

MALAYAN BANKING BERHAD
(3813-K)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

<u>Group</u>	Note	First Quarter Ended		Cumulative 3 Months Ended	
		31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Interest income	A21	5,301,419	4,721,840	5,301,419	4,721,840
Interest expense	A22	(2,398,807)	(2,116,979)	(2,398,807)	(2,116,979)
Net interest income		<u>2,902,612</u>	<u>2,604,861</u>	<u>2,902,612</u>	<u>2,604,861</u>
Income from Islamic Banking Scheme operations	A39a	977,940	932,748	977,940	932,748
Net earned insurance premiums	A23	1,168,602	987,115	1,168,602	987,115
Other operating income	A25	1,666,404	1,560,595	1,666,404	1,560,595
Total operating income		<u>6,715,558</u>	<u>6,085,319</u>	<u>6,715,558</u>	<u>6,085,319</u>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	A26	(1,323,790)	(1,097,807)	(1,323,790)	(1,097,807)
Net operating income		<u>5,391,768</u>	<u>4,987,512</u>	<u>5,391,768</u>	<u>4,987,512</u>
Overhead expenses	A27	(2,620,199)	(2,489,293)	(2,620,199)	(2,489,293)
Operating profit before impairment losses		<u>2,771,569</u>	<u>2,498,219</u>	<u>2,771,569</u>	<u>2,498,219</u>
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(865,069)	(247,950)	(865,069)	(247,950)
Allowances for impairment losses on financial investments, net	A29	(13,345)	(50,683)	(13,345)	(50,683)
Operating profit		<u>1,893,155</u>	<u>2,199,586</u>	<u>1,893,155</u>	<u>2,199,586</u>
Share of profits in associates and joint ventures		<u>38,190</u>	<u>42,427</u>	<u>38,190</u>	<u>42,427</u>
Profit before taxation and zakat		<u>1,931,345</u>	<u>2,242,013</u>	<u>1,931,345</u>	<u>2,242,013</u>
Taxation and zakat	B5	(480,444)	(530,004)	(480,444)	(530,004)
Profit for the period		<u>1,450,901</u>	<u>1,712,009</u>	<u>1,450,901</u>	<u>1,712,009</u>
Attributable to:					
Equity holders of the Bank		1,426,751	1,700,385	1,426,751	1,700,385
Non-controlling interests		24,150	11,624	24,150	11,624
		<u>1,450,901</u>	<u>1,712,009</u>	<u>1,450,901</u>	<u>1,712,009</u>
Earnings per share attributable to equity holders of the Bank	B13				
Basic		14.64 sen	18.27 sen	14.64 sen	18.27 sen
Fully diluted		14.64 sen	18.27 sen	14.64 sen	18.27 sen

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to these financial statements)

MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

<u>Group</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Profit for the period	1,450,901	1,712,009	1,450,901	1,712,009
Other comprehensive (loss)/income:				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial gain	307	4,885	307	4,885
Income tax effect	(982)	(1,224)	(982)	(1,224)
Share of change in associates' reserve	68	-	68	-
	(607)	3,661	(607)	3,661
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain on financial investments available-for-sale	1,046,713	490,019	1,046,713	490,019
Income tax effect	(246,542)	(121,535)	(246,542)	(121,535)
Net (loss)/gain on foreign exchange translation	(1,712,827)	565,102	(1,712,827)	565,102
Net (loss)/gain on cash flow hedge	(987)	2,002	(987)	2,002
Net gain/(loss) on net investment hedge	147,447	(76,966)	147,447	(76,966)
Net gain on revaluation reserve	11	15	11	15
Share of change in associates' reserve	(281,597)	87,899	(281,597)	87,899
	(1,047,782)	946,536	(1,047,782)	946,536
Other comprehensive (loss)/income for the period, net of tax	(1,048,389)	950,197	(1,048,389)	950,197
Total comprehensive income for the period	402,512	2,662,206	402,512	2,662,206
Other comprehensive (loss)/income for the period attributable to:				
Equity holders of the Bank	(1,052,227)	916,288	(1,052,227)	916,288
Non-controlling interests	3,838	33,909	3,838	33,909
	(1,048,389)	950,197	(1,048,389)	950,197
Total comprehensive income for the period attributable to:				
Equity holders of the Bank	374,524	2,616,673	374,524	2,616,673
Non-controlling interests	27,988	45,533	27,988	45,533
	402,512	2,662,206	402,512	2,662,206

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

<u>Bank</u>	Note	First Quarter Ended		Cumulative 3 Months Ended	
		31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Interest income	A21	3,878,863	3,525,604	3,878,863	3,525,604
Interest expense	A22	(1,767,770)	(1,566,372)	(1,767,770)	(1,566,372)
Net interest income		2,111,093	1,959,232	2,111,093	1,959,232
Dividends from subsidiary	A24	77,206	-	77,206	-
Other operating income	A25	1,182,649	898,264	1,182,649	898,264
		1,259,855	898,264	1,259,855	898,264
Net operating income		3,370,948	2,857,496	3,370,948	2,857,496
Overhead expenses	A27	(1,354,433)	(1,325,654)	(1,354,433)	(1,325,654)
Operating profit before impairment losses		2,016,515	1,531,842	2,016,515	1,531,842
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(697,905)	(32,257)	(697,905)	(32,257)
Writeback of impairment losses on financial investments, net	A29	629	1,424	629	1,424
Profit before taxation and zakat		1,319,239	1,501,009	1,319,239	1,501,009
Taxation and zakat	B5	(303,372)	(360,222)	(303,372)	(360,222)
Profit for the period		1,015,867	1,140,787	1,015,867	1,140,787

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

<u>Bank</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Profit for the period	1,015,867	1,140,787	1,015,867	1,140,787
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain on financial investments available-for-sale	800,140	356,084	800,140	356,084
Income tax effect	(200,042)	(89,011)	(200,042)	(89,011)
Net (loss)/gain on foreign exchange translation	(646,980)	227,591	(646,980)	227,591
Other comprehensive (loss)/income for the period, net of tax	(46,882)	494,664	(46,882)	494,664
Total comprehensive income for the period	968,985	1,635,451	968,985	1,635,451

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	Group		Bank	
		31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
ASSETS					
Cash and short-term funds		48,382,087	55,647,407	32,808,276	41,278,089
Deposits and placements with financial institutions		23,257,512	13,618,339	23,154,992	14,748,271
Financial assets purchased under resale agreements		5,825,646	7,692,165	5,661,461	7,490,808
Financial assets at fair value through profit or loss	A10(i)	21,799,695	17,222,595	7,491,284	4,221,895
Financial investments available-for-sale	A10(ii)	101,523,893	90,261,673	84,871,439	74,950,070
Financial investments held-to-maturity	A10(iii)	12,920,251	14,682,130	12,448,718	14,329,231
Loans, advances and financing	A11	435,336,116	453,492,587	270,040,179	287,056,974
Derivative assets	A36	7,103,160	8,283,647	7,125,543	8,334,598
Reinsurance/retakaful assets and other insurance receivables	A12	4,801,214	4,355,654	-	-
Other assets	A13	14,353,242	12,388,512	8,994,154	8,373,774
Investment properties		720,830	716,818	-	-
Statutory deposits with central banks		13,797,188	16,266,412	6,662,365	7,855,379
Investment in subsidiaries		-	-	21,026,955	21,026,955
Interest in associates and joint ventures		2,843,939	3,120,548	451,518	451,518
Property, plant and equipment		2,559,173	2,661,472	1,293,104	1,322,097
Intangible assets		6,561,240	6,958,462	492,784	509,480
Deferred tax assets		540,346	976,082	120,639	441,814
TOTAL ASSETS		702,325,532	708,344,503	482,643,411	492,390,953
LIABILITIES					
Deposits from customers	A14	466,386,778	478,150,533	323,541,076	330,626,519
Investment accounts of customers	A39g	25,070,819	17,657,893	-	-
Deposits and placements from financial institutions	A15	43,698,705	39,013,916	40,958,658	37,904,688
Obligations on financial assets sold under repurchase agreements		834,579	4,498,574	834,579	4,498,574
Financial liabilities at fair value through profit or loss	A16	1,732,426	-	1,500,449	-
Bills and acceptances payable		1,583,928	1,803,180	991,678	1,114,387
Derivative liabilities	A36	8,140,233	7,877,458	8,064,653	7,696,334
Insurance/takaful contract liabilities and other insurance payables	A18	24,575,578	23,839,341	-	-
Other liabilities	A19	13,673,643	13,029,588	9,977,447	9,921,177
Recourse obligation on loans and financing sold to Cagamas		1,092,388	1,174,345	1,092,388	1,174,345
Provision for taxation and zakat		76,808	85,224	-	-
Deferred tax liabilities		752,334	755,851	-	-
Borrowings	A17(i)	25,931,140	30,643,652	20,655,082	24,873,211
Subordinated obligations	A17(ii)	18,841,464	20,252,116	16,364,021	16,750,738
Capital securities	A17(iii)	6,007,969	6,049,375	6,064,839	6,212,597
TOTAL LIABILITIES		638,398,792	644,831,046	430,044,870	440,772,570

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	Note	Group		Bank	
		31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK					
Share capital		9,761,798	9,761,751	9,761,798	9,761,751
Share premium		25,900,866	25,900,476	25,900,866	25,900,476
Shares held-in-trust		(119,745)	(119,745)	(119,745)	(119,745)
Retained profits		14,540,495	12,833,004	4,490,267	3,252,638
Reserves		11,997,273	13,319,504	12,565,355	12,823,263
		62,080,687	61,694,990	52,598,541	51,618,383
Non-controlling interests		1,846,053	1,818,467	-	-
		63,926,740	63,513,457	52,598,541	51,618,383
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		702,325,532	708,344,503	482,643,411	492,390,953
COMMITMENTS AND CONTINGENCIES	A34	756,550,599	719,694,730	710,280,836	679,351,319
<u>CAPITAL ADEQUACY</u>					
	A35				
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		13.000%	12.780%	14.959%	15.781%
Tier 1 Capital Ratio		14.723%	14.471%	17.367%	17.969%
Total Capital Ratio		17.884%	17.743%	17.871%	17.969%
Net assets per share attributable to equity holders of the Bank					
		RM6.36	RM6.32	RM5.39	RM5.29

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

<u>Group</u>	<===== Attributable to equity holders of the Bank =====>											Non-Controlling Interests RM'000	Total Equity RM'000
	<===== Non-Distributable =====>						Available-for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves ¹ RM'000	Retained Profits ² RM'000		
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000								
At 1 January 2016	9,761,751	25,900,476	(119,745)	10,456,462	1,247,509	(503,048)	2,245,044	329,523	(455,986)	12,833,004	61,694,990	1,818,467	63,513,457
Profit for the period	-	-	-	-	-	-	-	-	-	1,426,751	1,426,751	24,150	1,450,901
Other comprehensive income/(loss)	-	-	-	-	-	790,350	(1,988,641)	-	146,064	-	(1,052,227)	3,838	(1,048,389)
Defined benefit plan actuarial loss	-	-	-	-	-	-	-	-	(475)	-	(475)	(200)	(675)
Share of associates' reserve	-	-	-	-	-	(5,192)	(276,405)	-	68	-	(281,529)	-	(281,529)
Net loss on foreign exchange translation	-	-	-	-	-	-	(1,712,236)	-	-	-	(1,712,236)	(591)	(1,712,827)
Net gain on financial investments available-for-sale	-	-	-	-	-	795,542	-	-	-	-	795,542	4,629	800,171
Net gain on net investment hedge	-	-	-	-	-	-	-	-	147,447	-	147,447	-	147,447
Net loss on cash flow hedge	-	-	-	-	-	-	-	-	(987)	-	(987)	-	(987)
Net gain on revaluation reserve	-	-	-	-	-	-	-	-	11	-	11	-	11
Total comprehensive income/(loss) for the period	-	-	-	-	-	790,350	(1,988,641)	-	146,064	1,426,751	374,524	27,988	402,512
Carried forward	9,761,751	25,900,476	(119,745)	10,456,462	1,247,509	287,302	256,403	329,523	(309,922)	14,259,755	62,069,514	1,846,455	63,915,969

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

Group (cont'd.)	<===== Attributable to equity holders of the Bank =====>												
	<===== Non-Distributable =====>					Available-	Exchange					Total	Non-
	Share	Share	Shares	Statutory	Regulatory	for-sale	Fluctuation	ESS	Other	Retained	Shareholders'	Controlling	Equity
	Capital	Premium	Held-in-trust	Reserve	Reserve	Reserve	Reserve	Reserve	Reserves	Profits	Equity	Interests	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Brought forward	9,761,751	25,900,476	(119,745)	10,456,462	1,247,509	287,302	256,403	329,523	(309,922)	14,259,755	62,069,514	1,846,455	63,915,969
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	10,762	-	-	10,762	-	10,762
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	-	-	(402)	(402)
Transfer from regulatory reserve	-	-	-	-	(738,286)	-	-	-	-	738,286	-	-	-
Transfer to statutory reserves	-	-	-	457,546	-	-	-	-	-	(457,546)	-	-	-
Issue of shares pursuant to ESS (Note A8(i)(a))	47	390	-	-	-	-	-	(26)	-	-	411	-	411
Total transactions with shareholders/ other equity movements	47	390	-	457,546	(738,286)	-	-	10,736	-	280,740	11,173	(402)	10,771
At 31 March 2016	9,761,798	25,900,866	(119,745)	10,914,008	509,223	287,302	256,403	340,259	(309,922)	14,540,495	62,080,687	1,846,053	63,926,740

¹ The further breakdown and movement of other reserves are disclosed in Note A20.

² The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM1,063.9 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

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<u>Group</u>	←===== Attributable to equity holders of the Bank =====→												
	←===== Non-Distributable =====→						Available-	Exchange	ESS	¹ Other	² Retained	Total	Non-
	Share	Share	Shares	Statutory	Regulatory	for-sale	Fluctuation	Reserve	Reserves	Profits	Shareholders'	Controlling	Equity
	Capital	Premium	Held-in-trust	Reserve	Reserve	Reserve	Reserve	Reserve	Reserves	Profits	Equity	Interests	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2015	9,319,030	22,747,922	(113,463)	10,396,000	274,500	(321,842)	(1,917,500)	298,366	(96,421)	12,387,977	52,974,569	1,766,606	54,741,175
Profit for the period	-	-	-	-	-	-	-	-	-	1,700,385	1,700,385	11,624	1,712,009
Other comprehensive income/(loss)	-	-	-	-	-	431,760	556,104	-	(71,576)	-	916,288	33,909	950,197
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	-	3,310	-	3,310	351	3,661
Share of associates' reserve	-	-	-	-	-	77,979	9,920	-	-	-	87,899	-	87,899
Net gain on foreign exchange translation	-	-	-	-	-	-	546,184	-	-	-	546,184	18,918	565,102
Net gain on financial investments available-for-sale	-	-	-	-	-	353,781	-	-	-	-	353,781	14,703	368,484
Net loss on net investment hedge	-	-	-	-	-	-	-	-	(76,966)	-	(76,966)	-	(76,966)
Net gain on cash flow hedge	-	-	-	-	-	-	-	-	2,065	-	2,065	(63)	2,002
Net gain on revaluation reserve	-	-	-	-	-	-	-	-	15	-	15	-	15
Total comprehensive income/(loss) for the period	-	-	-	-	-	431,760	556,104	-	(71,576)	1,700,385	2,616,673	45,533	2,662,206
Carried forward	9,319,030	22,747,922	(113,463)	10,396,000	274,500	109,918	(1,361,396)	298,366	(167,997)	14,088,362	55,591,242	1,812,139	57,403,381

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<u>Group (cont'd.)</u>	Attributable to equity holders of the Bank												
	Non-Distributable												
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves RM'000 ¹	Retained Profits RM'000 ²	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Brought forward	9,319,030	22,747,922	(113,463)	10,396,000	274,500	109,918	(1,361,396)	298,366	(167,997)	14,088,362	55,591,242	1,812,139	57,403,381
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	14,217	-	-	14,217	-	14,217
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	5,880	5,880	(15,037)	(9,157)
Transfer to statutory reserves	-	-	-	545	-	-	-	-	-	(545)	-	-	-
Issue of shares pursuant to ESS	2,606	21,753	-	-	-	-	-	(1,550)	-	-	22,809	-	22,809
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU")	110	910	-	-	-	-	-	(988)	-	(32)	-	-	-
Total transactions with shareholders/ other equity movements	2,716	22,663	-	545	-	-	-	11,679	-	5,303	42,906	(15,037)	27,869
At 31 March 2015	9,321,746	22,770,585	(113,463)	10,396,545	274,500	109,918	(1,361,396)	310,045	(167,997)	14,093,665	55,634,148	1,797,102	57,431,250

¹ The further breakdown and movement of other reserves are disclosed in Note A20.

² The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM972.7 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to these financial statements)

MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

	Attributable to equity holders of the Bank									
	Non-Distributable					Distributable				
Bank	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available-for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Retained Profits RM'000	
At 1 January 2016	9,761,751	25,900,476	(119,745)	9,866,550	813,800	(600,664)	2,414,054	329,523	3,252,638	51,618,383
Profit for the period	-	-	-	-	-	-	-	-	1,015,867	1,015,867
Other comprehensive income/(loss)	-	-	-	-	-	600,098	(646,980)	-	-	(46,882)
Net loss on foreign exchange translation	-	-	-	-	-	-	(646,980)	-	-	(646,980)
Net gain on financial investments available-for-sale	-	-	-	-	-	600,098	-	-	-	600,098
Total comprehensive income/(loss) for the period	-	-	-	-	-	600,098	(646,980)	-	1,015,867	968,985
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	10,762	-	10,762
Transfer to statutory reserve	-	-	-	457,405	-	-	-	-	(457,405)	-
Transfer from regulatory reserve	-	-	-	-	(679,167)	-	-	-	679,167	-
Issue of shares pursuant to ESS (Note A8(i)(a))	47	390	-	-	-	-	-	(26)	-	411
Total transactions with shareholders/ other equity movements	47	390	-	457,405	(679,167)	-	-	10,736	221,762	11,173
At 31 March 2016	9,761,798	25,900,866	(119,745)	10,323,955	134,633	(566)	1,767,074	340,259	4,490,267	52,598,541

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to these financial statements)

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

	<===== Attributable to equity holders of the Bank =====>								
	<===== Non-Distributable =====>								
<u>Bank</u>	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2015	9,319,030	22,747,922	(113,463)	9,860,875	(362,553)	821,824	298,366	3,600,804	46,172,805
Profit for the period	-	-	-	-	-	-	-	1,140,787	1,140,787
Other comprehensive income	-	-	-	-	267,073	227,591	-	-	494,664
Net gain on foreign exchange translation	-	-	-	-	-	227,591	-	-	227,591
Net gain on financial investments available-for-sale	-	-	-	-	267,073	-	-	-	267,073
Total comprehensive income for the period	-	-	-	-	267,073	227,591	-	1,140,787	1,635,451
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	14,217	-	14,217
Transfer to statutory reserve	-	-	-	265	-	-	-	(265)	-
Issue of shares pursuant to ESS	2,606	21,753	-	-	-	-	(1,550)	-	22,809
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU")	110	910	-	-	-	-	(988)	(32)	-
Total transactions with shareholders/ other equity movements	2,716	22,663	-	265	-	-	11,679	(297)	37,026
At 31 March 2015	9,321,746	22,770,585	(113,463)	9,861,140	(95,480)	1,049,415	310,045	4,741,294	47,845,282

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

	Group		Bank	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	1,931,345	2,242,013	1,319,239	1,501,009
Adjustments for non-operating and non-cash items:				
Depreciation of property, plant and equipment	94,049	91,961	46,519	46,101
Share of profits in associates and joint ventures	(38,190)	(42,427)	-	-
Amortisation of intangible assets	70,888	66,703	32,514	24,589
Net gain on disposal of financial assets at fair value through profit or loss	(67,737)	(77,673)	(36,947)	(46,653)
Net gain on disposal of financial investments available-for-sale	(141,775)	(138,351)	(101,347)	(102,127)
Net (gain)/loss on redemption of financial investments held-to-maturity	(8,287)	2,192	(8,287)	2,192
Unrealised (gain)/loss on revaluation of financial assets at fair value through profit or loss and derivatives	(106,324)	112,748	2,140	215,531
Unrealised loss on revaluation of financial liabilities at fair value through profit or loss	778	-	778	-
Allowances for impairment losses on loans, advances and financing, net	957,784	355,577	757,073	121,737
Allowances for/(writeback of) impairment losses on other debts	2,412	9,359	(173)	1,651
Dividend income	(17,036)	(23,910)	(78,217)	(680)
ESS expenses	10,459	14,362	7,654	9,909
Allowances for/(writeback of) impairment losses on financial investments, net	13,345	50,683	(629)	(1,424)
Other adjustments for non-operating and non-cash items	(29,295)	(4,831)	(16,091)	(53,232)
Operating profit before working capital changes	2,672,416	2,658,406	1,924,226	1,718,603
Change in deposits and placements with financial institutions with original maturity of more than three months	(9,215,334)	2,264,204	(8,196,839)	851,847
Change in cash and short-term funds with original maturity of more than three months	(277,315)	1,161,895	980,663	1,309,533
Change in financial investments portfolio	(12,704,407)	2,506,798	(10,319,170)	2,748,885
Change in loans, advances and financing	4,802,014	(4,829,299)	7,107,155	2,318,376
Change in statutory deposits with central banks	2,469,224	(702,441)	1,193,014	99,540
Change in deposits from customers	(344,320)	2,412,434	1,492,826	(2,509,244)
Change in investment accounts of customers	7,412,925	-	-	-
Change in deposits and placements from financial institutions	4,684,789	3,849,493	3,053,970	(2,923,153)
Change in reinsurance/retakaful assets and other insurance receivables	(445,560)	(689,788)	-	-
Change in insurance/takaful contract liabilities and other insurance payables	736,237	626,022	-	-
Change in financial liabilities at fair value through profit or loss	1,731,648	-	1,499,671	-
Change in other operating activities	(1,141,293)	2,293,118	(954,069)	7,276,543
Cash generated from/(used in) operations	381,024	11,550,842	(2,218,553)	10,890,930
Taxes and zakat paid	(423,397)	(372,926)	(234,124)	(250,086)
Net cash (used in)/generated from operating activities	(42,373)	11,177,916	(2,452,677)	10,640,844

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

	Group		Bank	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Cash flows from investing activities				
Dividends received from:				
- financial investments portfolio	17,036	23,910	1,011	680
- subsidiaries	-	-	77,206	147,028
Purchase of property, plant and equipment	(507,755)	(59,691)	(39,746)	(32,648)
Purchase of investment properties	(4,251)	(2,276)	-	-
Proceeds from disposal of property, plant and equipment	30,196	2,880	-	9
Purchase of intangible assets	(39,379)	(57,802)	(24,578)	(40,341)
Net effect arising from transaction with non-controlling interests	(402)	(9,157)	-	-
Net cash (used in)/generated from investing activities	(504,555)	(102,136)	13,893	74,728
Cash flows from financing activities				
Proceeds from issuance of shares	411	22,809	411	22,809
(Repayment of)/drawdown of borrowings, net	(2,906,835)	3,080,675	(2,467,547)	1,195,002
Redemption of subordinated obligations	(1,000,000)	-	-	-
Redemption of capital securities	-	(210,067)	-	(210,067)
Recourse obligation on loans and financing sold to Cagamas, net	(81,957)	28,703	(81,958)	28,703
Net cash (used in)/generated from financing activities	(3,988,381)	2,922,120	(2,549,094)	1,036,447
Net change in cash and cash equivalents	(4,535,309)	13,997,900	(4,987,878)	11,752,019
Cash and cash equivalents at beginning of period	53,049,192	49,075,119	38,619,149	30,785,116
Effects of foreign exchange rate changes	(2,583,484)	1,641,713	(2,291,391)	1,461,111
Cash and cash equivalents at end of period	45,930,399	64,714,732	31,339,880	43,998,246

Cash and cash equivalents included in the cash flow statements comprise the following amounts in Statements of Financial Position:

	Group		Bank	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Cash and short-term funds	48,382,087	65,135,193	32,808,276	44,558,014
Deposits and placements with other financial institutions	23,257,512	16,037,316	23,154,992	17,083,074
	71,639,599	81,172,509	55,963,268	61,641,088
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(25,709,200)	(16,457,777)	(24,623,388)	(17,642,842)
Cash and cash equivalents at end of period	45,930,399	64,714,732	31,339,880	43,998,246

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to these financial statements)

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Part A: Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting

A1. Basis of Preparation

The unaudited condensed interim financial statements for the Group and the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: financial investments available-for-sale, financial assets and liabilities at fair value through profit or loss, derivative financial instruments and investment properties.

