

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	The Group		The Company	
		31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
ASSETS					
Cash and short-term funds		38,634,716	29,318,830	1,255,549	59,573
Reverse repurchase agreements		9,329,613	9,714,112	-	-
Deposits and placements with banks and other financial institutions		2,277,447	1,829,482	-	-
Financial assets held for trading	A8	22,304,580	20,680,266	-	-
Derivative financial instruments	A23	10,708,354	11,708,849	75	74
Financial investments available-for-sale	A9	30,517,182	32,767,548	-	-
Financial investments held-to-maturity	A10	27,194,826	25,759,169	2,028,219	2,002,540
Loans, advances and financing	A11	282,190,915	290,295,664	-	-
Other assets	A12	19,652,028	17,666,142	782	440
Tax recoverable		76,689	70,042	35,723	35,687
Deferred tax assets		293,113	366,653	974	-
Statutory deposits with central banks		8,535,649	7,699,821	-	-
Investment in subsidiaries		-	-	27,329,145	27,400,205
Investment in associates and joint ventures		1,082,897	1,037,448	3,834	3,834
Property, plant and equipment		2,089,448	2,403,016	1,574	1,629
Investment properties		1,120	1,120	448	453
Prepaid lease payments		122,465	125,402	-	-
Goodwill		8,085,284	8,297,486	-	-
Intangible assets		2,084,458	1,820,593	-	-
		465,180,784	461,561,643	30,656,323	29,504,435
Non-current assets held for sale		15,500	15,500	10,925	10,925
TOTAL ASSETS		465,196,284	461,577,143	30,667,248	29,515,360
LIABILITIES AND EQUITY					
Deposits from customers	A13	316,842,368	317,423,581	-	-
Placements from investment accounts	A14	243,566	232,716	-	-
Deposits and placements of banks and other financial institutions	A15	24,943,838	23,691,950	-	-
Repurchase agreements		8,238,216	8,527,463	-	-
Financial liabilities designated at fair value	A16	4,914,711	4,952,771	-	-
Derivative financial instruments	A23	10,919,225	12,139,849	-	-
Bills and acceptances payable		2,934,982	2,328,959	-	-
Other liabilities	A17	16,247,987	13,984,681	4,070	7,196
Recourse obligation on loans and financing sold to Cagamas		4,155,407	1,817,816	-	-
Amount owing to a subsidiary		-	-	456	6
Current tax liabilities		225,009	213,278	-	-
Deferred tax liabilities		20,871	22,260	-	277
Bonds and debentures	B7	10,715,588	11,277,176	-	-
Other borrowings	B7	8,918,716	9,037,124	4,811,182	4,672,609
Subordinated obligations	B7	13,754,300	13,694,891	4,052,572	3,992,277
Non-cumulative guaranteed and redeemable preference shares		-	-	-	-
TOTAL LIABILITIES		423,074,784	419,344,515	8,868,280	8,672,365
Ordinary share capital		8,527,272	8,527,272	8,527,272	8,527,272
Reserves		32,419,659	32,524,112	13,271,739	12,315,766
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(43)	(43)	(43)
		40,946,325	41,050,778	21,798,968	20,842,995
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		975,175	981,850	-	-
TOTAL EQUITY		42,121,500	42,232,628	21,798,968	20,842,995
TOTAL EQUITY AND LIABILITIES		465,196,284	461,577,143	30,667,248	29,515,360
COMMITMENTS AND CONTINGENCIES	A24	917,612,514	883,583,439	500,000	500,000
Net assets per share attributable to owners of the Parent (RM)		4.80	4.81	2.56	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 31 MARCH 2016

	Note	The Group			
		1st quarter ended		Three months ended	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
		RM'000	RM'000	RM'000	RM'000
Interest income	A18	4,688,026	4,277,861	4,688,026	4,277,861
Interest expense	A19	(2,304,201)	(2,086,908)	(2,304,201)	(2,086,908)
Net interest income		2,383,825	2,190,953	2,383,825	2,190,953
Income from Islamic Banking operations	A28(c)	437,511	366,913	437,511	366,913
Net non-interest income	A20	903,982	1,122,461	903,982	1,122,461
		3,725,318	3,680,327	3,725,318	3,680,327
Overheads	A21	3,725,318	3,680,327	3,725,318	3,680,327
		(2,136,885)	(2,338,298)	(2,136,885)	(2,338,298)
Profit before allowances		1,588,433	1,342,029	1,588,433	1,342,029
Allowance made for impairment losses on loans, advances and financing	A22	(464,555)	(535,762)	(464,555)	(535,762)
Allowance (made)/written back for impairment losses on other receivables		(51,236)	5,426	(51,236)	5,426
Allowance written back/(made) for other impairment losses		675	(1,698)	675	(1,698)
		1,073,317	809,995	1,073,317	809,995
Share of results of joint ventures		150	(13,088)	150	(13,088)
Share of results of associates		49,662	26,673	49,662	26,673
Profit before taxation		1,123,129	823,580	1,123,129	823,580
Taxation	B4	(293,327)	(233,245)	(293,327)	(233,245)
Profit for the financial period		829,802	590,335	829,802	590,335
Profit for the financial period attributable to :					
Owners of the Parent		813,804	580,124	813,804	580,124
Non-controlling interests		15,998	10,211	15,998	10,211
		829,802	590,335	829,802	590,335
Earnings per share (sen):					
- Basic	B9(a)	9.5	6.9	9.5	6.9
- 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
31 MARCH 2016

