

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	The Group		The Company	
		30 June 2016 RM'000	31 December 2015 RM'000	30 June 2016 RM'000	31 December 2015 RM'000
ASSETS					
Cash and short-term funds		31,613,250	29,318,830	370,581	59,573
Reverse repurchase agreements		7,076,264	9,714,112	-	-
Deposits and placements with banks and other financial institutions		2,913,730	1,829,482	556	-
Financial assets held for trading	A8	24,633,089	20,680,266	-	-
Derivative financial instruments	A23	10,312,318	11,708,849	-	74
Financial investments available-for-sale	A9	31,735,476	32,767,548	1,009,793	-
Financial investments held-to-maturity	A10	27,919,779	25,759,169	2,002,258	2,002,540
Loans, advances and financing	A11	290,063,744	290,295,664	-	-
Other assets	A12	19,904,025	17,666,142	788	440
Tax recoverable		83,494	70,042	33,562	35,687
Deferred tax assets		304,898	366,653	974	-
Statutory deposits with central banks		7,868,015	7,699,821	-	-
Investment in subsidiaries		-	-	27,350,235	27,400,205
Investment in associates and joint ventures		1,130,718	1,037,448	3,834	3,834
Property, plant and equipment		2,008,476	2,403,016	1,519	1,629
Investment properties		1,120	1,120	444	453
Prepaid lease payments		119,527	125,402	-	-
Goodwill		8,202,960	8,297,486	-	-
Intangible assets		2,051,959	1,820,593	-	-
		467,942,842	461,561,643	30,774,544	29,504,435
Non-current assets held for sale		15,500	15,500	10,925	10,925
TOTAL ASSETS		467,958,342	461,577,143	30,785,469	29,515,360
LIABILITIES AND EQUITY					
Deposits from customers	A13	315,998,036	317,423,581	-	-
Placements from investment accounts	A14	243,200	232,716	-	-
Deposits and placements of banks and other financial institutions	A15	28,852,928	23,691,950	-	-
Repurchase agreements		7,738,431	8,527,463	-	-
Financial liabilities designated at fair value	A16	4,723,781	4,952,771	-	-
Derivative financial instruments	A23	10,711,511	12,139,849	-	-
Bills and acceptances payable		2,335,509	2,328,959	-	-
Other liabilities	A17	16,502,403	13,984,681	4,088	7,196
Recourse obligation on loans and financing sold to Cagamas		4,161,054	1,817,816	-	-
Amount owing to a subsidiary		-	-	9	6
Current tax liabilities		227,445	213,278	-	-
Deferred tax liabilities		78,451	22,260	-	277
Bonds and debentures	B7	9,513,591	11,277,176	-	-
Other borrowings	B7	8,815,880	9,037,124	4,172,112	4,672,609
Subordinated obligations	B7	14,499,764	13,694,891	4,997,494	3,992,277
TOTAL LIABILITIES		424,401,984	419,344,515	9,173,703	8,672,365
Ordinary share capital		8,728,860	8,527,272	8,728,860	8,527,272
Reserves		33,634,677	32,524,112	12,882,949	12,315,766
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(43)	(43)	(43)
		42,362,931	41,050,778	21,611,766	20,842,995
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		993,427	981,850	-	-
TOTAL EQUITY		43,556,358	42,232,628	21,611,766	20,842,995
TOTAL EQUITY AND LIABILITIES		467,958,342	461,577,143	30,785,469	29,515,360
COMMITMENTS AND CONTINGENCIES	A24	942,823,820	883,583,439	-	500,000
Net assets per share attributable to owners of the Parent (RM)		4.85	4.81	2.48	2.44

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	Note	The Group			
		2nd quarter ended		Six months ended	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
		RM'000	RM'000	RM'000	RM'000
Interest income	A18	4,566,157	4,385,267	9,254,183	8,663,128
Interest expense	A19	(2,214,180)	(2,116,567)	(4,518,381)	(4,203,475)
Net interest income		2,351,977	2,268,700	4,735,802	4,459,653
Income from Islamic Banking operations	A28(c)	413,402	398,920	850,913	765,833
Net non-interest income	A20	1,137,692	1,165,807	2,041,674	2,288,268
Overheads	A21	3,903,071	3,833,427	7,628,389	7,513,754
		(2,090,874)	(2,438,805)	(4,227,759)	(4,777,103)
Profit before allowances		1,812,197	1,394,622	3,400,630	2,736,651
Allowance made for impairment losses on loans, advances and financing	A22	(589,479)	(529,922)	(1,054,034)	(1,065,684)
Allowance (made)/written back for impairment losses on other receivables		(17,534)	72	(68,770)	5,498
Allowance (made)/written back for commitments and contingencies		-	(9,383)	-	(9,383)
Allowance made for other impairment losses		(50,084)	(723)	(49,409)	(2,421)
		1,155,100	854,666	2,228,417	1,664,661
Share of results of joint ventures		2,212	917	2,362	(12,171)
Share of results of associates		31,299	28,161	80,961	54,834
Profit before taxation		1,188,611	883,744	2,311,740	1,707,324
Taxation	B4	(312,706)	(231,941)	(606,033)	(465,186)
Profit for the financial period		875,905	651,803	1,705,707	1,242,138
Profit for the financial period attributable to :					
Owners of the Parent		872,826	639,754	1,686,630	1,219,878
Non-controlling interests		3,079	12,049	19,077	22,260
		875,905	651,803	1,705,707	1,242,138
Earnings per share (sen):					
- Basic	B9(a)	10.1	7.5	19.6	14.4
- Fully diluted	B9(b)	N/A	N/A	N/A	N/A

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2016

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	875,905	651,803	1,705,707	1,242,138
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation				
- Actuarial loss	(47,422)	-	(47,422)	-
- Income tax effects	11,758	-	11,758	-
- Currency translation difference	(591)	(8)	792	(819)
	(36,255)	(8)	(34,872)	(819)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	93,428	(94,840)	297,509	81,464
- Net gain/(loss) from change in fair value	150,592	(61,228)	423,589	209,907
- Realised gain transferred to statement of income on disposal and impairment	(43,507)	(42,267)	(95,271)	(100,443)
- Income tax effects	(4,335)	9,339	(42,241)	(30,201)
- Currency translation difference	(9,322)	(684)	11,432	2,201
Net investment hedge	(89,369)	(139,591)	160,639	(391,246)
Hedging reserve - cash flow hedge	16,593	(5,755)	23,268	(7,181)
- Net gain/(loss) from change in fair value	22,742	(6,913)	32,273	(9,248)
- Income tax effects	(6,149)	1,158	(9,005)	2,067
Exchange fluctuation reserve	701,527	(79,185)	(669,424)	504,855
Share of other comprehensive (expense)/income of associates and joint ventures	(2,782)	(6,286)	(1,505)	256
	719,397	(325,657)	(189,513)	188,148
Total other comprehensive income/(expense) for the financial period, net of tax	683,142	(325,665)	(224,385)	187,329
Total comprehensive income for the financial period	1,559,047	326,138	1,481,322	1,429,467
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	1,539,464	320,404	1,468,427	1,398,810
Non-controlling interests	19,583	5,734	12,895	30,657
	1,559,047	326,138	1,481,322	1,429,467

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	Note	The Company			
		2nd quarter ended		Six months ended	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
		RM'000	RM'000	RM'000	RM'000
Interest income	A18	36,301	9,540	64,857	23,274
Interest expense	A19	(107,695)	(76,253)	(212,276)	(153,517)
Net interest expense		(71,394)	(66,713)	(147,419)	(130,243)
Net non-interest income	A20	15,179	752,505	1,047,786	753,381
Overheads	A21	(56,215)	685,792	900,367	623,138
		(7,837)	(3,871)	(6,946)	(5,318)
(Loss)/Profit before taxation		(64,052)	681,921	893,421	617,820
Taxation	B4	(3,481)	(2,522)	(4,981)	(5,962)
(Loss)/Profit for the financial period		(67,533)	679,399	888,440	611,858

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	The Company				
	2nd quarter ended		Six months ended		
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	
		RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the financial period/ Total comprehensive (expense)/income for the financial period		(67,533)	679,399	888,440	611,858

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

The Group
30 June 2016

	← Attributable to owners of the Parent →															
	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2016	8,527,272	10,404,339	6,440,445	137,104	1,085,258	(563)	(43)	(152,566)	(1,519,721)	91,985	1,021,683	15,015,585	41,050,778	200,000	981,850	42,232,628
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,686,630	1,686,630	-	19,077	1,705,707
Other comprehensive (expense)/income (net of tax)	-	-	(329)	-	(652,223)	-	-	285,849	149,040	(540)	-	-	(218,203)	-	(6,182)	(224,385)
- financial investments available-for-sales	-	-	-	-	-	-	-	288,173	-	-	-	-	288,173	-	9,336	297,509
- net investment hedge	-	-	-	-	-	-	-	-	160,639	-	-	-	160,639	-	-	160,639
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	23,273	-	-	-	23,273	-	(5)	23,268
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	(34,872)	-	-	-	(34,872)	-	-	(34,872)
- currency translation difference	-	-	(329)	-	(653,042)	-	-	-	-	(540)	-	-	(653,911)	-	(15,513)	(669,424)
- share of other comprehensive income of associate and joint venture	-	-	-	-	819	-	-	(2,324)	-	-	-	-	(1,505)	-	-	(1,505)
Total comprehensive (expense)/income for the financial period	-	-	(329)	-	(652,223)	-	-	285,849	149,040	(540)	-	1,686,630	1,468,427	-	12,895	1,481,322
Dividend for the financial year ended 31 December 2015	-	-	-	-	-	-	-	-	-	-	-	(937,999)	(937,999)	-	-	(937,999)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,345)	(1,345)
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	69,556	-	-	-	-	-	-	-	-	(69,556)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	139,074	(139,074)	-	-	-	-
Arising from increase in capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	11	(11)	-	-	27	27
Purchase of treasury shares	-	-	-	-	-	-	*	-	-	-	-	-	-	-	-	-
Share-based payment expense	-	-	-	-	-	-	-	-	-	27,625	-	-	27,625	-	-	27,625
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	60,749	(64,869)	-	-	(4,120)	-	-	(4,120)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(56,197)	-	-	-	(56,197)	-	-	(56,197)
Issuance of shares through dividend reinvestment scheme	201,588	612,829	-	-	-	-	-	-	-	-	-	-	814,417	-	-	814,417
At 30 June 2016	8,728,860	11,017,168	6,509,672	137,104	433,035	(563)	(43)	133,283	(1,366,129)	54,201	1,160,768	15,555,575	42,362,931	200,000	993,427	43,556,358

* denote RM478

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

The Group
30 June 2015

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015.

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016**

	← Non-distributable				→	Distributable	
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Retained earnings RM'000	Total RM'000
The Company							
At 1 January 2016	8,527,272	10,404,339	55,982	(43)	-	1,855,445	20,842,995
Profit for the financial period	-	-	-	-	-	888,440	888,440
Other comprehensive income (net of tax) - financial investments available-for-sales	-	-	-	-	3,913	-	3,913
Total comprehensive income for the financial period	-	-	-	-	3,913	888,440	892,353
Second interim dividend for the financial year ended 31 December 2015	-	-	-	-	-	(937,999)	(937,999)
Issuance of shares through dividend reinvestment scheme	201,588	612,829	-	-	-	-	814,417
Purchase of treasury shares	-	-	-	*	-	-	-
At 30 June 2016	8,728,860	11,017,168	55,982	(43)	3,913	1,805,886	21,611,766

* denote RM478

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	The Group		The Company	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Profit before taxation	2,311,740	1,707,324	893,421	617,820
Adjustments for non-operating and non-cash items	1,105,923	996,850	(920,045)	(704,596)
Operating profit/(loss) before changes in working capital	3,417,663	2,704,174	(26,624)	(86,776)
Net changes in operating assets	(4,845,746)	(21,376,831)	(904)	12,651
Net changes in operating liabilities	5,674,561	25,084,141	(208,581)	(6,661)
	828,815	3,707,310	(209,485)	5,990
Cash flows generated from/(used in) operations	4,246,478	6,411,484	(236,108)	(80,786)
Taxation paid	(487,372)	(471,807)	(4,106)	(6,021)
Net cash flows generated from/(used in) operating activities	3,759,106	5,939,677	(240,215)	(86,807)
Net cash flows used in from investing activities	(963,565)	(9,495,039)	47,595	(1,001,691)
Net cash flows generated from/(used in) financing activities	938,073	966,420	503,627	(252,458)
Net decrease in cash and cash equivalents during the financial period	3,733,614	(2,588,942)	311,008	(1,340,956)
Effects of exchange rate changes	(1,439,193)	1,024,112	-	-
Cash and short-term funds at beginning of the financial period	29,318,830	33,462,817	59,573	1,864,074
Cash and short-term funds at end of the financial period	31,613,250	31,897,987	370,581	523,118
Statutory deposits with Bank Indonesia*	(3,857,139)	(4,347,225)	-	-
Monies held in trust	(28,446)	(31,981)	-	-
Cash and cash equivalents at end of the financial period	27,727,665	27,518,781	370,581	523,118

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 30 June 2016 have been prepared under the historical cost convention, except for financial assets held for trading, financial investments available-for-sale, derivative financial instruments, investment properties and non-current assets/disposal groups held for sale and financial liabilities designated at fair value, that have been measured at fair value.

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

The unaudited condensed interim financial statements should be read in conjunction with the Group's and the Company's audited financial statements for the financial year ended 31 December 2015. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Company since the financial year ended 31 December 2015.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2015, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2016:

- Amendment to MFRS 11, "Joint Arrangements"
- Amendments to MFRS 10, 12 & 128 "Investment entities – Applying the consolidation exception"
- Amendment to MFRS 116, "Property, Plant and Equipment" and MFRS 138 "Intangible Assets"
- Amendment to MFRS 127, "Separate Financial Statements"
- Annual improvement to MFRSs 2012 - 2014 Cycle:
 - Amendment to MFRS 5, "Non-current Assets Held for Sale and Discontinued Operations"
 - Amendment to MFRS 7, "Financial Instruments: Disclosure – Servicing contracts"
 - Amendment to MFRS 7, "Financial Instruments: Disclosure – Applicability of the amendments to MFRS 7 to condensed interim financial statements"
 - Amendment to MFRS 119, "Employee Benefits"
 - Amendments to MFRS 134, "Interim Financial Reporting"
- Amendment to MFRS 101, "Presentation of financial statements"

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

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

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the financial period ended 30 June 2016:-

(a) On 25 February 2016, the Company announced that it will seek its shareholders' approval at its 59th Annual General Meeting ("AGM") to be convened on a later announced date for the proposed renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up capital of the Company. Shareholders' approval was subsequently obtained at the AGM which was held on 18 April 2016.

