,629	4,663	-	-	-	-
- 1 year to 3 years	214,650	-	(10,686)	-	-	-
- More than 3 years	316,750	7,618	(8,708)	-	-	-
	10,277,833	101,950	(104,141)	-	-	-
Bond contract						
Bond Forward						
- More than 3 years	30,000	1,204	-	-	-	-
	30,000	1,204	-	-	-	-
Hedging derivatives						
Interest rate swaps	28,900,011	59,976	(250,411)	-	-	-
- Less than 1 year	5,782,795	3,385	(6,792)	-	-	-
- 1 year to 3 years	8,072,341	14,670	(43,219)	-	-	-
- More than 3 years	15,044,875	41,921	(200,400)	-	-	-
Currency swaps	2,797,900	9,079	(52,481)	-	-	-
- Less than 1 year	2,797,900	9,079	(52,481)	-	-	-
Cross currency interest rate swaps	4,655,246	93,048	(304,049)	-	-	-
- Less than 1 year	1,937,898	6,569	(34,813)	-	-	-
- 1 year to 3 years	916,857	39,256	(64,882)	-	-	-
- More than 3 years	1,800,491	47,223	(204,354)	-	-	-
	36,353,157	162,031	(606,869)	-	-	-
Total derivative assets/(liabilities)	790,006,240	11,708,849	(12,139,849)	500,000	74	-

A23. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2014	The Group			The Company		
	Principal amount RM'000	Fair values		Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange derivatives</u>						
Currency forward	20,681,855	356,939	(357,014)	-	-	-
- Less than 1 year	17,560,152	306,288	(153,902)	-	-	-
- 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)	-	-	-
- Less than 1 year	141,722,647	1,229,142	(1,292,228)	-	-	-
- 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)	-	-	-
- Less than 1 year	6,177,249	2,995	(9,857)	-	-	-
Currency options	5,317,174	47,724	(42,272)	-	-	-
- Less than 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)	-	-	-
- Less than 1 year	10,055,874	151,249	(347,397)	-	-	-
- 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	-
- Less than 1 year	119,108,017	108,215	(123,630)	-	-	-
- 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)	-	-	-
- Less than 1 year	1,450,968	1,885	(180)	-	-	-
- 1 year to 3 years	189,930	211	-	-	-	-
Interest rate options	456,065	1,222	(7,665)	-	-	-
- Less than 1 year	351,298	964	(6,396)	-	-	-
- 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)	-	-	-
- Less than 1 year	1,367,538	8,795	(14,647)	-	-	-
Equity options	7,114,019	233,718	(955,892)	-	-	-
- Less than 1 year	4,234,877	55,788	(395,595)	-	-	-
- 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)	-	-	-
- Less than 1 year	64,466	12,631	-	-	-	-
- 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)	-	-	-

A23. 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)	-	-	-
- Less than 1 year	2,198,926	569,074	(567,433)	-	-	-
- 1 year to 3 years	358,227	451,171	(447,263)	-	-	-
Commodity futures	10,656	34	(219)	-	-	-
- Less than 1 year	10,656	34	(219)	-	-	-
Commodity options	491,457	111,059	(22,839)	-	-	-
- Less than 1 year	315,601	9,499	(9,499)	-	-	-
- 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)	-	-	-
- Less than 1 year	1,164,049	2,658	(3,431)	-	-	-
- 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)	-	-	-
- 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)	-	-	-
- Less than 1 year	1,459,768	33,704	(9,288)	-	-	-
- 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)	-	-	-
- Less than 1 year	18,055	-	(53)	-	-	-
Currency swaps	5,054,260	36,426	(141,369)	-	-	-
- Less than 1 year	5,054,260	36,426	(141,369)	-	-	-
Cross currency interest rate swaps	3,483,815	19,806	(79,533)	-	-	-
- Less than 1 year	162,380	1,436	(4,403)	-	-	-
- 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	-

A23. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 December 2015, the amount of credit risk in the Group and the Company, measured in terms of the cost to replace the profitable contracts, was RM11,708,849,000 and RM74,000 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.

Liquidity Risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 December 2015, the Group has posted cash collateral of RM5,384 million (31 December 2014: RM2,797 million) on their derivative contracts.

There have been no changes since the end of the previous financial year in respect of the following, except for bond forward entered by the Group during the year:

- 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.

Bond forwards are simply forward contracts on bond underlyings. The rationale for the Group offering and entering into bond forward contracts with clients is to improve the Group's product diversity and market share as a fixed income solutions provider and also enhances the Group's bond market-making capabilities.

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.

A24. COMMITMENTS AND CONTINGENCIES

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

	31 December 2015 Principal Amount RM'000	31 December 2014 Principal Amount RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	6,552,626	5,952,788
Certain transaction-related contingent items	6,047,494	5,746,700
Short-term self-liquidating trade-related contingencies	8,525,630	6,013,684
Obligations under underwriting agreement	9,406	140,000
Irrevocable commitments to extend credit		
- maturity not exceeding one year	46,117,291	49,895,290
- maturity exceeding one year	22,176,460	23,764,999
Miscellaneous commitments and contingencies	4,148,292	3,436,324
Total credit-related commitments and contingencies	<u>93,577,199</u>	<u>94,949,785</u>
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- up to one year	215,117,886	185,396,032
- more than one year to five years	49,650,897	36,662,043
- more than five years	10,690,954	8,115,743
	275,459,737	230,173,818
<u>Interest rate related contracts</u>		
- up to one year	204,499,823	122,370,051
- more than one year to five years	235,172,060	195,116,637
- more than five years	49,255,373	42,182,789
	488,927,256	359,669,477
<u>Equity related contracts</u>		
- up to one year	3,059,493	5,666,881
- more than one year to five years	6,915,007	3,241,558
- more than five years	425,131	643,844
	10,399,631	9,552,283
<u>Credit related contracts</u>		
- up to one year	5,933,343	1,164,049
- more than one year to five years	4,070,019	3,683,152
- more than five years	274,471	488,969
	10,277,833	5,336,170
<u>Commodity related contracts</u>		
- up to one year	4,540,276	2,525,183
- more than one year to five years	371,507	534,083
	4,911,783	3,059,266
<u>Bond contracts</u>		
- more than five years	30,000	-
	30,000	-
Total treasury-related commitments and contingencies	<u>790,006,240</u>	<u>607,791,014</u>
	<u>883,583,439</u>	<u>702,740,799</u>
The Company		
<u>Interest rate related contracts</u>		
- up to one year	500,000	-
- more than one year to five years	-	500,000
	500,000	500,000

A25. CAPITAL ADEQUACY

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

For 2015, the capital adequacy framework applicable is based on the Bank Negara Malaysia (BNM) capital adequacy framework issued on 28 November 2012. In 2015, BNM issued revised guidelines on the capital adequacy framework (Capital Components) on 13 October 2015, which will take effect for banking entities and financial holding company beginning 1 January 2016 and 1 January 2019 respectively. The revised guideline sets out the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III. The capital adequacy for CIMB Bank Thai is based on the Bank of Thailand (BOT) guidelines as issued on 8 November 2012.