The unaudited condensed interim financial statements have been prepared in accordance with the requirements of Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

The unaudited condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2015. These explanatory notes attached to the unaudited 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 of the Bank since the financial year ended 31 December 2015.

The unaudited condensed interim financial statements of the Group include Islamic banking and insurance business. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under the Shariah principles. Insurance business refers to the underwriting of general and life insurance business, the management of general and family takaful business and investment-linked business.

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2015 except for adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRSs”) and annual improvements to MFRSs which effective for annual periods beginning on or after 1 January 2016:

- MFRS 10 *Consolidated Financial Statements* - Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10)
- MFRS 11 *Joint Arrangements* - Accounting for Acquisitions of Interests in Joint Operations (Amendments to MFRS 11)
- MFRS 12 *Disclosure of Interests in Other Entities* - Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 12)
- MFRS 14 *Regulatory Deferral Accounts*
- MFRS 101 *Presentation of Financial Statements* - Disclosure Initiative (Amendments to MFRS 101)
- MFRS 116 *Property, Plant and Equipment* - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116)
- MFRS 116 *Property, Plant and Equipment* - Agriculture: Bearer Plants (Amendments to MFRS 116)
- MFRS 127 *Separate Financial Statements* - Equity Method in Separate Financial Statements (Amendments to MFRS 127)
- MFRS 128 *Investments in Associates and Joint Ventures* - Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 128)
- MFRS 138 *Intangible Assets* - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 138)
- MFRS 141 *Agriculture* - Agriculture: Bearer Plants (Amendments to MFRS 141)
- Annual Improvements to MFRSs 2012 - 2014 Cycle

The adoption of the above amendments to MFRSs and annual improvements to MFRSs do not have any significant financial impact to the Group's and the Bank's financial statements, except for as disclosed below:

MFRS 11 *Joint Arrangements* - Accounting for Acquisitions of Interests in Joint Operations (Amendments to MFRS 11)

The amendments apply to both the acquisition of the initial interest in joint operation and the acquisition of any additional interests in the same joint operation, in which the activity of the joint operation constitutes a business.

The amendments require that a joint operator accounts for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant MFRS 3 principles for business combinations accounting, and other MFRS that do not conflict with MFRS 11.

It also clarifies that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained.

In addition, a scope exclusion has been added to MFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

As at 31 March 2016, the Group and the Bank do not acquire any interest in joint operation.

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A1. Basis of Preparation (cont'd.)

MFRS 101 Presentation of Financial Statements - Disclosure Initiative (Amendments to MFRS 101)

The amendments are part of a major initiative to improve disclosure requirements in MFRS financial statements. These amendments include narrow-focus improvements in five areas as follows:

(i) Materiality

The amendments clarify that an entity must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. It also re-emphasises that, when a standard requires a specific disclosure, the information must be assessed to determine whether it is material and, consequently, whether presentation or disclosure of that information is warranted.

(ii) Disaggregation and subtotals

The amendments clarify that specific line items in the statements of profit or loss and other comprehensive income and statement of financial position may be disaggregated.

It also introduces requirements for how an entity should present additional subtotals (in addition to those already required in MFRS) in the statements of profit or loss and other comprehensive income and statement of financial position, where the additional subtotals must:

- be comprised of line items made up of amounts recognised and measured in accordance with MFRS;
- be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable;
- be consistent from period to period; and
- not be displayed with more prominence than the subtotals and totals currently required in MFRS for the statement of financial position or statements of profit or loss and other comprehensive income.

For additional subtotals presented in the statements of profit or loss and other comprehensive income, an entity must present the line items that reconcile any such subtotals with the subtotals or totals currently required in MFRS for such statements.

(iii) Notes structure

The amendments clarify that entities have flexibility as to the order in which they present the notes to financial statements, but also emphasise that understandability and comparability should be considered when deciding on that order.

Examples of systematic ordering or groupings of the notes include:

- Giving prominence to the areas of its activities that the entity considers to be most relevant to an understanding of its financial performance and financial position;
- Grouping together information about items measured similarly, such as assets measured at fair value; or
- Following the order of the line items in statements of profit or loss and other comprehensive income and statement of financial position, similar to the order listed in current paragraph 114 of MFRS 101.

(iv) Disclosure of accounting policies

The amendments remove the examples of significant accounting policies in the current paragraph 20 of MFRS 101, i.e. the income taxes accounting policy and the foreign currency accounting policy, as these were considered unhelpful in illustrating what significant accounting policies could be.

(v) Presentation of items of Other Comprehensive Income ("OCI") arising from equity accounted investments

The amendments clarify that the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to income statements.

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A1. Basis of Preparation (cont'd.)

Revised Bank Negara Malaysia's ("BNM") Policy Document on Financial Reporting for Islamic Banking Institutions

On 5 February 2016, BNM issued a revised Policy Document on Financial Reporting for Islamic Banking Institutions ("revised policy document"). This revised policy document has taken effect on 5 February 2016 and it applied to all licensed Islamic banks and licensed banks which carrying on Islamic banking businesses, except for licensed international Islamic bank. The issuance of this revised policy document has superseded the policy document issued by BNM previously, namely Financial Reporting for Islamic Banking Institutions dated 28 January 2015.

The requirements in this revised policy documents are as follows:

- (i) The requirement to present the carrying amount, income and expense related to Islamic deposit and investment account as separate line items in its financial statements;

As at 31 March 2016, Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank has presented the required disclosures in Note A39(a) and Note A39(c).

- (ii) The requirement to disclose investment accounts of customers in annual financial statements with a breakdown by:

- types of investment account (e.g. unrestricted or restricted investment account) and further breakdown by Shariah contracts (e.g. *wakalah* and *mudarabah*);
- for investment accounts which qualify as unlisted capital market products under the *Capital Markets and Services Act 2007* ("CMSA"), to disclose the carrying amount of investment account by type of product;
- types of customers; and
- maturity structures of investment account with maturity.

As at 31 March 2016, MIB, a subsidiary of the Bank has presented the types of investment account in Note A39(g).

- (iii) The requirement to disclose investment account due to/from designated financial institutions with a breakdown by:

- types of investment account and further breakdown by Shariah contracts; and
- types of counterparty (e.g. licensed Islamic banks, licensed banks)

MIB, a subsidiary of the Bank did not have investment account that is due to/from designated financial institution as at 31 March 2016.

A2. Significant Accounting Policies

The audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2015 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2015 except for the following:

Adoption of fair value option ("FVO") for certain financial liabilities under MFRS139 *Financial Instruments: Recognition and Measurement*

Effective on 1 January 2016, the Group and the Bank have designated certain financial liabilities namely, structured deposits and borrowings containing embedded derivatives at Fair Value Through Profit or Loss ("FVTPL") upon inception. This FVO adoption will be applied prospectively. As a result of this adoption, the Group and the Bank have presented "Financial liabilities at fair value through profit or loss", as a separate line item on the face of statements of financial position of the Group and the Bank. Details of the financial liabilities at FVTPL are disclosed in Note A16.

A3. Significant Accounting Estimates and Judgements

The preparation of unaudited condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2015.

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A4. Auditors' Report on Preceding Audited Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2015 was not qualified.

A5. Seasonal or Cyclical Factors

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors during the first quarter ended 31 March 2016.

A6. Unusual Items Due to Their Nature, Size or Incidence

During the first quarter ended 31 March 2016, save as disclosed in Note A8 below, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank.

A7. Changes in Estimates

There were no material changes in estimates during the first quarter ended 31 March 2016.

A8. Changes in Debt and Equity Securities

(i) The following are the changes in debt and equity securities that were issued and redeemed by the Group and by the Bank during the first quarter ended 31 March 2016:

(a) **Issuance of Ordinary Shares**

The issued and paid-up share capital of the Bank increased from RM9,761,751,327 as at 31 December 2015 to RM9,761,798,327 as at 31 March 2016 via issuance of 47,000 new ordinary shares of RM1.00 each, to eligible employees who exercised their options under the current Maybank Group Employees' Share Scheme ("ESS") which commenced on 23 June 2011, for a period of 7 years.

(b) **Redemption of medium term notes by subsidiary of PT Bank Maybank Indonesia Tbk**

On 26 February 2016, PT Maybank Indonesia Finance, a subsidiary of PT Bank Maybank Indonesia Tbk, which in turn an indirect subsidiary of Maybank, redeemed Medium-Term Notes V (MTN V) BII Finance of IDR200.0 billion. The Medium-Term Notes V were issued on 26 February 2013.

(c) **Establishment of a Structured Note Programme of USD3.0 billion in nominal amount**

On 19 January 2016, the Bank successfully established a USD3.0 billion Structured Note Programme, which enables the Bank to widen its product offerings by issuing structured notes in various countries (outside of the United States and Malaysia) in accordance with applicable selling restrictions.

(d) **Issuance of Fixed Rate and Zero-Coupon Notes pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

Programme	Issuance Date	Amount	Note Type	Tenor
USD5.0 billion Multicurrency Medium Term Note Programme	22 January 2016	HKD200.0 million	Fixed Rate Notes	2 years
	3 February 2016	USD347.0 million	Callable Zero Coupon Notes	30 years

(e) **Issuance of Tier 2 Capital Subordinated Sukuk Murabahah of RM1.0 billion in nominal value ("Subordinated Sukuk Murabahah") by Maybank Islamic Berhad, pursuant to a Subordinated Sukuk Murabahah Programme of up to RM10.0 billion in nominal value ("Subordinated Sukuk Programme")**

On 15 February 2016, Maybank Islamic Berhad, a wholly-owned subsidiary of Maybank, had completed the issuance of RM1.0 billion Basel III-compliant Tier 2 Subordinated Sukuk Murabahah with profit rate of 4.65% per annum and tenor of 10 years on a 10 non-callable 5 basis pursuant to the Subordinated Sukuk Programme established in March 2014. The Subordinated Sukuk Murabahah was fully subscribed by Maybank.

(f) **Redemption/issuance of Commercial Papers pursuant to the Euro-Commercial Paper Programme of up to USD5.0 billion or its equivalent in alternative currencies in nominal value**

Issuance/Redemption	Issuance/Redemption Date	Amount	Note Type	Tenor
Redemption	16 February 2016	EUR50.0 million	Commercial Papers	-
Issuance	18 February 2016	EUR19.0 million	Commercial Papers	6 Months

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A8. Changes in Debt and Equity Securities (cont'd.)

- (i) The following are the changes in debt and equity securities that were issued and redeemed by the Group and by the Bank during the first quarter ended 31 March 2016 (cont'd.):

(g) Upsize of the RM7.0 billion Structured Note Programme to RM20.0 billion Subordinated Note Programme

On 15 March 2016, Maybank had increased the programme limit of the Subordinated Note Programme from the initial RM7.0 billion in nominal value to RM20.0 billion in nominal value. Additionally, Maybank had changed the tenor of the Subordinated Note Programme from 20 years to perpetual.

(h) Repayment of USD700.0 million Syndicated Term Loan Facility

Maybank had repaid its USD700.0 million syndicated term loan facility which matured on 22 March 2016.

(i) Redemption of Tier 2 Capital Islamic Subordinated Sukuk ("Subordinated Sukuk") of RM1.0 billion in nominal value by Maybank Islamic Berhad

On 31 March 2016, Maybank Islamic Berhad, a wholly-owned subsidiary of Maybank, had fully redeemed the Subordinated Sukuk of RM1.0 billion in nominal value. The Subordinated Sukuk were issued on 31 March 2011 under the Shariah principle of Musyarakah.

(j) Issuance of Commercial Papers pursuant to the US-Commercial Paper Programme of up to USD500.0 million or its equivalent in nominal value

The outstanding amount as at 31 March 2016 of the US-Commercial Paper is USD499.7 million, with maturity tenor of 7 days to 272 days.

- (ii) The following are the changes in debt securities that were issued and redeemed by the Bank subsequent to the first quarter ended 31 March 2016 and have not been reflected in the financial statements for the first quarter ended 31 March 2016:

(a) Placement of USD400.0 million Term Borrowing Facility

On 13 April 2016, Maybank placed a USD400.0 million unsecured term borrowing facility due in year 2021. The borrowings bear floating interest rate of 3-month USD LIBOR + 0.95% per annum.

(b) Issuance of Commercial Papers pursuant to the Euro-Commercial Paper Programme of up to USD5.0 billion or its equivalent in alternative currencies in nominal value

Programme	Issuance Date	Amount	Note Type	Tenor
Euro-Commercial Paper Programme of up to USD5.0 billion or its equivalent in alternative currencies in nominal value	14 April 2016	HKD150.0 million	Commercial Papers	12 Months
	16 May 2016	USD50.0 million	Commercial Papers	12 Months
	19 May 2016	USD80.0 million	Commercial Papers	12 Months

(c) Update and upsize of the USD5.0 billion Multicurrency Medium Term Note Programme to USD15.0 billion Multicurrency Medium Term Note Programme

On 15 April 2016, Maybank had revised the terms and conditions to include terms relating to Basel III-compliant subordinated notes and upsized the Multicurrency Medium Term Note Programme from the initial USD5.0 billion (or its equivalent in other currencies) in nominal value to USD15.0 billion (or its equivalent in other currencies) in nominal value. The subordinated notes issued under the Multicurrency Medium Term Programme will qualify as Tier 2 capital of Maybank subject to compliance with the requirements as specified in the Capital Adequacy Framework (Capital Components) published by BNM on 13 October 2015, as amended from time to time.

(d) Issuance of Floating and Fixed Rate Notes pursuant to the USD15.0 billion Multicurrency Medium Term Note Programme (previously USD5.0 billion Multicurrency Medium Term Note Programme)

Programme	Issuance Date	Amount	Note Type	Tenor
USD15.0 billion Multicurrency Medium Term Note Programme	27 April 2016	CNY180.0 million	Fixed Rate Notes	2 years
	27 April 2016	CNY190.0 million	Fixed Rate Notes	2 years
	13 May 2016	HKD300.0 million	Fixed Rate Notes	5 years
	16 May 2016	USD30.0 million	Floating Rate Notes	3 years

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A8. Changes in Debt and Equity Securities (cont'd.)

(ii) The following are the changes in debt securities that were issued and redeemed by the Bank subsequent to the first quarter ended 31 March 2016 and have not been reflected in the financial statements for the first quarter ended 31 March 2016 (cont'd.):

(e) Redemption of Subordinated Notes of SGD1.0 billion under the USD2.0 billion in nominal value Multicurrency Medium Term Note Programme

On 28 April 2016, Maybank fully redeemed the SGD1.0 billion Subordinated Notes. The Subordinated Notes were issued on 28 April 2011.

(f) Issuance of USD500 million Tier 2 Fixed Rate Subordinated Notes pursuant to the USD15.0 billion Multicurrency Medium Term Note Programme (previously USD5.0 billion Multicurrency Medium Term Note Programme)

On 29 April 2016, Maybank issued USD500 million Basel III-compliant Tier 2 Fixed Rate Subordinated Notes with tenor of 10.5 years on a 10.5 non-callable 5.5 basis which bear fixed interest rate of 3.905% per annum.

Save as disclosed above, there were no cancellations, shares buy-backs, resale of shares bought back and repayment of debt and equity securities by the Group and by the Bank.

A9. Dividends Paid

During the Annual General Meeting held on 7 April 2016, a final dividend in respect of the financial year ended 31 December 2015 of 30 sen single-tier dividend per ordinary share of RM1.00 each, amounting to a net dividend payable of RM2,928,525,398 (based on 9,761,751,327 ordinary shares of RM1.00 each issued on 31 December 2015) was approved by the shareholders.

The dividend consists of cash portion of 6 sen per ordinary share of RM1.00 each amounting to RM585,705,080 and an electable portion of 24 sen per ordinary share of RM1.00 each amounting to RM2,342,820,318 where the electable portion could be elected to be reinvested in new Maybank shares in accordance with the Dividend Reinvestment Plan ("DRP").

The financial statements for the current quarter do not reflect the final dividend as approval from shareholders have yet been obtained as at 31 March 2016.

There was no dividend paid during the first quarter ended 31 March 2016.

A10. Financial Investments Portfolio

	Note	Group		Bank	
		31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Financial assets at fair value through profit or loss	(i)	21,799,695	17,222,595	7,491,284	4,221,895
Financial investments available-for-sale	(ii)	101,523,893	90,261,673	84,871,439	74,950,070
Financial investments held-to-maturity	(iii)	12,920,251	14,682,130	12,448,718	14,329,231
		136,243,839	122,166,398	104,811,441	93,501,196

(i) Financial assets at fair value through profit or loss

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
(a) Financial assets designated upon initial recognition	11,930,172	10,314,285	-	-
(b) Financial assets held-for-trading	9,869,523	6,908,310	7,491,284	4,221,895
	21,799,695	17,222,595	7,491,284	4,221,895

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A10. Financial Investments Portfolio (cont'd.)

(i) Financial assets at fair value through profit or loss (cont'd.)

(a) Financial assets designated upon initial recognition are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	30,018	80,193	-	-
Malaysian Government Investment Issues	219,400	299,030	-	-
Negotiable Islamic Certificates of Deposits	248,365	244,970	-	-
Foreign Government Securities	54,423	24,561	-	-
	<u>552,206</u>	<u>648,754</u>	<u>-</u>	<u>-</u>
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	41,497	28,209	-	-
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	30,538	32,374	-	-
	<u>72,035</u>	<u>60,583</u>	<u>-</u>	<u>-</u>
Unquoted securities:				
Foreign private and Islamic debt securities	286,839	276,036	-	-
Private and Islamic debt securities in Malaysia	10,688,274	8,998,074	-	-
Structured deposits	330,818	330,838	-	-
	<u>11,305,931</u>	<u>9,604,948</u>	<u>-</u>	<u>-</u>
Total financial assets designated upon initial recognition	<u>11,930,172</u>	<u>10,314,285</u>	<u>-</u>	<u>-</u>

(b) Financial assets held-for-trading are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	707,845	168,244	654,571	126,340
Malaysian Government Investment Issues	155,422	48,866	-	-
Cagamas Bonds	5,176	-	5,176	-
Negotiable instruments of deposits	62,556	74,155	62,410	74,009
Foreign Government Securities	1,017,815	377,965	719,087	170,094
Bank Negara Malaysia Bills and Notes	-	7,123	-	7,123
Foreign Government Treasury Bills	199,842	136,088	199,842	136,088
	<u>2,148,656</u>	<u>812,441</u>	<u>1,641,086</u>	<u>513,654</u>

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A10. Financial Investments Portfolio (cont'd.)