From 1 January 2016 to 30 June 2016, the Company purchased 100 units of its own shares from the open market at an average market price of RM4.34 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM478. The shares purchased were held as treasury shares in accordance with Section 67A subsection 3(A)(b) of the Companies Act, 1965.

(b) The entitlement date pursuant to Single Tier Second Interim Dividend for financial year ended 31 December 2015 and the corresponding DRS was fixed for 28 March 2016. The Group had, on 25 April 2016, issued and allotted 201,588,194 new ordinary shares of RM1.00 each in New CIMB Shares. The New CIMB Shares were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m., Tuesday, 26 April 2016. With the listing of the New Shares, the enlarged issued and paid-up share capital of CIMBGH is 8,728,860,432 shares.

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

(c) CIMB Bank Berhad has redeemed its HKD430 million, HKD350 million and USD20 million senior unsecured fixed rate notes issued under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011 in January, March and April 2016 respectively.

(d) CIMB Islamic Bank has redeemed its RM250 million Basel II Tier-2 Junior Sukuk on 21 April 2016.

(e) On 12 May 2016, CIMB Bank has redeemed its EUR30 million senior floating rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.

(f) On 18 May 2016, CIMB Bank Berhad issued CNY130 million 3-year senior fixed rate notes (the "Notes") under its USD5.0 billion nominal value Euro Medium Term Note Programme established on 15 August 2014. The Notes will mature on 18 May 2019 (subject to adjustment in accordance with the modified following business day convention) and bears a coupon rate of 4.2% per annum payable annually.

(g) On 25 May 2016, the Company issued a nominal value RM1.0 Billion perpetual subordinated capital securities. ("Additional Tier 1 Securities"). The securities, which qualify as Additional Tier 1 Capital for CIMB Group Holdings Berhad on a group consolidated level, carry a distribution rate of 5.80% p.a. The Additional Tier 1 Securities is perpetual, with a Issuer's call option to redeem at the end of year 5, or on each half yearly distribution payment date thereafter, subject to certain conditions, including the approval from the BNM. The proceeds from the issuance was used to subscribe to similar securities issued by CIMB Bank Berhad.

(h) On 11 July 2016, CIMB Thai Bank issued RM570 million 10-years non callable 5 years Basel 3 compliant Tier 2 subordinated notes to their overseas investors. The RM570 million Notes carry fixed interest rate of 5.35% per annum payable every six months. The RM570 million Notes will mature on 10 July 2026. CIMB Thai Bank may exercise its right to early redeem the subordinated notes 5 years after issue date, on each coupon payment date thereafter, subject to approval by the Bank of Thailand. CIMB Thai Bank has an approval from Bank of Thailand to classify the RM570 million Notes (equivalent to THB 5,016,199,500) as Tier II capital according to the correspondence For Kor Kor. (02) 414/2559.

(i) On 20 July 2016, CIMB Bank Berhad issued CNY130 million 3-year senior fixed rate notes (the "Notes") under its USD5.0 billion nominal value Euro Medium Term Note Programme established on 15 August 2014. The Notes will mature on 20 July 2019 (subject to adjustment in accordance with the modified following business day convention) and bears a coupon rate of 3.95% per annum payable annually.

(j) On 8 August 2016, CIMB Bank Berhad redeemed its RM1,350 million Basel II-compliant Tier 2 Subordinated Debt.

(k) On 8 August 2016, CIMB Bank Berhad issued RM1,350 million 10-years non-callable 5-years Tier 2 subordinated debt ("Sub Debt") bearing a fixed rate coupon of 4.77% per annum. The Sub Debt will qualify as Tier 2 capital of CIMB Bank Berhad and the consolidated Tier 2 capital of CIMB Group Holdings Berhad. The Sub Debt was issued from CIMB Bank Berhad's existing RM10.0 billion Basel III-compliant Tier 2 subordinated debt programme. The proceeds from the issuance were used for CIMB Bank Berhad's working capital requirements, general banking and other corporate purposes and the refinancing of its existing subordinated debt.

A4. DIVIDENDS PAID AND PROPOSED

A single-tier second interim dividend of 11.00 sen per ordinary share, on 8,527,267,430 ordinary shares amounting to RM 937,999,417 in respect of the financial year ended 31 December 2015 was approved by the Board of Directors on 29 January 2016. The dividend consists of an electable portion of 11.00 sen which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Scheme ("DRS"). Following the completion of the DRS, a total cash dividend of RM 123,583,114 was paid on 25 April 2016.

The Directors have proposed a special interim dividend-in-specie on 15 June 2016, which involves the distribution of 1,366,988,057 existing CIMB Niaga Class B shares, representing approximately 5.44% equity interest in CIMB Niaga, to the shareholders of the Company on a ratio of 1 CIMB Niaga share for approximately every 6.39 CIMB shares. On 27 July 2016, the Group announced a proposed monetisation option which provides entitled shareholders the option to receive cash instead of the Dividend shares.

The Directors have proposed a single tier first interim dividend of 8.00 sen per ordinary share, 8,728,855,524 ordinary shares amounting to RM698 million in respect of financial year ending 31 December 2016 under DRS.

A5. STATUS OF CORPORATE PROPOSAL

(a) On 23 March 2016, the Group, through its subsidiaries, has entered into a Conditional Sale and Purchase of Agreement to divest its 51% stake in PT CIMB Sun Life (“CIMB Sun Life”), an Indonesian life insurance company, for a total cash consideration of IDR550 billion (equivalent to approximately MYR169 million). The Group’s 51% equity interest in CIMB Sun Life is held via CIG Berhad (47.24%) and PT Bank CIMB Niaga Tbk (“CIMB Niaga”) (3.76%). The divestment will take the form of a sale of shares held by CIMB Group, which will be acquired directly and indirectly by Sun Life Assurance Company of Canada (“Sun Life”). The disposal is completed on 1 July 2016.

(b) On 27 July 2016, The Group has entered into a Memorandum of Understanding with Fajr Capital to establish a strategic partnership. In addition, CIMB Middle East BSC (“CME”), an indirect wholly-owned subsidiary of the Group based in Bahrain has on 26 July 2016 sought Central Bank of Bahrain’s approval to close its business. The closure has been approved at CME’s Extraordinary General Meeting on 24 July 2016.

A6. EVENTS DURING THE REPORTING PERIOD

There is no significant events that had during the current reporting period, other than those disclosed under Issuance and Repayment of Debts and Equity Securities, and Status of Corporate Proposal.

A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There is no significant events that had occurred between 30 June 2016 and the date of this announcement, other than those disclosed under Issuance and Repayment of Debts and Equity Securities, and Status of Corporate Proposal.

PART A - EXPLANATORY NOTES

A8. FINANCIAL ASSETS HELD FOR TRADING

	The Group	
	30 June 2016	31 December 2015
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	454,612	634,713
Cagamas bonds	127,821	45,925
Malaysian Government treasury bills	-	47,739
Bank Negara Malaysia Monetary Notes	-	20,914
Negotiable instruments of deposit	4,371,825	4,747,035
Other Government securities	2,696,966	734,310
Other Government treasury bills	7,334,178	4,937,468
Commercial papers	147,998	506,398
Government Investment Issues	139,544	437,313
	15,272,944	12,111,815
Quoted securities:		
<i>In Malaysia:</i>		
Shares	407,936	207,898
<i>Outside Malaysia:</i>		
Shares	552,185	278,632
Private and Islamic debt securities	664,349	727,498
Other Government bonds	1,863,652	1,677,774
Investment linked funds	603,306	546,519
	4,091,428	3,438,321
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	2,002,866	1,761,728
Shares	1	1
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	3,118,177	3,211,017
Private equity funds	147,673	157,384
	5,268,717	5,130,130
Total financial assets held for trading	24,633,089	20,680,266

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	The Group		The Company	
	30 June 2016 RM'000	31 December 2015 RM'000	30 June 2016 RM'000	31 December 2015 RM'000
Money market instruments:				
Unquoted				
Malaysian Government Securities	384,705	457,708	-	-
Cagamas bonds	144,018	207,300	-	-
Khazanah bonds	195,243	328,709	-	-
Other Government securities	857,685	975,949	-	-
Government Investment Issues	74,069	496,811	-	-
Commercial papers	104,316	-	-	-
Negotiable instruments of deposit	374,850	258,112	-	-
Malaysian Government Sukuk	28,054	44,168	-	-
	2,162,940	2,768,757	-	-
Quoted securities:				
<i>In Malaysia:</i>				
Shares	172,441	158,983	-	-
<i>Outside Malaysia:</i>				
Shares	82,690	82,235	-	-
Private and Islamic debt securities	2,370,271	2,456,271	-	-
Other Government bonds	6,110,276	5,218,530	-	-
Unit trusts	24,222	24,862	-	-
	8,759,900	7,940,881	-	-
Unquoted securities:				
<i>In Malaysia:</i>				
Private and Islamic debt securities	13,002,280	13,944,324	1,009,793	-
Shares	1,106,736	1,113,614	-	-
Loan stocks	10,087	10,211	-	-
Property funds	347	325	-	-
<i>Outside Malaysia:</i>				
Shares	55,214	55,384	-	-
Private equity funds and unit trust funds	455,765	488,326	-	-
Private and Islamic debt securities	6,599,572	6,907,509	-	-
Loan stocks	812	1,930	-	-
	21,230,813	22,521,623	1,009,793	-
	32,153,653	33,231,261	1,009,793	-
Allowance for impairment losses:				
Private debt securities	(30,487)	(60,306)	-	-
Private equity funds	(74,486)	(84,006)	-	-
Quoted shares	(69,282)	(69,283)	-	-
Quoted bonds	(64,100)	(64,877)	-	-
Unquoted shares	(169,401)	(174,683)	-	-
Unit trusts	(334)	(347)	-	-
Loan stocks	(10,087)	(10,211)	-	-
	(418,177)	(463,713)	-	-
Total financial investments available-for-sale	31,735,476	32,767,548	1,009,793	-

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group		The Company	
	30 June 2016 RM'000	31 December 2015 RM'000	30 June 2016 RM'000	31 December 2015 RM'000
Money market instruments:				
Unquoted				
Malaysian Government Securities	1,754,717	1,674,626	-	-
Cagamas bonds	267,672	267,966	-	-
Other Government securities	1,393,006	1,419,211	-	-
Other Government treasury bills	19,248	19,699	-	-
Bank Negara Malaysia Monetary Notes	7,607	2,558	-	-
Khazanah bonds	444,788	391,667	-	-
Government Investment Issues	6,495,431	6,062,711	-	-
	10,382,469	9,838,438	-	-
Quoted securities				
<i>Outside Malaysia</i>				
Private debt securities	2,582,586	2,909,060	-	-
Islamic bonds	7,646	7,797	-	-
Other Government bonds	1,387,216	1,531,991	-	-
Bank Indonesia certificates	206,696	248,058	-	-
	4,184,144	4,696,906	-	-
Unquoted securities				
<i>In Malaysia</i>				
Private debt securities	12,684,680	10,526,121	2,002,258	2,002,540
Loan stocks	7,020	7,020	-	-
<i>Outside Malaysia</i>				
Private debt securities	696,475	726,407	-	-
	13,388,175	11,259,548	2,002,258	2,002,540
	27,954,788	25,794,892	2,002,258	2,002,540
Amortisation of premium, net of accretion of discount	(22,561)	(23,150)	-	-
Less : Allowance for impairment losses	(12,448)	(12,573)	-	-
Total financial investments held-to-maturity	27,919,779	25,759,169	2,002,258	2,002,540

A11. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
At amortised cost		
Overdrafts	5,279,254	5,504,852
Term loans/financing		
- Housing loans/financing	76,293,409	73,580,261
- Syndicated term loans	16,665,201	17,030,250
- Hire purchase receivables	20,265,314	20,443,916
- Lease receivables	183,344	166,884
- Factoring receivables	30,027	48,114
- Other term loans/financing	112,536,657	112,553,750
Bills receivable	6,743,120	6,463,208
Trust receipts	1,485,388	2,008,748
Claims on customers under acceptance credits	4,234,395	4,498,597
Staff loans *	1,179,635	1,094,875
Credit card receivables	8,978,637	8,842,990
Revolving credits	42,352,435	43,930,344
Share margin financing	1,500,383	1,652,830
Other loans	1,390	2,525
Gross loans, advances and financing	297,728,589	297,822,144
Fair value changes arising from fair value hedge	200,516	164,694
	297,929,105	297,986,838
Less: Allowance for impairment losses		
- Individual impairment allowance	(4,366,712)	(4,256,108)
- Portfolio impairment allowance	(3,498,649)	(3,435,066)
	(7,865,361)	(7,691,174)
Total net loans, advances and financing	290,063,744	290,295,664

* Included in staff loans of the Group are loans to Directors amounting to RM18,101,539 (2015: RM19,853,473).

(a) Included in the Group's loans, advances and financing balances are RM44 million (2015: RM47 million) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

(b) The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM4,749 million (2015: RM4,880 million), using interest rate swaps.