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.

A25. CAPITAL ADEQUACY (Continued)

31 December 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	12.107% ^	12.718%	10.778%	11.329% ^	33.250%	N/A	N/A
Tier 1 ratio	13.279% ^	13.557%	10.778%	12.279% ^	33.250%	14.141%	N/A
Total capital ratio	16.425% ^	16.273%	15.456%	15.892% ^	33.250%	16.126%	17.377%
After deducting proposed dividend							
Common equity tier 1 ratio	11.504% # ^	12.718%	10.778%	10.876% # ^	29.747%	N/A	N/A
Tier 1 ratio	12.677% # ^	13.557%	10.778%	11.825% # ^	29.747%	14.141%	N/A
Total capital ratio	15.823% # ^	16.273%	15.456%	15.438% # ^	29.747%	16.126%	17.377%

(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	134,581,911	21,088,362	21,896,165	180,655,182	1,166,117	50,643,638	1,291,520
Market risk	12,251,594	532,642	3,554,123	14,483,777	86,545	568,418	-
Operational risk	12,885,118	2,080,723	1,794,608	17,227,086	631,580	7,190,157	-
Large exposure risk	666,867	-	-	666,867	-	-	-
	160,385,490	23,701,727	27,244,896	213,032,912	1,884,242	58,402,213	1,291,520

(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	5,148,084	1,000,000	1,473,510	5,148,084	100,000	502,007	214,650
Other reserves	21,591,225	2,386,083	1,603,316	26,518,216	554,758	8,145,296	(22,767)
Qualifying non-controlling interests	-	-	-	275,120	-	-	-
Common Equity Tier I capital before regulatory adjustments	26,739,309	3,386,083	3,076,826	31,941,420	654,758	8,647,303	191,883
Less: Regulatory adjustments							
Goodwill	(3,555,075)	(136,000)	-	(5,114,235)	(964)	-	-
Intangible assets	(874,745)	(82,210)	(17,752)	(945,435)	-	-	(2,703)
Deferred tax assets	(210,842)	(31,184)	(102,575)	(403,149)	(15,278)	(142,958)	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,721,064)	-	-	(319,238)	(3,268)	(245,451)	-
Deduction in excess of Tier 1 & Tier 2 capital	-	-	-	-	(6,462)	-	-
Shortfall of eligible provisions to expected losses	-	(60,965)	-	-	-	-	-
Others	(959,972)	(61,387)	(20,060)	(1,023,930)	(2,284)	-	(6,250)
Common Equity Tier I capital after regulatory adjustments	19,417,611	3,014,337	2,936,439	24,135,433	626,502	8,258,894	182,930
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	-	-	-	54,760	-	-	-
Additional Tier I capital before regulatory adjustments	1,968,260	199,000	-	2,023,020	-	-	-
Less: Regulatory adjustments							
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(88,000)	-	-	-	-	-	-
Additional Tier I capital after regulatory adjustments	1,880,260	199,000	-	2,023,020	-	-	-
Total Tier I Capital	21,297,871	3,213,337	2,936,439	26,158,453	626,502	8,258,894	182,930
Tier II capital							
Subordinated notes	7,050,000	595,000	1,191,929	7,050,000	-	615,610	30,051
Redeemable preference shares	29,740	-	-	29,740	7	-	-
Surplus of eligible provision over expected loss	480,515	-	-	210,735	-	-	-
Qualifying capital instruments held by third parties	-	-	-	376,000	-	-	-
Portfolio impairment allowance & Regulatory reserve ✓	236,377	48,698	82,629	509,270	159	543,312	11,448
Tier II capital before regulatory adjustments	7,796,632	643,698	1,274,558	8,175,745	166	1,158,922	41,499
Less: Regulatory adjustments							
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(2,750,641)	-	-	(478,907)	(6,628)	-	-
Total Tier II capital	5,045,991	643,698	1,274,558	7,696,838	-	1,158,922	41,499
Total capital base	26,343,862	3,857,035	4,210,997	33,855,291	626,502	9,417,816	224,429
Less:							
Proposed dividends	(966,553)	-	-	(966,553)	(66,000)	-	-
Total capital base (net of proposed dividend)	25,377,309	3,857,035	4,210,997	32,888,738	560,502	9,417,816	224,429

✓ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 December 2015 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM183 million, RM161 million and RM22 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 successfully completed its sixth DRS of which approximately RM171 million was reinvested into new CIMB Group shares. Pursuant to the completion of the DRS, CIMB Group reinvested cash dividend surplus of RM584 million and an additional equity injection of RM696 million into CIMB Bank via rights issue which was completed on 23 December 2015.

CIMBGH proposed to continue with DRS implementation for the second interim dividend in respect of the financial year ended 2015. The second interim dividend was approved by the Board and Bank Negara Malaysia on 29 January 2016 and 25 February 2016 respectively.

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

A25. CAPITAL ADEQUACY (Continued)

31 December 2014

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

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

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

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

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

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

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

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

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

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

CIMB had implemented the DRS for the second interim dividend in respect of the financial year ended 2014. Pursuant to the completion of DRS, CIMB had reinvested excess cash dividend surplus into CIMB Bank on 26 June 2015 which increased the capital adequacy ratios of CIMB Bank Group and CIMB 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.

A26. 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.

A26. 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.