(i) Financial assets at fair value through profit or loss (cont'd.)

(b) Financial assets held-for-trading are as follows (cont'd.):

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
At fair value				
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	880,937	722,157	191,122	5,535
Private and Islamic debt securities	8,324	7,303	8,324	7,303
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	857,443	1,107,635	8,725	375
	1,746,704	1,837,095	208,171	13,213
Unquoted securities:				
Foreign private and Islamic debt securities	1,816,759	811,837	2,084,261	1,036,632
Private and Islamic debt securities in Malaysia	2,568,860	2,359,809	2,317,184	2,159,451
Foreign Government Bonds	1,211,953	500,409	1,210,591	498,945
Malaysian Government Bonds	29,991	-	29,991	-
Credit linked note	150,181	400,720	-	-
Structured deposits	196,419	185,999	-	-
	5,974,163	4,258,774	5,642,027	3,695,028
Total financial assets held- for-trading	9,869,523	6,908,310	7,491,284	4,221,895

(ii) Financial investments available-for-sale

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	8,083,037	7,001,549	8,075,466	6,894,053
Malaysian Government Investment Issues	15,069,169	13,373,645	9,656,847	8,699,293
Negotiable instruments of deposits	6,273,869	4,974,362	7,607,986	6,353,044
Foreign Government Securities	10,806,882	9,881,501	7,109,263	7,851,418
Foreign Government Treasury Bills	14,124,663	11,305,798	14,124,663	11,305,798
Khazanah Bonds	2,286,409	2,274,565	2,217,919	2,206,761
Cagamas Bonds	185,879	185,986	185,879	185,986
Bankers' acceptances and Islamic accepted bills	983,132	-	696,952	-
Foreign Certificates of Deposits	39,269	402,380	39,269	402,380
	57,852,309	49,399,786	49,714,244	43,898,733

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A10. Financial Investments Portfolio (cont'd.)

(ii) Financial investments available-for-sale (cont'd.)

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
At fair value				
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	1,612,077	2,785,914	138,870	141,061
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	164,992	95,799	2,628	1,046
Private and Islamic debt securities	74,915	77,376	-	-
Foreign Government Bonds	47,938	60,300	-	-
	1,899,922	3,019,389	141,498	142,107
At fair value, or at cost for certain unquoted equity instruments, less accumulated impairment losses				
Unquoted securities:				
Shares, trust units and loan stocks in Malaysia [#]	322,537	216,285	268,772	270,382
Shares, trust units and loan stocks outside Malaysia [#]	61,700	203,448	5,466	5,993
Foreign private and Islamic debt securities	17,660,969	17,051,365	17,104,087	16,889,443
Private and Islamic debt securities in Malaysia	17,784,305	16,940,647	11,796,375	10,421,961
Foreign Government Bonds	5,434,214	2,890,243	5,417,807	2,873,428
Malaysian Government Bonds	506,572	539,145	423,190	448,023
Structured deposits	1,365	1,365	-	-
	41,771,662	37,842,498	35,015,697	30,909,230
Total financial investments available-for-sale	101,523,893	90,261,673	84,871,439	74,950,070

[#] Stated at cost, net of impairment losses.

(a) Movements in the allowances for impairment losses on financial investments available-for-sale are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
At 1 January 2016/2015	641,405	1,061,952	365,495	736,022
Allowance made	19,242	370,101	26	33
Amount written back in respect of recoveries	(5,897)	(39,978)	(655)	(38,043)
Amount written-off/realised	(99,643)	(793,446)	(1,697)	(356,926)
Exchange differences	(10,144)	42,776	(8,852)	24,409
At 31 March 2016/31 December 2015	544,963	641,405	354,317	365,495

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments held-to-maturity

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
At amortised cost less accumulated impairment losses				
Money market instruments:				
Malaysian Government Securities	2,012,529	2,013,210	2,012,424	2,013,104
Malaysian Government Investment Issues	2,508,020	4,416,726	2,508,020	4,416,726
Foreign Government Securities	873,529	710,147	-	-
Foreign Government Treasury Bills	44,648	47,098	-	-
Khazanah Bonds	999,171	989,959	999,171	989,959
Foreign Certificates of Deposits	29,654	45,893	-	-
	6,467,551	8,223,033	5,519,615	7,419,789
Unquoted securities:				
Foreign private and Islamic debt securities	994,065	1,096,913	785,532	871,902
Private and Islamic debt securities in Malaysia	5,398,463	5,315,312	6,095,544	6,004,508
Foreign Government Bonds	81,038	69,076	49,759	34,764
Others	2,044	2,044	2,044	2,044
	6,475,610	6,483,345	6,932,879	6,913,218
Accumulated impairment losses	(22,910)	(24,248)	(3,776)	(3,776)
Total financial investments held-to-maturity	12,920,251	14,682,130	12,448,718	14,329,231

(a) Movements in the allowances for impairment losses on financial investments held-to-maturity are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
At 1 January 2016/2015	24,248	22,564	3,776	4,877
Amount written back in respect of recoveries	-	(1,101)	-	(1,101)
Exchange differences	(1,338)	2,785	-	-
At 31 March 2016/31 December 2015	22,910	24,248	3,776	3,776

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A11. Loans, Advances and Financing

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Overdrafts/cashline	20,150,266	20,272,001	10,691,876	10,905,016
Term loans:				
- Housing loans/financing	139,730,213	140,813,286	53,074,780	54,692,411
- Syndicated loans/financing	35,867,034	38,470,858	33,479,126	36,162,480
- Hire purchase receivables	58,831,419	60,296,159	18,869,534	19,391,920
- Lease receivables	48,703	46,902	-	-
- Other loans/financing	214,103,282	226,385,481	104,915,452	114,060,123
Credit card receivables	7,651,275	7,904,433	6,240,201	6,459,487
Bills receivables	3,213,030	3,555,619	3,082,592	3,426,268
Trust receipts	3,339,462	3,634,378	2,698,992	2,960,779
Claims on customers under acceptance credits	10,491,752	11,098,024	5,983,367	6,071,599
Loans/financing to financial institutions (Note A11(x))	2,020,405	2,575,573	10,818,068	12,395,197
Revolving credits	41,928,705	41,854,214	25,721,341	25,557,296
Staff loans	3,426,524	3,446,957	903,949	942,261
Loans to:				
- Executive directors of the Bank	229	96	229	96
- Executive directors of subsidiaries	1,840	2,304	316	352
Others	3,594,871	3,839,485	-	-
	<u>544,399,010</u>	564,195,770	<u>276,479,823</u>	293,025,285
Unearned interest and income	<u>(102,513,570)</u>	(104,544,132)	<u>(1,910,827)</u>	(1,918,880)
Gross loans, advances and financing	<u>441,885,440</u>	459,651,638	<u>274,568,996</u>	291,106,405
Allowances for impaired loans, advances and financing				
- Individual allowance	(2,137,790)	(2,259,910)	(1,420,426)	(1,422,090)
- Collective allowance	(4,411,534)	(3,899,141)	(3,108,391)	(2,627,341)
Net loans, advances and financing	<u>435,336,116</u>	453,492,587	<u>270,040,179</u>	287,056,974

(i) Loans, advances and financing analysed by type of customer are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Domestic banking institutions	3,929,645	3,412,473	13,087,624	13,734,622
Domestic non-banking financial institutions	21,543,320	20,889,568	17,936,636	17,113,433
Domestic business enterprises:				
- Small and medium enterprises	71,193,774	74,362,113	50,126,395	51,899,654
- Others	94,837,733	102,034,485	58,759,733	65,139,177
Government and statutory bodies	9,138,227	8,524,287	1,483,873	1,426,743
Individuals	204,820,452	209,508,236	102,128,202	106,678,469
Other domestic entities	4,418,256	4,537,567	432,675	434,281
Foreign entities	32,004,033	36,382,909	30,613,858	34,680,026
Gross loans, advances and financing	<u>441,885,440</u>	459,651,638	<u>274,568,996</u>	291,106,405

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A11. Loans, Advances and Financing (cont'd.)

(ii) Loans, advances and financing analysed by geographical location are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
	Malaysia	255,674,701	258,835,028	133,147,383
Singapore	107,383,414	113,879,820	106,631,145	113,065,698
Indonesia	34,543,818	36,605,343	-	-
Labuan Offshore	16,437,568	18,592,368	16,153,276	17,545,482
Hong Kong SAR	12,483,294	14,498,474	11,905,834	13,945,901
United States of America	853,286	1,254,222	852,734	1,253,615
People's Republic of China	3,013,632	3,476,593	3,013,632	3,476,593
Vietnam	612,842	647,590	486,572	514,127
United Kingdom	1,266,711	1,489,267	1,266,679	1,489,225
Brunei	522,754	524,153	522,754	524,153
Cambodia	1,932,504	2,090,821	-	-
Bahrain	476,025	495,372	476,025	495,372
Philippines	4,959,338	5,380,459	-	-
Thailand	1,574,565	1,722,843	-	-
Laos	104,747	117,451	104,747	117,451
Myanmar	8,215	-	8,215	-
Others	38,026	41,834	-	-
Gross loans, advances and financing	441,885,440	459,651,638	274,568,996	291,106,405

(iii) Loans, advances and financing analysed by interest/profit rate sensitivity are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
	Fixed rate:			
- Housing loans/financing	22,497,436	23,899,071	20,187,737	21,541,197
- Hire purchase receivables	52,056,000	53,478,839	17,520,936	18,257,901
- Other fixed rate loans/financing	60,297,497	62,221,454	42,864,164	44,438,627
Variable rate:				
- Base lending rate/Base financing rate/ Base rate plus	164,800,585	165,778,507	87,445,297	89,903,780
- Cost plus	53,717,229	58,456,828	48,390,932	53,719,016
- Other variable rates	88,516,693	95,816,939	58,159,930	63,245,884
Gross loans, advances and financing	441,885,440	459,651,638	274,568,996	291,106,405

(iv) Loans, advances and financing analysed by economic purpose are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
	Purchase of securities	33,697,400	36,511,402	11,518,796
Purchase of transport vehicles	53,553,905	54,805,959	17,281,322	17,840,248
Purchase of landed properties:				
- Residential	91,171,998	92,675,760	59,251,788	61,753,487
- Non-residential	39,478,112	40,122,292	28,366,380	29,525,937
Purchase of fixed assets (excluding landed properties)	6,370,739	6,958,403	6,335,498	6,912,560
Personal use	9,800,212	9,879,518	6,558,783	6,754,838
Credit card	7,816,434	8,099,601	6,370,339	6,623,893
Purchase of consumer durables	4,531	90,016	3,980	89,446
Constructions	16,916,166	18,051,879	12,542,462	13,180,349
Mergers and acquisitions	417,521	457,899	352,467	387,865
Working capital	146,892,158	153,301,419	96,435,603	102,417,252
Others	35,766,264	38,697,490	29,551,578	31,451,517
Gross loans, advances and financing	441,885,440	459,651,638	274,568,996	291,106,405

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A11. Loans, Advances and Financing (cont'd.)

(v) The maturity profile of loans, advances and financing is as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Within one year	108,670,161	111,421,771	72,112,908	74,409,215
One year to three years	57,999,857	64,964,161	45,033,759	52,199,770
Three years to five years	58,116,864	58,462,982	40,883,251	39,522,386
After five years	217,098,558	224,802,724	116,539,078	124,975,034
Gross loans, advances and financing	441,885,440	459,651,638	274,568,996	291,106,405

(vi) Movements in impaired loans, advances and financing ("impaired loans") are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Gross impaired loans, advances and financing at 1 January 2016/2015	8,555,007	6,234,161	5,398,626	4,249,829
Impaired during the financial period/year	2,288,205	8,112,433	1,590,374	4,381,996
Reclassified as non-impaired	(468,185)	(1,413,133)	(244,894)	(593,678)
Amount recovered	(409,554)	(2,414,954)	(186,125)	(1,211,377)
Amount written-off	(358,718)	(2,223,253)	(169,358)	(1,534,265)
Converted to financial investments available-for-sale	-	(2,540)	-	(676)
Disposal of a subsidiary	-	(5,110)	-	-
Exchange differences	(269,591)	267,403	(137,911)	106,797
Gross impaired loans, advances and financing at 31 March 2016/31 December 2015	9,337,164	8,555,007	6,250,712	5,398,626
Less: Individual allowance	(2,137,790)	(2,259,910)	(1,420,426)	(1,422,090)
Net impaired loans, advances and financing	7,199,374	6,295,097	4,830,286	3,976,536

Calculation of ratio of net impaired loans:

Gross loans, advances and financing	441,885,440	459,651,638	274,568,996	291,106,405
Less: Individual allowance	(2,137,790)	(2,259,910)	(1,420,426)	(1,422,090)
Less: Funded by Investment Account*	(22,478,393)	(17,657,893)	-	-
Net loans, advances and financing	417,269,257	439,733,835	273,148,570	289,684,315
Ratio of net impaired loans, advances and financing	1.73%	1.43%	1.77%	1.37%

* In the books of Maybank Islamic Berhad, a wholly-owned subsidiary of the Bank.

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A11. Loans, Advances and Financing (cont'd.)

(vii) Impaired loans, advances and financing by economic purpose are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Purchase of securities	223,652	244,560	159,725	177,242
Purchase of transport vehicles	481,031	461,943	252,582	254,751
Purchase of landed properties:				
- Residential	568,916	518,734	323,610	320,213
- Non-residential	267,637	236,364	195,311	178,073
Purchase of fixed assets (excluding landed properties)	938,785	164,948	913,961	141,946
Personal use	151,966	143,845	104,151	100,318
Credit card	94,336	98,080	66,381	66,722
Purchase of consumer durables	8	8	-	-
Constructions	1,324,791	1,250,283	1,093,327	1,057,000
Working capital	4,854,316	4,960,851	3,114,165	3,095,332
Others	431,726	475,391	27,499	7,029
Impaired loans, advances and financing	9,337,164	8,555,007	6,250,712	5,398,626

(viii) Impaired loans, advances and financing by geographical distribution are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Malaysia	4,812,419	4,695,622	3,874,937	3,805,711
Singapore	1,383,860	531,250	1,363,100	509,504
Indonesia	1,541,328	1,676,366	-	-
Labuan Offshore	195,900	201,218	29,820	18,709
Hong Kong SAR	771,427	848,090	771,427	848,090
United States of America	552	608	-	-
People's Republic of China	114,198	124,591	114,198	124,591
Vietnam	60,202	51,691	58,412	49,738
Brunei	14,037	14,693	14,037	14,693
Cambodia	76,715	76,704	-	-
Philippines	279,498	238,863	-	-
Thailand	28,370	30,450	-	-
Others	58,658	64,861	24,781	27,590
Impaired loans, advances and financing	9,337,164	8,555,007	6,250,712	5,398,626

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

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Individual Allowance				
At 1 January 2016/2015	2,259,910	1,989,856	1,422,090	1,437,215
Allowance made	228,428	1,863,135	180,299	1,261,093
Amount written back	(65,951)	(189,747)	(43,052)	(143,166)
Amount written-off	(177,072)	(1,501,415)	(84,580)	(1,193,343)
Transferred to collective allowance	(6,937)	(23,759)	(5,634)	(16,436)
Exchange differences	(100,588)	121,840	(48,697)	76,727
At 31 March 2016/31 December 2015	2,137,790	2,259,910	1,420,426	1,422,090

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A13. Other Assets

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Other debtors	9,716,711	8,569,352	7,980,715	7,493,783
Amount due from brokers and clients	2,521,433	1,975,007	-	-
Prepayments and deposits	1,523,115	1,322,292	697,551	617,210
Tax recoverable	419,147	344,903	281,517	228,370
Foreclosed properties	172,836	176,958	34,371	34,411
	14,353,242	12,388,512	8,994,154	8,373,774

A14. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	282,703,397	288,602,726	186,756,711	188,629,371
- More than one year	9,854,441	11,334,267	8,992,052	10,446,084
	292,557,838	299,936,993	195,748,763	199,075,455
Money market deposits	12,954,215	12,617,076	12,954,215	12,617,076
Savings deposits	60,359,045	62,023,701	38,101,745	40,327,059
Demand deposits	95,892,231	99,214,935	72,537,354	75,155,434
Structured deposits*	4,623,449	4,357,828	4,198,999	3,451,495
	466,386,778	478,150,533	323,541,076	330,626,519

* Structured deposits represent time deposits with embedded foreign exchange and commodity-linked time deposits.

(ii) By type of customer

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Business enterprises	206,297,567	222,126,995	148,743,457	160,747,558
Individuals	201,885,931	199,761,403	149,859,926	147,532,143
Government and statutory bodies	28,924,300	26,547,957	11,738,614	8,657,495
Others	29,278,980	29,714,178	13,199,079	13,689,323
	466,386,778	478,150,533	323,541,076	330,626,519

(iii) The maturity profile of fixed deposits and negotiable instruments of deposits are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Within six months	225,555,112	235,062,494	143,635,251	144,342,976
Six months to one year	57,148,285	53,540,232	43,121,460	44,286,395
One year to three years	9,139,564	10,632,329	8,929,671	10,386,710
Three years to five years	714,877	701,938	62,381	59,374
	292,557,838	299,936,993	195,748,763	199,075,455

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A15. Deposits and Placements from Financial Institutions

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Licensed banks	40,017,563	35,830,025	38,886,218	35,887,913
Licensed finance companies	258,770	38,458	258,769	38,458
Licensed investment banks	81,267	100,777	81,267	100,777
Other financial institutions	3,341,105	3,044,656	1,732,404	1,877,540
	43,698,705	39,013,916	40,958,658	37,904,688

The maturity profile of deposits and placements from financial institutions are as follows:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
One year or less	41,531,255	37,314,775	39,678,392	36,970,698
More than one year	2,167,450	1,699,141	1,280,266	933,990
	43,698,705	39,013,916	40,958,658	37,904,688

A16. Financial liabilities at fair value through profit or loss

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Structured deposits	384,936	-	152,959	-
Borrowings				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	1,347,490	-	1,347,490	-
Total financial liabilities at fair value through profit or loss	1,732,426	-	1,500,449	-

The Group and the Bank have designated the above structured deposits and borrowings at fair value through profit or loss ("FVTPL"). This designation is permitted under MFRS 139 - *Financial Instruments: Recognition and Measurement* as it significantly reduces accounting mismatch. These instruments are managed by the Group and the Bank on the basis of its fair value and include terms that have substantive derivative characteristics.