A11. LOANS, ADVANCES AND FINANCING (Continued)

(ii) By type of customers

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
Domestic banking institutions	257,171	383,801
Domestic non-bank financial institutions		
- stockbroking companies	4	-
- others	2,950,526	3,100,402
Domestic business enterprises		
- small medium enterprises	46,745,029	45,847,011
- others	52,219,330	55,572,380
Government and statutory bodies	9,354,405	8,852,539
Individuals	145,333,060	142,293,811
Other domestic entities	3,436,002	3,223,190
Foreign entities	37,433,062	38,549,010
Gross loans, advances and financing	<u>297,728,589</u>	<u>297,822,144</u>

(iii) By interest/profit rate sensitivity

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
Fixed rate		
- Housing loans/financing	2,600,385	2,153,840
- Hire-purchase receivables	10,314,562	10,497,253
- Other fixed rate loans	39,924,450	41,669,712
Variable rate		
- BLR plus	144,175,638	145,038,101
- Cost plus	35,102,135	36,282,400
- Other variable rates	65,611,419	62,180,838
Gross loans, advances and financing	<u>297,728,589</u>	<u>297,822,144</u>

(iv) By economic purpose

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
Personal use	11,119,557	10,608,443
Credit card	8,978,637	8,842,990
Purchase of consumer durables	106,167	109,330
Construction	10,150,815	9,327,917
Residential property (Housing)	79,066,516	76,837,715
Non-residential property	24,738,084	24,525,498
Purchase of fixed assets other than land and building	15,616,329	15,919,886
Mergers and acquisitions	3,536,003	3,617,161
Purchase of securities	26,427,800	27,168,120
Purchase of transport vehicles	23,010,353	23,296,590
Working capital	76,515,813	78,972,667
Other purposes	18,462,515	18,595,827
Gross loans, advances and financing	<u>297,728,589</u>	<u>297,822,144</u>

A11. LOANS, ADVANCES AND FINANCING (Continued)

(v) By geographical distribution

	The Group	
	30 June 2016	31 December 2015
	RM'000	RM'000
Malaysia	170,055,432	166,409,058
Indonesia	58,307,397	59,956,700
Thailand	28,096,813	28,996,518
Singapore	27,642,817	29,434,533
United Kingdom	3,403,683	2,686,317
Hong Kong	1,291,257	1,210,542
China	2,409,601	2,327,067
Other countries	6,521,589	6,801,409
Gross loans, advances and financing	<u>297,728,589</u>	<u>297,822,144</u>

(vi) By residual contractual maturity

	The Group	
	30 June 2016	31 December 2015
	RM'000	RM'000
Within one year	64,776,895	68,475,753
One year to less than three years	35,718,466	36,627,785
Three years to less than five years	36,302,943	35,403,399
Five years and more	160,930,285	157,315,207
Gross loans, advances and financing	<u>297,728,589</u>	<u>297,822,144</u>

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

	The Group	
	30 June 2016	31 December 2015
	RM'000	RM'000
Personal use	288,943	265,698
Credit card	192,448	168,730
Purchase of consumer durables	328	228
Construction	1,400,423	1,335,050
Residential property (Housing)	1,500,549	1,436,177
Non-residential property	276,396	214,972
Purchase of fixed assets other than land and building	945,207	911,108
Purchase of securities	180,714	186,946
Purchase of transport vehicles	369,040	393,839
Working capital	3,475,328	3,450,245
Other purpose	784,677	718,766
Gross impaired loans, advances and financing	<u>9,414,053</u>	<u>9,081,759</u>

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

	The Group	
	30 June 2016	31 December 2015
	RM'000	RM'000
Malaysia	3,860,441	3,735,122
Indonesia	3,568,315	3,750,452
Thailand	1,607,258	1,352,567
Singapore	248,040	112,545
United Kingdom	4,517	2,838
China	60,676	64,860
Other countries	64,806	63,375
Gross impaired loans, advances and financing	<u>9,414,053</u>	<u>9,081,759</u>

A11. LOANS, ADVANCES AND FINANCING (Continued)

(ix) Movements in impaired loans

	The Group	
	30 June 2016	31 December 2015
	RM'000	RM'000
At 1 January	9,081,759	8,182,689
Classified as impaired during the period/year	2,977,911	5,210,925
Reclassified as not impaired during the period/year	(1,216,054)	(1,789,331)
Amount written back in respect of recoveries	(446,453)	(1,086,947)
Amount written off	(879,309)	(1,479,247)
Sale of impaired loans	-	(359,649)
Exchange fluctuation	(103,801)	403,319
At 30 June/31 December	9,414,053	9,081,759
Ratio of gross impaired loans to gross loans, advances and financing	3.16%	3.05%

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

	The Group	
	30 June 2016	31 December 2015
	RM'000	RM'000
<u>Individual impairment allowance</u>		
At 1 January	4,256,108	3,591,249
Net allowance made during the period/year	540,059	1,053,963
Amount written off	(301,542)	(664,920)
Amount transferred to portfolio impairment allowance	320	(6,876)
Allowance for Impaired loan disposed to third party	-	(42,825)
Unwinding income	176	6,384
Exchange fluctuation	(128,409)	319,133
At 30 June/31 December	4,366,712	4,256,108
<u>Portfolio impairment allowance</u>		
At 1 January	3,435,066	3,174,060
Net allowance made during the period/year	681,874	1,411,219
Amount transferred from individual impairment allowance	(320)	6,876
Amount written off	(572,729)	(1,128,204)
Unwinding income	(26,248)	(40,662)
Allowance for Impaired loan disposed to third party	-	(85,802)
Exchange fluctuation	(18,994)	97,579
At 30 June/31 December	3,498,649	3,435,066
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing (excluding RPSIA financing) less individual impairment allowance	1.64%	1.56%

A12. OTHER ASSETS

	The Group		The Company	
	30 June 2016 RM'000	31 December 2015 RM'000	30 June 2016 RM'000	31 December 2015 RM'000
Due from brokers and clients net of allowance for doubtful debts	4,498,911	3,709,795	-	-
Other debtors, deposits and prepayments, net of allowance for doubtful debts	6,247,506	4,184,508	788	440
Due from a joint venture	1,247,270	1,237,928	-	-
Due from insurers, brokers and reinsurers	5,228	3,556	-	-
Structured financing	2,116,016	2,279,166	-	-
Foreclosed properties net of allowance for impairment losses	321,857	404,142	-	-
Collateral for securities lending	966,424	463,326	-	-
Collateral pledged for derivative transactions	4,500,813	5,383,721	-	-
	19,904,025	17,666,142	788	440

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
<u>By type of deposit</u>		
Demand deposits	67,604,664	67,912,293
Savings deposits	44,741,036	41,260,084
Fixed deposits	137,257,021	144,893,890
Negotiable instruments of deposit	1,320,339	1,596,448
Others	65,074,976	61,760,866
	315,998,036	317,423,581

By type of customer

Government and statutory bodies	10,321,620	9,359,302
Business enterprises	114,532,042	123,960,968
Individuals	131,951,658	127,373,004
Others	59,192,716	56,730,307
	315,998,036	317,423,581

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

Due within six months	113,989,140	118,232,932
Six months to less than one year	20,695,749	24,158,631
One year to less than three years	2,536,671	2,525,301
Three years to less than five years	954,910	1,002,774
Five years and more	400,890	570,700
	138,577,360	146,490,338

A14. PLACEMENTS FROM INVESTMENT ACCOUNTS

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
Unrestricted investment accounts	243,200	232,716

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 June	31 December
	2016	2015
	RM'000	RM'000
Licensed banks	22,891,748	17,814,252
Licensed finance companies	1,684,059	1,246,197
Licensed investment banks	583,495	720,097
Bank Negara Malaysia	1,008,081	165,547
Other financial institutions	2,685,545	3,745,857
	28,852,928	23,691,950

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

Due within six months	26,160,534	18,469,624
Six months to less than one year	1,865,222	3,909,385
One year to less than three years	370,755	918,419
Three years to less than five years	204,007	102,585
Five years and more	252,410	291,937
	28,852,928	23,691,950

A16. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	The Group	
	30 June	31 December
	2016	2015
	RM'000	RM'000
Deposits from customers - structured investments	2,564,184	3,047,985
Bills payables	691,928	924,583
Debentures	1,467,669	980,203
	4,723,781	4,952,771

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

The carrying amount of the Group at 30 June 2016 of financial liabilities designated at fair value were RM312,844,000 (2015: RM567,569,000) lower than the contractual amount at maturity for the structured investments, RM470,000 lower (2015: RM18,606,000 higher) than the contractual amount at maturity for the debentures and RM309,656,000 (2015: RM131,549,000) higher than the contractual amount at maturity for the bills payable. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

A17. OTHER LIABILITIES

	The Group		The Company	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	3,920,901	3,219,671	-	-
Expenditure payable	1,856,042	2,024,324	3,589	6,702
Provision for legal claims	59,773	62,133	-	-
Sundry creditors	3,672,691	1,704,889	6	1
Insurance fund - life and takaful insurance business	103,783	70,249	-	-
Allowance for commitments and contingencies	8,303	9,219	-	-
Post employment benefit obligations	457,206	468,081	-	-
Credit card expenditure payable	181,871	172,033	-	-
Collateral received for derivative transactions	2,789,907	3,161,566	-	-
Unit link contract liabilities	552,059	512,039	-	-
Collateral for securities borrowings	968,260	669,469	-	-
Others	1,931,607	1,911,008	493	493
	16,502,403	13,984,681	4,088	7,196

A18. INTEREST INCOME

	2nd quarter ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
The Group				
Loans, advances and financing				
- Interest income	3,697,513	3,566,933	7,511,741	7,060,683
- Unwinding income [^]	25,306	18,942	47,379	29,435
Money at call and deposit placements with financial institutions	136,624	115,675	269,245	252,989
Reverse repurchase agreements	43,721	35,917	88,047	72,462
Financial assets held for trading	116,058	112,002	224,990	212,162
Financial investments available-for-sale	295,944	352,103	611,003	671,657
Financial investments held-to-maturity	255,125	190,937	506,973	370,518
Others	7,055	7,054	12,886	12,459
	4,577,346	4,399,563	9,272,264	8,682,365
Accretion of discounts, net of amortisation of premiums	(11,189)	(14,296)	(18,081)	(19,237)
	4,566,157	4,385,267	9,254,183	8,663,128
The Company				
Money at call and deposit placements with financial institutions	4,742	9,540	7,619	23,274
Financial investments available-for-sale	5,879	-	5,879	-
Financial investments held-to-maturity	25,680	-	51,359	-
	36,301	9,540	64,857	23,274

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

A19. INTEREST EXPENSE

	2nd quarter ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits and placements of banks and other financial institutions	57,931	88,714	118,192	203,078
Deposits from other customers	1,633,442	1,560,452	3,335,848	3,093,760
Repurchase agreements	53,541	45,261	120,854	67,712
Bonds and debentures	75,294	75,249	148,912	144,522
Subordinated obligations	219,974	154,792	431,265	317,808
Financial liabilities designated at fair value	32,376	28,394	67,535	55,371
Negotiable certificates of deposits	50,094	50,055	110,516	100,377
Other borrowings	58,816	94,449	126,471	182,203
Recourse obligation on loan and financing sold to Cagamas	28,881	-	51,395	-
Others	3,831	19,201	7,393	38,644
	2,214,180	2,116,567	4,518,381	4,203,475
The Company				
Subordinated obligations	66,174	34,658	126,468	70,853
Other borrowings	41,521	41,595	85,808	82,664
	107,695	76,253	212,276	153,517

A20. NET NON-INTEREST INCOME

	2nd quarter ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
The Group				
(a) Net fee income and commission income:				
Commissions	219,313	184,281	409,397	368,433
Fee on loans, advances and financing	122,867	160,360	237,417	308,605
Portfolio management fees	5,814	5,402	11,678	10,632
Service charges and fees	165,130	163,483	329,451	331,748
Corporate advisory fees	18,232	8,826	26,565	62,784
Guarantee fees	15,841	15,020	28,959	30,803
Other fee income	41,598	70,730	115,378	155,419
Placement fees	2,662	7,974	13,711	10,429
Underwriting commission	2,800	6,812	7,182	17,783
Fee and commission income	594,257	622,888	1,179,738	1,296,636
Fee and commission expense	(135,751)	(134,725)	(261,638)	(277,016)
Net fee and commission income	458,506	488,163	918,100	1,019,620
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	4,236	14,476	8,285	23,531
- Financial investments available-for-sale	6,599	5,389	6,599	5,399
<i>Outside Malaysia</i>				
- Financial assets held for trading	925	4,439	989	4,501
- Financial investments available-for-sale	771	1,948	1,128	3,572
	12,531	26,252	17,001	37,003
(c) Net gain/(loss) arising from financial assets held for trading	31,527	(214,083)	183,424	(297,066)
- realised	36,920	81,761	(48,348)	4,488
- unrealised	(5,393)	(295,844)	231,772	(301,554)
(d) Net gain/(loss) arising from derivative financial instruments	427,678	261,063	527,620	696,169
- realised	407,489	(1,073,448)	581,692	(737,077)
- unrealised	20,189	1,334,511	(54,072)	1,433,246
(e) Net loss arising from financial liability designated at fair value	(72,180)	30,583	(383,055)	(98,309)
- realised	(304)	(3,243)	(3,440)	(12,922)
- unrealised	(71,876)	33,826	(379,615)	(85,387)
(f) Net (loss)/gain arising from hedging activities	2,726	28,402	(40,809)	30,483
(g) Net gain from sale of financial investments available-for-sale	43,126	42,263	91,239	100,077
(h) Net gain from redemption of financial investment held-to-maturity	(6)	-	(6)	16
(i) Income from assets management and securities services	64,397	95,681	144,118	167,268
(j) Brokerage income	85,016	112,178	169,969	242,412
(k) Other non-interest income:				
Foreign exchange loss	7,005	223,309	269,581	255,955
Rental income	6,193	6,278	12,085	9,687
Gain on disposal of property, plant and equipment/ assets held for sale	1,323	(984)	2,549	862
Gain on disposal of interests in a subsidiary	-	580	-	580
Underwriting surplus before management expenses	3,771	4,031	6,020	7,387
Loss on disposal of foreclosed properties	(2,482)	5,711	(8,913)	(8,165)
Other non-operating income	68,561	56,380	132,751	124,289
	84,371	295,305	414,073	390,595
Total other operating income	1,137,692	1,165,807	2,041,674	2,288,268

A20. NET NON-INTEREST INCOME (CONTINUED)

	2nd quarter ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
The Company				
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Subsidiaries	15,000	752,992	1,047,542	752,992
	15,000	752,992	1,047,542	752,992
(d) Net gain/(loss) arising from derivative financial instruments				
- realised	75	199	75	199
- unrealised	(75)	(740)	(74)	168
	-	(541)	1	367
(k) Other non-interest income:				
Foreign exchange gain/(loss)	108	(17)	101	(120)
Rental income	71	71	142	142
	179	54	243	22
	15,179	752,505	1,047,786	753,381