A26. 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
31 December 2015						
Net interest income						
- external income	4,757,644	1,571,204	2,727,748	40,839	239,309	9,336,744
- inter-segment (expense)/income	(364,107)	(84,798)	428,670	(35)	20,270	-
	4,393,537	1,486,406	3,156,418	40,804	259,579	9,336,744
Income from Islamic Banking operations	775,512	160,331	47,489	(1,952)	587,637	1,569,017
Net non-interest income	1,483,719	303,999	2,360,725	598,481	(258,032)	4,488,892
Gain on disposal of subsidiaries and associates	-	-	-	1,137	-	1,137
Net income	6,652,768	1,950,736	5,564,632	638,470	589,184	15,395,790
Overheads	(4,092,513)	(1,069,896)	(2,958,523)	(372,483)	(755,563)	(9,248,978)
of which:						
- Depreciation of property, plant and equipment	(133,239)	(9,411)	(65,696)	(19,625)	(126,043)	(354,014)
- Impairment of property, plant and equipment	(1,039)	(23)	-	-	(32)	(1,094)
- Amortisation of prepaid lease payments	(102)	(52)	(167)	-	(10,894)	(11,215)
- Amortisation of intangible assets	(69,279)	(3,147)	(32,576)	(14,379)	(220,778)	(340,159)
Profit before allowances	2,560,255	880,840	2,606,109	265,987	(166,379)	6,146,812
Allowance (made)/written back for impairment losses on loans, advances and financing	(831,976)	(215,703)	(1,107,444)	-	(13,501)	(2,168,624)
Allowance (made)/written back for losses on other receivables	(2,864)	763	(14,947)	(4,245)	(8,922)	(30,215)
Allowance made for commitments and contingencies	(534)	-	-	(9,401)	-	(9,935)
Allowance written back/(made) for other impairment losses	-	-	393	(112,407)	2,335	(109,679)
Segment results	1,724,881	665,900	1,484,111	139,934	(186,467)	3,828,359
Share of results of joint ventures	1,587	-	-	(11,450)	-	(9,863)
Share of results of associates	-	-	-	95,497	-	95,497
Profit/(Loss) before taxation	1,726,468	665,900	1,484,111	223,981	(186,467)	3,913,993
% of profit before taxation	44.1	17.0	37.9	5.7	(4.8)	100.0
Taxation						(1,018,048)
Profit for the period						2,895,945

A26. 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
31 December 2014						
Net interest income						
- external income/(expense)	4,025,567	1,458,267	2,810,080	29,822	331,812	8,655,548
- inter-segment (expense)/income	(171,082)	(194,868)	138,188	5	227,757	-
	3,854,485	1,263,399	2,948,268	29,827	559,569	8,655,548
Income from Islamic Banking operations	734,947	134,833	474,676	-	116,822	1,461,278
Net non-interest income	1,406,480	251,220	1,648,201	488,773	136,454	3,931,128
Gain on disposal of subsidiaries and associates	-	-	73,856	24,114	-	97,970
Net income	5,995,912	1,649,452	5,145,001	542,714	812,845	14,145,924
Overheads	(3,840,641)	(1,011,348)	(2,752,042)	(316,067)	(371,865)	(8,291,963)
of which:						
- Depreciation of property, plant and equipment	(131,621)	(9,603)	(62,293)	(9,660)	(108,931)	(322,108)
- Amortisation of prepaid lease payments	82	(43)	(146)	-	(11,257)	(11,364)
- Amortisation of intangible assets	(75,884)	(3,900)	(29,462)	(7,177)	(207,054)	(323,477)
Profit before allowances	2,155,271	638,104	2,392,959	226,647	440,980	5,853,961
Allowance (made)/written back for impairment losses on loans, advances and financing	(691,620)	62,602	(894,547)	-	1,497	(1,522,068)
Allowance (made)/written back for losses on other receivables:	(4,286)	(10)	(22,707)	(5,229)	6,160	(26,072)
Allowance written back for commitments and contingencies	-	10,982	(2,040)	-	-	8,942
Recoveries written back from investment management and securities service:	-	-	-	-	804	804
Allowance written back/(made) for other impairment losses:	-	-	(127,648)	(6,242)	(28,607)	(162,497)
Segment results	1,459,365	711,678	1,346,017	215,176	420,834	4,153,070
Share of results of joint ventures	2,881	-	-	(4,823)	-	(1,942)
Share of results of associates	-	-	-	125,298	(3)	125,295
Profit before taxation	1,462,246	711,678	1,346,017	335,651	420,831	4,276,423
% of profit before taxation	34.2	16.6	31.5	7.9	9.8	100.0
Taxation						(1,101,866)
Profit for the period						3,174,557

A26. 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
31 December 2015						
Group						
Segment assets	149,608,632	50,879,621	203,046,816	2,711,609	35,048,676	441,295,354
Investment in associates and joint ventures	162,775	-	-	874,498	175	1,037,448
	<u>149,771,407</u>	<u>50,879,621</u>	<u>203,046,816</u>	<u>3,586,107</u>	<u>35,048,851</u>	<u>442,332,802</u>
Unallocated assets	-	-	-	-	-	19,244,341
Total assets	<u>149,771,407</u>	<u>50,879,621</u>	<u>203,046,816</u>	<u>3,586,107</u>	<u>35,048,851</u>	<u>461,577,143</u>
Segment liabilities	138,283,842	52,896,935	204,265,930	1,373,105	10,581,166	407,400,978
Unallocated liabilities	-	-	-	-	-	11,943,537
Total liabilities	<u>138,283,842</u>	<u>52,896,935</u>	<u>204,265,930</u>	<u>1,373,105</u>	<u>10,581,166</u>	<u>419,344,515</u>
Other segment items						
Incurring capital expenditure	314,986	4,319	69,262	46,132	508,896	943,595
Investment in joint ventures	162,775	-	-	15,833	-	178,608
Investment in associates	-	-	-	858,665	175	858,840
<hr/>						
	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
31 December 2014						
Group						
Segment assets	132,596,162	47,926,723	186,156,365	2,186,459	26,989,898	395,855,607
Investment in associates and joint ventures	161,187	-	-	925,026	176	1,086,389
	<u>132,757,349</u>	<u>47,926,723</u>	<u>186,156,365</u>	<u>3,111,485</u>	<u>26,990,074</u>	<u>396,941,996</u>
Unallocated assets	-	-	-	-	-	17,214,360
Total assets	<u>132,757,349</u>	<u>47,926,723</u>	<u>186,156,365</u>	<u>3,111,485</u>	<u>26,990,074</u>	<u>414,156,356</u>
Segment liabilities	122,838,007	45,246,644	189,804,159	583,817	8,544,919	367,017,546
Unallocated liabilities	-	-	-	-	-	8,747,687
Total liabilities	<u>122,838,007</u>	<u>45,246,644</u>	<u>189,804,159</u>	<u>583,817</u>	<u>8,544,919</u>	<u>375,765,233</u>
Other segment items						
Incurring capital expenditure	332,024	14,392	84,736	30,549	292,482	754,183
Investment in joint ventures	161,187	-	-	80,493	-	241,680
Investment in associates	-	-	-	844,533	176	844,709

A27. 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.