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A17. Borrowings, Subordinated Obligations and Capital Securities

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
(i) Borrowings				
Secured				
- Less than one year				
Denominated in:				
- SGD	233,053	243,864	-	-
- PHP	9,105	37,218	-	-
- IDR	717,459	831,515	-	-
- VND	1,581	-	-	-
	961,198	1,112,597	-	-
- More than one year				
Denominated in:				
- PHP	288	346	-	-
- IDR	1,360,658	1,489,264	-	-
	1,360,946	1,489,610	-	-
Total secured borrowings	2,322,144	2,602,207	-	-
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	3,357,667	6,275,251	3,218,341	6,196,145
- SGD	854,652	972,519	-	-
- THB	1,057,886	1,076,043	-	-
- HKD	88,492	110,323	-	-
- IDR	524,632	652,765	-	-
- VND	2	2,109	-	-
- PHP	70,241	57,169	-	-
- EURO	173,198	328,502	173,198	328,502
	6,126,770	9,474,681	3,391,539	6,524,647
- More than one year				
Denominated in:				
- USD	1,475,955	1,618,461	1,475,955	1,618,461
- JPY	2,345	2,549	-	-
- IDR	216,338	215,651	-	-
	1,694,638	1,836,661	1,475,955	1,618,461
(b) Medium Term Notes				
- Less than one year				
Denominated in:				
- USD	191,120	214,719	191,120	214,719
- HKD	802,124	878,874	802,124	878,874
- SGD	1,257,720	1,313,109	1,257,720	1,313,109
- JPY	420,886	428,365	420,886	428,365
- AUD	896	904	896	904
- CNH	3,096	2,187	3,096	2,187
- RM	294	217	294	217
	2,676,136	2,838,375	2,676,136	2,838,375

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A18. Insurance/Takaful Contract Liabilities and Other Insurance Payables

Group	Note	31 March	31 December
		2016	2015
		RM'000	RM'000
Insurance/takaful contract liabilities	(i)	23,804,049	23,393,933
Other insurance payables	(ii)	771,529	445,408
		24,575,578	23,839,341

(i) Insurance/takaful contract liabilities

	Gross contract liabilities	Reinsurance/retakaful assets	Net contract liabilities
	RM'000	RM'000	RM'000
At 31 March 2016			
Life insurance/family takaful	17,510,146	(64,818)	17,445,328
General insurance/general takaful	6,293,903	(3,918,421)	2,375,482
	23,804,049	(3,983,239)	19,820,810
At 31 December 2015			
Life insurance/family takaful	17,296,941	(58,268)	17,238,673
General insurance/general takaful	6,096,992	(3,768,559)	2,328,433
	23,393,933	(3,826,827)	19,567,106

(ii) Other insurance payables

	31 March	31 December
	2016	2015
	RM'000	RM'000
Due to agents and intermediaries	54,279	52,790
Due to reinsurers and cedants	654,471	341,387
Due to retakaful operators	62,779	51,231
	771,529	445,408

A19. Other Liabilities

	Group		Bank	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	2,533,392	2,206,642	-	-
Deposits, other creditors and accruals	10,630,280	10,303,423	9,940,831	9,884,561
Defined benefit pension plans	457,744	466,768	-	-
Provisions for commitments and contingencies	36,616	36,616	36,616	36,616
Profit equalisation reserves (IBS operations)	4,898	5,157	-	-
Finance lease liabilities	10,713	10,982	-	-
	13,673,643	13,029,588	9,977,447	9,921,177

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A20. Other Reserves

The breakdown and movement of other reserves are as follows:

<===== Non-Distributable =====>						
<u>Group</u>	Capital Reserve RM'000	Revaluation Reserve RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Net Investment Hedge and Cash Flow Hedge Reserve RM'000	Total Other Reserves RM'000
At 1 January 2016	13,557	11,836	34,456	(52,111)	(463,724)	(455,986)
Other comprehensive income/(loss)	-	11	-	(407)	146,460	146,064
Defined benefit plan actuarial loss	-	-	-	(475)	-	(475)
Net gain on net investment hedge	-	-	-	-	147,447	147,447
Net loss on cash flow hedge	-	-	-	-	(987)	(987)
Net gain on revaluation reserve	-	11	-	-	-	11
Share of associates' reserve	-	-	-	68	-	68
Total comprehensive income/(loss) for the period	-	11	-	(407)	146,460	146,064
At 31 March 2016	13,557	11,847	34,456	(52,518)	(317,264)	(309,922)

<===== Non-Distributable =====>						
<u>Group</u>	Capital Reserve RM'000	Revaluation Reserve RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Net Investment Hedge and Cash Flow Hedge Reserve RM'000	Total Other Reserves RM'000
At 1 January 2015	13,557	11,774	34,456	(89,017)	(67,191)	(96,421)
Other comprehensive income/(loss)	-	15	-	3,310	(74,901)	(71,576)
Defined benefit plan actuarial gain	-	-	-	3,310	-	3,310
Net loss on net investment hedge	-	-	-	-	(76,966)	(76,966)
Net gain on cash flow hedge	-	-	-	-	2,065	2,065
Net gain on revaluation reserve	-	15	-	-	-	15
Total comprehensive income/(loss) for the period	-	15	-	3,310	(74,901)	(71,576)
At 31 March 2015	13,557	11,789	34,456	(85,707)	(142,092)	(167,997)

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A21. Interest Income

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Loans, advances and financing	4,101,161	3,646,675	4,101,161	3,646,675
Money at call and deposits and placements with financial institutions	217,985	175,033	217,985	175,033
Financial assets purchased under resale agreements	16,634	1,258	16,634	1,258
Financial assets at FVTPL	178,993	186,599	178,993	186,599
Financial investments available-for-sale	654,970	596,257	654,970	596,257
Financial investments held-to-maturity	130,935	113,965	130,935	113,965
	5,300,678	4,719,787	5,300,678	4,719,787
Accretion of discounts, net	741	2,053	741	2,053
	5,301,419	4,721,840	5,301,419	4,721,840

Bank	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Loans, advances and financing	2,907,600	2,626,502	2,907,600	2,626,502
Money at call and deposits and placements with financial institutions	198,949	155,803	198,949	155,803
Financial assets purchased under resale agreements	1,564	1,082	1,564	1,082
Financial assets at FVTPL	51,682	42,334	51,682	42,334
Financial investments available-for-sale	566,982	527,792	566,982	527,792
Financial investments held-to-maturity	135,920	118,856	135,920	118,856
	3,862,697	3,472,369	3,862,697	3,472,369
Accretion of discounts, net	16,166	53,235	16,166	53,235
	3,878,863	3,525,604	3,878,863	3,525,604

Included in interest income for the three-month financial period ended 31 March 2016 was interest on impaired assets amounting to approximately RM79,832,000 (31 March 2015: RM57,903,000) for the Group and RM56,779,000 (31 March 2015: RM40,702,000) for the Bank.

A22. Interest Expense

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Deposits and placements from financial institutions	133,487	159,031	133,487	159,031
Deposits from customers	1,763,409	1,585,917	1,763,409	1,585,917
Floating rate certificates of deposits	6,866	7,888	6,866	7,888
Loans sold to Cagamas	9,075	8,317	9,075	8,317
Borrowings	202,311	133,924	202,311	133,924
Subordinated notes	203,567	175,010	203,567	175,010
Subordinated bonds	8,468	8,435	8,468	8,435
Capital securities	95,804	101,229	95,804	101,229
Net interest on derivatives	(24,180)	(62,772)	(24,180)	(62,772)
	2,398,807	2,116,979	2,398,807	2,116,979

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A22. Interest Expense (cont'd.)

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
Bank	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	122,181	154,768	122,181	154,768
Deposits from customers	1,283,371	1,172,040	1,283,371	1,172,040
Floating rate certificates of deposits	6,866	7,888	6,866	7,888
Loans sold to Cagamas	9,075	8,317	9,075	8,317
Borrowings	107,250	51,185	107,250	51,185
Subordinated notes	166,693	141,494	166,693	141,494
Capital securities	96,959	103,925	96,959	103,925
Net interest on derivatives	(24,625)	(73,245)	(24,625)	(73,245)
	1,767,770	1,566,372	1,767,770	1,566,372

A23. Net Earned Insurance Premiums

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
Group	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	1,471,881	1,297,443	1,471,881	1,297,443
Premiums ceded to reinsurers	(303,279)	(310,328)	(303,279)	(310,328)
Total net earned insurance premiums	1,168,602	987,115	1,168,602	987,115

A24. Dividends from Subsidiary

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
Bank	RM'000	RM'000	RM'000	RM'000
Gross dividend income from: Subsidiary	77,206	-	77,206	-
	77,206	-	77,206	-

A25. Other Operating Income

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
Group	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	298,128	296,114	298,128	296,114
Service charges and fees	393,315	350,479	393,315	350,479
Underwriting fees	6,682	22,715	6,682	22,715
Brokerage income	147,595	185,607	147,595	185,607
Fees on loans, advances and financing	54,962	82,039	54,962	82,039
	900,682	936,954	900,682	936,954
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	67,737	77,673	67,737	77,673
Net gain on disposal of financial investments available-for-sale	141,775	138,351	141,775	138,351
Net gain/(loss) on disposal of financial investments held-to-maturity	8,287	(2,192)	8,287	(2,192)
	217,799	213,832	217,799	213,832

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A26. Net Insurance Benefits and Claims Incurred, Net Fee and Commission Expenses, Change in Expense Liabilities and Taxation of Life and Takaful Fund

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Gross benefits and claims paid	1,129,918	1,353,299	1,129,918	1,353,299
Claims ceded to reinsurers	(181,195)	(219,805)	(181,195)	(219,805)
Gross change to contract liabilities	221,352	(81,774)	221,352	(81,774)
Change in contract liabilities ceded to reinsurers	40,791	(67,941)	40,791	(67,941)
Net insurance benefits and claims incurred	1,210,866	983,779	1,210,866	983,779
Net fee and commission expenses	50,362	61,911	50,362	61,911
Change in expense liabilities	38,689	23,061	38,689	23,061
Taxation of life and takaful fund	23,873	29,056	23,873	29,056
Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	112,924	114,028	112,924	114,028
Total net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	1,323,790	1,097,807	1,323,790	1,097,807

A27. Overhead Expenses

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	1,056,794	1,054,798	1,056,794	1,054,798
Social security cost	9,583	8,563	9,583	8,563
Pension costs - defined contribution plan	117,950	127,952	117,950	127,952
ESS expenses	10,459	14,362	10,459	14,362
Other staff related expenses	219,359	213,682	219,359	213,682
	1,414,145	1,419,357	1,414,145	1,419,357
(b) Establishment costs				
Depreciation of property, plant and equipment	94,049	91,961	94,049	91,961
Amortisation of intangible assets	70,888	66,703	70,888	66,703
Rental of leasehold land and premises	89,527	71,607	89,527	71,607
Repairs and maintenance of property, plant and equipment	42,831	36,611	42,831	36,611
Information technology expenses	167,038	99,360	167,038	99,360
Fair value adjustments on investments properties	12	60	12	60
Others	11,534	12,030	11,534	12,030
	475,879	378,332	475,879	378,332
(c) Marketing expenses				
Advertisement and publicity	72,445	82,501	72,445	82,501
Others	67,553	88,827	67,553	88,827
	139,998	171,328	139,998	171,328

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A27. Overhead Expenses (cont'd.)

Group (cont'd.)	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
(d) Administration and general expenses				
Fees and brokerage	212,601	200,375	212,601	200,375
Administrative expenses	171,092	152,776	171,092	152,776
General expenses	195,349	130,291	195,349	130,291
Others	11,135	36,834	11,135	36,834
	<u>590,177</u>	<u>520,276</u>	<u>590,177</u>	<u>520,276</u>
Total overhead expenses	<u>2,620,199</u>	<u>2,489,293</u>	<u>2,620,199</u>	<u>2,489,293</u>
Cost to income ratio ("CIR")¹	48.4%	49.7%	48.4%	49.7%

¹ Cost to income ratio ("CIR") is computed using the total cost over the net operating income. Total cost of the Group is the total overhead expenses, excluding amortisation of intangible assets for PT Bank Maybank Indonesia Tbk and Maybank Kim Eng Holdings Limited. Income refers to net operating income amount as stated on the face of income statement.

Bank	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	620,753	635,117	620,753	635,117
Social security cost	4,154	4,192	4,154	4,192
Pension costs - defined contribution plan	89,017	98,086	89,017	98,086
ESS expenses	7,654	9,909	7,654	9,909
Other staff related expenses	135,220	116,234	135,220	116,234
	<u>856,798</u>	<u>863,538</u>	<u>856,798</u>	<u>863,538</u>
(b) Establishment costs				
Depreciation of property, plant and equipment	46,519	46,101	46,519	46,101
Amortisation of intangible assets	32,514	24,589	32,514	24,589
Rental of leasehold land and premises	37,095	31,827	37,095	31,827
Repairs and maintenance of property, plant and equipment	23,605	19,243	23,605	19,243
Information technology expenses	201,993	175,363	201,993	175,363
Others	2,059	1,501	2,059	1,501
	<u>343,785</u>	<u>298,624</u>	<u>343,785</u>	<u>298,624</u>
(c) Marketing expenses				
Advertisement and publicity	40,629	47,020	40,629	47,020
Others	61,154	80,486	61,154	80,486
	<u>101,783</u>	<u>127,506</u>	<u>101,783</u>	<u>127,506</u>
(d) Administration and general expenses				
Fees and brokerage	130,168	141,866	130,168	141,866
Administrative expenses	78,228	68,453	78,228	68,453
General expenses	73,662	44,793	73,662	44,793
Others	9,951	35,978	9,951	35,978
	<u>292,009</u>	<u>291,090</u>	<u>292,009</u>	<u>291,090</u>
(e) Overhead expenses allocated to subsidiaries	(239,942)	(255,104)	(239,942)	(255,104)
Total overhead expenses	<u>1,354,433</u>	<u>1,325,654</u>	<u>1,354,433</u>	<u>1,325,654</u>
Cost to income ratio ("CIR")²	40.2%	46.4%	40.2%	46.4%

² Cost to income ratio ("CIR") is computed using the total cost over the net operating income.

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A28. Allowances for Impairment Losses on Loans, Advances, Financing and Other Debts, net

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- collective allowance made, net	771,032	141,393	771,032	141,393
- individual allowance made	228,428	225,070	228,428	225,070
- individual allowance written back	(65,951)	(36,555)	(65,951)	(36,555)
Bad debts and financing written-off	24,275	25,669	24,275	25,669
Bad debts and financing recovered	(95,127)	(116,986)	(95,127)	(116,986)
Allowances for impairment losses on other debts	2,412	9,359	2,412	9,359
	865,069	247,950	865,069	247,950

Bank	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- collective allowance made/(written back), net	605,651	(12,092)	605,651	(12,092)
- individual allowance made	180,299	142,186	180,299	142,186
- individual allowance written back	(43,052)	(23,527)	(43,052)	(23,527)
Bad debts and financing written-off	14,175	15,170	14,175	15,170
Bad debts and financing recovered	(58,995)	(91,131)	(58,995)	(91,131)
(Writeback of)/allowances for impairment losses on other debts	(173)	1,651	(173)	1,651
	697,905	32,257	697,905	32,257

A29. Allowances for/(writeback of) Impairment Losses on Financial Investments, net

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Financial investments AFS	13,345	51,711	13,345	51,711
Financial investments HTM	-	(1,028)	-	(1,028)
	13,345	50,683	13,345	50,683

Bank	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Financial investments AFS	(629)	(396)	(629)	(396)
Financial investments HTM	-	(1,028)	-	(1,028)
	(629)	(1,424)	(629)	(1,424)

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A30. Segment Information

By business segments

As of 1 January 2016, the Group changed its operating segments to Group Community Financial Services, Group Global Banking and Group Insurance and Takaful. The Group determines and presents operating segments based on information provided to the Board and senior management of the Group. Hence, comparative segment information has been restated to conform with current quarter's presentation.

The three (3) operating segments based on services and products available within the Group are as follows:

(a) Group Community Financial Services ("CFS")

(i) Consumer Banking

Consumer Banking comprises the full range of products and services offered to individuals in the region, including savings and fixed deposits, remittance services, current accounts, consumer loans such as housing loans and personal loans, hire purchases, unit trusts, bancassurance products and credit cards.

(ii) Small, Medium Enterprise ("SME") Banking

SME Banking comprises the full range of products and services offered to small and medium enterprises in the region. The products and services offered including long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management and custodian services.

(iii) Business Banking

Business Banking comprises the full range of products and services offered to commercial enterprises in the region. The products and services offered including long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management and custodian services.

(b) Group Global Banking ("GB")

(i) Group Corporate Banking and Global Markets

Group Corporate Banking and Global Markets comprise of Corporate Banking and Global Markets business.

Corporate Banking comprises the full range of products and services offered to business customers in the region, ranging from large corporate and the public sector. The products and services offered including long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management, trustee services and custodian services.

Global Markets comprise the full range of products and services relating to treasury activities and services, including foreign exchange, money market, derivatives and trading of capital market.

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

(b) Group Global Banking ("GB") (cont'd.)

(ii) Group Investment Banking (Maybank IB and Maybank Kim Eng)

Investment Banking comprises the investment banking and securities broking business. This segment focuses on business needs of mainly large corporate customers and financial institutions. The products and services offered to customers include corporate advisory services, bond issuance, equity issuance, syndicated acquisition advisory services, debt restructuring advisory services, and share and futures dealings.

(iii) Group Asset Management

Asset Management comprises the asset and fund management services, providing a diverse range of Conventional and Islamic investment solutions to retail, corporate and institutional clients.

(c) Group Insurance and Takaful

Insurance and Takaful comprise the business of underwriting all classes of general and life insurance businesses, offshore investment life insurance business, general takaful and family takaful businesses.

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

Three Months Ended 31 March 2016	<===== Business Segments =====>						Total RM'000
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000	
Net interest income and income from IBS							
- External	2,410,723	1,244,214	73,635	1,847	219,589	(69,456)	3,880,552
- Inter-segment	-	-	(2,295)	(3,326)	16,509	(10,888)	-
	2,410,723	1,244,214	71,340	(1,479)	236,098	(80,344)	3,880,552
Net interest income and income from IBS	2,410,723	1,244,214	71,340	(1,479)	236,098	(80,344)	3,880,552
Net earned insurance premiums	-	-	-	-	1,168,602	-	1,168,602
Other operating income	712,653	941,955	304,530	2,852	253,245	(548,831)	1,666,404
Total operating income	3,123,376	2,186,169	375,870	1,373	1,657,945	(629,175)	6,715,558
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(1,323,790)	-	(1,323,790)
Net operating income	3,123,376	2,186,169	375,870	1,373	334,155	(629,175)	5,391,768
Overhead expenses	(1,707,621)	(452,655)	(275,728)	(26,036)	(158,159)	-	(2,620,199)
Operating profit before impairment losses	1,415,755	1,733,514	100,142	(24,663)	175,996	(629,175)	2,771,569
Allowances for impairment losses on loans, advances, financing and other debts, net	(316,083)	(545,186)	(1,917)	-	(1,883)	-	(865,069)
Writeback of/(allowances for) impairment losses on financial investments, net	-	934	(1,581)	4,795	(17,493)	-	(13,345)
Operating profit	1,099,672	1,189,262	96,644	(19,868)	156,620	(629,175)	1,893,155
Share of profits in associates and joint ventures	-	38,184	6	-	-	-	38,190
Profit before taxation and zakat	1,099,672	1,227,446	96,650	(19,868)	156,620	(629,175)	1,931,345
Taxation and zakat							(480,444)
Profit after taxation and zakat							1,450,901
Non-controlling interests							(24,150)
Profit for the period - attributable to equity holders of the Bank							1,426,751
Included in overhead expenses are:							
Depreciation of property, plant and equipment	(60,513)	(15,965)	(13,477)	(240)	(3,854)	-	(94,049)
Amortisation of intangible assets	(46,317)	(11,055)	(11,178)	(59)	(2,279)	-	(70,888)

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Total RM'000
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000	
Three Months Ended 31 March 2015							
Net interest income and income from IBS							
- External	2,046,665	1,179,560	49,444	1,505	214,062	46,373	3,537,609
- Inter-segment	-	-	(1,124)	(1,658)	15,850	(13,068)	-
	<u>2,046,665</u>	<u>1,179,560</u>	<u>48,320</u>	<u>(153)</u>	<u>229,912</u>	<u>33,305</u>	<u>3,537,609</u>
Net interest income and income from IBS	2,046,665	1,179,560	48,320	(153)	229,912	33,305	3,537,609
Net earned insurance premiums	-	-	-	-	987,115	-	987,115
Other operating income	731,430	580,520	270,022	37,815	188,966	(248,158)	1,560,595
Total operating income	<u>2,778,095</u>	<u>1,760,080</u>	<u>318,342</u>	<u>37,662</u>	<u>1,405,993</u>	<u>(214,853)</u>	<u>6,085,319</u>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(1,097,807)	-	(1,097,807)
Net operating income	<u>2,778,095</u>	<u>1,760,080</u>	<u>318,342</u>	<u>37,662</u>	<u>308,186</u>	<u>(214,853)</u>	<u>4,987,512</u>
Overhead expenses	(1,612,122)	(418,086)	(255,128)	(32,752)	(171,205)	-	(2,489,293)
Operating profit before impairment losses	<u>1,165,973</u>	<u>1,341,994</u>	<u>63,214</u>	<u>4,910</u>	<u>136,981</u>	<u>(214,853)</u>	<u>2,498,219</u>
Allowances for impairment losses on loans, advances, financing and other debts, net	(212,323)	(25,976)	(3,120)	-	(6,531)	-	(247,950)
Writeback of/(allowances for) impairment losses on financial investments, net	-	1,142	(352)	-	(51,473)	-	(50,683)
Operating profit	<u>953,650</u>	<u>1,317,160</u>	<u>59,742</u>	<u>4,910</u>	<u>78,977</u>	<u>(214,853)</u>	<u>2,199,586</u>
Share of profits in associates and joint ventures	-	41,993	434	-	-	-	42,427
Profit before taxation and zakat	<u>953,650</u>	<u>1,359,153</u>	<u>60,176</u>	<u>4,910</u>	<u>78,977</u>	<u>(214,853)</u>	<u>2,242,013</u>
Taxation and zakat							(530,004)
Profit after taxation and zakat							<u>1,712,009</u>
Non-controlling interests							(11,624)
Profit for the period - attributable to equity holders of the Bank							<u>1,700,385</u>
Included in overhead expenses are:							
Depreciation of property, plant and equipment	(59,874)	(14,645)	(12,495)	(135)	(4,812)	-	(91,961)
Amortisation of intangible assets	(39,052)	(8,607)	(12,150)	(51)	(6,843)	-	(66,703)

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A31. Carrying Amount of Revalued Assets

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements for the financial year ended 31 December 2015.

A32. Subsequent Events

There were no material events subsequent to the reporting date, other than as disclosed in Note A8(ii).

A33. Changes in the Composition of the Group

There were no significant changes to the composition of the Group during the first quarter ended 31 March 2016.

A34. Commitments and Contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The risk-weighted exposures of the Group and of the Bank as at the following reporting dates are as follows:

Group	As at 31 March 2016			As at 31 December 2015		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<u>Contingent liabilities</u>						
Direct credit substitutes	12,840,576	11,445,802	6,974,753	12,385,389	10,934,760	6,533,559
Certain transaction-related contingent items	17,686,333	8,820,632	6,217,453	17,477,210	8,320,847	6,352,100
Short-term self-liquidating trade-related contingencies	9,806,885	952,118	675,487	5,052,863	1,017,790	698,293
	40,333,794	21,218,552	13,867,693	34,915,462	20,273,397	13,583,952
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	108,967,639	14,575,881	9,233,911	110,008,009	15,334,840	9,106,253
- Maturity exceeding one year	36,704,302	31,265,349	15,286,022	41,962,165	31,219,364	15,149,538
	145,671,941	45,841,230	24,519,933	151,970,174	46,554,204	24,255,791
Miscellaneous commitments and contingencies	5,386,648	1,083,444	499,261	7,805,772	1,496,962	594,147
Total credit-related commitments and contingencies	191,392,383	68,143,226	38,886,887	194,691,408	68,324,563	38,433,890

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A34. Commitments and Contingencies (cont'd.)