A21. OVERHEADS

	2nd quarter ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonus	959,582	967,484	1,868,918	1,946,034
- Pension cost	92,593	90,707	186,385	183,971
- Mutual separation scheme	-	316,361	-	316,361
- Overtime	7,688	5,680	16,207	14,618
- Staff incentives and other staff payments	66,048	59,907	133,684	120,608
- Medical expenses	28,850	29,760	56,136	51,570
- Others	49,935	43,316	98,368	203,052
	1,204,696	1,513,215	2,359,698	2,836,214
Establishment costs				
- Depreciation of property, plant and equipment	84,135	83,348	164,284	172,889
- Amortisation of prepaid lease payments	2,796	2,748	5,630	5,483
- Rental	105,615	115,937	244,199	309,493
- Repair and maintenance	115,073	114,571	258,944	243,338
- Outsourced services	61,762	72,023	129,322	147,938
- Security expenses	29,679	30,900	61,711	62,786
- Others	48,681	48,932	100,510	100,655
	447,741	468,459	964,600	1,042,582
Marketing expenses				
- Sales commission	2,677	1,564	4,629	3,060
- Advertisement	38,656	61,675	99,291	131,646
- Others	19,466	22,067	39,566	46,183
	60,799	85,306	143,486	180,889
Administration and general expenses				
- Amortisation of intangible assets	88,289	77,592	168,371	155,355
- Legal and professional fees	33,970	44,199	69,020	85,293
- Stationery	14,266	13,937	30,264	28,494
- Communication	29,104	39,146	58,034	67,516
- Incidental expenses on banking operations	7,423	9,392	23,402	19,843
- Insurance	68,400	63,567	137,301	128,689
- Others	136,186	123,992	273,583	232,228
	377,638	371,825	759,975	717,418
	2,090,874	2,438,805	4,227,759	4,777,103

A21. OVERHEADS (CONTINUED)

	2nd quarter ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
The Company				
Personnel costs				
- Staff incentives and other staff payments	3,501	1	3,501	6
	3,501	1	3,501	6
Establishment costs				
- Depreciation of property, plant and equipment	55	55	110	110
- Depreciation of investment properties	4	3	9	9
- Repair and maintenance	8	4	12	40
- Others	33	27	57	107
	100	89	188	266
Marketing expenses				
- Advertisement	(11)	11	-	11
- Others	-	2	3	2
	(11)	13	3	13
Administration and general expenses				
- Legal and professional fees	529	1,156	1,838	1,552
- Others	3,718	2,612	1,416	3,481
	4,247	3,768	3,254	5,033
	7,837	3,871	6,946	5,318

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

	2nd quarter ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
The Group				
Allowance made for impaired loans, advances and financing:				
Net allowance made during the financial period				
- Individual impairment allowance	272,492	258,293	540,059	576,901
- Portfolio impairment allowance	396,959	348,547	681,874	645,162
Impaired loans, advances and financing:				
- recovered	(83,917)	(90,596)	(177,533)	(187,575)
- written off	3,945	13,678	9,634	31,196
	589,479	529,922	1,054,034	1,065,684

A23. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 30 June 2016	The Group			The Company		
	Principal amount	Fair values		Principal amount	Fair values	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange derivatives</u>						
Currency forward	27,390,714	378,948	(939,765)	-	-	-
- Less than 1 year	23,988,852	315,482	(489,093)	-	-	-
- 1 year to 3 years	2,514,499	62,485	(212,150)	-	-	-
- More than 3 years	887,363	981	(238,522)	-	-	-
Currency swaps	170,142,359	1,375,515	(1,156,894)	-	-	-
- Less than 1 year	167,808,279	1,314,201	(1,100,097)	-	-	-
- 1 year to 3 years	1,751,728	60,653	(36,932)	-	-	-
- More than 3 years	582,352	661	(19,865)	-	-	-
Currency spot	6,742,395	13,346	(9,545)	-	-	-
- Less than 1 year	6,742,395	13,346	(9,545)	-	-	-
Currency options	13,001,219	387,116	(393,426)	-	-	-
- Less than 1 year	10,640,616	212,163	(216,250)	-	-	-
- 1 year to 3 years	495,109	34,690	(34,665)	-	-	-
- More than 3 years	1,865,494	140,263	(142,511)	-	-	-
Cross currency interest rate swaps	64,519,040	3,556,721	(3,458,005)	-	-	-
- Less than 1 year	17,586,235	653,937	(923,110)	-	-	-
- 1 year to 3 years	22,653,081	1,343,210	(1,463,016)	-	-	-
- More than 3 years	24,279,724	1,559,574	(1,071,879)	-	-	-
	281,795,727	5,711,646	(5,957,635)	-	-	-
<u>Interest rate derivative</u>						
Interest rate swaps	488,770,510	3,532,935	(2,824,939)	-	-	-
- Less than 1 year	205,644,301	153,713	(143,665)	-	-	-
- 1 year to 3 years	139,259,346	822,686	(717,892)	-	-	-
- More than 3 years	143,866,863	2,556,536	(1,963,382)	-	-	-
Interest rate futures	8,201,288	2,392	(15,449)	-	-	-
- Less than 1 year	4,024,358	2,392	(9,563)	-	-	-
- 1 year to 3 years	2,964,990	-	(5,886)	-	-	-
- More than 3 years	1,211,940	-	-	-	-	-
Interest rate options	179,692	131	(368)	-	-	-
- Less than 1 year	179,692	131	(368)	-	-	-
	497,151,490	3,535,458	(2,840,756)	-	-	-
<u>Equity related derivatives</u>						
Equity futures	543,792	951	(9,489)	-	-	-
- Less than 1 year	543,792	951	(9,489)	-	-	-
Equity options	9,153,064	145,242	(352,397)	-	-	-
- Less than 1 year	2,505,031	31,686	(204,119)	-	-	-
- 1 year to 3 years	5,856,571	107,651	(140,612)	-	-	-
- More than 3 years	791,462	5,905	(7,666)	-	-	-
Equity swaps	636,853	7,002	(3,788)	-	-	-
- Less than 1 year	63,104	3,193	-	-	-	-
- More than 3 years	573,749	3,809	(3,788)	-	-	-
	10,333,709	153,195	(365,674)	-	-	-

A23. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 30 June 2016	The Group			The Company		
	Principal amount	Fair values		Principal amount	Fair values	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Commodity related derivatives</u>						
Commodity swaps	2,241,835	266,509	(285,346)	-	-	-
- Less than 1 year	2,111,300	226,235	(214,975)	-	-	-
- 1 year to 3 years	130,535	40,274	(70,371)	-	-	-
Commodity futures	2,075,802	74,510	(55,826)	-	-	-
- Less than 1 year	1,726,221	55,529	(48,849)	-	-	-
- 1 year to 3 years	349,581	18,981	(6,977)	-	-	-
Commodity options	3,921,323	169,812	(119,287)	-	-	-
- Less than 1 year	3,372,956	88,894	(119,061)	-	-	-
- 1 year to 3 years	548,367	80,918	(226)	-	-	-
	8,238,960	510,831	(460,459)	-	-	-
<u>Credit related contract</u>						
Credit default swaps	8,349,360	46,083	(93,687)	-	-	-
- Less than 1 year	2,610,792	1,527	(2,393)	-	-	-
- 1 year to 3 years	1,919,975	29,919	(26,969)	-	-	-
- More than 3 years	3,818,593	14,637	(64,325)	-	-	-
Total return swaps	1,704,484	26,689	(35,095)	-	-	-
- Less than 1 year	1,248,754	441	(58)	-	-	-
- 1 year to 3 years	201,500	-	(7,004)	-	-	-
- More than 3 years	254,230	26,248	(28,033)	-	-	-
	10,053,844	72,772	(128,782)	-	-	-
Bond contract						
Bond Forward	90,000	215	(135)	-	-	-
- More than 3 years	90,000	215	(135)	-	-	-
Hedging derivatives						
Interest rate swaps	29,239,624	183,030	(682,423)	-	-	-
- Less than 1 year	5,341,973	9,954	(5,063)	-	-	-
- 1 year to 3 years	7,485,725	31,724	(36,689)	-	-	-
- More than 3 years	16,411,926	141,352	(640,671)	-	-	-
Currency swaps	4,048,669	84,329	(57,212)	-	-	-
- Less than 1 year	4,048,669	84,329	(57,212)	-	-	-
Cross currency interest rate swaps	5,099,655	60,842	(218,435)	-	-	-
- Less than 1 year	1,669,530	18,734	(15,613)	-	-	-
- 1 year to 3 years	732,262	16,020	(49,415)	-	-	-
- More than 3 years	2,697,863	26,088	(153,407)	-	-	-
	38,387,948	328,201	(958,070)	-	-	-
Total derivative assets/(liabilities)	846,051,678	10,312,318	(10,711,511)	-	-	-

A23. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2015	The Group			The Company		
	Principal amount RM'000	Fair values		Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange derivatives</u>						
Currency forward	22,598,973	513,526	(1,028,858)	-	-	-
- Less than 1 year	18,382,140	394,157	(357,914)	-	-	-
- 1 year to 3 years	3,211,696	119,338	(327,348)	-	-	-
- More than 3 years	1,005,137	31	(343,596)	-	-	-
Currency swaps	169,278,538	2,549,979	(1,954,427)	-	-	-
- Less than 1 year	167,165,772	2,394,420	(1,905,419)	-	-	-
- 1 year to 3 years	2,021,981	122,259	(48,854)	-	-	-
- More than 3 years	90,785	33,300	(154)	-	-	-
Currency spot	3,698,680	3,929	(6,006)	-	-	-
- Less than 1 year	3,698,680	3,929	(6,006)	-	-	-
Currency options	6,791,662	298,646	(319,083)	-	-	-
- Less than 1 year	5,249,635	198,341	(215,634)	-	-	-
- 1 year to 3 years	500,340	16,335	(16,869)	-	-	-
- More than 3 years	1,041,687	83,970	(86,580)	-	-	-
Cross currency interest rate swaps	65,638,738	4,806,435	(5,467,534)	-	-	-
- Less than 1 year	15,885,861	583,349	(1,259,675)	-	-	-
- 1 year to 3 years	24,980,250	2,069,496	(2,450,869)	-	-	-
- More than 3 years	24,772,627	2,153,590	(1,756,990)	-	-	-
	268,006,591	8,172,515	(8,775,908)	-	-	-
<u>Interest rate derivative</u>						
Interest rate swaps	451,862,590	2,263,420	(1,624,709)	500,000	74	-
- Less than 1 year	194,262,147	125,970	(139,295)	500,000	74	-
- 1 year to 3 years	132,036,362	662,449	(605,321)	-	-	-
- More than 3 years	125,564,081	1,475,001	(880,093)	-	-	-
Interest rate futures	7,948,164	2,673	(5,102)	-	-	-
- Less than 1 year	4,299,204	2,673	(2,307)	-	-	-
- 1 year to 3 years	3,434,349	-	(2,795)	-	-	-
- More than 3 years	214,611	-	-	-	-	-
Interest rate options	216,491	413	(2,213)	-	-	-
- Less than 1 year	155,677	-	(1,800)	-	-	-
- 1 year to 3 years	60,814	413	(413)	-	-	-
	460,027,245	2,266,506	(1,632,024)	500,000	74	-
<u>Equity related derivatives</u>						
Equity futures	146,909	599	(626)	-	-	-
- Less than 1 year	146,909	599	(626)	-	-	-
Equity options	9,569,385	179,010	(265,215)	-	-	-
- Less than 1 year	2,906,866	158,391	(141,482)	-	-	-
- 1 year to 3 years	5,639,857	9,566	(112,829)	-	-	-
- More than 3 years	1,022,662	11,053	(10,904)	-	-	-
Equity swaps	683,337	2,867	(14,342)	-	-	-
- Less than 1 year	5,718	319	-	-	-	-
- 1 year to 3 years	61,605	1,208	(13,086)	-	-	-
- More than 3 years	616,014	1,340	(1,256)	-	-	-
	10,399,631	182,476	(280,183)	-	-	-

A23. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2015	The Group			The Company		
	Principal amount RM'000	Fair values		Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Commodity related derivatives</u>						
Commodity swaps	1,723,092	514,369	(452,384)	-	-	-
- Less than 1 year	1,477,397	237,143	(221,302)	-	-	-
- 1 year to 3 years	245,695	277,226	(231,082)	-	-	-
Commodity futures	732,519	7,654	(60,370)	-	-	-
- Less than 1 year	721,352	7,654	(58,906)	-	-	-
- 1 year to 3 years	11,167	-	(1,464)	-	-	-
Commodity options	2,456,172	300,144	(227,970)	-	-	-
- Less than 1 year	2,341,527	230,997	(203,924)	-	-	-
- 1 year to 3 years	114,645	69,147	(24,046)	-	-	-
	4,911,783	822,167	(740,724)	-	-	-
<u>Credit related contract</u>						
Credit default swaps	7,658,804	89,669	(84,747)	-	-	-
- Less than 1 year	3,845,714	20,411	(19,440)	-	-	-
- 1 year to 3 years	2,248,053	49,758	(46,359)	-	-	-
- More than 3 years	1,565,037	19,500	(18,948)	-	-	-
Total return swaps	2,619,029	12,281	(19,394)	-	-	-
- Less than 1 year	2,087,629	4,663	-	-	-	-
- 1 year to 3 years	214,650	-	(10,686)	-	-	-
- More than 3 years	316,750	7,618	(8,708)	-	-	-
	10,277,833	101,950	(104,141)			
Bond contract						
Bond forward	30,000	1,204	-	-	-	-
- More than 3 years	30,000	1,204	-	-	-	-
<u>Hedging derivatives</u>						
Interest rate swaps	28,900,011	59,976	(250,411)	-	-	-
- Less than 1 year	5,782,795	3,385	(6,792)	-	-	-
- 1 year to 3 years	8,072,341	14,670	(43,219)	-	-	-
- More than 3 years	15,044,875	41,921	(200,400)	-	-	-
Currency swaps	2,797,900	9,079	(52,481)	-	-	-
- Less than 1 year	2,797,900	9,079	(52,481)	-	-	-
Cross currency interest rate swaps	4,655,246	92,976	(303,977)	-	-	-
- Less than 1 year	1,937,898	6,497	(34,741)	-	-	-
- 1 year to 3 years	916,857	39,256	(64,882)	-	-	-
- More than 3 years	1,800,491	47,223	(204,354)	-	-	-
	36,353,157	162,031	(606,869)	-	-	-
Total derivative assets/(liabilities)	790,006,240	11,708,849	(12,139,849)	500,000	74	-

A23. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 June 2016, the amount of credit risk in the Group and the Company, measured in terms of the cost to replace the profitable contracts, was RM10,312,318,000 and Nil respectively (2015: RM11,708,849,000 and RM74,000 respectively). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 June 2016, the Group has posted cash collateral of RM4,501 million (31 December 2015: RM5,384 million) on their derivative contracts.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group are disclosed in the audited annual financial statements for the financial year ended 31 December 2015 and the Risk Management section of the 2015 Annual Report.