A27. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and the Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 December 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	
31 December 2015					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial assets held for trading					
- Money market instruments	12,111,815	-	12,111,815	-	12,111,815
- Quoted securities	3,438,321	3,154,957	283,364	-	3,438,321
- Unquoted securities	5,130,130	-	4,972,745	157,385	5,130,130
Financial investments available-for-sale					
- Money market instruments	2,768,757	-	2,768,757	-	2,768,757
- Quoted securities	7,814,428	5,477,343	2,337,085	-	7,814,428
- Unquoted securities	22,184,363	55	20,839,301	1,345,007	22,184,363
Derivative financial instruments					
- Trading derivatives	11,546,818	12,408	11,401,532	132,878	11,546,818
- Hedging derivatives	162,031	-	162,031	-	162,031
Total	65,156,663	8,644,763	54,876,630	1,635,270	65,156,663
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	11,532,980	140,679	11,175,674	216,627	11,532,980
- Hedging derivatives	606,869	-	606,869	-	606,869
Financial liabilities designated at fair value	4,952,771	-	4,593,682	359,089	4,952,771
Total	17,092,620	140,679	16,376,225	575,716	17,092,620
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	6,958,498	66,855	7,036,376
- Hedging derivatives	146,383	-	146,383	-	146,383
Total	63,273,052	4,010,279	57,530,769	1,732,004	63,273,052
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	7,230,283	73,002	6,286,315	870,966	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	10,098,791	1,231,702	11,403,495

A27. FAIR VALUE ESTIMATION (Continued)

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

The Company	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Fair Value		Total RM'000
			Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
31 December 2015					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Derivative financial instruments					
- Trading derivatives	74	-	74	-	74
Total	74	-	74	-	74

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

A27. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial period/year ended 31 December 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
31 December 2015							
At 1 January	132,681	1,532,468	66,855	1,732,004	(360,736)	(870,966)	(1,231,702)
Total gains/(losses) recognised in Statement of Income	769	(15,891)	58,126	43,004	(24,856)	765,434	740,578
Total losses recognised in Other Comprehensive Income	-	1,397	-	1,397	-	-	-
Purchases	-	81,289	32,137	113,426	-	(28,853)	(28,853)
New issuances	-	-	-	-	(456)	-	(456)
Sales and redemptions	(5,000)	(354,920)	-	(359,920)	-	-	-
Settlements	-	-	(26,307)	(26,307)	26,959	17,039	43,998
Exchange fluctuation	28,935	100,664	2,067	131,666	-	(99,281)	(99,281)
At 31 December	157,385	1,345,007	132,878	1,635,270	(359,089)	(216,627)	(575,716)
Total gains/(losses) recognised in Statement of Income for financial period ended 31 December 2015 under:							
- net non-interest income	769	(15,402)	58,126	43,493	(10,761)	765,434	754,673
- interest expense	-	-	-	-	(14,095)	-	(14,095)
- allowances for other impairment losses	-	(489)	-	(489)	-	-	-
Total losses recognised in Other Comprehensive Income for the financial period ended 31 December 2015 under "revaluation reserves"	-	1,397	-	1,397	-	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 31 December 2015 under "net non-interest income"	2,484	(29,321)	64,645	37,808	(10,761)	(49,501)	(60,262)

A27. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial period/year ended 30 September 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	69,193	1,421,175	-	(1,369,505)	(1,369,505)
Total gains/(losses) recognised in Statement of Income	2,567	(3,044)	(6,170)	(6,647)	60,733	(55,259)	5,474
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	(17)	11,432	-	(51,597)	(51,597)
At 31 December	132,681	1,532,468	66,855	1,732,004	(360,736)	(870,966)	(1,231,702)
Total gains/(losses) recognised in Statement of Income for financial year ended 31 December 2014 under:							
- net non-interest income	2,567	(3,044)	(6,170)	(6,647)	73,274	(55,259)	18015
- 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)	10,720	10,205	73,274	(264,271)	(190,997)

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

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

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

A27. FAIR VALUE ESTIMATION (Continued)

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

Investment properties (Recurring)

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

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

In accordance with MFRS5, the non-current assets held for sales were stated at the lower of carrying amount and fair value less cost to sell. As at 31 December 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 RM4,575,000 (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.

A28. OPERATIONS OF ISLAMIC BANKING

A28a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	The Group	
		31 December 2015 RM'000	31 December 2014 RM'000
ASSETS			
Cash and short-term funds		8,046,054	6,549,105
Deposits and placements with banks and other financial institutions		507,849	742,096
Financial assets held for trading		2,945,220	3,723,913
Islamic derivative financial instruments		496,564	286,468
Financial investments available-for-sale		2,337,791	2,398,454
Financial investments held-to-maturity		2,264,868	1,165,553
Financing, advances and other financing/loans	A28d(i)	47,235,376	40,600,338
Deferred tax assets		30,541	21,518
Amount due from conventional operations		4,371,874	3,824,466
Statutory deposits with Bank Negara Malaysia		1,257,178	1,297,654
Property, plant and equipment		15,570	13,169
Other assets		972,518	454,723
Goodwill		136,000	136,000
Intangible assets		83,957	91,937
TOTAL ASSETS		70,701,360	61,305,394
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS			
Deposits from customers	A28(e)	49,331,189	44,345,984
Placements from investment accounts financial institutions	A28(f)	3,133,698 3,596,306	- 5,812,183
Islamic derivative financial instruments		594,474	340,823
Financial liabilities designated at fair value	A28(g)	199,063	149,835
Recourse obligation on loans and financing sold to Cagamas		502,368	-
Amount due to conventional operations		1,202,273	623,717
Amount due to related companies		-	-
Provision for taxation and Zakat		39,017	26,805
Other liabilities		5,413,779	3,977,161
Other borrowings		17,125	-
Subordinated Sukuk		856,983	856,026
TOTAL LIABILITIES		64,886,275	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		4,528,937	3,887,440
		5,804,187	5,162,690
Non-controlling interests		10,898	10,170
TOTAL ISLAMIC BANKING CAPITAL FUNDS		5,815,085	5,172,860
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		70,701,360	61,305,394

A28b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD ENDED 31 DECEMBER 2015