The risk-weighted exposures of the Group and of the Bank as at the following reporting dates are as follows (cont'd.):

Group (cont'd.)	As at 31 March 2016			As at 31 December 2015		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
Derivative financial instruments						
Foreign exchange related contracts:						
- Less than one year	265,102,264	3,732,377	1,522,941	220,960,854	5,202,974	1,732,068
- One year to less than five years	24,779,271	1,813,769	1,092,561	26,886,781	1,890,425	1,021,804
- Five years and above	5,208,575	1,696,472	1,141,513	5,398,071	1,324,095	752,040
	295,090,110	7,242,618	3,757,015	253,245,706	8,417,494	3,505,912
Interest rate related contracts:						
- Less than one year	98,591,383	586,637	426,188	100,472,139	555,190	364,604
- One year to less than five years	118,046,676	2,141,475	1,455,431	116,686,681	2,595,167	1,256,635
- Five years and above	50,823,590	1,868,653	1,678,216	52,084,809	1,596,160	828,209
	267,461,649	4,596,765	3,559,835	269,243,629	4,746,517	2,449,448
Equity and commodity related contracts:						
- Less than one year	1,996,035	22,194	6,396	1,999,738	20,601	12,739
- One year to less than five years	576,759	-	-	480,586	4,944	3,136
- Five years and above	33,663	-	-	33,663	-	-
	2,606,457	22,194	6,396	2,513,987	25,545	15,875
Total treasury-related commitments and contingencies	565,158,216	11,861,577	7,323,246	525,003,322	13,189,556	5,971,235
Total commitments and contingencies	756,550,599	80,004,803	46,210,133	719,694,730	81,514,119	44,405,125
Bank						
Contingent liabilities						
Direct credit substitutes	10,510,968	10,081,725	5,697,964	10,454,671	9,434,347	5,150,497
Certain transaction-related contingent items	15,522,958	7,397,314	4,795,531	15,229,018	6,879,503	4,867,603
Short-term self-liquidating trade-related contingencies	4,130,459	790,158	500,581	4,598,797	862,718	548,374
	30,164,385	18,269,197	10,994,076	30,282,486	17,176,568	10,566,474
Commitments						
Irrevocable commitments to extend credit:						
- Maturity within one year	88,170,509	10,804,080	6,818,000	90,296,506	10,326,949	5,732,497
- Maturity exceeding one year	27,941,275	25,580,433	12,572,863	31,410,946	22,146,579	9,469,321
	116,111,784	36,384,513	19,390,863	121,707,452	32,473,528	15,201,818
Miscellaneous commitments and contingencies	4,966,890	317,678	159,430	7,641,170	705,840	235,590
Total credit-related commitments and contingencies	151,243,059	54,971,388	30,544,369	159,631,108	50,355,936	26,003,882

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A34. Commitments and Contingencies (cont'd.)

The risk-weighted exposures of the Group and of the Bank as at the following reporting dates are as follows (cont'd.):

	As at 31 March 2016			As at 31 December 2015		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
Bank (cont'd.)						
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	261,501,111	3,504,598	1,467,138	217,659,439	5,104,708	1,678,254
- One year to less than five years	24,819,301	1,523,061	867,004	27,210,183	1,627,876	852,987
- Five years and above	5,208,575	1,448,860	967,324	5,398,071	1,092,748	600,693
	291,528,987	6,476,519	3,301,466	250,267,693	7,825,332	3,131,934
Interest rate related contracts:						
- Less than one year	98,349,378	574,605	419,408	100,337,975	525,454	354,312
- One year to less than five years	116,995,063	1,959,434	1,371,880	115,932,672	2,409,519	1,146,722
- Five years and above	50,823,590	2,020,934	1,721,224	52,084,809	1,722,257	863,822
	266,168,031	4,554,973	3,512,512	268,355,456	4,657,230	2,364,856
Equity and commodity related contracts:						
- Less than one year	786,557	22,194	6,396	640,564	20,601	12,739
- One year to less than five years	554,202	-	-	456,498	4,944	3,136
	1,340,759	22,194	6,396	1,097,062	25,545	15,875
Total treasury-related commitments and contingencies	559,037,777	11,053,686	6,820,374	519,720,211	12,508,107	5,512,665
Total commitments and contingencies	710,280,836	66,025,074	37,364,743	679,351,319	62,864,043	31,516,547

* The credit equivalent amount and the risk-weighted amount are derived at using the credit conversion factors and risk-weights respectively as specified by Bank Negara Malaysia for regulatory capital adequacy purposes.

(i) The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risks, as follows:

Market Risk

Market risk on derivatives is the potential loss to the value of these contracts due to changes in price of the underlying items such as equities, interest rates, foreign exchange rates, credit spreads, commodities or other indices. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and do not represent the amount at risk. Exposure to market risk may be reduced through offsetting items from on and off-balance sheet positions.

Credit Risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Bank and certain subsidiaries have a gain position. As at 31 March 2016, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM7,103.2 million (31 December 2015: RM8,283.6 million). 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.

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A34. Commitments and Contingencies (cont'd.)

(ii) 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 March 2016, the Group and the Bank have posted cash collateral of RM2,153.5 million (31 December 2015: RM2,863.5 million) on their derivative contracts.

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

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

A35. Capital Adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia's ("BNM") had on 13 October 2015 issued Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for Conventional banks and Islamic banks respectively. The policy documents come into effect on 1 January 2016 and superseded the Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 28 November 2012. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

Common Equity Tier 1 (CET1)	Tier 1 Capital Ratio	Total Capital Ratio
4.5%*	6.0%	8.0%

* Excluding Capital Conservation Buffer of 2.5% of total risk-weighted assets ("RWA") which is subject to phase-in arrangement effective on 1 January 2016 as well as Countercyclical Capital Buffer ranging between 0%-2.5% of total RWA and any other capital buffers which may be introduced by BNM.

- (ii) Total RWA is calculated as the sum of credit RWA, market RWA, operational RWA and large exposure risk requirements as determined in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued by BNM on 13 October 2015 for Conventional banks and Islamic banks respectively.

The sum of the above is further adjusted to take into account any profit-sharing investment accounts ("PSIA") recognised as risk absorbent for capital adequacy purposes, in the manner stipulated under the Guidelines on Recognition and Measurement of PSIA as Risk Absorbent as updated by BNM on 26 July 2011.

Any exposures which are deducted in the calculation of CET1 Capital, Tier 1 Capital and Total Capital are not subjected to any further capital charges in the computation of RWA.

(b) Compliance and application of capital adequacy ratios

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 13 October 2015. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach;
- (B) Market risk under Standardised Approach; and
- (C) Operational risk under Basic Indicator Approach.

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A35. Capital Adequacy (cont'd.)

(b) Compliance and application of capital adequacy ratios (cont'd.)

On an entity level basis, the computation of capital adequacy ratios of the subsidiaries of the Group are as follows:

- (i) For Maybank Islamic Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued on 13 October 2015. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach;
(B) Market risk under Standardised Approach; and
(C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the current financial year ending 31 December 2016.

- (ii) For Maybank Investment Bank Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 13 October 2015. The total RWA are computed based on the following approaches:

- (A) Credit risk under Standardised Approach;
(B) Market risk under Standardised Approach; and
(C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the current financial year ending 31 December 2016.

- (iii) For PT Bank Maybank Indonesia Tbk, the computation of capital adequacy ratios are in accordance with local requirements, which is based on the Basel II capital accord. The total RWA are computed based on the following approaches:

- (A) Credit risk under Standardised Approach;
(B) Market risk under Standardised Approach; and
(C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirement for PT Bank Maybank Indonesia Tbk is 9% - 10% of total RWA.

(c) The capital adequacy ratios of the Group and of the Bank

With effect from 30 June 2013, the amount of declared dividend to be deducted in the calculation of CET1 Capital under a DRP shall be determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) ("Implementation Guidance") issued on 8 May 2013. Under the said Implementation Guidance, where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of declared dividend to be deducted in the calculation of CET1 Capital may be reduced as follows:

- (i) where an irrevocable written undertaking from shareholder has been obtained to reinvest the electable portion of the dividend; or
(ii) where there is no irrevocable written undertaking provided, the average of the preceding 3-year take-up rates subject to the amount being not more than 50% of the total electable portion of the dividend.

During the Annual General Meeting held on 7 April 2016, a final dividend in respect of the financial year ended 31 December 2015 of 30 sen single-tier dividend per ordinary share of RM1.00 each which consist of cash portion of 6 sen and electable portion of 24 sen per ordinary share was approved by the shareholders.

In arriving the capital adequacy ratios for the financial period ended 31 March 2016, the final dividend has not been deducted from the calculation of CET1 Capital.

Based on the above, the capital adequacy ratios of the Group and of the Bank are as follows:

	Group		Bank	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
CET1 Capital Ratio	13.000%	12.780%	14.959%	15.781%
Tier 1 Capital Ratio	14.723%	14.471%	17.367%	17.969%
Total Capital Ratio	17.884%	17.743%	17.871%	17.969%

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A35. Capital Adequacy (cont'd.)

(d) Components of capital:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
CET1 Capital				
Paid-up share capital	9,761,798	9,761,751	9,761,798	9,761,751
Share premium	25,900,866	25,900,476	25,900,866	25,900,476
Retained profits ¹	9,356,279	9,356,279	3,779,541	3,779,541
Other reserves ¹	11,859,530	13,231,479	12,564,041	12,830,702
Qualifying non-controlling interests	129,831	119,376	-	-
Less: Shares held-in-trust	(119,745)	(119,745)	(119,745)	(119,745)
CET1 Capital before regulatory adjustments	<u>56,888,559</u>	<u>58,249,616</u>	<u>51,886,501</u>	<u>52,152,725</u>
Less: Regulatory adjustments applied on CET1 Capital:				
Capital:	(9,778,294)	(10,538,139)	(13,523,598)	(10,273,993)
Deferred tax assets	(507,173)	(908,232)	(120,639)	(441,814)
Goodwill	(5,553,256)	(5,911,523)	(81,015)	(81,015)
Other intangibles	(952,328)	(994,076)	(411,769)	(428,464)
Gains on financial instruments classified as 'available-for-sale'	(146,690)	-	-	-
Profit equalisation reserve	-	(34,456)	-	-
Regulatory reserve	(509,223)	(1,247,509)	(134,633)	(813,800)
Shortfall of total eligible provision to total expected loss	(112,074)	-	(12,192)	-
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ³	(1,997,550)	(1,442,343)	(12,763,350)	(8,508,900)
Regulatory adjustments due to insufficient Additional Tier 1 and Tier 2 Capital	-	-	-	-
Total CET1 Capital	<u>47,110,265</u>	<u>47,711,477</u>	<u>38,362,903</u>	<u>41,878,732</u>
Additional Tier 1 Capital				
Capital securities	6,175,566	6,245,496	6,175,566	6,245,496
Qualifying CET1 and Additional Tier 1 capital instruments held by third parties	70,553	67,719	-	-
Less: Regulatory adjustments due to insufficient Tier 2 Capital	-	-	-	(438,178)
Total Tier 1 Capital	<u>53,356,384</u>	<u>54,024,692</u>	<u>44,538,469</u>	<u>47,686,050</u>
Tier 2 Capital				
Subordinated obligations	11,829,160	12,984,020	11,829,160	12,984,020
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	457,517	529,368	-	-
Collective allowance ²	498,091	452,504	202,924	160,737
Surplus of total eligible provision over total expected loss	-	414,103	-	470,242
Less: Regulatory adjustments not deducted from CET1 Capital or Additional Tier 1 Capital provided under the transitional arrangements ³	(1,331,700)	(2,163,515)	(10,738,988)	(13,614,999)
Total Tier 2 Capital	<u>11,453,068</u>	<u>12,216,480</u>	<u>1,293,096</u>	<u>-</u>
Total Capital	<u>64,809,452</u>	<u>66,241,172</u>	<u>45,831,565</u>	<u>47,686,050</u>

¹ For the Group, the amount excludes retained profits and other reserves from insurance and takaful business. For the Bank, the amount includes retained profits and other reserves of Maybank International (L) Ltd.

² Excludes collective allowance for impaired loans, advances and financing restricted from Tier 2 Capital of the Group and of the Bank.

³ For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad of RM18,994,000 as its business, assets and liabilities have been transferred to the Bank; (ii) Maybank International (L) Ltd. of RM176,385,000 and (iii) Maybank Agro Fund Sdn. Bhd. of RM10,845,000, as its assets are included in the Bank's RWA. For the Group, the regulatory adjustment includes carrying amount of associates and investment in insurance and takaful entities.

The capital adequacy ratios of the Group is derived from consolidated balances of the Bank and its subsidiaries, excluding the investments in insurance and takaful entities and associates.

The capital adequacy ratios of the Bank is derived from the Bank and its wholly-owned offshore banking subsidiary, Maybank International (L) Ltd., excluding the investments in subsidiaries and associates (except for Myfin Berhad, Maybank International (L) Ltd. and Maybank Agro Fund Sdn. Bhd. as disclosed above).

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A35. Capital Adequacy (cont'd.)

(e) The capital adequacy ratios of the banking subsidiaries of the Bank are as follows:

	Maybank Islamic Berhad	Maybank Investment Bank Berhad	PT Bank Maybank Indonesia Tbk
<u>At 31 March 2016</u>			
CET1 Capital Ratio	13.129%	31.596%	-
Tier 1 Capital Ratio	13.129%	31.596%	-
Total Capital Ratio	<u>17.819%</u>	<u>31.596%</u>	<u>16.096%</u>
<u>At 31 December 2015</u>			
CET1 Capital Ratio	12.435%	32.439%	-
Tier 1 Capital Ratio	12.435%	32.439%	-
Total Capital Ratio	<u>16.489%</u>	<u>32.439%</u>	<u>15.049%</u>

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A35. Capital Adequacy (cont'd.)

(f) The breakdown of RWA by each major risk categories are as follows:

At 31 March 2016

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000
Standardised Approach exposure	46,926,881	23,262,306	6,503,805	541,377	30,974,744
Internal Ratings-Based Approach exposure after scaling factor	265,432,047	199,721,467	59,228,825	-	-
Total RWA for credit risk	312,358,928	222,983,773	65,732,630	541,377	30,974,744
Total RWA for credit risk absorbed by Malayan Banking Berhad and Investment Account*	-	-	(11,741,286)	-	-
Total RWA for market risk	14,355,919	11,909,368	1,068,354	265,963	380,516
Total RWA for operational risk	35,676,829	21,557,776	5,061,546	896,376	4,674,399
Total RWA	362,391,676	256,450,917	60,121,244	1,703,716	36,029,659

At 31 December 2015

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000
Standardised Approach exposure	47,320,484	22,432,078	6,417,990	453,207	32,088,147
Internal Ratings-Based Approach exposure after scaling factor	279,836,231	212,545,150	59,046,097	-	-
Total RWA for credit risk	327,156,715	234,977,228	65,464,087	453,207	32,088,147
Total RWA for credit risk absorbed by Malayan Banking Berhad and Investment Account*	-	-	(9,098,255)	-	-
Total RWA for market risk	11,256,514	9,343,171	1,135,708	283,821	375,184
Total RWA for operational risk	34,913,799	21,054,721	4,943,708	892,802	4,529,765
Total RWA	373,327,028	265,375,120	62,445,248	1,629,830	36,993,096

* In accordance with BNM's guideline on the recognition and measurement of Restricted Profit-Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA") as Risk Absorbent, the credit risk on the assets funded by the RPSIA and IA are excluded from the capital adequacy ratios calculation.

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A36. 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 reporting date, and do not represent amounts at risk.

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.

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ----> Assets Liabilities RM'000 RM'000		Principal Amount RM'000	<---- Fair Value ----> Assets Liabilities RM'000 RM'000	
At 31 March 2016						
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	44,789,178	697,603	(759,723)	39,231,744	629,623	(607,938)
- One year to three years	1,357,607	25,466	(62,840)	1,357,607	25,466	(62,840)
- More than three years	82,249	196	(14,395)	82,249	196	(14,395)
	<u>46,229,034</u>	<u>723,265</u>	<u>(836,958)</u>	<u>40,671,600</u>	<u>655,285</u>	<u>(685,173)</u>
Currency swaps:						
- Less than one year	197,738,350	2,106,133	(2,718,736)	199,932,313	2,175,547	(2,879,276)
- One year to three years	431,471	30,594	(7)	431,471	30,594	(7)
- More than three years	57,462	12,535	-	57,462	12,535	-
	<u>198,227,283</u>	<u>2,149,262</u>	<u>(2,718,743)</u>	<u>200,421,246</u>	<u>2,218,676</u>	<u>(2,879,283)</u>
Currency spots:						
- Less than one year	5,354,899	18,358	(22,904)	5,403,988	18,460	(23,186)
Currency options:						
- Less than one year	8,275,860	98,399	(70,850)	8,275,860	98,399	(70,850)
- One year to three years	62,640	1,410	(3,904)	62,640	1,410	(3,904)
	<u>8,338,500</u>	<u>99,809</u>	<u>(74,754)</u>	<u>8,338,500</u>	<u>99,809</u>	<u>(74,754)</u>
Cross currency interest rate swaps:						
- Less than one year	8,059,892	479,888	(478,143)	7,773,121	477,343	(458,744)
- One year to three years	14,292,093	534,358	(786,696)	13,843,784	519,601	(756,564)
- More than three years	10,414,257	798,131	(528,857)	10,902,596	877,375	(592,014)
	<u>32,766,242</u>	<u>1,812,377</u>	<u>(1,793,696)</u>	<u>32,519,501</u>	<u>1,874,319</u>	<u>(1,807,322)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	90,215,967	88,993	(111,011)	90,390,160	87,214	(110,158)
- One year to three years	54,953,027	164,265	(167,979)	55,393,374	162,446	(172,781)
- More than three years	103,530,046	2,301,694	(2,060,734)	103,511,711	2,292,864	(2,060,733)
	<u>248,699,040</u>	<u>2,554,952</u>	<u>(2,339,724)</u>	<u>249,295,245</u>	<u>2,542,524</u>	<u>(2,343,672)</u>
Interest rate futures:						
- Less than one year	6,825,412	1,585	(2,859)	6,825,412	1,585	(2,859)
- One year to three years	332,775	-	(140)	332,775	-	(140)
	<u>7,158,187</u>	<u>1,585</u>	<u>(2,999)</u>	<u>7,158,187</u>	<u>1,585</u>	<u>(2,999)</u>
Interest rate options:						
- Less than one year	1,035,931	1,205	-	1,035,931	1,205	-
- One year to three years	651,833	1,016	(8,364)	551,833	362	(728)
- More than three years	8,217,460	19,490	(297,894)	7,637,460	19,400	(286,285)
	<u>9,905,224</u>	<u>21,711</u>	<u>(306,258)</u>	<u>9,225,224</u>	<u>20,967</u>	<u>(287,013)</u>

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A36. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
At 31 March 2016 (cont'd.)	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000	RM'000
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- Less than one year	13,083	14	(13)	-	-	-
- More than three years	33,663	2,242	-	-	-	-
	<u>46,746</u>	<u>2,256</u>	<u>(13)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options:						
- Less than one year	540,067	369	(26,454)	45,600	203	(203)
- One year to three years	127,694	5,450	(6,716)	105,137	4,306	(3,245)
	<u>667,761</u>	<u>5,819</u>	<u>(33,170)</u>	<u>150,737</u>	<u>4,509</u>	<u>(3,448)</u>
Equity swaps:						
- Less than one year	823,031	26,711	(49,197)	121,103	2,561	(1,630)
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	125,027	7,912	(8,922)	125,027	7,912	(8,922)
Commodity swaps:						
- Less than one year	494,827	68,735	(68,621)	494,827	68,735	(68,621)
- One year to three years	449,065	40,275	(39,719)	449,065	40,275	(39,719)
	<u>943,892</u>	<u>109,010</u>	<u>(108,340)</u>	<u>943,892</u>	<u>109,010</u>	<u>(108,340)</u>
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	884,085	1,201	(70,415)	884,085	1,201	(70,415)
- One year to three years	1,900,418	44,431	(204,451)	1,900,418	44,431	(204,451)
- More than three years	1,389,649	25,763	(95,788)	1,389,649	25,763	(95,788)
	<u>4,174,152</u>	<u>71,395</u>	<u>(370,654)</u>	<u>4,174,152</u>	<u>71,395</u>	<u>(370,654)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	514,073	369	(1,626)	97,875	162	(1,620)
- One year to three years	813,200	-	(6,236)	19,575	-	(598)
- More than three years	371,925	32,492	(162)	371,925	32,492	(162)
	<u>1,699,198</u>	<u>32,861</u>	<u>(8,024)</u>	<u>489,375</u>	<u>32,654</u>	<u>(2,380)</u>
Netting effects under MFRS 132 Amendments						
	-	(534,123)	534,123	-	(534,123)	534,123
Total	<u>565,158,216</u>	<u>7,103,160</u>	<u>(8,140,233)</u>	<u>559,037,777</u>	<u>7,125,543</u>	<u>(8,064,653)</u>

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A36. Derivative Financial Instruments (cont'd.)