A24. COMMITMENTS AND CONTINGENCIES

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

	30 June 2016	31 December 2015
	Principal	Principal
	Amount	Amount
	RM'000	RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	6,400,628	6,552,626
Certain transaction-related contingent items	6,286,595	6,047,494
Short-term self-liquidating trade-related contingencies	7,109,591	8,525,630
Obligations under underwriting agreement	-	9,406
Irrevocable commitments to extend credit		
- maturity not exceeding one year	48,212,263	46,117,291
- maturity exceeding one year	26,494,752	22,176,460
Miscellaneous commitments and contingencies	2,268,313	4,148,292
Total credit-related commitments and contingencies	96,772,142	93,577,199
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	232,484,576	215,117,886
- one year to five years	48,575,297	49,650,897
- more than five years	9,884,178	10,690,954
	290,944,051	275,459,737
<u>Interest rate related contracts</u>		
- less than one year	215,190,324	204,499,823
- one year to five years	262,315,685	235,172,060
- more than five years	48,885,105	49,255,373
	526,391,114	488,927,256
<u>Equity related contracts</u>		
- less than one year	3,111,927	3,059,493
- one year to five years	6,856,979	6,915,007
- more than five years	364,803	425,131
	10,333,709	10,399,631
<u>Credit related contracts</u>		
- less than one year	3,859,546	5,933,343
- one year to five years	6,062,714	4,070,019
- more than five years	131,584	274,471
	10,053,844	10,277,833
<u>Commodity related contracts</u>		
- Less one year	7,210,477	4,540,276
- one year to five years	1,028,483	371,507
	8,238,960	4,911,783
<u>Bond contracts</u>		
- more than five years	90,000	30,000
	90,000	30,000
Total treasury-related commitments and contingencies	846,051,678	790,006,240
	942,823,820	883,583,439
The Company		
<u>Interest rate related contracts</u>		
- less than one year	-	500,000
	-	500,000

A25. CAPITAL ADEQUACY

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

The capital adequacy framework applicable is based on the Bank Negara Malaysia (BNM) Capital Adequacy Framework (Capital Components) issued on 28 November 2012, which was revised on 13 October 2015. The revised guideline took effect for all banking institutions on 1 January 2016 and will take effect for all financial holding companies on 1 January 2019. The capital adequacy for CIMB Thai Bank is based on the Bank of Thailand (BOT) guidelines as issued on 8 November 2012.

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

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

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

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

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

A25. CAPITAL ADEQUACY (Continued)

30 June 2016

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

	CIMB Bank **	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC*
Before deducting proposed dividend							
Common equity tier 1 ratio	11.589% ^	13.594%	10.579%	11.393% ^	32.892%	15.945%	N/A
Tier 1 ratio	13.162% ^	14.399%	10.579%	12.673% ^	32.892%	15.945%	N/A
Total capital ratio	16.471% ^	16.781%	14.821%	16.311% ^	32.892%	17.493%	17.547%
After deducting proposed dividend							
Common equity tier 1 ratio	11.086% ^	13.594%	10.579%	11.012% ^	32.892%	15.945%	N/A
Tier 1 ratio	12.659% ^	14.399%	10.579%	12.292% ^	32.892%	15.945%	N/A
Total capital ratio	15.968% ^	16.781%	14.821%	15.930% ^	32.892%	17.493%	17.547%

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

	CIMB Bank ** RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	135,920,473	21,232,539	21,216,080	181,049,351	1,085,937	49,430,435	1,324,342
Market risk	12,245,566	478,033	3,725,549	14,231,331	57,116	678,484	-
Operational risk	13,225,216	2,133,932	1,831,121	17,797,079	608,716	7,271,750	-
Large exposure risk	665,798	-	-	665,798	-	-	-
	162,057,053	23,844,504	26,772,750	213,743,559	1,751,769	57,380,669	1,324,342

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

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Common Equity Tier I capital							
Ordinary shares	5,148,084	1,000,000	1,419,221	5,148,084	100,000	492,957	201,500
Other reserves	21,879,793	2,676,921	1,574,450	27,034,562	497,860	9,076,961	30
Qualifying non-controlling interests	-	-	-	273,785	-	-	-
Less: Proposed dividends	(814,879)	-	-	(814,879)	-	-	-
Common Equity Tier I capital before regulatory adjustments	26,212,998	3,676,921	2,993,671	31,641,552	597,860	9,569,918	201,530
Less: Regulatory adjustments							
Goodwill	(3,555,075)	(136,000)	-	(5,062,714)	(964)	-	-
Intangible assets	(855,701)	(77,482)	(25,449)	(920,945)	-	-	(2,103)
Deferred tax assets	(147,630)	(23,116)	(116,553)	(348,289)	(11,505)	(69,051)	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(2,573,706)	-	-	(525,488)	(5,083)	(351,670)	-
Deduction in excess of Tier 1 & Tier 2 capital	-	-	-	-	(1,865)	-	-
Shortfall of eligible provisions to expected losses	-	(64,949)	-	-	-	-	-
Others	(1,115,038)	(133,972)	(19,321)	(1,247,084)	(2,258)	-	(6,228)
Common Equity Tier I capital after regulatory adjustments	17,965,848	3,241,402	2,832,348	23,537,032	576,185	9,149,197	193,199
Additional Tier I capital							
Perpetual preference shares	120,000	192,000	-	120,000	-	-	-
Non-innovative Tier I Capital	600,000	-	-	600,000	-	-	-
Innovative Tier I Capital	967,080	-	-	967,080	-	-	-
Perpetual subordinated capital securities	1,000,000	-	-	1,000,000	-	-	-
Qualifying capital instruments held by third parties	-	-	-	54,431	-	-	-
Additional Tier I capital before regulatory adjustments	2,687,080	192,000	-	2,741,511	-	-	-
Less: Regulatory adjustments							
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(137,594)	-	-	(5,594)	-	-	-
Additional Tier I capital after regulatory adjustments	2,549,486	192,000	-	2,735,917	-	-	-
Total Tier I Capital	20,515,334	3,433,402	2,832,348	26,272,949	576,185	9,149,197	193,199
Tier II capital							
Subordinated notes	6,950,000	510,000	1,050,630	6,950,000	-	361,779	28,210
Redeemable preference shares	17,844	-	-	17,844	6	-	-
Surplus of eligible provision over expected loss	479,178	-	-	260,416	-	-	-
Qualifying capital instruments held by third parties	-	-	-	381,996	-	-	-
Portfolio impairment allowance & Regulatory reserve	224,930	58,048	84,937	520,666	2,300	526,811	10,979
Tier II capital before regulatory adjustments	7,671,952	568,048	1,135,567	8,130,922	2,306	888,590	39,189
Less: Regulatory adjustments							
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(2,310,306)	-	-	(354,870)	(4,171)	-	-
Total Tier II capital	5,361,646	568,048	1,135,567	7,776,052	-	888,590	39,189
Total capital base	25,876,980	4,001,450	3,967,915	34,049,001	576,185	10,037,787	232,388

√ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 30 June 2016 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM187 million, RM165 million and RM22 million respectively.

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

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

^ On 26 April 2016, CIMBGH successfully completed its seventh DRS of approximately RM938 million, there was no reinvestment made into CIMB Bank post the successful completion of the DRS.

CIMBGH proposed to continue with DRS implementation for the first interim dividend in respect of the financial year ending 2016. Pursuant to the completion of DRS, CIMBGH intends to reinvest the excess cash dividend into CIMB Bank which would increase the capital adequacy ratios of CIMB Bank Group and CIMB Bank above those stated ratios.

A25. CAPITAL ADEQUACY (Continued)

31 December 2015

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

	CIMB Bank **	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC*
Before deducting proposed dividend							
Common equity tier 1 ratio	12.107% ^	12.718%	10.778%	11.329% ^	33.250%	14.145%	N/A
Tier 1 ratio	13.279% ^	13.557%	10.778%	12.279% ^	33.250%	14.145%	N/A
Total capital ratio	16.425% ^	16.273%	15.456%	15.892% ^	33.250%	16.156%	17.377%
After deducting proposed dividend							
Common equity tier 1 ratio	11.504% ^	12.718%	10.778%	10.876% ^	29.747%	14.145%	N/A
Tier 1 ratio	12.677% ^	13.557%	10.778%	11.825% ^	29.747%	14.145%	14.164%
Total capital ratio	15.823% ^	16.273%	15.456%	15.438% ^	29.747%	16.156%	17.377%

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

	CIMB Bank **	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Credit risk	134,581,911	21,088,362	21,896,165	180,655,182	1,166,117	50,643,638	1,291,520
Market risk	12,251,594	532,642	3,554,123	14,483,777	86,545	568,418	-
Operational risk	12,885,118	2,080,723	1,794,608	17,227,086	631,580	7,190,157	-
Large exposure risk	666,867	-	-	666,867	-	-	-
	160,385,490	23,701,727	27,244,896	213,032,912	1,884,242	58,402,213	1,291,520

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

	CIMB Bank **	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Common Equity Tier I capital							
Ordinary shares	5,148,084	1,000,000	1,473,510	5,148,084	100,000	502,007	214,650
Other reserves	21,591,225	2,386,083	1,603,316	26,518,216	554,758	8,257,738	(22,767)
Qualifying non-controlling interests	-	-	-	275,120	-	-	-
Less: Proposed dividends	(966,553)	-	-	(966,553)	(66,000)	-	-
Common Equity Tier I capital before regulatory adjustments	25,772,756	3,386,083	3,076,826	30,974,867	588,758	8,759,745	191,883
Less: Regulatory adjustments							
Goodwill	(3,555,075)	(136,000)	-	(5,114,235)	(964)	-	-
Intangible assets	(874,745)	(82,210)	(17,752)	(945,435)	-	-	(2,703)
Deferred tax assets	(210,842)	(31,184)	(102,575)	(403,149)	(15,278)	(140,755)	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,721,064)	-	-	(319,238)	(3,268)	(357,892)	-
Deduction in excess of Tier 2 capital	-	-	-	-	(6,462)	-	-
Shortfall of eligible provisions to expected losses	-	(60,965)	-	-	-	-	-
Others	(959,972)	(61,387)	(20,060,000)	(1,023,930)	(2,284)	-	(6,250)
Common Equity Tier I capital after regulatory adjustments	18,451,058	3,014,337	2,936,439	23,168,880	560,502	8,261,098	182,930
Additional Tier I capital							
Perpetual preference shares	140,000	199,000	-	140,000	-	-	-
Non-innovative Tier I Capital	700,000	-	-	700,000	-	-	-
Innovative Tier I Capital	1,128,260	-	-	1,128,260	-	-	-
Qualifying capital instruments held by third parties	-	-	-	54,760	-	-	-
Additional Tier I capital before regulatory adjustments	1,968,260	199,000	-	2,023,020	-	-	-
Less: Regulatory adjustments							
Investments in Additional Tier I capital instruments of subsidiaries and other financial and insurance/takaful entities	(88,000)	-	-	-	-	-	-
Additional Tier I capital before and after regulatory adjustments	1,880,260	199,000	-	2,023,020	-	-	-
Total Tier I Capital	20,331,318	3,213,337	2,936,439	25,191,900	560,502	8,261,098	182,930
Tier II capital							
Subordinated notes	7,050,000	595,000	1,191,929	7,050,000	-	631,074	30,051
Redeemable preference shares	29,740	-	-	29,740	7	-	-
Surplus of eligible provision over expected loss	480,515	-	-	210,735	-	-	-
Qualifying capital instruments held by third parties	-	-	-	376,000	-	-	-
Portfolio impairment allowance & Regulatory reserve	236,377	48,698	82,629	509,270	159	543,312	11,448
Tier II capital before regulatory adjustments	7,796,632	643,698	1,274,558	8,175,745	166	1,174,386	41,499
Less: Regulatory adjustments							
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(2,750,641)	-	-	(478,907)	(6,628)	-	-
Total Tier II capital	5,045,991	643,698	1,274,558	7,696,838	-	1,174,386	41,499
Total capital base	25,377,309	3,857,035	4,210,997	32,888,738	560,502	9,435,484	224,429

√ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 December 2015 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM183 million, RM161 million and RM22 million respectively.

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

^ CIMBGH successfully completed its sixth DRS of approximately RM171 million was reinvested into new CIMB shares. Pursuant to the completion of the DRS, CIMBGH reinvested cash dividend surplus of RM584 million and an additional equity injection of RM696 million into CIMB Bank via rights issue which was completed on 23 December 2015.

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

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

A26. SEGMENTAL REPORT

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

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

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

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

Business segment reporting

Definition of segments:

The Group has five major operation divisions that forms the basis on which the Group reports its segment information.