	The Group			
	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	722,683	564,715	2,629,862	2,336,341
Net income derived from investment of shareholders' funds	88,911	151,221	450,201	337,853
Allowance made for impairment losses on financing, advances and other financing/loans	(24,803)	(63,117)	(149,273)	(159,762)
Allowance written back/(made) for impairment losses on other receivables	(34)	32	(98)	280
Total distributable income	786,757	652,851	2,930,692	2,514,712
Income attributable to depositors	(394,658)	(338,570)	(1,511,046)	(1,212,916)
Total net income	392,099	314,281	1,419,646	1,301,796
Other operating expenses	(144,769)	(146,129)	(579,409)	(550,287)
Profit before allowances	247,330	168,152	840,237	751,509
Allowance written back for other impairment losses	-	-	-	124
Profit before taxation	247,330	168,152	840,237	751,633
Taxation	(54,769)	(38,249)	(184,460)	(170,205)
Profit for the period	192,561	129,903	655,777	581,428
Profit for the period attributable to:				
Owners of the Parent	192,326	130,045	655,083	580,829
Non-controlling interests	235	(142)	694	599
	192,561	129,903	655,777	581,428

A28c. UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2015

	The Group			
	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	192,561	129,903	655,777	581,428
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	10,434	(9,060)	(24,697)	16,078
- Net (loss)/gain from change in fair value	11,588	(9,214)	(23,249)	22,424
- Realised gain transferred to statement of income on disposal and impairment	(734)	(1,611)	(4,066)	(6,637)
- Income tax effects	(420)	1,765	2,618	291
Exchange fluctuation reserve	(323)	(113)	11,271	4,729
Other comprehensive income for the period, net of tax	10,111	(9,173)	(13,426)	20,807
Total comprehensive income for the period	202,672	120,730	642,351	602,235
Total comprehensive income for the period attributable to:				
Owners of the Parent	202,651	120,695	642,317	602,095
Non-controlling interests	21	35	34	140
	202,672	120,730	642,351	602,235
<u>Income from Islamic operations (per page 2)</u>				
Total net income	392,099	314,281	1,419,646	1,301,796
Add: Allowance made for impairment losses on financing, advances and other financing/loans	24,803	63,117	149,273	159,762
Add: Allowance (written back)/made for impairment losses on other receivables	34	(32)	98	(280)
	416,936	377,366	1,569,017	1,461,278

A28d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS
(i) By type and Shariah contract
31 December 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 [^]	584,930	-	-	17,114	-	602,044
Term financing						
House Financing	9,971,879	1,385,143	-	-	-	11,357,022
Syndicated Financing	2,084,525	160,701	-	-	29,919	2,275,145
Hire purchase receivables	821,861	4,306,661	-	-	-	5,128,522
Other term financing	21,264,688	58,232	-	-	3,288,621	24,611,541
Bills receivable	3,372	-	-	153	-	3,525
Trust receipts	26,106	-	-	-	94,073	120,179
Claims on customers under acceptance credits	445,038	-	-	-	-	445,038
Staff financing	-	-	-	-	2	2
Revolving credits	2,168,995	-	-	-	509,243	2,678,238
Credit card receivables	-	-	-	-	180,628	180,628
Share margin financing	4,100	-	96,520	-	30,063	130,683
Ar Rahn	-	-	-	-	1,065	1,065
Other financing	-	18,303	-	-	10,247	28,550
Gross financing, advances and other financing/loans	37,375,494	5,929,040	96,520	17,267	4,143,861	47,562,182
Fair value changes arising from fair value hedge						110,491
						47,672,673
Less: Allowance for impairment losses						
- Individual impairment allowance						(79,321)
- Portfolio impairment allowance						(357,976)
						(437,297)
Net financing, advances and other financing/loans						47,235,376

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 Rahn	-	-	-	-	2,348	2,348
Other financing	-	13,256	-	-	13,562	26,818
Gross financing, advances and other financing/loans	32,209,162	6,571,826	29,421	10,277	2,185,420	41,006,106
Fair value changes arising from fair value hedge						57,272
						41,063,378
Less: Allowance for impairment losses						
- Individual impairment allowance						(88,336)
- Portfolio impairment allowance						(374,704)
						(463,040)
Net financing, advances and other financing/loans						40,600,338

[^] Includes current account in excess

A28d. 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 RM3,575 million (2014: RM6,350 million) financing using profit rate swaps.

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

As at 31 December 2015, the gross exposures to RPSIA financing is RM2,733 million (2014: RM2,099 million) and the portfolio impairment allowance relating to this RPSIA amounting to RM5.4 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	
	31 December 2015	31 December 2014
	RM'000	RM'000
At 1 January	10,277	2,006
New disbursement	13,522	10,068
Repayment	(6,532)	(1,797)
At 31 December	<u>17,267</u>	<u>10,277</u>

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

Depositors' fund	16,122	9,665
Shareholders' fund	1,145	612
	<u>17,267</u>	<u>10,277</u>

Uses of Qard fund:

Personal use	337	1,156
Business use	16,930	9,121
	<u>17,267</u>	<u>10,277</u>

(ii) By geographical distribution

	The Group	
	31 December 2015	31 December 2014
	RM'000	RM'000
Malaysia	40,805,184	36,781,908
Indonesia	2,328,448	1,866,915
Singapore	3,183,243	1,633,620
Other countries	1,245,307	723,663
Gross financing, advances and other financing/loans	<u>47,562,182</u>	<u>41,006,106</u>

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

	The Group	
	31 December 2015	31 December 2014
	RM'000	RM'000
Malaysia	424,384	457,860
Indonesia	42,154	82,060
Gross impaired financing, advances and other financing/loans	<u>466,538</u>	<u>539,920</u>

A28d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

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

	The Group	
	31 December 2015 RM'000	31 December 2014 RM'000
At 1 January	539,920	375,428
Classified as impaired during the year	561,268	859,063
Reclassified as not impaired during the year	(312,552)	(375,431)
Amount recovered	(103,317)	(103,631)
Amount transferred to conventional operations	-	(38,104)
Amount written off	(213,337)	(182,722)
Exchange fluctuation	(5,444)	5,317
At 31 December	<u>466,538</u>	<u>539,920</u>
Ratio of gross impaired financing, advances and other financing/loans to gross financing, advances and other financing/loans	<u>0.98%</u>	<u>1.32%</u>

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

	The Group	
	31 December 2015 RM'000	31 December 2014 RM'000
Individual impairment allowance		
At 1 January	88,336	48,093
Allowance made during the year	(11,810)	53,064
Amount written off	(981)	(9,105)
Amount transferred to conventional operations	-	(5,216)
Exchange fluctuation	3,776	1,500
At 31 December	<u>79,321</u>	<u>88,336</u>
Portfolio impairment allowance		
At 1 January	374,704	414,807
Allowance made during the year	199,278	154,030
Amount written off	(212,336)	(173,618)
Exchange fluctuation	(3,670)	(20,515)
At 31 December	<u>357,976</u>	<u>374,704</u>
Portfolio impairment allowance as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	<u>1.10%</u>	<u>1.16%</u>