At 31 December 2015	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
Trading derivatives						
Foreign exchange related contracts						
Currency forwards:						
- Less than one year	29,958,910	746,356	(261,273)	24,970,275	562,194	(244,662)
- One year to three years	1,517,018	33,500	(108,261)	1,517,018	33,500	(108,261)
- More than three years	88,539	1,080	(19,531)	88,539	1,080	(19,531)
	<u>31,564,467</u>	<u>780,936</u>	<u>(389,065)</u>	<u>26,575,832</u>	<u>596,774</u>	<u>(372,454)</u>
Currency swaps:						
- Less than one year	173,743,239	2,208,206	(1,989,835)	175,643,530	2,387,678	(1,963,151)
- One year to three years	775,413	53,313	(2,282)	775,413	53,313	(2,282)
- More than three years	70,816	19,718	-	70,816	19,718	-
	<u>174,589,468</u>	<u>2,281,237</u>	<u>(1,992,117)</u>	<u>176,489,759</u>	<u>2,460,709</u>	<u>(1,965,433)</u>
Currency spots:						
- Less than one year	901,864	867	(1,819)	937,901	892	(1,819)
Currency options:						
- Less than one year	7,645,551	64,130	(61,020)	7,645,551	64,130	(61,020)
- One year to three years	111,618	5,144	(2,987)	111,618	5,144	(2,987)
	<u>7,757,169</u>	<u>69,274</u>	<u>(64,007)</u>	<u>7,757,169</u>	<u>69,274</u>	<u>(64,007)</u>
Cross currency interest rate swaps:						
- Less than one year	8,152,602	1,562,963	(547,328)	7,903,494	1,557,485	(516,296)
- One year to three years	12,949,782	670,048	(1,169,785)	12,805,597	667,372	(1,122,286)
- More than three years	12,988,230	1,223,688	(1,020,107)	13,455,817	1,339,332	(1,121,683)
	<u>34,090,614</u>	<u>3,456,699</u>	<u>(2,737,220)</u>	<u>34,164,908</u>	<u>3,564,189</u>	<u>(2,760,265)</u>
Interest rate related contracts						
Interest rate swaps:						
- Less than one year	90,180,013	99,540	(149,213)	90,472,803	98,285	(149,605)
- One year to three years	53,808,589	219,724	(242,407)	54,050,329	217,255	(243,507)
- More than three years	104,797,443	1,388,716	(1,439,924)	105,098,669	1,385,076	(1,445,692)
	<u>248,786,045</u>	<u>1,707,980</u>	<u>(1,831,544)</u>	<u>249,621,801</u>	<u>1,700,616</u>	<u>(1,838,804)</u>
Interest rate futures:						
- Less than one year	7,565,066	5,768	(1,873)	7,565,066	5,768	(1,873)
- One year to three years	236,115	138	(73)	236,115	138	(73)
	<u>7,801,181</u>	<u>5,906</u>	<u>(1,946)</u>	<u>7,801,181</u>	<u>5,906</u>	<u>(1,946)</u>
Interest rate options:						
- Less than one year	2,003,887	625	(5,050)	2,003,887	625	(5,050)
- One year to three years	1,106,446	965	(36,560)	706,446	965	(5,859)
- More than three years	7,528,692	36,591	(219,010)	7,453,692	36,591	(206,316)
	<u>10,639,025</u>	<u>38,181</u>	<u>(260,620)</u>	<u>10,164,025</u>	<u>38,181</u>	<u>(217,225)</u>

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A36. Derivative Financial Instruments (cont'd.)

At 31 December 2015 (cont'd.)	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- Less than one year	20,623	-	(64)	-	-	-
- More than three years	33,663	2,414	-	-	-	-
	<u>54,286</u>	<u>2,414</u>	<u>(64)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options:						
- Less than one year	599,625	6,363	(30,946)	45,600	954	(954)
- One year to three years	135,114	7,663	(6,430)	111,026	6,258	(5,197)
	<u>734,739</u>	<u>14,026</u>	<u>(37,376)</u>	<u>156,626</u>	<u>7,212</u>	<u>(6,151)</u>
Equity swaps:						
- Less than one year	791,020	34,722	(88,397)	6,494	615	(7)
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	3,864	1,092	(1,864)	3,864	1,092	(1,864)
Commodity swaps:						
- Less than one year	584,606	107,220	(107,013)	584,606	107,220	(107,013)
- One year to three years	344,177	40,566	(40,096)	344,177	40,566	(40,096)
- More than three years	1,295	121	(118)	1,295	121	(118)
	<u>930,078</u>	<u>147,907</u>	<u>(147,227)</u>	<u>930,078</u>	<u>147,907</u>	<u>(147,227)</u>
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	558,688	1,774	(100,282)	558,688	1,774	(100,282)
- One year to three years	2,334,285	8,865	(325,186)	2,334,285	8,865	(325,186)
- More than three years	1,449,151	420	(172,310)	1,449,151	420	(172,310)
	<u>4,342,124</u>	<u>11,059</u>	<u>(597,778)</u>	<u>4,342,124</u>	<u>11,059</u>	<u>(597,778)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	723,173	1,511	(4,621)	296,219	336	(4,599)
- One year to three years	564,395	327	(5,147)	64,395	327	(1,464)
- More than three years	729,810	17,862	(4,999)	407,835	17,862	(3,644)
	<u>2,017,378</u>	<u>19,700</u>	<u>(14,767)</u>	<u>768,449</u>	<u>18,525</u>	<u>(9,707)</u>
Netting effects under MFRS 132 Amendments						
	-	(288,353)	288,353	-	(288,353)	288,353
Total	<u>525,003,322</u>	<u>8,283,647</u>	<u>(7,877,458)</u>	<u>519,720,211</u>	<u>8,334,598</u>	<u>(7,696,334)</u>

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A37. Fair Value Measurements of Financial Instruments

Fair value hierarchy

For disclosure purposes, the level in the hierarchy within which the instruments are classified in its entirety is based on the lowest level input that is significant to the position's fair value measurements:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, and those prices which represent actual and regularly occurring market transactions in an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on exchange.

- (b) Level 2: Valuation techniques for which all significant inputs are, or are based on, observable market data

Refers to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). Examples of Level 2 financial instruments include over-the-counter ("OTC") derivatives, corporate and other government bonds and illiquid equities.

- (c) Level 3: Valuation techniques for which significant inputs are not based on observable market data

Refers to financial instruments where fair value is measured using significant unobservable inputs. The valuation techniques used are consistent with the Level 2 but incorporates the Group's and the Bank's own assumptions and data. Examples of Level 3 instruments include corporate bonds in illiquid markets and private equity investments.

The following tables show the Group's and the Bank's financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 31 March 2016 and 31 December 2015.

Group	Valuation technique using			Total
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
At 31 March 2016				RM'000
Financial assets measured at fair value:				
Financial assets held-for-trading	1,746,704	8,122,819	-	9,869,523
Money market instruments	-	2,148,656	-	2,148,656
Quoted securities	1,746,704	-	-	1,746,704
Unquoted securities	-	5,974,163	-	5,974,163
Financial assets designated at fair value through profit or loss	38,729	11,810,138	81,305	11,930,172
Money market instruments	-	552,206	-	552,206
Quoted securities	38,729	33,306	-	72,035
Unquoted securities	-	11,224,626	81,305	11,305,931
Financial investments available-for-sale	1,899,922	99,054,817	569,154	101,523,893
Money market instruments	-	57,852,309	-	57,852,309
Quoted securities	1,899,922	-	-	1,899,922
Unquoted securities	-	41,202,508	569,154	41,771,662
Derivative assets	166	7,089,253	13,741	7,103,160
Foreign exchange related contracts	-	4,874,466	-	4,874,466
Interest rate related contracts	-	2,609,790	1,319	2,611,109
Equity and commodity related contracts	166	139,120	12,422	151,708
Netting effects under MFRS 132 Amendments	-	(534,123)	-	(534,123)
	3,685,521	126,077,027	664,200	130,426,748
Financial liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	-	1,732,426	1,732,426
Structured deposits	-	-	384,936	384,936
Borrowings	-	-	1,347,490	1,347,490
Derivative liabilities	14,537	8,079,926	45,770	8,140,233
Foreign exchange related contracts	-	5,817,709	-	5,817,709
Interest rate related contracts	-	2,623,606	33,399	2,657,005
Equity and commodity related contracts	14,537	172,734	12,371	199,642
Netting effects under MFRS 132 Amendments	-	(534,123)	-	(534,123)
	14,537	8,079,926	1,778,196	9,872,659

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

Group	<u>Valuation technique using</u>			Total
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
At 31 December 2015				
Financial assets measured at fair value:				
Financial assets held-for-trading	1,837,095	5,071,215	-	6,908,310
Money market instruments	-	812,441	-	812,441
Quoted securities	1,837,095	-	-	1,837,095
Unquoted securities	-	4,258,774	-	4,258,774
Financial assets designated at fair value through profit or loss	29,226	10,203,605	81,454	10,314,285
Money market instruments	-	648,754	-	648,754
Quoted securities	29,226	31,357	-	60,583
Unquoted securities	-	9,523,494	81,454	9,604,948
Financial investments available-for-sale	3,019,389	86,665,757	576,527	90,261,673
Money market instruments	-	49,399,786	-	49,399,786
Quoted securities	3,019,389	-	-	3,019,389
Unquoted securities	-	37,265,971	576,527	37,842,498
Derivative assets	29,516	8,245,827	8,304	8,283,647
Foreign exchange related contracts	-	6,600,072	-	6,600,072
Interest rate related contracts	-	1,771,767	-	1,771,767
Equity and commodity related contracts	29,516	162,341	8,304	200,161
Netting effects under MFRS 132 Amendments	-	(288,353)	-	(288,353)
	<u>4,915,226</u>	<u>110,186,404</u>	<u>666,285</u>	<u>115,767,915</u>
Financial liabilities measured at fair value:				
Derivative liabilities	26,353	7,781,146	69,959	7,877,458
Foreign exchange related contracts	-	5,782,006	-	5,782,006
Interest rate related contracts	-	2,046,934	61,943	2,108,877
Equity and commodity related contracts	26,353	240,559	8,016	274,928
Netting effects under MFRS 132 Amendments	-	(288,353)	-	(288,353)
	<u>26,353</u>	<u>7,781,146</u>	<u>69,959</u>	<u>7,877,458</u>

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

Bank At 31 March 2016	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
Financial assets held-for-trading	208,171	7,283,113	-	7,491,284
Money market instruments	-	1,641,086	-	1,641,086
Quoted securities	208,171	-	-	208,171
Unquoted securities	-	5,642,027	-	5,642,027
Financial investments available-for-sale	141,498	84,374,711	355,230	84,871,439
Money market instruments	-	49,714,244	-	49,714,244
Quoted securities	141,498	-	-	141,498
Unquoted securities	-	34,660,467	355,230	35,015,697
Derivative assets	-	7,112,455	13,088	7,125,543
Foreign exchange related contracts	-	4,937,944	-	4,937,944
Interest rate related contracts	-	2,597,064	666	2,597,730
Equity and commodity related contracts	-	111,570	12,422	123,992
Netting effects under MFRS 132 Amendments	-	(534,123)	-	(534,123)
	349,669	98,770,279	368,318	99,488,266
Financial liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	-	1,500,449	1,500,449
Structured deposits	-	-	152,959	152,959
Borrowings	-	-	1,347,490	1,347,490
Derivative liabilities	-	8,038,128	26,525	8,064,653
Foreign exchange related contracts	-	5,840,372	-	5,840,372
Interest rate related contracts	-	2,621,910	14,154	2,636,064
Equity and commodity related contracts	-	109,969	12,371	122,340
Netting effects under MFRS 132 Amendments	-	(534,123)	-	(534,123)
	-	8,038,128	1,526,974	9,565,102

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

Bank At 31 December 2015	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
Financial assets held-for-trading	13,213	4,208,682	-	4,221,895
Money market instruments	-	513,654	-	513,654
Quoted securities	13,213	-	-	13,213
Unquoted securities	-	3,695,028	-	3,695,028
Financial investments available-for-sale	142,107	74,444,286	363,677	74,950,070
Money market instruments	-	43,898,733	-	43,898,733
Quoted securities	142,107	-	-	142,107
Unquoted securities	-	30,545,553	363,677	30,909,230
Derivative assets	-	8,326,294	8,304	8,334,598
Foreign exchange related contracts	-	6,702,897	-	6,702,897
Interest rate related contracts	-	1,763,228	-	1,763,228
Equity and commodity related contracts	-	148,522	8,304	156,826
Netting effects under MFRS132 Amendments	-	(288,353)	-	(288,353)
	155,320	86,979,262	371,981	87,506,563
Financial liabilities measured at fair value:				
Derivative liabilities	-	7,669,770	26,564	7,696,334
Foreign exchange related contracts	-	5,761,756	-	5,761,756
Interest rate related contracts	-	2,049,134	18,548	2,067,682
Equity and commodity related contracts	-	147,233	8,016	155,249
Netting effects under MFRS132 Amendments	-	(288,353)	-	(288,353)
	-	7,669,770	26,564	7,696,334

Valuation techniques

The valuation techniques used for the financial instruments that are not determined by reference to quoted prices (Level 1) are described below:

Derivatives

The fair values of the Group's and the Bank's derivative instruments are derived using discounted cash flows analysis, option pricing and benchmarking models.

Financial assets designated at fair value through profit or loss, financial assets held-for-trading and financial investments available-for-sale

The fair values of financial assets and financial investments are determined by reference to prices quoted by independent data providers and independent brokers.

Financial liabilities at fair value through profit or loss

The fair values of financial liabilities at fair value through profit or loss are derived using discounted cash flows.

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy:

Group	At 1 January 2016 RM'000	Total realised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in other comprehensive income RM'000	Purchases/ Issuances RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 31 March 2016 RM'000
Financial assets designated at fair value through profit or loss											
Unquoted securities	81,454	83	(37)	-	-	(195)	-	-	-	-	81,305
	<u>81,454</u>	<u>83</u>	<u>(37)</u>	<u>-</u>	<u>-</u>	<u>(195)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,305</u>
Financial investments available-for-sale											
Unquoted securities	576,527	(5,061)	-	1,203	5,776	(262)	(2,264)	(6,765)	-	-	569,154
	<u>576,527</u>	<u>(5,061)</u>	<u>-</u>	<u>1,203</u>	<u>5,776</u>	<u>(262)</u>	<u>(2,264)</u>	<u>(6,765)</u>	<u>-</u>	<u>-</u>	<u>569,154</u>
Derivative assets											
Interest rate related contracts	-	666	-	-	653	-	-	-	-	-	1,319
Equity and commodity related contracts	8,304	2,093	2,657	-	-	(632)	-	-	-	-	12,422
	<u>8,304</u>	<u>2,759</u>	<u>2,657</u>	<u>-</u>	<u>653</u>	<u>(632)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,741</u>
Total Level 3 financial assets	<u>666,285</u>	<u>(2,219)</u>	<u>2,620</u>	<u>1,203</u>	<u>6,429</u>	<u>(1,089)</u>	<u>(2,264)</u>	<u>(6,765)</u>	<u>-</u>	<u>-</u>	<u>664,200</u>
Financial liabilities at fair value through profit or loss											
Structured deposits	-	-	(1,890)	-	(383,046)	-	-	-	-	-	(384,936)
Borrowings	-	-	-	-	(1,347,490)	-	-	-	-	-	(1,347,490)
	<u>-</u>	<u>-</u>	<u>(1,890)</u>	<u>-</u>	<u>(1,730,536)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,732,426)</u>
Derivative liabilities											
Interest rate related contracts	(61,943)	(36,850)	(2,982)	-	-	45,642	22,734	-	-	-	(33,399)
Equity and commodity related contracts	(8,016)	(2,330)	(2,657)	-	-	632	-	-	-	-	(12,371)
	<u>(69,959)</u>	<u>(39,180)</u>	<u>(5,639)</u>	<u>-</u>	<u>-</u>	<u>46,274</u>	<u>22,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,770)</u>
Total Level 3 financial liabilities	<u>(69,959)</u>	<u>(39,180)</u>	<u>(7,529)</u>	<u>-</u>	<u>(1,730,536)</u>	<u>46,274</u>	<u>22,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,778,196)</u>
Total net Level 3 financial assets/ (liabilities)	<u>596,326</u>	<u>(41,399)</u>	<u>(4,909)</u>	<u>1,203</u>	<u>(1,724,107)</u>	<u>45,185</u>	<u>20,470</u>	<u>(6,765)</u>	<u>-</u>	<u>-</u>	<u>(1,113,996)</u>

* Included within 'Other operating income' and 'Income from Islamic Banking Scheme operations'.

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy (cont'd.):

Group	At 1 January 2015 RM'000	Total realised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in other comprehensive income RM'000	Purchases/ Issuances RM'000	Sales RM'000	Settlements[^] RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 31 December 2015 RM'000
Financial assets designated at fair value through profit or loss											
Unquoted securities	-	200	2,077	-	-	(1,221)	-	-	80,398	-	81,454
	-	200	2,077	-	-	(1,221)	-	-	80,398	-	81,454
Financial investments available-for-sale											
Unquoted securities	418,789	4,513	-	11,985	103,369	(61,877)	(12,678)	15,246	108,205	(11,025)	576,527
	418,789	4,513	-	11,985	103,369	(61,877)	(12,678)	15,246	108,205	(11,025)	576,527
Derivative assets											
Interest rate related contracts	-	1,512	-	-	-	(877)	(635)	-	-	-	-
Equity and commodity related contracts	14,512	1,087	(10,183)	-	3,849	(961)	-	-	-	-	8,304
	14,512	2,599	(10,183)	-	3,849	(1,838)	(635)	-	-	-	8,304
Total Level 3 financial assets	433,301	7,312	(8,106)	11,985	107,218	(64,936)	(13,313)	15,246	188,603	(11,025)	666,285
Derivative liabilities											
Interest rate related contracts	(223,086)	21,967	(548)	-	-	107,597	32,127	-	-	-	(61,943)
Equity and commodity related contracts	(14,512)	(799)	10,183	-	(3,849)	961	-	-	-	-	(8,016)
	(237,598)	21,168	9,635	-	(3,849)	108,558	32,127	-	-	-	(69,959)
Total Level 3 financial liabilities	(237,598)	21,168	9,635	-	(3,849)	108,558	32,127	-	-	-	(69,959)
Total net Level 3 financial assets/ (liabilities)	195,703	28,480	1,529	11,985	103,369	43,622	18,814	15,246	188,603	(11,025)	596,326

* Included within 'Other operating income' and 'Income from Islamic Banking Scheme operations'.

[^] The settlement amount of financial investments available-for-sale for the 12 months financial year ended 31 December 2015 was mainly comprised of redemption of loan stocks of RM12.1 million.

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy (cont'd.):

Bank	At 1 January	Total realised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in other comprehensive income	Purchases/ Issuances	Sales	Settlements	Exchange differences	Transfer into Level 3	Transfer out from Level 3	At 31 March
At 31 March 2016	2016	statements*	statements*	income	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial investments available-for-sale											
Unquoted securities	363,677	(5,173)	-	1,252	-	-	(2,264)	(2,262)	-	-	355,230
	363,677	(5,173)	-	1,252	-	-	(2,264)	(2,262)	-	-	355,230
Derivative assets											
Interest rate related contracts	-	-	666	-	-	-	-	-	-	-	666
Equity and commodity related contracts	8,304	2,093	2,657	-	-	(632)	-	-	-	-	12,422
	8,304	2,093	3,323	-	-	(632)	-	-	-	-	13,088
Total Level 3 financial assets	371,981	(3,080)	3,323	1,252	-	(632)	(2,264)	(2,262)	-	-	368,318
Financial liabilities at fair value through profit or loss											
Structured deposits	-	-	(778)	-	(152,181)	-	-	-	-	-	(152,959)
Borrowings	-	-	-	-	(1,347,490)	-	-	-	-	-	(1,347,490)
	-	-	(778)	-	(1,499,671)	-	-	-	-	-	(1,500,449)
Derivative liabilities											
Interest rate related contracts	(18,548)	1,560	(2,109)	-	-	2,287	2,656	-	-	-	(14,154)
Equity and commodity related contracts	(8,016)	(2,330)	(2,657)	-	-	632	-	-	-	-	(12,371)
	(26,564)	(770)	(4,766)	-	-	2,919	2,656	-	-	-	(26,525)
Total Level 3 financial liabilities	(26,564)	(770)	(5,544)	-	(1,499,671)	2,919	2,656	-	-	-	(1,526,974)
Total net Level 3 financial assets/ (liabilities)	345,417	(3,850)	(2,221)	1,252	(1,499,671)	2,287	392	(2,262)	-	-	(1,158,656)

* Included within 'Other operating income'.

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy (cont'd.):

Bank	At 1 January	Total realised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in comprehensive income	Purchases	Sales	Settlements[^]	Exchange differences	Transfer into Level 3	Transfer out from Level 3	At 31 December
At 31 December 2015	2015	recognised in	recognised in	income	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	2015
	RM'000	income statements*	income statements*	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial investments available-for-sale											
Unquoted securities	269,634	4,320	-	9,487	84,483	-	(12,678)	8,581	-	(150)	363,677
	269,634	4,320	-	9,487	84,483	-	(12,678)	8,581	-	(150)	363,677
Derivative assets											
Interest rate related contracts	-	877	-	-	-	(877)	-	-	-	-	-
Equity and commodity related contracts	14,512	1,087	(10,183)	-	3,849	(961)	-	-	-	-	8,304
	14,512	1,964	(10,183)	-	3,849	(1,838)	-	-	-	-	8,304
Total Level 3 financial assets	284,146	6,284	(10,183)	9,487	88,332	(1,838)	(12,678)	8,581	-	(150)	371,981
Derivative liabilities											
Interest rate related contracts	(138,057)	23,688	(11,912)	-	-	107,597	136	-	-	-	(18,548)
Equity and commodity related contracts	(14,512)	(799)	10,183	-	(3,849)	961	-	-	-	-	(8,016)
	(152,569)	22,889	(1,729)	-	(3,849)	108,558	136	-	-	-	(26,564)
Total Level 3 financial liabilities	(152,569)	22,889	(1,729)	-	(3,849)	108,558	136	-	-	-	(26,564)
Total net Level 3 financial assets/ (liabilities)	131,577	29,173	(11,912)	9,487	84,483	106,720	(12,542)	8,581	-	(150)	345,417

* Included within 'Other operating income'.