Consumer Banking

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

Commercial Banking

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

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

Wholesale Banking

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

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

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

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

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

A26. SEGMENTAL REPORT (Continued)

Wholesale Banking (Continued)

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

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

Group Asset Management and Investments

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

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

Group Funding and Others

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

A26. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Asset Management and Investments RM'000	Group Funding and Others RM'000	Total RM'000
30 June 2016						
Net interest income						
- external income	2,503,916	742,654	1,261,200	23,594	204,438	4,735,802
- inter-segment (expense)/income	(242,690)	11,203	351,198	(13)	(119,698)	-
	2,261,226	753,857	1,612,398	23,581	84,740	4,735,802
Income from Islamic Banking operations	406,640	90,194	262,675	2,359	89,045	850,913
Net non-interest income	838,197	156,358	895,890	221,863	(70,634)	2,041,674
Net income	3,506,063	1,000,409	2,770,963	247,803	103,151	7,628,389
Overheads	(2,019,660)	(550,968)	(1,257,579)	(187,983)	(211,569)	(4,227,759)
of which:						
- Depreciation of property, plant and equipment	(64,079)	(4,513)	(23,335)	(11,134)	(61,223)	(164,284)
- Amortisation of prepaid lease payments	275	(24)	(85)	-	(5,796)	(5,630)
- Amortisation of intangible assets	(33,446)	(2,655)	(14,099)	(7,054)	(111,117)	(168,371)
Profit before allowances	1,486,403	449,441	1,513,384	59,820	(108,418)	3,400,630
Allowance (made)/written back for impairment losses on loans, advances and financing	(286,468)	(218,967)	(545,432)	-	(3,167)	(1,054,034)
Allowance (made)/written back for losses on other receivables	(10,089)	(299)	(59,794)	2,527	(1,115)	(68,770)
Allowance (made)/written back for other impairment losses	-	-	(49,876)	-	467	(49,409)
Segment results	1,189,846	230,175	858,282	62,347	(112,233)	2,228,417
Share of results of joint ventures	2,178	-	-	184	-	2,362
Share of results of associates	-	-	-	80,961	-	80,961
Profit/(Loss) before taxation	1,192,024	230,175	858,282	143,492	(112,233)	2,311,740
% of profit before taxation	51.6	10.0	37.1	6.2	(4.9)	100.0
Taxation						(606,033)
Profit for the period						1,705,707

A26. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Asset Management and Investments RM'000	Group Funding and Others RM'000	Total RM'000
30 June 2015						
Net interest income						
- external income/(expense)	2,287,028	752,113	1,287,105	18,773	114,634	4,459,653
- inter-segment (expense)/income	(139,353)	(49,340)	158,148	(34)	30,579	-
	2,147,675	702,773	1,445,253	18,739	145,213	4,459,653
Income from Islamic Banking operations	377,576	75,177	257,864	-	55,216	765,833
Net non-interest income	729,440	157,566	1,046,117	261,395	93,750	2,288,268
Net income	3,254,691	935,516	2,749,234	280,134	294,179	7,513,754
Overheads	(2,037,157)	(563,756)	(1,515,422)	(184,269)	(476,499)	(4,777,103)
of which:						
- Depreciation of property, plant and equipment	(65,663)	(4,750)	(34,366)	(7,964)	(60,146)	(172,889)
- Amortisation of prepaid lease payments	215	(25)	(80)	-	(5,593)	(5,483)
- Amortisation of intangible assets	(32,647)	(1,648)	(13,387)	(6,895)	(100,778)	(155,355)
Profit before allowances	1,217,534	371,760	1,233,812	95,865	(182,320)	2,736,651
Allowance (made)/written back for impairment losses on loans, advances and financing	(341,774)	(95,321)	(629,518)	-	929	(1,065,684)
Allowance (made)/written back for losses on other receivables	572	26	2,542	3,404	(1,046)	5,498
Allowance written back for commitments and contingencies	-	-	-	(9,383)	-	(9,383)
Allowance written back/(made) for other impairment losses	-	-	393	(1,318)	(1,496)	(2,421)
Segment results	876,332	276,465	607,229	88,568	(183,933)	1,664,661
Share of results of joint ventures	1,640	-	-	(13,811)	-	(12,171)
Share of results of associates	-	-	-	54,834	-	54,834
Profit before taxation	877,972	276,465	607,229	129,591	(183,933)	1,707,324
% of profit before taxation	51.4	16.2	35.6	7.6	(10.8)	100.0
Taxation						(465,186)
Profit for the period						1,242,138

A26. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Asset Management and Investments RM'000	Group Funding and Others RM'000	Total RM'000
30 June 2016						
Group						
Segment assets	152,746,997	50,175,723	210,956,039	2,867,476	28,836,164	445,582,399
Investment in associates and joint ventures	164,953	-	-	965,590	175	1,130,718
	152,911,950	50,175,723	210,956,039	3,833,066	28,836,339	446,713,117
Unallocated assets	-	-	-	-	-	21,245,225
Total assets	152,911,950	50,175,723	210,956,039	3,833,066	28,836,339	467,958,342
Segment liabilities	142,169,426	51,467,723	197,160,852	1,297,456	18,943,057	411,038,514
Unallocated liabilities	-	-	-	-	-	13,363,470
Total liabilities	142,169,426	51,467,723	197,160,852	1,297,456	18,943,057	424,401,984
Other segment items						
Incurred capital expenditure	121,790	2,542	36,325	11,482	407,538	579,677
Investment in joint ventures	164,953	-	-	16,594	-	181,547
Investment in associates	-	-	-	948,996	175	949,171

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Asset Management and Investments RM'000	Group Funding and Others RM'000	Total RM'000
31 December 2015						
Group						
Segment assets	149,608,632	50,879,621	203,046,816	2,711,609	35,048,676	441,295,354
Investment in associates and joint ventures	162,775	-	-	874,498	175	1,037,448
	149,771,407	50,879,621	203,046,816	3,586,107	35,048,851	442,332,802
Unallocated assets	-	-	-	-	-	19,244,341
Total assets	149,771,407	50,879,621	203,046,816	3,586,107	35,048,851	461,577,143
Segment liabilities	138,283,842	52,896,935	195,136,374	1,373,105	19,710,722	407,400,978
Unallocated liabilities	-	-	-	-	-	11,943,537
Total liabilities	138,283,842	52,896,935	195,136,374	1,373,105	19,710,722	419,344,515
Other segment items						
Incurred capital expenditure	314,986	4,319	69,262	46,132	508,896	943,595
Investment in joint ventures	162,775	-	-	15,833	-	178,608
Investment in associates	-	-	-	858,665	175	858,840

A27. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

Valuation Model Review and Approval

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

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

A27. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and the Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 March 2016 and 31 December 2015.

The Group	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Fair Value		Total RM'000
			Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
30 June 2016					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial assets held for trading					
- Money market instruments	15,272,944	-	15,272,944	-	15,272,944
- Quoted securities	4,091,428	3,755,749	335,679	-	4,091,428
- Unquoted securities	5,268,717	-	5,121,734	146,983	5,268,717
Financial investments available-for-sale					
- Money market instruments	2,162,940	-	2,162,940	-	2,162,940
- Quoted securities	8,626,518	6,233,613	2,392,905	-	8,626,518
- Unquoted securities	20,946,018	52	19,618,576	1,327,390	20,946,018
Derivative financial instruments					
- Trading derivatives	9,984,117	88,019	9,822,746	73,352	9,984,117
- Hedging derivatives	328,201	-	328,201	-	328,201
Total	66,680,883	10,077,433	55,055,725	1,547,725	66,680,883
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	9,753,441	129,375	9,316,042	308,024	9,753,441
- Hedging derivatives	958,070	-	958,070	-	958,070
Financial liabilities designated at fair value	4,723,781	-	4,336,513	387,268	4,723,781
Total	15,435,292	129,375	14,610,625	695,292	15,435,292

The Group	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Fair Value		Total RM'000
			Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
31 December 2015					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial assets held for trading					
- Money market instruments	12,111,815	-	12,111,815	-	12,111,815
- Quoted securities	3,438,321	3,438,321	-	-	3,438,321
- Unquoted securities	5,130,130	-	4,972,745	157,385	5,130,130
Financial investments available-for-sale					
- Money market instruments	2,768,757	-	2,768,757	-	2,768,757
- Quoted securities	7,806,721	7,806,721	-	-	7,806,721
- Unquoted securities	22,192,070	-	20,839,301	1,352,769	22,192,070
Derivative financial instruments					
- Trading derivatives	11,546,818	12,408	11,401,532	132,878	11,546,818
- Hedging derivatives	162,031	-	162,031	-	162,031
Total	65,156,663	11,257,450	52,256,181	1,643,032	65,156,663
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	11,532,980	140,679	11,175,674	216,627	11,532,980
- Hedging derivatives	606,869	-	606,869	-	606,869
Financial liabilities designated at fair value	4,952,771	-	4,593,682	359,089	4,952,771
Total	17,092,620	140,679	16,376,225	575,716	17,092,620

A27. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 March 2016 and 31 December 2015.

The Company	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Fair Value		Total RM'000
			Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
30 June 2016					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial investments available-for-sale					
- Unquoted securities	1,009,793	-	1,009,793	-	1,009,793
Total	1,009,793	-	1,009,793	-	1,009,793

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

A27. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial period/year ended 30 June 2016 and 31 December 2015 for the Group.

	Financial Assets			Total	Financial Liabilities		
	Financial assets held for trading	Financial investments available-for-sale	Derivative financial instruments		Financial liabilities designated at fair value	Derivative financial instruments	Total
	Unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000		RM'000	Trading derivatives RM'000	RM'000
2016							
At 1 January	157,385	1,352,769	132,878	1,643,032	(359,088)	(216,627)	(575,715)
Total (losses)/gains recognised in Statement of Income	(71)	3,461	(77,205)	(73,815)	(35,370)	(75,473)	(110,843)
Total gains recognised in Other Comprehensive Income	-	9,426	-	9,426	-	-	-
Purchases	(691)	10,111	26,852	36,272	-	(22,232)	(22,232)
Sales and redemptions	-	(23,708)	-	(23,708)	-	-	-
Settlements	-	-	(8,004)	(8,004)	7,190	4,398	11,588
Exchange fluctuation	(9,640)	(24,669)	(1,169)	(35,478)	-	1,910	1,910
At 30 June	146,983	1,327,390	73,352	1,547,725	(387,268)	(308,024)	(695,292)
Total (losses)/gains recognised in Statement of Income for financial period ended 30 June 2016 under:							
- net non-interest income	(71)	3,461	(77,205)	(73,815)	(27,679)	(75,473)	(103,152)
- interest expense	-	-	-	-	(7,691)	-	(7,691)
Total gains recognised in Other Comprehensive Income for the financial period ended 30 June 2016 under "revaluation reserves"	-	9,426	-	9,426	-	-	-
Change in unrealised (losses)/gains recognised in Statement of Income relating to assets held on 30 June 2016 under "net non-interest income"	(71)	4,886	(7,065)	(2,250)	(27,679)	(113,393)	(141,072)

A27. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial period/year ended 30 June 2016 and 31 December 2015 for the Group. (Continued)

	Financial Assets			Total	Financial Liabilities		
	Financial assets held for trading	Financial investments available-for-sale	Derivative financial instruments		Financial liabilities designated at fair value	Derivative financial instruments	Total
	Unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000		RM'000	Trading derivatives RM'000	RM'000
2015							
At 1 January	132,681	1,599,188	66,855	1,798,724	(360,736)	(870,966)	(1,231,702)
Total gains/(losses) recognised in Statement of Income	769	(15,891)	58,126	43,004	(24,856)	765,434	740,578
Total gains recognised in Other Comprehensive Income	-	1,397	-	1,397	-	-	-
Purchases	-	81,289	32,137	113,426	-	(28,853)	(28,853)
New issuances	-	-	-	-	(456)	-	(456)
Sales and redemptions	(5,000)	(418,989)	-	(423,989)	-	-	-
Settlements	-	-	(26,307)	(26,307)	26,959	17,039	43,998
Exchange fluctuation	28,935	105,775	2,067	136,777	-	(99,281)	(99,281)
At 31 December	157,385	1,352,769	132,878	1,643,032	(359,089)	(216,627)	(575,716)
Total gains/(losses) recognised in Statement of Income for financial year ended 31 December 2015 under:							
- net non-interest income	769	(15,402)	58,126	43,493	(10,761)	765,434	754,673
- interest expense	-	-	-	-	(14,095)	-	(14,095)
- allowances for other impairment losses	-	(489)	-	(489)	-	-	-
Total gains recognised in Other Comprehensive Income for financial year ended 31 December 2015 under "revaluation reserves"	-	1,397	-	1,397	-	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 31 December 2015 under "net non-interest income"	2,484	(29,321)	64,645	37,808	(10,761)	(49,501)	(60,262)

A27. FAIR VALUE ESTIMATION (Continued)

The following represents the Group's and the Company's non-financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 June 2016 and 31 December 2015.

Investment properties (Recurring)

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

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

In accordance with MFRS5, the non-current assets held for sales were stated at the lower of carrying amount and fair value less cost to sell. As at 30 June 2016, the property plant and equipment and investment properties held for sales of the Group that were stated at fair value less cost to sell was RM4,905,000 (2015: RM4,575,000). This is a non-recurring fair value which has been measured using observable inputs under sales comparison approach performed by independent valuers. Sales prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. Therefore, it is within level 2 of the fair value hierarchy.