A28e. DEPOSITS FROM CUSTOMERS**(i) By type of deposits**

	The Group	
	31 December 2015 RM'000	31 December 2014 RM'000
Savings deposit		
Wadiah	3,263,150	2,742,201
Mudharabah	320,617	190,452
	3,583,767	2,932,653
Demand deposit		
Wadiah	9,408,866	7,377,966
Qard	386,784	61,320
Mudharabah	71,026	755,889
	9,866,676	8,195,175
Term deposit		
<i>Commodity Murabahah</i>	33,230,363	21,691,342
<i>Islamic negotiable instruments</i>	742,792	2,563,732
Mudharabah	344,450	389,915
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	398,342	2,173,817
<i>Short term money market deposit-i</i>	28,781	5,116,670
Wakalah	17,816	5,109,756
Wadiah	10,965	6,914
<i>Fixed Deposit-i</i>	239,772	1,067,331
Wakalah	-	608,700
Wadiah	239,772	458,631
<i>General investment account</i>	1,310,340	2,433,388
Mudharabah	1,310,340	2,433,388
<i>Specific investment account</i>	314,009	326,806
Mudharabah	314,009	326,806
	35,866,057	33,199,269
Others - Qard	14,689	18,887
	49,331,189	44,345,984
(ii) By maturity structures of term deposit		
Due within six months	27,962,416	31,429,165
Six months to one year	7,202,592	1,067,187
One year to three years	391,340	381,594
Three years to five years	885	436
More than five years	308,824	320,887
	35,866,057	33,199,269
(iii) By type of customer		
Government and statutory bodies	3,513,833	3,791,645
Business enterprises	19,932,893	17,899,026
Individuals	10,829,624	6,821,940
Others	15,054,839	15,833,373
	49,331,189	44,345,984

A28f. PLACEMENTS FROM INVESTMENT ACCOUNTS

	The Group	
	31 December 2015 RM'000	31 December 2014 RM'000
Restricted investment accounts	2,900,982	-
Unrestricted investment accounts	232,716	-
	3,133,698	-

A28g. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	The Group	
	31 December 2015	31 December 2014
	RM'000	RM'000
Deposits from customers - structured investments	199,063	149,835

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

The carrying amount of the Group as at 31 December 2015 of financial liabilities designated at fair value were RM8,581,000 (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.

A29. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	The Group	
	31 December 2015	31 December 2014
	RM'000	RM'000
Outstanding credit exposures with connected parties	14,259,511	12,171,744
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	4.01%	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” or the “Group”) results

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) today reported a Profit Before Tax (“PBT”) of RM3,914million for financial year 2015 (“FY15”), translating to a net earnings per share (“EPS”) of 33.6sen. After excluding exceptional expenses from restructuring and the Mutual Separation Scheme (“MSS”), the Business As Usual (“BAU”) pre-provision operating profit grew 19.3% Y-o-Y from a 9.8% growth in operating income coupled with a 3.3% (-0.5% excluding FX) growth in operating expenses. With the increased Y-o-Y provisions, the FY15 BAU net profit grew 8.0% Y-o-Y with a net return on average equity (“ROE”) of 8.6%. The Group declared a second interim net dividend of 11.00 sen per share to be paid via cash or an optional Dividend Reinvestment Scheme (“DRS”). For FY15, the total dividends amounted to 14.00 sen or RM1,193 million, translating to a dividend payout ratio of 41.9% of FY15 profits.

CIMB Group FY2015 Y-o-Y Results

For comparative purposes, the Y-o-Y performance is based on BAU numbers for FY15. CIMB Group’s FY15 operating income grew 9.8% Y-o-Y to RM15,395million underpinned by a 15.8% improvement in non-interest income and a 7.4% growth in net interest income. Operating expenses increased by a smaller 3.3% Y-o-Y largely due to the foreign currency translation effects which raised both personnel and administrative & general expenses. This brought about the 19.3% improvement in the Group’s Pre-Provisioning Operating Profit (“PPOP”). The Group’s PBT was 7.5% higher at RM4,598million, partially offset by increased corporate and commercial loan provisions.

The Group’s regional Consumer Bank PBT increased by 18.1% Y-o-Y in FY15 to RM1,726million, making up 38% of Group PBT. Contributions were stronger fuelled by the consumer operations in Malaysia, Indonesia and Singapore. The regional Commercial Banking PBT was 6.3% lower Y-o-Y at RM666 million largely attributed to higher provisions in Indonesia and Thailand. The Group’s Regional Wholesale Banking PBT improved by 14.4% Y-o-Y to RM1,686 million from better performances at Corporate Banking and Investment Banking, while Treasury & Markets was softer on the back of weaker capital markets. Group Asset Management and Investments (“GAMI”)’s PBT was 17.8% lower Y-o-Y due to the large gains from divestments in FY14, while Group Funding PBT declined 17.2% Y-o-Y due to higher cost of funds and lower investment returns.

Non-Malaysia PBT contribution to the Group was lower at 21% in FY15 compared to 28% in FY14, principally due to the 53.4% Y-o-Y decline in Indonesia’s PBT to RM393 million from lower CIMB Niaga earnings. Thailand’s PBT contribution was also 31.1% lower Y-o-Y at RM153 million given the higher provisions in FY15. Total PBT contribution from Singapore was 9.9% higher at RM378 million from continued performance improvement at the bank.

The Group’s total gross loans (excluding the bad bank) expanded 12.8% Y-o-Y or 6.6% excluding FX fluctuations. Total deposits grew 12.6% Y-o-Y or 6.9% excluding FX fluctuations. The Group’s loan to deposit (“LDR”) ratio remained relatively unchanged at 92.9% compared to 93.0% previously.

The Group’s gross impairment ratio reduced to 3.0% as at December 2015 from 3.1% in December 2014, with a higher allowance coverage of 84.7% as at December 2015. The Group’s BAU cost to income ratio improved to 55.6% compared with 59.1% in FY14, as the cost management initiatives continue to gain traction. The Group’s Net Interest Margins (“NIM”) were lower at 2.66% driven mainly by the higher cost of deposits in Malaysia.

As at 31 December 2015, CIMB Group’s total capital ratio stood at 15.2% while the Common Equity Tier 1 (“CET1”) capital ratio stood at 10.3%.