[^] The settlement amount of financial investments available-for-sale for the 12 months financial year ended 31 December 2015 was mainly comprised of redemption of loan stocks of RM12.1 million.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the end of the reporting period.

There were no transfers between Level 1 and Level 2 for the Group and the Bank during the 3 months financial period ended 31 March 2016.

Movements in Level 3 financial instruments measured at fair value

There were no transfers into or out of Level 3 for the Group and the Bank during the 3 months financial period ended 31 March 2016.

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A38. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business

Pursuant to Paragraph 10.5(iv) of Bank Negara Malaysia's Financial Reporting Policy issued on 28 January 2015, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund, Shareholders' and General Fund are disclosed as follows:

(a) Unaudited Income Statements for the First Quarter Ended 31 March 2016

Group Three-Month Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Interest income	92,614	102,165	85,951	79,296	17,277	14,835	45,629	40,193	241,471	236,489
Interest expense	-	-	-	-	-	-	(8,468)	(8,435)	(8,468)	(8,435)
Net interest income	92,614	102,165	85,951	79,296	17,277	14,835	37,161	31,758	233,003	228,054
Net earned insurance premiums	379,356	271,667	301,483	293,523	260,429	212,725	227,334	209,200	1,168,602	987,115
Other operating income	100,938	123,213	100,186	48,242	5,426	3,622	41,051	13,891	247,601	188,968
Total operating income	572,908	497,045	487,620	421,061	283,132	231,182	305,546	254,849	1,649,206	1,404,137
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(525,420)	(431,997)	(474,708)	(382,902)	(279,778)	(229,688)	(85,937)	(80,246)	(1,365,843)	(1,124,833)
Net operating income	47,488	65,048	12,912	38,159	3,354	1,494	219,609	174,603	283,363	279,304
Overhead expenses	(40,992)	(48,454)	(6,526)	(9,323)	(218)	(185)	(113,000)	(113,527)	(160,736)	(171,489)
Operating profit before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	6,496	16,594	6,386	28,836	3,136	1,309	106,609	61,076	122,627	107,815
Allowances for impairment losses on financial investments, net	(300)	(504)	451	(4,173)	(3,114)	(1,052)	1,080	(801)	(1,883)	(6,530)
Operating profit	(6,196)	(16,090)	(6,837)	(24,663)	(22)	(257)	(4,439)	(10,464)	(17,494)	(51,474)
Share of profits in associates	-	-	-	-	-	-	103,250	49,811	103,250	49,811
Profit before taxation and zakat	-	-	-	-	-	-	103,250	49,811	103,250	49,811
Taxation and zakat	-	-	-	-	-	-	(30,169)	(21,251)	(30,169)	(21,251)
Profit for the period	-	-	-	-	-	-	73,081	28,560	73,081	28,560

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A38. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business (cont'd.)

Pursuant to Paragraph 10.5(iv) of Bank Negara Malaysia's Financial Reporting Policy issued on 28 January 2015, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund, Shareholders' and General Fund are disclosed as follows (cont'd.):

(b) Unaudited Statements of Financial Position as at 31 March 2016

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS										
Cash and short-term funds	205,358	105,190	74,461	62,859	63,860	51,104	175,727	156,906	519,406	376,059
Deposits and placements with financial institutions	812,765	1,333,863	1,048,652	1,069,180	139,551	100,428	998,377	945,253	2,999,345	3,448,724
Financial assets at fair value through profit or loss	8,199,881	7,540,814	5,221,916	4,617,534	-	-	-	-	13,421,797	12,158,348
Financial investments available-for-sale	587,944	994,696	2,651,795	3,107,175	1,551,928	1,512,312	3,731,461	3,657,742	8,523,128	9,271,925
Loans, advances and financing	265,590	268,843	2,300	3,300	-	-	27,799	28,945	295,689	301,088
Derivative assets	7,792	5,217	-	-	-	-	-	-	7,792	5,217
Reinsurance/retakaful assets and other insurance receivables	68,109	64,804	149,026	125,862	291,079	292,692	4,293,000	3,872,296	4,801,214	4,355,654
Other assets	148,948	77,160	156,716	32,329	(296)	2,040	124,463	157,674	429,831	269,203
Investment properties	622,855	618,607	-	-	-	-	96,216	96,305	719,071	714,912
Interest in associates	-	-	-	-	-	-	152	152	152	152
Property, plant and equipment	79,660	80,781	-	-	-	-	70,774	71,691	150,434	152,472
Intangible assets	21,499	19,144	-	-	-	-	34,157	33,720	55,656	52,864
Deferred tax assets	6,852	14,517	2,289	9,115	5,221	11,310	18,810	32,909	33,172	67,851
TOTAL ASSETS	11,027,253	11,123,636	9,307,155	9,027,354	2,051,343	1,969,886	9,570,936	9,053,593	31,956,687	31,174,469
LIABILITIES										
Derivative liabilities	33,609	53,251	-	-	-	-	-	-	33,609	53,251
Insurance/takaful contract liabilities and other insurance payables	8,591,326	8,641,046	8,933,365	8,693,142	1,737,049	1,666,418	5,313,838	4,838,735	24,575,578	23,839,341
Other liabilities #	2,332,619	2,353,297	389,247	330,290	312,277	297,902	(1,762,430)	(1,815,558)	1,271,713	1,165,931
Provision for taxation and zakat	30,596	37,000	(20,333)	81	(3,884)	-	(72,077)	14,909	(65,698)	51,990
Deferred tax liabilities	39,103	39,042	4,876	3,841	5,901	5,566	510,980	512,092	560,860	560,541
Subordinated obligations	-	-	-	-	-	-	809,430	811,316	809,430	811,316
TOTAL LIABILITIES	11,027,253	11,123,636	9,307,155	9,027,354	2,051,343	1,969,886	4,799,741	4,361,494	27,185,492	26,482,370
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE SUBSIDIARIES										
Share capital	-	-	-	-	-	-	252,005	252,005	252,005	252,005
Other reserves	-	-	-	-	-	-	4,519,190	4,440,094	4,519,190	4,440,094
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,027,253	11,123,636	9,307,155	9,027,354	2,051,343	1,969,886	9,570,936	9,053,593	31,956,687	31,174,469

Included in other liabilities are the amounts due to/(from) life, general and investment-linked funds which are unsecured, not subject to any interest elements and are repayable on demand.

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A39. The Operations of Islamic Banking Scheme

A39a. Unaudited Income Statements for the First Quarter Ended 31 March 2016

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Income derived from investment of depositors' funds	1,485,289	1,595,524	1,485,289	1,595,524
Income derived from investment of investment account funds	317,903	-	317,903	-
Income derived from investment of Islamic Banking Funds	85,106	83,840	85,106	83,840
Allowances for impairment losses on financing and advances	(35,094)	(84,697)	(35,094)	(84,697)
Total distributable income	1,853,204	1,594,667	1,853,204	1,594,667
Profit distributed to depositors	(843,400)	(930,751)	(843,400)	(930,751)
Profit distributed to investment account holders	(207,385)	-	(207,385)	-
Total net income	802,419	663,916	802,419	663,916
Finance cost	(33,942)	(23,298)	(33,942)	(23,298)
Overhead expenses	(301,205)	(287,266)	(301,205)	(287,266)
Profit before taxation and zakat	467,272	353,352	467,272	353,352
Taxation	(102,804)	(82,841)	(102,804)	(82,841)
Zakat	(3,616)	(4,699)	(3,616)	(4,699)
Profit for the period	360,852	265,812	360,852	265,812

For consolidation and amalgamation with the conventional operations, net income from Islamic Banking Scheme comprises the following items:

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Income derived from investment of depositors' funds	1,485,289	1,595,524	1,485,289	1,595,524
Income derived from investment of investment account funds	317,903	-	317,903	-
Income derived from investment of Islamic Banking Funds	85,106	83,840	85,106	83,840
Total income before allowances for impairment losses on financing and advances and overhead expenses	1,888,298	1,679,364	1,888,298	1,679,364
Profit distributed to depositors	(843,400)	(930,751)	(843,400)	(930,751)
Profit distributed to investment account holders	(207,385)	-	(207,385)	-
	837,513	748,613	837,513	748,613
Finance cost	(33,942)	(23,298)	(33,942)	(23,298)
Net of intercompany income and expenses	174,369	207,433	174,369	207,433
Income from Islamic Banking Scheme	977,940	932,748	977,940	932,748

A39b. Unaudited Statements of Comprehensive Income for the First Quarter Ended 31 March 2016

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Profit for the period	360,852	265,812	360,852	265,812
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to profit or loss				
Defined benefit plan actuarial gain	336	-	336	-
Income tax effect	(84)	-	(84)	-
	252	-	252	-
Items that may be reclassified subsequently to profit or loss				
Net loss on foreign exchange translation	(259,822)	(26,856)	(259,822)	(26,856)
Net gain on financial investments available-for-sale	127,327	67,475	127,327	67,475
Income tax effect	(31,952)	(16,869)	(31,952)	(16,869)
	(164,447)	23,750	(164,447)	23,750
Other comprehensive (loss)/income for the period, net of tax	(164,195)	23,750	(164,195)	23,750
Total comprehensive income for the period	196,657	289,562	196,657	289,562

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39c. Unaudited Statement of Financial Position as at 31 March 2016

<u>Group</u>	Note	31 March 2016 RM'000	31 December 2015 RM'000
ASSETS			
Cash and short-term funds		11,621,563	8,844,863
Deposits and placements with financial institutions		998,253	12,448
Financial investments portfolio		9,833,326	9,468,692
Financing and advances	A39e	131,549,873	131,205,884
Derivative assets		470,984	497,905
Other assets		4,367,394	4,105,053
Statutory deposit with central banks		3,141,000	3,834,000
Property, plant and equipment		701	889
Intangible assets		76	108
Deferred tax assets		34,156	38,402
Total Assets		162,017,326	158,008,244
LIABILITIES			
Deposits from customers	A39f	103,607,379	106,078,321
Investment accounts of customers	A39g	25,070,819	17,657,893
Deposits and placements from financial institutions		20,413,382	21,350,738
Financial liabilities at fair value through profit or loss	A39h	231,977	-
Bills and acceptances payable		120,006	33,556
Derivatives liabilities		499,129	587,772
Other liabilities		424,349	398,687
Provision for taxation and zakat		27,742	24,419
Subordinated sukuk	A39i	2,540,802	2,527,960
Total Liabilities		152,935,585	148,659,346
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		473,210	1,194,821
Share premium		4,658,233	4,658,233
Retained profits		3,142,421	2,728,172
Other reserves		807,877	767,672
		9,081,741	9,348,898
Total Liabilities and Islamic Banking Capital Funds		162,017,326	158,008,244
COMMITMENTS AND CONTINGENCIES		47,655,943	49,744,091

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the First Quarter Ended 31 March 2016

<u>Group</u>	←----- Non-distributable ----->										Total RM'000
	Islamic Banking Funds RM'000	Share Premium RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	Statutory Reserve RM'000	*Equity contribution from the holding company RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Regulatory Reserve RM'000	Distributable Retained Profits RM'000	
At 1 January 2016	1,194,821	4,658,233	(104,493)	(3,719)	409,672	1,697	34,456	(190)	430,249	2,728,172	9,348,898
Profit for the period	-	-	-	-	-	-	-	-	-	360,852	360,852
Other comprehensive income/(loss)	-	-	95,375	(259,822)	-	-	-	252	-	-	(164,195)
Net loss on foreign exchange translation	-	-	-	(259,822)	-	-	-	-	-	-	(259,822)
Net gain on financial investments available-for-sale	-	-	95,375	-	-	-	-	-	-	-	95,375
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	252	-	-	252
Total comprehensive income/ (loss) for the period	-	-	95,375	(259,822)	-	-	-	252	-	360,852	196,657
Transfer (to)/from conventional banking operations	(721,611)	-	-	263,350	-	-	-	-	-	(5,553)	(463,814)
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	(58,950)	58,950	-
At 31 March 2016	473,210	4,658,233	(9,118)	(191)	409,672	1,697	34,456	62	371,299	3,142,421	9,081,741

* This equity contribution reserve from holding company is pertaining to waiver of intercompany balance between respective subsidiaries and its holding company.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the First Quarter Ended 31 March 2016 (cont'd.)

<u>Group</u>	←----- Non-distributable -----→										<u>Total</u> RM'000
	<u>Islamic Banking Funds</u> RM'000	<u>Share Premium</u> RM'000	<u>Available-for-sale Reserve</u> RM'000	<u>Exchange Fluctuation Reserve</u> RM'000	<u>Statutory Reserve</u> RM'000	<u>*Equity contribution from the holding company</u> RM'000	<u>Profit Equalisation Reserve</u> RM'000	<u>Defined Benefit Reserve</u> RM'000	<u>Regulatory Reserve</u> RM'000	<u>Distributable Retained Profits</u> RM'000	
At 1 January 2015	1,175,774	4,099,344	(99,618)	1,830	409,672	1,697	34,456	(190)	274,500	2,470,137	8,367,602
Profit for the period	-	-	-	-	-	-	-	-	-	265,812	265,812
Other comprehensive income/(loss)	-	-	50,606	(26,856)	-	-	-	-	-	-	23,750
Net loss on foreign exchange translation	-	-	-	(26,856)	-	-	-	-	-	-	(26,856)
Net gain on financial investments available-for-sale	-	-	50,606	-	-	-	-	-	-	-	50,606
Total comprehensive income/ (loss) for the period	-	-	50,606	(26,856)	-	-	-	-	-	265,812	289,562
Transfer (to)/from conventional banking operations	(34,786)	-	-	25,180	-	-	-	-	-	3,449	(6,157)
At 31 March 2015	1,140,988	4,099,344	(49,012)	154	409,672	1,697	34,456	(190)	274,500	2,739,398	8,651,007

* This equity contribution reserve from holding company is pertaining to waiver of intercompany balance between respective subsidiaries and its holding company.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances

Group	Bai[^]	Murabahah	Musyarakah	Al-Ijarah Thumma	Ijarah	Istisna'	Others	Total Financing and Advances
As at 31 March 2016	RM'000	RM'000	RM'000	Al-Bai (AITAB) RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	4,077,013	-	-	-	-	-	4,077,013
Term financing								
- Housing financing	20,251,145	57,261,816	2,683,785	-	-	-	-	80,196,746
- Syndicated financing	-	830,459	-	-	-	-	-	830,459
- Hire purchase receivables	-	-	-	34,918,772	-	-	-	34,918,772
- Other term financing	31,914,918	61,212,565	1,605,105	-	489,929	153,477	52,057	95,428,051
Bills receivables	-	3,570	-	-	-	-	4,733	8,303
Trust receipts	-	214,126	-	-	-	-	-	214,126
Claims on customers under acceptance credits	-	4,032,191	-	-	-	-	-	4,032,191
Staff financing	823,838	1,205,883	11,538	144,877	-	-	39,455	2,225,591
Credit card receivables	-	-	-	-	-	-	648,312	648,312
Revolving credit	-	9,847,945	-	-	-	-	-	9,847,945
	52,989,901	138,685,568	4,300,428	35,063,649	489,929	153,477	744,557	232,427,509
Unearned income								(99,839,674)
Gross financing and advances ^{^^}								132,587,835
Allowances for impaired financing and advances:								
- Individual allowance								(249,929)
- Collective allowance								(788,033)
Net financing and advances								131,549,873

[^] Bai' comprises of Bai-Bithaman Ajil, Bai Al-Inah and Bai-Al-Dayn

^{^^} Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Account of customers ("IA").

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances (cont'd.)

Group	Bai[^]	Murabahah	Musyarakah	Al-Ijarah	Ijarah	Istisna'	Others	Total
As at 31 December 2015	RM'000	RM'000	RM'000	Al-Bai (AITAB)	RM'000	RM'000	RM'000	Financing
				Thumma				and
				RM'000				Advances
								RM'000
Cashline	-	3,780,361	-	-	-	-	-	3,780,361
Term financing								
- Housing financing	20,673,308	55,978,143	2,729,517	-	-	-	-	79,380,968
- Syndicated financing	-	851,727	-	-	-	-	-	851,727
- Hire purchase receivables	-	-	-	35,493,985	-	-	-	35,493,985
- Other term financing	36,303,372	58,582,281	1,643,176	-	527,534	158,480	51,430	97,266,273
Bills receivables	-	905	-	-	-	-	290	1,195
Trust receipts	-	164,745	-	-	-	-	-	164,745
Claims on customers under acceptance credits	-	4,368,353	-	-	-	-	-	4,368,353
Staff financing	856,469	1,133,622	12,088	145,427	-	-	43,171	2,190,777
Credit card receivables	-	-	-	-	-	-	624,865	624,865
Revolving credit	-	9,931,330	-	-	-	-	-	9,931,330
	<u>57,833,149</u>	<u>134,791,467</u>	<u>4,384,781</u>	<u>35,639,412</u>	<u>527,534</u>	<u>158,480</u>	<u>719,756</u>	<u>234,054,579</u>
Unearned income								(101,736,143)
Gross financing and advances ^{^^}								<u>132,318,436</u>
Allowances for impaired financing and advances:								
- Individual allowance								(356,555)
- Collective allowance								(755,997)
Net financing and advances								<u>131,205,884</u>

[^] Bai' comprises of Bai-Bithaman Ajil, Bai Al-Inah and Bai-Al-Dayn

^{^^} Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Account of customers ("IA").

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances (cont'd.)

(i) Movements in the impaired financing and advances ("impaired financing") are as follows:

<u>Group</u>	31 March 2016 RM'000	31 December 2015 RM'000
Gross impaired financing at 1 January 2016/2015	1,065,972	697,954
Newly impaired	213,408	1,026,496
Reclassified as non-impaired	(82,575)	(362,515)
Amount recovered	(130,224)	(122,687)
Amount written-off	(29,428)	(171,412)
Converted to financial investments available-for-sale	-	(1,864)
Gross impaired financing at 31 March 2016/31 December 2015	<u>1,037,153</u>	<u>1,065,972</u>
Less: Individual allowance	<u>(249,929)</u>	<u>(356,555)</u>
Net impaired financing at 31 March 2016/31 December 2015	<u>787,224</u>	<u>709,417</u>
 <u>Calculation of ratio of net impaired financing :</u>		
Gross financing and advances (excluding financing funded by RPSIA and IA)	100,253,063	103,795,391
Less: Individual allowance	<u>(249,929)</u>	<u>(356,555)</u>
Net financing and advances	<u>100,003,134</u>	<u>103,438,836</u>
 Net impaired financing as a percentage of net financing and advances	 <u>0.79%</u>	 <u>0.69%</u>

(ii) Movements in the allowances for impaired financing are as follows:

<u>Group</u>	31 March 2016 RM'000	31 December 2015 RM'000
<u>Individual allowance</u>		
At 1 January 2016/2015	356,555	212,945
Allowance made	12,917	241,304
Amount written back in respect of recoveries	(22,424)	(21,544)
Amount written-off	(87,825)	(78,116)
Transferred to collective allowance	(1,258)	(7,422)
Exchange differences	(8,036)	9,388
At 31 March 2016/31 December 2015	<u>249,929</u>	<u>356,555</u>
 <u>Collective allowance</u>		
At 1 January 2015/2016	755,997	611,779
Allowance made *	57,750	228,408
Amount written-off	(26,624)	(93,296)
Transferred from individual allowance	1,258	7,422
Exchange differences	(348)	1,684
At 31 March 2016/31 December 2015	<u>788,033</u>	<u>755,997</u>
 As a percentage of gross financing and advances (excluding financing funded by RPSIA and IA) less individual allowance (including Regulatory Reserve)	 <u>1.21%</u>	 <u>1.19%</u>

* As at 31 March 2016, the gross exposure of the financing funded by RPSIA was RM9,856.4 million (31 December 2015: RM10,999.0 million). The collective allowance relating to these financing amounting to RM79.0 million (31 December 2015: RM77.1 million) is recognised in the Group's conventional banking operations. There is no individual allowance provided on this RPSIA financing.

The gross exposure of the financing funded by IA as at 31 March 2016 was RM25,070.8 million (31 December 2015: RM17,657.9 million). The related individual allowance and collective allowance related to financing funded by IA are not included in the financial statements of the Group.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39f. Deposits from Customers

<u>Group</u>	31 March 2016 RM'000	31 December 2015 RM'000
Savings deposit		
Wadiah	13,026,164	12,173,656
	<u>13,026,164</u>	<u>12,173,656</u>
Demand deposit		
Wadiah	16,687,184	17,351,539
Mudharabah	11,799	11,980
	<u>16,698,983</u>	<u>17,363,519</u>
Term deposit		
Murabahah	73,166,344	75,261,088
Negotiable Islamic Debt Certificated (NIDC)		
- Bai al-inah	88,952	144,083
Hybrid (Bai' Bithaman Ajil and Murabahah)*	444,306	926,030
General investment account		
- Mudharabah	182,630	209,945
	<u>73,882,232</u>	<u>76,541,146</u>
Total deposits from customers	<u>103,607,379</u>	<u>106,078,321</u>

* Hybrid term deposits are structured deposits which are Ringgit Malaysia time deposits with embedded foreign currency exchange option, commodity-linked time deposits and profit rate options.