A28. OPERATIONS OF ISLAMIC BANKING**A28a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016**

	Note	The Group	
		30 June 2016 RM'000	31 December 2015 RM'000
ASSETS			
Cash and short-term funds		10,508,951	8,046,054
Reverse repurchase agreements		25,513	-
Deposits and placements with banks and other financial institutions		898,087	507,849
Financial assets held for trading		1,858,878	2,945,220
Islamic derivative financial instruments		476,142	496,564
Financial investments available-for-sale		1,816,321	2,337,791
Financial investments held-to-maturity		3,078,079	2,264,868
Financing, advances and other financing/loans	A28d(i)	49,440,482	47,235,376
Deferred tax assets		22,831	30,541
Amount due from conventional operations		5,181,243	4,371,874
Statutory deposits with Bank Negara Malaysia		1,359,394	1,257,178
Property, plant and equipment		14,024	15,570
Other assets		1,323,347	972,518
Goodwill		136,000	136,000
Intangible assets		78,823	83,957
TOTAL ASSETS		76,218,115	70,701,360
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS			
Deposits from customers	A28(e)	52,366,667	49,331,189
Investment accounts of customers	A28(f)	243,200	232,716
Deposits and placements of banks and other financial institutions		4,232,696	3,596,306
Investment accounts due to designated financial institutions	A28(g)	4,004,752	2,900,982
Islamic derivative financial instruments		615,113	594,474
Financial liabilities designated at fair value	A28(h)	164,216	199,063
Recourse obligation on loans and financing sold to Cagamas		1,353,207	502,368
Amount due to conventional operations		311,714	1,202,273
Provision for taxation and Zakat		58,887	39,017
Other liabilities		6,041,243	5,413,779
Other borrowings		30,576	17,125
Subordinated Sukuk		606,744	856,983
TOTAL LIABILITIES		70,029,015	64,886,275
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,696	55,250
Perpetual preference shares		220,000	220,000
Reserves		4,901,724	4,528,937
		6,177,420	5,804,187
Non-controlling interests		11,680	10,898
TOTAL ISLAMIC BANKING CAPITAL FUNDS		6,189,100	5,815,085
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		76,218,115	70,701,360

A28b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD ENDED 30 JUNE 2016

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	666,516	663,343	1,378,883	1,250,538
Income derived from investment of investment account	49,779	-	92,356	-
Net income derived from investment of shareholders' funds	105,148	126,655	190,793	263,564
Allowance made for impairment losses on financing, advances and other financing/loans	(24,575)	(36,258)	(24,364)	(71,599)
Allowance made for impairment losses on other receivables	(248)	(56)	(218)	(91)
Total distributable income	796,620	753,684	1,637,450	1,442,412
Income attributable to depositors	(407,893)	(391,078)	(810,844)	(748,269)
Profit distributed to investment account holder	(148)	-	(275)	-
Total net income	388,579	362,606	826,331	694,143
Other operating expenses	(129,325)	(147,194)	(273,327)	(291,315)
Profit before taxation	259,254	215,412	553,004	402,828
Taxation	(53,446)	(48,683)	(111,970)	(91,001)
Profit for the period	205,808	166,729	441,034	311,827
Profit for the period attributable to:				
Owners of the Parent	205,371	166,766	440,207	311,481
Non-controlling interests	437	(37)	827	346
	205,808	166,729	441,034	311,827

A28c. UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2016

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
Profit for the period	205,808	166,729	441,034	311,827
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	2,669	2,537	8,260	15,598
- Net gain from change in fair value	4,324	4,587	15,614	21,692
- Realised gain transferred to statement of income on disposal and impairment	(308)	(1,082)	(3,320)	(1,225)
- Income tax effects	(1,347)	(968)	(4,034)	(4,869)
Exchange fluctuation reserve	2,787	511	(13,617)	5,647
Other comprehensive income for the period, net of tax	5,456	3,048	(5,357)	21,245
Total comprehensive income for the period	211,264	169,777	435,677	333,072
Total comprehensive income for the period attributable to:				
Owners of the Parent	211,243	169,775	435,722	333,082
Non-controlling interests	21	2	(45)	(10)
	211,264	169,777	435,677	333,072
<u>Income from Islamic operations (per page 2)</u>				
Total net income	388,579	362,606	826,331	694,143
Add: Allowance made for impairment losses on financing, advances and other financing/loans	24,575	36,258	24,364	71,599
Add: Allowance made for impairment losses on other receivables	248	56	218	91
	413,402	398,920	850,913	765,833

A28d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS
(i) By type and Shariah contract
30 June 2016

At amortised cost	The Group					Total RM'000
	Bai' RM'000	Ijarah RM'000	Musharakah RM'000	Qard RM'000	Others RM'000	
Cash line^	649,438	-	-	3,342	-	652,780
Term financing						
House Financing	10,514,039	1,474,364	-	-	-	11,988,403
Syndicated Financing	2,210,079	135,437	-	-	76,094	2,421,610
Hire purchase receivables	835,257	3,948,907	-	-	-	4,784,164
Other term financing	22,634,388	57,731	-	-	3,229,965	25,922,084
Bills receivable	31,907	-	-	326	214,936	247,169
Trust receipts	18,910	-	-	-	104,508	123,418
Claims on customers under acceptance credits	376,473	-	-	-	-	376,473
Staff financing	-	-	-	-	2	2
Revolving credits	2,590,909	-	-	-	185,840	2,776,749
Credit card receivables	-	-	-	-	219,916	219,916
Share margin financing	2,258	-	122,261	-	18,718	143,237
Ar Rahn	-	-	-	-	944	944
Other financing	-	15,524	-	-	7,272	22,796
Gross financing, advances and other financing/loans	39,863,658	5,631,963	122,261	3,668	4,058,195	49,679,745
Fair value changes arising from fair value hedge						147,439
						49,827,184
Less: Allowance for impairment losses						
- Individual impairment allowance						(81,898)
- Portfolio impairment allowance						(304,804)
						(386,702)
Net financing, advances and other financing/loans						49,440,482

31 December 2015

At amortised cost	The Group					Total RM'000
	Bai' RM'000	Ijarah RM'000	Musharakah RM'000	Qard RM'000	Others RM'000	
Cash line^	584,930	-	-	17,114	-	602,044
Term financing						
House Financing	9,971,879	1,385,143	-	-	-	11,357,022
Syndicated Financing	2,084,525	160,701	-	-	29,919	2,275,145
Hire purchase receivables	821,861	4,306,661	-	-	-	5,128,522
Other term financing	21,264,688	58,232	-	-	3,288,620	24,611,540
Bills receivable	3,373	-	-	153	-	3,526
Trust receipts	26,106	-	-	-	94,073	120,179
Claims on customers under acceptance credits	445,038	-	-	-	-	445,038
Staff financing	-	-	-	-	2	2
Revolving credits	2,168,995	-	-	-	509,243	2,678,238
Credit card receivables	-	-	-	-	180,628	180,628
Share margin financing	4,100	-	96,520	-	30,063	130,683
Ar Rahn	-	-	-	-	1,065	1,065
Other financing	-	18,303	-	-	10,247	28,550
Gross financing, advances and other financing/loans	37,375,495	5,929,040	96,520	17,267	4,143,860	47,562,182
Fair value changes arising from fair value hedge						110,491
						47,672,673
Less: Allowance for impairment losses						
- Individual impairment allowance						(79,321)
- Portfolio impairment allowance						(357,976)
						(437,297)
Net financing, advances and other financing/loans						47,235,376

^ Includes current account in excess

A28d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**(i) By type and Shariah contract (Continued)**

(a) During the financial period, the Group has undertaken fair value hedges on RM3,575 million (2015: RM3,575 million) financing using profit rate swaps.

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

As at 30 June 2016, the gross exposures to RPSIA financing is RM3,326 million (2015: RM2,733 million) and the portfolio impairment allowance relating to this RPSIA amounting to RM4.7 million (2014: RM5.4 million) is recognised in the Financial Statements of CIMB Bank Berhad.

There was no individual impairment provided on this RPSIA financing.

c) Movement of Qard financing

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
At 1 January	17,267	10,277
New disbursement	1,878	13,522
Repayment	(15,477)	(6,532)
At 30 June/31 December	3,668	17,267

b) Sources and uses of Qard Financing

Sources of Qard fund:

Depositors' fund	3,419	16,122
Shareholders' fund	249	1,145
	3,668	17,267

Uses of Qard fund:

Personal use	381	337
Business use	3,287	16,930
	3,668	17,267

(ii) By geographical distribution

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
Malaysia	42,845,048	40,805,184
Indonesia	2,624,753	2,328,448
Singapore	3,079,883	3,183,243
Other countries	1,130,061	1,245,307
Gross financing, advances and other financing/loans	49,679,745	47,562,182

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

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
Malaysia	518,843	424,382
Indonesia	49,562	42,156
Gross impaired financing, advances and other financing/loans	568,405	466,538

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

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

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
At 1 January	466,538	539,920
Classified as impaired during the period/year	381,695	561,268
Reclassified as not impaired during the period/year	(140,911)	(312,552)
Amount recovered	(53,288)	(103,317)
Amount written off	(100,921)	(213,337)
Exchange fluctuation	15,292	(5,444)
At 30 June/31 December	<u>568,405</u>	<u>466,538</u>
Ratio of gross impaired financing, advances and other financing/loans to gross financing, advances and other financing/loans	<u>1.14%</u>	<u>0.98%</u>

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

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
Individual impairment allowance		
At 1 January	79,321	88,336
Allowance made during the period/year	3,177	(11,810)
Amount written off	-	(981)
Exchange fluctuation	(600)	3,776
At 30 June/31 December	<u>81,898</u>	<u>79,321</u>
Portfolio impairment allowance		
At 1 January	357,976	374,704
Allowance made during the period/year	44,675	199,278
Amount written off	(100,970)	(212,336)
Exchange fluctuation	3,123	(3,670)
At 30 June/31 December	<u>304,804</u>	<u>357,976</u>
Portfolio impairment allowance as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	<u>1.10%</u>	<u>1.10%</u>

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

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
Savings deposit		
Wadiah	3,684,482	3,263,150
Mudharabah	530,931	320,617
	4,215,413	3,583,767
Demand deposit		
Wadiah	9,641,231	9,408,866
Qard	284,225	386,784
Mudharabah	98,404	71,026
	10,023,860	9,866,676
Term deposit		
<i>Commodity Murabahah</i>	36,169,507 *	33,230,363
<i>Islamic negotiable instruments</i>	139,860	742,792
Mudharabah	139,860	344,450
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	-	398,342
<i>Short term money market deposit-i</i>	16,771	28,781
Wakalah	16,771	17,816
Wadiah	-	10,965
<i>Fixed Deposit-i</i>	138,292	239,772
Wadiah	138,292	239,772
<i>General investment account</i>	1,351,133	1,310,340
Mudharabah	1,351,133	1,310,340
<i>Specific investment account</i>	299,884	314,009
Mudharabah	299,884	314,009
	38,115,447	35,866,057
Others - Qard	11,947	14,689
	52,366,667	49,331,189

* included Qard contract of RM381,254,000

(ii) By maturity structures of term deposit

Due within six months	24,461,717	27,962,417
Six months to one year	8,602,060	7,202,592
One year to three years	4,389,269	391,340
Three years to five years	377,746	885
More than five years	284,655	308,823
	38,115,447	35,866,057

(iii) By type of customer

Government and statutory bodies	4,055,235	3,513,833
Business enterprises	18,140,270	19,932,893
Individuals	11,569,877	10,829,624
Others	18,601,285	15,054,839
	52,366,667	49,331,189

A28f. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
Unrestricted investment accounts		
- without maturity		
Special Mudharabah Investment Account	243,200	232,716
	243,200	232,716

A28g. INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group	
	30 June 2016	31 December 2015
	RM'000	RM'000
Restricted investment accounts		
Mudharabah	4,004,752	2,900,982
By type of counterparty		
Licensed banks	4,004,752	2,900,982

A28h. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	The Group	
	30 June 2016	31 December 2015
	RM'000	RM'000
Deposits from customers - structured investments	164,216	199,063

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

The carrying amount of the Group as at 30 June 2016 of financial liabilities designated at fair value were RM476,000 (2015: RM8,581,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

A29. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	The Group	
	30 June 2016	31 December 2015
	RM'000	RM'000
Outstanding credit exposures with connected parties	13,857,655	14,259,511
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	3.75%	4.01%
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	0.00%	0.00%

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

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) results

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) reported a Profit Before Tax (“PBT”) of RM2,312 million for the first half of 2016 (“1H16”). On a year-on-year (Y-o-Y) basis, the Net Profit of RM1,687 million improved 1.7% compared to the Business As Usual (“BAU”) 1H15 Net Profit of RM1,659 million. The 1H16 net earnings per share (“EPS”) stood at 19.6 sen, while the annualised 1H16 net return on average equity (“ROE”) was 8.1%. The Group declared a first interim net dividend of 8.00 sen per share to be paid via cash or an optional Dividend Reinvestment Scheme (“DRS”). The total interim dividend amounts to a net payment of RM698 million, translating to a dividend payout ratio of 40.1% of 1H16 profits. The Group had announced a special interim dividend-in-specie equivalent to 2.00 sen per share involving the distribution of CIMB Niaga B Shares to CIMB Group shareholders on a ratio of 1 CIMB Niaga share for approximately every 6.39 CIMB Group shares.

CIMB Group’s Consumer and Wholesale Banking divisions continue to perform well, especially with improved capital market activity in 2Q. Strict cost controls resulted in a 0.7% Y-o-Y decline in operating costs and coupled with the improved revenues, the Group’s 1H16 net profit was 1.7% better Y-o-Y. The Group’s CET1 capital ratio strengthened to 10.7% and is on-track toward our year-end target of 11%. The Group has also proposed a 40% dividend payout of 8 sen/share for the first half of this year. Given the macroeconomic conditions, the Group was pleased with its 1H16 performance.

CIMB Group 2Q16 Y-o-Y Results

For comparative purposes, the corresponding 1H15 numbers are based on BAU basis. CIMB Group’s 1H16 operating income grew 1.5% Y-o-Y to RM7,628 million underpinned by a 6.5% improvement in net interest income but partially offset by a 9.1% decline in non-interest income, which was impacted by the weaker capital market, particularly in 1Q16. Operating expenses declined 0.7% Y-o-Y but was 4.3% lower after excluding foreign currency translation effects, a reflection of the Group’s stricter cost controls. This brought about the 4.5% improvement in the Group’s Pre-Provisioning Operating Profit (“PPOP”). The Group’s PBT was 3.9% higher at RM2,312million, with loan provisions 1.1% lower Y-o-Y.

The Group’s regional Consumer Bank PBT increased by 35.8% Y-o-Y in 1H16 to RM1,192 million, making up 52% of Group PBT. The better performance was fuelled by the regional consumer loans growth, lower overhead costs and lower provisions. The regional Commercial Banking PBT was 16.7% lower Y-o-Y at RM230 million largely attributed to higher provisions in Thailand, Indonesia and Singapore. The Group’s Regional Wholesale Banking PBT improved by 6.2% Y-o-Y to RM859 million underpinned by a recovery in Treasury & Markets, with Corporate Banking and Investment Banking staying weak. Group Asset Management and Investments (“GAMI”)’s PBT expanded 8.3% Y-o-Y due to higher contributions from investments, while Group Funding PBT was 186.2% lower Y-o-Y from higher costs of funding and foreign exchange effects on investments.

Non-Malaysia PBT contribution to the Group increased to 25% in 1H16 compared to 23% in 1H15, largely attributed to the 241.2% Y-o-Y improvement in Indonesia’s PBT to RM331million in line with lower provision at CIMB Niaga. Thailand’s PBT contribution was 15.2% lower Y-o-Y at RM95 million owing to the increased loan provisions. Total PBT contribution from Singapore was 36.8% lower at RM132 million from increased commercial banking provisions.