CIMB Group 4Q15 Performance

On a Q-o-Q basis, 4Q15 operating income grew 5.2% to RM4,041 million arising from a 14.7% growth in non-interest income and a 1.6% increase in net interest income. The Consumer Banking and Commercial Banking PBT were 3.8% and 10.3% lower respectively due to higher provisions during the quarter. Wholesale Banking PBT grew 4.2% on the back of a stronger performance in Treasury & Markets and Investment Banking in 4Q15. 4Q15 BAU net profit was 5.8% lower Q-o-Q at RM850 million attributed to the higher provisions.

On a Y-o-Y basis, 4Q15 operating income was 14.0% higher at RM4,041 million on the back of a 9.6% increase in net interest income and a 25.4% growth in non-interest income. The Consumer Banking PBT expanded by 22.4% Y-o-Y due to asset growth across all geographies and better cost controls. Wholesale Banking PBT posted a RM468 million PBT in 4Q15 compared to a loss in 4Q14 owing to lower Corporate Banking provisions and improved Treasury & Markets and Investment Banking operations. Commercial Banking PBT was 7.9% lower due to higher provisions in 4Q15. As a result, the 4Q15 BAU net profit of RM850 million was 237.3% higher Y-o-Y from the RM252 million in 4Q14.

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

CIMB Islamic

CIMB Islamic's FY15 Y-o-Y PBT increased by 2.9% to RM541 million from improved performance in the Consumer segment. CIMB Islamic's gross financing assets increased by 10.8% Y-o-Y, accounting for 13.6% of total Group loans. Total deposits grew by 7.1% Y-o-Y to RM44.2 billion.

Target 18 ("T18") And Key Organisation Changes

On 26 February 2015, Tengku Dato' Sri Zafrul Aziz was confirmed as Group Chief Executive Officer ("CEO"). Dato' Sri Nazir Razak took 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 organisation 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 saw 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. On 4 January 2016, Mohamed Rafe bin Mohamed Haneef was appointed as CEO/ED of CIMB Islamic Bank and CEO, Group Islamic Banking. On 20 January 2016, Tengku Dato' Sri Zafrul Tengku Abdul Aziz was appointed as CEO of CIMB Bank Berhad.

As part of the T18 Cost and Productivity 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 business related operating costs. On 15 May 2015, 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 3,614 applications approved (1,908 in Malaysia and 1,706 in Indonesia). Overall, the Group's staff strength decreased by 8.6% Y-o-Y from a combination of the MSS and natural attrition.

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. The exercise was completed on 6 November 2015.
- On 23 October 2015, CIMB Group issued and allotted 37,480,662 new ordinary shares of RM1 each in new CIMB Group shares pursuant to the DRS arising from the First Interim Dividend announcement for FY15. The new shares were listed and quoted on the Main Market of Bursa Securities on 26 October 2015.
- On 2 November 2015, CIMB Bank fully settled its USD200 million subordinated loan to SBB Capital Corporation ("SCC") concurrent with the redemption of SCC's Preference Shares on the first optional redemption date.
- On 23 December 2015, CIMB Bank redeemed in full the RM1.0 billion 10 years tranche Subordinated Debt on its first optional redemption date.
- On 23 December 2015, CIMB Group completed a RM2.0 billion Subordinated Debt issuance under the newly set-up Basel III-Compliant Tier 2 Subordinated Debt Programme.

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 Sdn Bhd completed the acquisition of the 40-

B2. CORPORATE DEVELOPMENTS (continued)

Others

- On 7 January 2015, Dagong Global Credit Rating Co. affirmed CIMB Bank's long term local and foreign currency issuer default ratings at 'AA' and 'AA-' respectively. The outlook is stable.
- On 25 February 2015, CIMB Group confirmed the appointment of TengkuDato'ZafrulTengku Abdul Aziz as Group CEO. On 12 March 2015, EffendyShahul 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 DatukMohdNasir 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'SulaimanMohdTahir as CEO and Executive Director of CIMB Bank. On 4 January 2016, Mohamed Rafe bin Mohamed Haneef was appointed as CEO, Group Islamic Banking and CEO/ED of CIMB Islamic Bank. On 20 January 2016, TengkuDato' Sri ZafrulTengku Abdul Aziz was appointed as CEO of CIMB Bank Berhad.
- On 2 March 2015, Fitch Ratings affirmed CIMB Thai's long-term and short-term national ratings at AA-(tha)/F1+(tha) andCIMB Thai's Lower Tier 2 subordinated notesrating at A+(tha).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 3,615 applications approved.
- On 7 August 2015, CIMB Group Holdings obtained an in-principle approval by the State Bank of Vietnam to establish and operate a 100%-owned subsidiary in Vietnam.
- On 13 October 2015, Moody's affirmed CIMB Thai's long-term and short-term foreign currency deposits ratings at Baa2/P-2. The outlook is stable.
- On 6 November 2015, MARC affirmed CIMB Bank's long-term and short-term financial institution ratings at AAA/MARC-1, RM10.0 billion Tier 2 Subordinated Debt Programme rating at AA+, RM5.0 billion Subordinated Debt and Junior SukukProgrammerating at AA+/AA+IS, RM4.0 billion Perpetual Non-Innovative Tier 1 Stapled Securities rating at AA and RM1.0 billion Innovative Tier 1 rating at AA.MARC also affirmed CIMB Islamic Bank's long-term and short-term financial institution ratings at AAA/MARC-1 and RM2.0 billion Tier 2 Junior SukukProgrammerating at AA+IS. Concurrently, MARC assigned CIMB Islamic Bank'sRM5.0 billion Basel III compliant Tier 2 Junior SukukProgrammea final rating of AA+IS. The outlookis stable.
- On 17 November 2015, CIMB Group Holdings entered into a strategic collaboration agreement with Philippine Long Distance Telephone Company ("PLDT") to offer digital financial solutions in the Philippines and across ASEAN.
- On 25 November 2015, MARC assigned CIMBGroup Holdings with long-term and short-term corporate credit rating at AA+/MARC-1. The outlook is stable.
- On 1 December 2015, RAM affirmed CIMBGroup Holdings' long-term and short-term financial institution ratings at AA1/P1, RM3.0 billion Subordinated Notes Programmerating at AA3/- and RM6.0 billion Conventional and Islamic Commercial Papers/ Medium Term Notes Programmerating at AA1/P1. RAM also affirmed CIMB Bank's, CIMB Islamic Bank's and CIMB Investment Bank's long-term and short-term financial institution ratings at AAA/P1 and CIMB Bank'sRM10 billion Basel III compliant Tier2 Subordinated Debt Programmerating at AA1. The outlook of all entities is stable.
- On 11 December 2015, MARC assigned CIMBGroup Holdings' RM10.0 billion Basel IIIcompliant Tier 2 Subordinated Debt Programme a final rating of AA. The outlook is stable.
- On 16 December 2015, Fitch Ratings affirmed CIMB Niaga's long-term and short-term issuer default ratings at BBB/F3, as well as long-term and short-term national ratings at AAA(idn)/F1+(idn). The outlook is stable.
- On 21 December 2015, S&P affirmed CIMB Bank's long-term and short-term local and foreign currency ratings at A-/A-2 and long-term and short-term ASEAN regional ratings at aXAA/aXA-1 with stable outlook. S&P also affirmed CIMB Investment Bank's long-term and short-term local and foreign currency ratings at A-/A-2 and long-term and short-term ASEAN regional ratings at axAA/axA-1 with stable outlook.
- On 5 January 2016, Moody's affirmed CIMB Niaga's long-term and short-term foreign currency deposits ratings at Baa3/P-3. The outlook is stable.
- On 11 January 2016, Moody's affirmed the long-term and short-term foreign and domestic currency deposits ratings ofCIMB Bank at A3/P-2 and senior unsecured debt ratings at A3. Moody's affirmed the long-term and short-term issuer ratings of CIMB Group Holdings Berhad at Baa1/P-2. Moody's affirmed the long-term and short-term foreign and domestic currency