A39g. Investment accounts of customers

(i) Unrestricted investment account analysed by maturity portfolio are as follows:

<u>Group</u>	31 March 2016 RM'000	31 December 2015 RM'000
Unrestricted investment account		
<u>Mudharabah</u>		
- without maturity	7,103,629	5,664,558
- with maturity	17,967,190	11,993,335
Total investment accounts of customers	<u>25,070,819</u>	<u>17,657,893</u>

(ii) The allocations of investment asset are as follows:

<u>Group</u>	31 March 2016 RM'000	31 December 2015 RM'000
Unrestricted Investment		
Retail financing	20,575,150	13,691,213
Non-retail financing	4,495,669	3,832,880
Marketable securities	-	133,800
Total Investment	<u>25,070,819</u>	<u>17,657,893</u>

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39g. Investment accounts of customers (cont'd.)

(iii) Profit sharing ratio and rate of return are as follows:

	<u>Investment account holder</u>	
	<u>Average profit sharing ratio (%)</u>	<u>Average rate of return (%)</u>
31 March 2016		
Investment accounts of customers	<u>67</u>	<u>3.66</u>
31 December 2015		
Investment accounts of customers	<u>64</u>	<u>3.47</u>

A39h. Financial liabilities at fair value through profit or loss

<u>Group</u>	31 March 2016 RM'000	31 December 2015 RM'000
Structured deposits	<u>231,977</u>	<u>-</u>

The Group and the Bank have designated the above structured deposits and borrowings at fair value through profit or loss ("FVTPL"). This designation is permitted under MFRS 139 - *Financial Instruments: Recognition and Measurement* as it significantly reduces accounting mismatch. These instruments are managed by the Group and the Bank on the basis of its fair value and include terms that have substantive derivative characteristics.

A39i. Subordinated Sukuk

<u>Group</u>	31 March 2016 RM'000	31 December 2015 RM'000
RM1.0 billion Islamic subordinated Sukuk due in 2021	-	1,010,782
RM1.5 billion Islamic subordinated Sukuk Murabahah due in 2024	1,534,942	1,517,178
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2026	1,005,860	-
	<u>2,540,802</u>	<u>2,527,960</u>

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Part B: Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Performance Review

(i) Current Period-to-Date vs Previous Corresponding Period-to-Date

The Group posted profit after tax attributable to equity holders of RM1,426.8 million for the three-month financial period ended 31 March 2016, a decrease of RM273.6 million or 16.1% compared to the previous corresponding three-month financial period ended 31 March 2015.

The Group's net interest income and Islamic Banking income for the three-month financial period ended 31 March 2016 increased by RM342.9 million or 9.7% to RM3,880.6 million compared to the previous corresponding three-month financial period ended 31 March 2015. This was largely due to the year-on-year growth in the Group's gross loans, advances and financing.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM181.5 million to RM1,168.6 million for the three-month financial period ended 31 March 2016 compared to the previous corresponding three-month financial period ended 31 March 2015.

Other operating income of the Group for the three-month financial period ended 31 March 2016 was RM1,666.4 million, an increase of RM105.8 million or 6.8% from RM1,560.6 million in the previous corresponding three-month financial period ended 31 March 2015. The increase was mainly attributable to unrealised mark-to-market gain on revaluation of financial assets at FVTPL, derivatives and financial liabilities at FVTPL of RM105.5 million, compared to unrealised mark-to-market loss on revaluation of financial assets at FVTPL and derivatives of RM112.7 million in the previous corresponding three-month financial period ended 31 March 2015 and higher gain on disposal of property, plant and equipment of RM26.2 million. The increase was, however, offset by lower foreign exchange gain of RM96.5 million and lower fee income of RM36.3 million.

The Group's overhead expenses for the three-month financial period ended 31 March 2016 recorded an increase of RM130.9 million or 5.3% to RM2,620.2 million compared to the previous corresponding three-month financial period ended 31 March 2015. The increase in overhead expenses was mainly due to higher administration and general expenses of RM69.9 million and higher information technology expenses of RM67.7 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts increased by RM617.1 million to RM865.1 million for the three-month financial period ended 31 March 2016. The increase was mainly due to higher collective allowance ("CA") made and lower bad debts and financing recovered during the three-month financial period ended 31 March 2016. The Group's CA ratio (including Regulatory Reserve) was 1.20% as at 31 March 2016, compared to 1.19% as at 31 December 2015.

The Group posted an allowance for impairment losses on financial investments of RM13.3 million for the three-month financial period ended 31 March 2016 compared to RM50.7 million in the previous corresponding three-month financial period ended 31 March 2015.

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B1. Performance Review (cont'd.)

(i) Current Period-to-Date vs Previous Corresponding Period-to-Date (cont'd.)

The Group's profit before tax for the three-month financial period ended 31 March 2016 compared to the corresponding three-month financial period ended 31 March 2015 is further segmented based on the operating segments of the Group as follows:

Group Community Financial Services ("Group CFS")

Group CFS's profit before tax increased by RM146.7 million or 15.3% to RM1,099.7 million for the three-month financial period ended 31 March 2016 from RM953.7 million for the previous corresponding three-month financial period ended 31 March 2015. The increase was driven by higher net interest income and Islamic Banking income of RM364.1 million. The increase was, however, offset by higher allowance for impairment losses on loans, advances, financing and other debts of RM103.8 million, higher overhead expenses of RM95.5 million and lower other operating income of RM18.8 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets profit before tax decreased by RM131.8 million or 9.7% to RM1,227.4 million for the three-month financial period ended 31 March 2016 from RM1,359.2 million for the previous corresponding three-month financial period ended 31 March 2015. The decrease was driven by higher allowance for impairment losses on loans, advances, financing and other debts of RM519.2 million and higher overhead expenses of RM34.6 million. The decrease was, however, mitigated by higher other operating income of RM361.4 million and higher net interest income and Islamic Banking income of RM64.7 million.

b) Group Investment Banking (Maybank IB and Maybank Kim Eng)

Group Investment Banking's profit before tax increased by RM36.5 million or 60.6% to RM96.7 million for the three-month financial period ended 31 March 2016 from RM60.2 million for the previous corresponding three-month financial period ended 31 March 2015. The increase was mainly due to higher other operating income of RM34.5 million and higher net interest income and Islamic Banking income of RM23.0 million. The increase was, however, offset by higher overhead expenses by RM20.6 million.

c) Group Asset Management

Group Asset Management reported a loss before tax of RM19.9 million for the three-month financial period ended 31 March 2016, compared to profit before tax of RM4.9 million in the previous corresponding three-month financial period ended 31 March 2015. The loss was mainly due to lower other operating income of RM35.0 million. The loss was, however, mitigated by writeback of allowance for impairment losses on financial investments of RM4.8 million and lower overhead expenses of RM6.7 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before tax increased by RM77.6 million or 98.2% to RM156.6 million for the three-month financial period ended 31 March 2016 from RM79.0 million for the previous corresponding three-month financial period ended 31 March 2015. The increase was contributed mainly by higher net earned insurance premiums of RM181.5 million, higher other operating income of RM64.3 million, lower allowance for impairment losses on financial investments of RM34.0 million and lower overhead expenses of RM13.0 million. The increase was, however, offset by higher net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM226.0 million.

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B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's profit after tax attributable to equity holders in this quarter ended 31 March 2016 decreased by RM225.3 million or 13.6% to RM1,426.8 million against the preceding quarter ended 31 December 2015.

The Group's net interest income for the quarter ended 31 March 2016 decreased by RM29.8 million to RM2,902.6 million against the preceding quarter of RM2,932.4 million. Income from Islamic Banking Scheme operations increased by RM23.7 million to RM977.9 million for the quarter ended 31 March 2016 compared to RM954.2 million in the preceding quarter ended 31 December 2015.

The Group's net earned insurance premiums for the quarter ended 31 March 2016 increased by RM17.9 million to RM1,168.6 million compared to RM1,150.7 million in the preceding quarter ended 31 December 2015.

Other operating income of the Group for the quarter ended 31 March 2016 increased by RM15.1 million to RM1,666.4 million compared to RM1,651.3 million in the preceding quarter ended 31 December 2015. The increase was mainly due to net foreign exchange gain of RM326.2 million, compared to net foreign exchange loss of RM43.5 million in the preceding quarter ended 31 December 2015, higher net gain on disposal of financial investments available-for-sale of RM91.3 million and higher net gain on disposal of financial assets at FVTPL of RM38.2 million. This increase was, however, offset by lower unrealised mark-to-market gain on revaluation of financial assets at FVTPL, derivatives and financial liabilities at FVTPL of RM143.8 million, lower fee income of RM168.5 million and lower net gain on disposal of property, plant and equipment of RM129.2 million.

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund increased by RM249.9 million to RM1,323.8 million for the quarter ended 31 March 2016 compared to RM1,073.9 million in the preceding quarter ended 31 December 2015. The increase was mainly due to higher net insurance benefits and claims incurred of RM266.8 million.

The Group's overhead expenses decreased by RM155.5 million or 5.6% to RM2,620.2 million for the quarter ended 31 March 2016 compared to RM2,775.7 million in the preceding quarter ended 31 December 2015. The decrease was mainly due to lower personnel expenses of RM172.5 million. The decrease was, however, offset by higher administration and general expenses of RM22.2 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts increased by RM398.4 million to RM865.1 million in the quarter ended 31 March 2016 compared to RM466.7 million in the preceding quarter ended 31 December 2015. The increase was mainly due to higher collective allowance of RM902.5 million, mitigated by lower individual allowance of RM553.4 million.

The Group's allowance for impairment losses on financial investments decreased by RM41.9 million to RM13.3 million for the quarter ended 31 March 2016 compared to RM55.2 million in the preceding quarter ended 31 December 2015.

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B3. Prospects

The real world GDP growth is forecast to remain at 3.1% in 2016, underpinned by steady US growth in the midst of struggling growth in Eurozone and Japan, and uneven performances in the large emerging economies. India is maintaining steady growth while China's growth is slowing and Brazil and Russia are in recessions.

Growth is expected to firm up slightly in the Asian NIEs (2016E: 2.3%; 2015: 2.1%) and the ASEAN-5 (2016E: 5.3%; 2015: 4.8%) as monetary and fiscal policy stimulus boost domestic demand. The performance however is uneven across the region with pick up in South Korea, Indonesia, Thailand and Philippines, but reduced moderate growth in Malaysia, Singapore, Hong Kong, Taiwan and Vietnam.

In Maybank Group's three home markets of Malaysia, Singapore and Indonesia, the expectation is that real GDP growth will undergo a more mixed trend.

Malaysia's real GDP growth is expected to ease to 4.3% (2015: 5.0%) on slower domestic demand from moderating consumer spending and private investment. However, public investment is expected to be sustained on the continuation of existing and rollout of new major infrastructure and investment projects. This is following revisions to the Budget 2016 in response to the fall in crude oil price. There is also the possibility of a 25 bps cut in the Overnight Policy Rate ("OPR") from the current 3.25% despite higher inflation at 2.7%-3.2% (2015: 2.1%) as Bank Negara Malaysia leans towards supporting growth. Further loans growth moderation in Malaysia is likely to continue to about 6%-7% in 2016 from 7%-8% in 2015, on the back of easing household loans growth. Maybank Malaysia loans growth is expected to track industry loans growth and the Group will continue to intensify its activities.

In Singapore, real GDP growth is expected to slow down to 1.7% in 2016 (2015: 2.0%). Growth is affected by the ongoing restructuring of the economy to reduce reliance on foreign labour and promote productivity, lower crude oil price effect on oil-related activities, and the slowdown in China that affects trade flow of manufacturing activities. Nonetheless, services and construction are expected to be supportive of growth amid expectations of further easing in the Monetary Authority of Singapore's policy stance, supportive Budget 2016 and the potential reversal of property cooling measures. Maybank Singapore will focus on expanding its wealth management business, accelerate fee income by leveraging on cash management and trade products while increasing collaboration with Maybank Kim Eng and Etiqa to drive investment banking and bancassurance income.

Indonesia's real GDP growth projection for 2016 is at 5.2% (2015: 4.8%), driven by higher government expenditure, economic stimulus and reform packages. Potential rate cuts of up to a total 125bps are also anticipated to spur infrastructure investment and consumer spending. PT Bank Maybank Indonesia (BMI) will focus on higher margin segments in growing its retail and business banking segments, accelerating fee income from transaction banking and cash management, and enhancing its synergy with other Maybank entities in Indonesia.

Building on its franchise across ASEAN, the Group's strategic priorities for 2016 will be to accelerate fee income growth, increase cross-sell and collaboration, improve network productivity, enhance automation and operational excellence, and invest in digital initiatives. Operationally, the Group will also continue to strengthen its balance sheet by managing liquidity and safeguarding asset quality while continued focus will be placed on preserving margins. The Group also seeks to maintain strong capital levels, well above regulatory requirements.

Barring any unforeseen circumstances, the Group expects its financial performance for 2016 to be satisfactory in a more challenging regional environment. The Group has set two Headline Key Performance Indicators ("KPI") of Return on Equity ("ROE") of 11%-12% and Group Loans Growth of 8%-9%.

B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee during the first quarter ended 31 March 2016.

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B5. Taxation and Zakat

The analysis of the tax expense for the first quarter ended 31 March 2016 are as follows:

<u>Group</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Malaysian income tax	272,664	389,804	272,664	389,804
Foreign income tax	30,102	58,235	30,102	58,235
	302,766	448,039	302,766	448,039
(Over)/under provision in respect of prior period:				
Malaysian income tax	(1,308)	(67)	(1,308)	(67)
Foreign income tax	(4,893)	83	(4,893)	83
	296,565	448,055	296,565	448,055
Deferred tax				
- Relating to origination and reversal of temporary differences	179,021	75,503	179,021	75,503
	179,021	75,503	179,021	75,503
Tax expense for the financial period	475,586	523,558	475,586	523,558
Zakat	4,858	6,446	4,858	6,446
	480,444	530,004	480,444	530,004

The Group's effective tax rate for the first quarter ended 31 March 2016 was higher than the statutory tax rate due to effects of certain non-deductible expenses.

<u>Bank</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Malaysian income tax	180,121	279,782	180,121	279,782
Foreign income tax	828	1,333	828	1,333
	180,949	281,115	180,949	281,115
Under/(over) provision in respect of prior period:				
Foreign income tax	27	(66)	27	(66)
	180,976	281,049	180,976	281,049
Deferred tax				
- Relating to origination and reversal of temporary differences	122,396	79,173	122,396	79,173
	122,396	79,173	122,396	79,173
Tax expense for the financial period	303,372	360,222	303,372	360,222
Zakat	-	-	-	-
	303,372	360,222	303,372	360,222

The Bank's effective tax rate for the first quarter ended 31 March 2016 was lower than the statutory tax rate due to certain income not subject to tax.

Domestic income tax for the Bank is calculated at the Malaysian statutory tax rate of 24% (31 March 2015: 25%) of the estimated chargeable profit for the financial year. Taxation for foreign subsidiaries in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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B6. Status of Corporate Proposals Announced but Not Completed

There are no corporate proposals announced but not completed during the first quarter ended 31 March 2016 .

B7. Status of Utilisation of Proceeds Raised from Corporate Proposal

The proceeds raised from the issuance of subordinated obligations and capital securities have been used for working capital, general banking and other corporate purposes, as intended.

B8. Deposits from Customers, Investment Accounts, Deposit and Placements from Financial Institutions and Debt Securities

Please refer to Note A14, A15, A16, A17 and A39g.

B9. Derivative Financial Instruments

Please refer to Note A36.

B10. Changes in Material Litigation

- (a) A corporate borrower had issued a writ of summons and statement of claim against a subsidiary, Maybank Investment Bank Berhad ("Maybank IB"), in 2005 in the latter's capacity as agent bank for three financial institutions, claiming general, special and exemplary damages arising from alleged breach of duty owed by Maybank IB in connection with a syndicated facility.

The credit facilities consisted of a bridging loan of RM58.5 million and a revolving credit facility of RM4.0 million which were granted by Maybank IB and the three syndicated lenders. Maybank IB's rights as lender were subsequently vested to Malayan Banking Berhad, one of the other three syndicated lenders. Maybank IB retained its agency role. The loan was subsequently restructured to RM38.0 million with terms for repayment. In 2006, Maybank IB and the three syndicated lenders filed a suit against the corporate borrower and a guarantor for the recovery of the said credit facilities. The two claims were heard together.

The High Court on 6 May 2009 entered judgment against Maybank IB (as agent for the syndicated lenders) and the syndicated lenders for, inter alia, a sum of RM115.5 million with interest at 6% per annum from date of disbursement to realisation, with the balance of the corporate borrower's claim (including general damages) ordered to be assessed at a later date ("Judgment"). In the same Judgment, the recovery action by Maybank IB and the three syndicated lenders was also dismissed.

Maybank IB and the three syndicated lenders then filed an appeal against the Judgment ("Appeal") and an application for stay of execution of the Judgment on 8 May 2009. On 24 June 2009, Maybank IB and the three syndicated lenders successfully obtained a stay order for execution of the Judgment pending the disposal of the Appeal against the Judgment. The corporate borrower's appeal to the Court of Appeal against the decision on the stay order was dismissed on 23 November 2009.

The Appeal came up for hearing on 10 February 2012, wherein all parties agreed for the matter to be mediated. As the parties could not come to any consensus at the mediation on 9 March 2012, they proceeded with the Appeal which concluded on 23 January 2013.

On 27 September 2013, the Court of Appeal delivered its judgment in favour of Maybank IB and the three syndicated lenders, allowing the Appeal with costs of RM120,000. Judgment was entered against the corporate borrower and its guarantor for the sum of RM47,232,496.11 as at 30 September 2008 with interest of 2% per annum from 1 Oct 2008 until full settlement. The Court of Appeal also directed payment of Maybank IB's agency fees of RM50,000 as at 1 June 2008 and subsequent annual fees of RM50,000 to be paid every 1st June with interest of 8% per annum thereon from 2 June 2008 until full settlement.

On 25 October 2013, the corporate borrower and its guarantor filed a motion for leave to appeal to the Federal Court in respect of the decision of the Court of Appeal against the corporate borrower and its guarantor dated 27 September 2013.

On 29 January 2014, the Federal Court dismissed the leave application. On 20 November 2014, the corporate borrower and its guarantor filed a motion to the Federal Court for the Federal Court to review and set aside its own decision in dismissing the leave application on 29 January 2014 ('Review Application'). The Review Application was heard by the Federal Court on 3 December 2015 and was unanimously dismissed with costs of RM20,000. On 3 February 2016, the corporate borrower and its guarantor filed a motion to the Court of Appeal for the Court of Appeal to review the COA Decision ('Court of Appeal Review Application'). After several adjournments, the Court of Appeal Review Application has now been fixed for hearing on 16 June 2016.

The actions for recovery of the loan sums will still continue as there is no stay of the Court of Appeal decision on 27 September 2013 in favour of Maybank IB.

The corporate borrower has been wound up by way of an order filed in the Court of Appeal and an Official Receiver has been appointed as liquidator of the corporate borrower. On 3 March 2015, the corporate borrower had obtained a stay of the Court of Appeal's winding-up order pending disposal of its application to the Federal Court for leave to appeal against the winding-up order.

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B11. Disclosure of Realised and Unrealised Retained Earnings

The breakdown of the retained profits of the Group as at the statements of financial position date into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on 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*, as issued by the Malaysian Institute of Accountants.

	31 March 2016 RM'000	31 December 2015 RM'000
Retained profits of the Group:		
- Realised	13,355,067	12,458,038
- Unrealised	265,982	(473,742)
- in respect of deferred tax recognised in the income statement	(183,108)	(18,879)
- in respect of other items of income and expense	449,090	(454,863)
	13,621,049	11,984,296
Share of retained profits from associates and joint ventures:		
- Realised	548,005	509,815
- Unrealised	-	-
	548,005	509,815
Consolidation adjustments	371,441	338,893
Total Group's retained profits	14,540,495	12,833,004

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B12. Dividend

No interim dividend has been recommended during the first quarter ended 31 March 2016.

B13. Earnings Per Share ("EPS")

Basic EPS

The basic EPS of the Group is calculated by dividing the net profit for the quarter/period attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the period.

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Net profit for the quarter/period attributable to equity holders of the Bank (RM'000)	1,426,751	1,700,385	1,426,751	1,700,385
Weighted average number of ordinary shares in issue ('000)	9,748,034	9,307,120	9,748,034	9,307,120
Basic earnings per share	14.64 sen	18.27 sen	14.64 sen	18.27 sen

Diluted EPS

The diluted EPS of the Group is calculated by dividing the net profit for the quarter/period attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue, which has been adjusted for the number of ordinary shares that could have been issued under the Maybank Group Employee Share Scheme ("ESS").

In the diluted EPS calculation, it was assumed that certain number of ordinary shares under the ESS relating to the RSU are vested and awarded to employees through issuance of additional ordinary shares. A calculation is done to determine the number of ordinary shares that could have been issued at fair value (determined as the average price of the Bank's ordinary shares during the quarter/period) based on the monetary value of the ESS entitlement attached to the outstanding RSU granted. This calculation serves to determine the number of dilutive ordinary shares to be added to the weighted average ordinary shares in issue for the purpose of computing the dilution. No adjustment is made to the net profit for the quarter/period.

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Net profit for the quarter/period attributable to equity holders of the Bank (RM'000)	1,426,751	1,700,385	1,426,751	1,700,385
Weighted average number of ordinary shares in issue ('000)	9,748,034	9,307,120	9,748,034	9,307,120
Effects of dilution ('000)	131	195	800	1,544
Adjusted weighted average number of ordinary shares in issue ('000)	9,748,165	9,307,315	9,748,834	9,308,664
Diluted earnings per share	14.64 sen	18.27 sen	14.64 sen	18.27 sen

By Order of the Board

Wan Marzimin Wan Muhammad
LS0009924
Company Secretary
27 May 2016