The Group’s total gross loans (excluding the bad bank) expanded 6.6% Y-o-Y or 3.9% excluding FX fluctuations. Total deposits grew 7.1% Y-o-Y or 4.6% excluding FX fluctuations. The Group’s loan to deposit (“LDR”) ratio stood at 93.5% compared to 94.0% in 1H15.

The Group’s gross impairment ratio reduced to 3.2% as at June 2016 from 3.3% in June 2015, with a higher allowance coverage of 83.5% as at June 2016. The Group’s cost to income ratio improved to 55.4% compared with 56.7% in 1H15, with the Group’s cost management initiatives continuing to show results. The Group’s Net Interest Margins (“NIM”) were marginally lower at 2.63% driven mainly by the higher cost of deposits in Malaysia.

As at 30 June 2016, CIMB Group’s total capital ratio stood at 15.6% while the Common Equity Tier 1 (“CET1”) capital ratio strengthened to 10.7%.

CIMB Group 2Q16 Q-o-Q Performance

On a Q-o-Q basis, 2Q16 operating income was 4.8% higher at RM3,903million with non-interest income increasing by 19.0%, offset by a 0.4% decline in net interest income. The Consumer Banking PBT posted a 14.0% Q-o-Q growth on the back of revenue expansion and lower expenses. Commercial Banking PBT was 42.5% lower due to increased provisions during the quarter, while the 10.5% Q-o-Q increase in Wholesale Banking PBT was attributed to the improved capital market activity and gross loans growth in 2Q16. The 2Q16 net profit was 7.2% higher Q-o-Q at RM873 million attributed to the higher non-interest income and lower operating costs, partially offset by an uptick in provisions.

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

CIMB Islamic

CIMB Islamic's 1H16 Y-o-Y PBT increased by 43.0% to RM368 million from improved performance in the Consumer segments. CIMB Islamic's gross financing assets increased by 10.3% Y-o-Y to RM42.7 billion, accounting for 14.3% of total Group loans. Total deposits increased by 6.9% Y-o-Y to RM46.5 billion.

Key Organisation Changes

On 4 January 2016, Mohamed Rafe bin Mohamed Haneef was appointed as CEO, Group Islamic Banking and CEO/ED of CIMB Islamic Bank. On 20 January 2016, Tengku Dato' Sri Zafrul Aziz was appointed as CEO of CIMB Bank Berhad. On 1 March 2016, Dato' Kong Sooi Lin was appointed as CEO of CIMB Investment Bank Berhad. On 1 April 2016, Mak Lye Mun was appointed as CEO, Group Wholesale Banking. On 1 July 2016, Samir Gupta was appointed as CEO, Group Regional Consumer Banking.

B2. CORPORATE DEVELOPMENTS

Capital Management

- On 21 April 2016, CIMB Islamic Bank redeemed its RM250 million Basel II Tier-2 Junior Sukuk.
- On 25 April 2016, CIMB Group issued and allotted 201,588,194 new ordinary shares of RM1 each in new CIMB Group shares pursuant to the DRS arising from the Second Interim Dividend announcement for FY15. The new shares were listed and quoted on the Main Market of Bursa Securities on 26 April 2016.
- On 25 May 2016, CIMB Group issued RM1.0 billion Basel III-compliant Additional Tier 1 Capital Securities rated A1/Stable by RAM. The proceeds were used to subscribe for RM1.0 billion Basel III-compliant Additional Tier 1 Capital Securities issued by CIMB Bank.
- On 15 June 2016, CIMB Group announced a proposed special interim dividend-in-specie involving the distribution of 1,366,988,057 existing CIMB Niaga B Shares to CIMB Group shareholders on a ratio of 1 CIMB Niaga share for approximately every 6.39 CIMB Group shares. On 27 July 2016, CIMB Group announced a proposed monetisation option which provides entitled shareholders the option to receive cash instead of the Dividend shares.
- On 11 July 2016, CIMB Thai issued RM570 million Basel III-compliant Tier 2 Subordinated Debt. The proceeds were used for CIMB Thai's working capital, general banking and other corporate purposes, and the refinancing of its existing subordinated debt.
- On 8 August 2016, CIMB Bank Berhad redeemed its RM1,350 million Basel II-compliant Tier 2 Subordinated Debt.
- On 8 August 2016, CIMB Bank Berhad issued RM1,350 million Basel III-compliant Tier 2 Subordinated Debt rated AA2/Stable by RAM. The proceeds were used for CIMB Bank Berhad's working capital requirements, general banking and other corporate purposes and the refinancing of its existing subordinated debt.

Mergers and Acquisitions

- On 23 March 2016, CIMB Group entered into an agreement to divest its 51% stake in PT CIMB Sun Life for a cash consideration of IDR550 billion (RM169 million) to Sun Life Assurance Company of Canada. The transaction was completed on 1 July 2016.
- On 28 July 2016, CIMB Group announced a strategic partnership with Fajr Capital, a leading private equity investor in the Middle East. Consequently, CIMB Middle East BSC (C), a wholly owned subsidiary of CIMB Group has sought Central Bank of Bahrain's approval to close its business.

Others

- On 4 January 2016, Mohamed Rafe bin Mohamed Haneef was appointed as CEO, Group Islamic Banking and CEO/ED of CIMB Islamic Bank. On 20 January 2016, Tengku Dato' Sri Zafrul Aziz was appointed as CEO of CIMB Bank Berhad. On 1 March 2016, Dato' Kong Sooi Lin was appointed as CEO of CIMB Investment Bank Berhad. On 1 April 2016, Mak Lye Mun was appointed as CEO, Group Wholesale Banking.
- On 5 January 2016, Moody's affirmed CIMB Niaga's long-term and short-term foreign currency deposits ratings at Baa3 and P-3 respectively. The outlook is stable.
- On 31 March 2016, Fitch Ratings affirmed CIMB Niaga's long-term and short-term issuer default ratings at BBB and F3 respectively, as well as long-term and short-term national ratings at AAA(idn) and F1+(idn) respectively. The outlook is stable.

B2. CORPORATE DEVELOPMENTS (continued)

Others

- On 20 April 2016, RAM assigned an A1/Stable rating to CIMB Group Holdings' proposed Additional Tier-1 Capital Securities Programme of RM10.0 billion and reaffirmed CIMB Group Holdings' long-term and short-term corporate credit ratings at AA1 and P1 respectively. The outlook is stable.
- On 11 May 2016, RAM assigned an A1/ Stable rating to CIMB Bank's proposed Additional Tier-1 Capital Securities Programme of RM10.0 billion and reaffirmed CIMB Bank's long-term and short-term financial institution ratings of CIMB Bank at AAA and P1 respectively. The outlook is stable.
- On 3 June 2016, CIMB Group entered into a Master Distribution agreement with Sampo Japan Nipponkoa Holdings Inc. to establish a regional non-life bancassurance partnership in selected countries in Southeast Asia.
- On 8 June 2016, Moody's affirmed CIMB Thai's long-term and short-term foreign currency deposits ratings at Baa2 and P-2 respectively. The outlook is stable.
- On 16 June 2016, RAM affirmed CIMB Thai's CIMB Thai's long-term and short-term financial institution ratings at AA2 and P1 respectively. Also, RAM reaffirmed CIMB Thai's RM2.0 billion Basel III Compliant Tier 2 Subordinated Notes Programme at AA3. The outlook is stable.
- On 17 June 2016, RAM assigned a rating of AA2 to CIMB Bank's RM10 bil Tier-2 Subordinated Debt Programme (2013/2073), following amendments made to the terms of the issuances on or after 1 January 2016 which included non-viability event linked to CIMB Bank and to CIMB Group Holdings. The amendments were made due to regulatory capital requirements to financial holding companies such as CIMB Group Holdings. To date, there have been no issuances on or after 1 January 2016. The outlook is stable.
- On 4 July 2016, Moody's affirmed CIMB Bank's long term and short term foreign currency deposits ratings at A3 and P-2 respectively. The outlook is stable.
- On 4 July 2016, Moody's affirmed CIMB Group Holdings long-term and short-term issuer ratings at Baa1 and P-2 respectively. The outlook is stable.
- On 4 July 2016, Moody's affirmed CIMB Islamic Bank's long-term and short-term foreign currency ratings at A3 and P-2 respectively. The outlook is stable.
- On 4 July 2016, Moody's affirmed CIMB Niaga's long-term and short-term foreign currency ratings at Baa3 and P-3 respectively. The outlook is stable.
- On 5 July 2016, Moody's affirmed CIMB Investment Bank's long-term and short-term issuer ratings at A3 and P-2 respectively. The outlook is stable.
- On 2 August 2016, Fitch Ratings upgraded CIMB Thai's long-term national rating from AA-(tha) to AA(th) and reaffirmed the short-term national rating at F1+(tha). Also, CIMB Thai's long-term subordinated debt was upgraded from A+(tha) to AA-(tha). The outlook is stable.

B3. PROSPECTS FOR THE CURRENT FINANCIAL PERIOD

The Group is approaching the second half of 2016 with caution in view of macroeconomic challenges faced by our operating countries. Cost management, asset quality, capital management and governance will remain core management focus areas. CIMB Malaysia and CIMB Singapore's performance is expected to be subdued in line with the slower economic environment in both countries. CIMB Thai will continue to focus on asset quality and operational reorganisation. CIMB Niaga's performance is expected to improve progressively although the local operating environment may continue to be challenging.

B4. TAXATION

	2nd quarter ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
The Group				
Major components of tax expense:				
Current tax expense	232,221	196,244	516,009	475,870
Deferred tax expense	61,787	37,365	49,432	(8,330)
Under/(over) provision in prior years	18,698	(1,668)	40,592	(2,354)
	312,706	231,941	606,033	465,186

Reconciliation

Profit before taxation	1,188,611	883,744	2,311,740	1,707,324
Tax at statutory income tax rate of 24% (2015: 25%)	285,267	220,936	554,818	426,831
Effect of different tax rates in other countries and change in tax rates	(43,344)	(67,400)	(85,854)	(128,293)
Due to expenses not deductible for tax purposes and income not subject to income tax	52,085	80,073	96,477	169,002
Under/(over) provision in prior years	18,698	(1,668)	40,592	(2,354)
	312,706	231,941	606,033	465,186

The Company

Major components of tax expense:

Current tax expense	3,481	2,522	6,231	5,734
Deferred tax expense	-	-	(1,250)	108
Under provision in prior years	-	-	-	120
	3,481	2,522	4,981	5,962

Reconciliation

Profit before taxation	(64,052)	681,921	893,421	617,820
Tax at statutory income tax rate of 24% (2015: 25%)	(15,373)	170,480	214,421	154,455
Due to expenses not deductible for tax purposes and income not subject to income tax	18,854	(167,958)	(209,440)	(148,613)
Under provision in prior years	-	-	-	120
	3,481	2,522	4,981	5,962

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

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

B6. REALISED AND UNREALISED PROFITS

	The Group		The Company	
	30 June 2016 RM'000	31 December 2015 RM'000	30 June 2016 RM'000	31 December 2015 RM'000
Total retained earnings of the Group and subsidiaries				
- Realised	14,197,967	14,047,882	1,699,683	1,801,801
- Unrealised	322,361	100,048	106,203	53,644
	14,520,328	14,147,930	1,805,886	1,855,445
Total share of retained earnings from associates				
- Realised	882,430	800,973	-	-
- Unrealised	292	788	-	-
Total share of retained earnings from joint ventures				
- Realised	95,891	93,529	-	-
- Unrealised	1,293	1,293	-	-
	15,500,234	15,044,513	1,805,886	1,855,445
Consolidation adjustments	55,341	(28,928)	-	-
Total group retained earnings as per consolidated financial statements	15,555,575	15,015,585	1,805,886	1,855,445

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

The marked-to-market gains and losses on derivative contracts and financial investments at fair value through profit or loss that remain outstanding in the financial statements of the Group and the Company as at 30 June 2016 and 31 December 2015 are deemed unrealised and should be read together as it reflects the nature of the transactions and financial position of the Group and the Company. In addition, the unrealised retained profits of the Group and the Company as disclosed above excludes the translation gains and losses on monetary items denominated in a currency other than the functional currency, as these gains and losses are incurred in the ordinary course of business of the Group and the Company, and are hence deemed as realised.

B7. BORROWINGS AND DEBT SECURITIES

	The Group	
	30 June 2016 RM'000	31 December 2015 RM'000
Bonds and debentures*		
Unsecured		
One year or less (short term)	2,892,759	4,510,945
More than one year (medium/long term)	6,620,832	6,766,231
	9,513,591	11,277,176

* Included in bonds and debentures for the current period are IDR denominated bonds equivalent to IDR3,885,000 million, IDR denominated notes equivalent to IDR600,000 million, HKD denominated bonds equivalent to HKD3,938 million, USD denominated bonds equivalent to USD663 million, THB denominated debentures equivalents to THB18,069 million, SGD denominated bonds equivalents to SGD120 million, AUD denominated bonds equivalents to AUD100 million, and CNY denominated notes equivalents to CNY350 million. HKD430 million, HKD350 million, USD20 million and EUR30 million bonds has been redeemed in January 2016, March 2016, April 2016 and May 2016, respectively.

	The Group		The Company	
	30 June 2016 RM'000	31 December 2015 RM'000	30 June 2016 RM'000	31 December 2015 RM'000
Other borrowing **				
Unsecured				
One year or less (short term)	2,840,134	3,025,436	406,412	1,156,939
More than one year (medium/long term)	5,975,746	6,011,688	3,765,700	3,515,670
	8,815,880	9,037,124	4,172,112	4,672,609
Subordinated obligations***				
Unsecured				
One year or less (short term)	1,807,730	1,452,160	-	-
More than one year (medium/long term)	12,692,034	12,242,731	4,997,494	3,992,277
	14,499,764	13,694,891	4,997,494	3,992,277

*** Included in subordinated notes for current period are IDR denominated Subordinated Notes of IDR2,980,000 million and THB denominated Subordinated Notes of THB6,544 million.

B8. MATERIAL LITIGATION

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

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

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

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests	872,826	639,754	1,686,630	1,219,878
Weighted average number of ordinary shares in issue ('000)	8,673,474	8,469,467	8,600,371	8,446,733
Basic earnings per share (expressed in sen per share)	10.1	7.5	19.6	14.4

b) Diluted EPS

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