Others

. On 28 January 2016, Moody's affirmed CIMB Investment Bank's long-term and short-term issuer rating at A3/P-2. The outlook is stable.

B3. PROSPECTS FOR THE CURRENT FINANCIAL PERIOD

The Group expects to navigate 2016 prudently in light of the challenging environment faced by the financial services industry with emphasis on asset quality and capital management. Prospects for CIMB Malaysia continue to be tempered by macroeconomic conditions and dampening consumer expenditure. CIMB Singapore is expected to perform steadily, whilst CIMB Thai will focus managing asset quality amidst difficult operating conditions. CIMB Niaga has the potential to show improvement, with continued attention on asset quality and subject to the macroeconomic outlook. The Group's Treasury & Markets and Investment Banking businesses will likely face continued capital market volatility.

B4. TAXATION

	4th quarter ended		Twelve months ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
The Group				
Major components of tax expense:				
Current tax expense	362,445	288,701	1,100,371	1,087,941
Deferred tax expense	(63,846)	(101,806)	(67,932)	39,480
Over provision in prior years	(2,043)	(27,278)	(14,391)	(25,555)
	<u>296,556</u>	<u>159,617</u>	<u>1,018,048</u>	<u>1,101,866</u>
Reconciliation				
Profit before taxation	1,132,161	384,938	3,913,993	4,276,423
Tax at statutory income tax rate of 25% (2014: 25%)	283,040	96,235	978,498	1,069,106
Effect of different tax rates in other countries and change in tax rates	(215,159)	(164,396)	(166,490)	(156,608)
Due to expenses not deductible for tax purposes and income not subject to income tax	230,718	255,056	220,431	214,923
Over provision in prior years	(2,043)	(27,278)	(14,391)	(25,555)
	<u>296,556</u>	<u>159,617</u>	<u>1,018,048</u>	<u>1,101,866</u>
The Company				
Major components of tax expense:				
Current tax expense	4,383	2,605	11,549	13,281
Deferred tax expense	-	432	(171)	(859)
Under accrual in prior years	(120)	(691)	-	(691)
	<u>4,263</u>	<u>2,346</u>	<u>11,378</u>	<u>11,731</u>
Reconciliation				
Profit before taxation	(69,910)	(56,136)	1,300,845	1,631,275
Tax at statutory income tax rate of 25% (2014: 25%)	(17,478)	(14,034)	325,211	407,819
Due to expenses not deductible for tax purposes and income not subject to income tax	21,861	17,071	(313,833)	(395,397)
Over provision in prior years	(120)	(691)	-	(691)
	<u>4,263</u>	<u>2,346</u>	<u>11,378</u>	<u>11,731</u>

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

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

B6. REALISED AND UNREALISED PROFITS

	The Group		The Company	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Total retained earnings of the Group and subsidiaries				
- Realised	14,212,847	13,316,096	1,801,801	1,326,385
- Unrealised	(64,917)	(254,562)	53,644	(84,526)
	14,147,930	13,061,534	1,855,445	1,241,859
Total share of retained earnings from associates				
- Realised	800,973	703,757	-	-
- Unrealised	788	2,507	-	-
Total share of retained earnings from joint ventures				
- Realised	93,529	104,684	-	-
- Unrealised	1,293	1	-	-
	15,044,513	13,872,483	1,855,445	1,241,859
Consolidation adjustments	(28,928)	188,250	-	-
Total group retained earnings as per consolidated financial statements	15,015,585	14,060,733	1,855,445	1,241,859

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

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

B7. BORROWINGS AND DEBT SECURITIES

	The Group	
	31 December 2015 RM'000	31 December 2014 RM'000
Bonds and debentures*		
Unsecured		
One year or less (short term)	4,510,945	1,938,455
More than one year (medium/long term)	6,766,231	5,727,593
	11,277,176	7,666,048

* Included in bonds and debentures for the current period are IDR denominated bonds equivalent to IDR3,885,000 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 equivalents to THB23,475 million, SGD denominated bonds equivalents to SGD120 million, AUD denominated bonds equivalents to AUD100 million, EUR denominated notes equivalents to EUR30 million and CNY denominated notes equivalents to CNY220 million. USD45 million bonds has been redeemed in January 2015, whilst IDR600,000 million bonds and IDR733,000 million bonds has been redeemed in October 2015 and November 2015 respectively.

	The Group		The Company	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Other borrowing **				
Unsecured				
One year or less (short term)	3,025,436	1,540,099	1,156,939	-
More than one year (medium/long term)	6,011,688	7,750,708	3,515,670	4,305,015
	9,037,124	9,290,807	4,672,609	4,305,015

** The Company redeemed RM1,130 million medium term notes in December 2015.

Subordinated obligations***

	The Group		The Company	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Unsecured				
One year or less (short term)	1,452,160	-	-	-
More than one year (medium/long term)	12,242,731	12,582,494	3,992,277	2,141,402
	13,694,891	12,582,494	3,992,277	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 in 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			
	4th quarter ended		Twelve months ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests	825,739	200,318	2,849,509	3,106,808
Weighted average number of ordinary shares in issue ('000)	8,517,897	8,396,250	8,475,522	8,288,256
Basic earnings per share (expressed in sen per share)	9.7	2.4	33.6	37.5

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.