	The Group			
	1st quarter ended		Three months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	829,802	590,335	829,802	590,335
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation				
- Currency translation difference	1,383	(811)	1,383	(811)
	1,383	(811)	1,383	(811)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	204,081	176,304	204,081	176,304
- Net gain from change in fair value	272,997	271,135	272,997	271,135
- Realised gain transferred to statement of income on disposal and impairment	(51,764)	(58,176)	(51,764)	(58,176)
- Income tax effects	(37,906)	(39,540)	(37,906)	(39,540)
- Currency translation difference	20,754	2,885	20,754	2,885
Net investment hedge	250,008	(251,655)	250,008	(251,655)
Hedging reserve - cash flow hedge	6,675	(1,426)	6,675	(1,426)
- Net gain/(loss) from change in fair value	9,531	(2,335)	9,531	(2,335)
- Income tax effects	(2,856)	909	(2,856)	909
Exchange fluctuation reserve	(1,370,951)	584,040	(1,370,951)	584,040
Share of other comprehensive income of associates and joint ventures	1,277	6,542	1,277	6,542
	(908,910)	513,805	(908,910)	513,805
Total other comprehensive (expense)/income for the financial period, net of tax	(907,527)	512,994	(907,527)	512,994
Total comprehensive (expense)/income for the financial period	(77,725)	1,103,329	(77,725)	1,103,329
Total comprehensive (expense)/income for the financial period attributable to:				
Owners of the Parent	(71,037)	1,078,406	(71,037)	1,078,406
Non-controlling interests	(6,688)	24,923	(6,688)	24,923
	(77,725)	1,103,329	(77,725)	1,103,329

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 31 MARCH 2016

	Note	The Company			
		1st quarter ended		Three months ended	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
		RM'000	RM'000	RM'000	RM'000
Interest income	A18	28,556	13,734	28,556	13,734
Interest expense	A19	(104,581)	(77,264)	(104,581)	(77,264)
Net interest income		(76,025)	(63,530)	(76,025)	(63,530)
Net non-interest income	A20	1,032,607	876	1,032,607	876
Overheads	A21	956,582	(62,654)	956,582	(62,654)
		891	(1,447)	891	(1,447)
Profit/(loss) before taxation		957,473	(64,101)	957,473	(64,101)
Taxation	B4	(1,500)	(3,440)	(1,500)	(3,440)
Profit/(loss) for the financial period		955,973	(67,541)	955,973	(67,541)

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	The Company				
	1st quarter ended		Three months ended		
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	
		RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the financial period/ Total comprehensive income/(expense) for the financial period		955,973	(67,541)	955,973	(67,541)

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 31 MARCH 2016

The Group
31 March 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	-	-	-	-	-	-	-	-	-	-	-	813,804	813,804	-	15,998	829,802
Other comprehensive (expense)/income (net of tax)	-	-	(578)	-	(1,339,226)	-	-	198,084	258,070	(1,191)	-	-	(884,841)	-	(22,686)	(907,527)
- financial investments available-for-sales	-	-	-	-	-	-	-	198,084	-	-	-	-	198,084	-	5,997	204,081
- net investment hedge	-	-	-	-	-	-	-	-	250,008	-	-	-	250,008	-	-	250,008
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	6,679	-	-	-	6,679	-	(4)	6,675
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	1,383	-	-	-	1,383	-	-	1,383
- currency translation difference	-	-	(578)	-	(1,340,503)	-	-	-	-	(1,191)	-	-	(1,342,272)	-	(28,679)	(1,370,951)
- share of other comprehensive income of associate and joint venture	-	-	-	-	1,277	-	-	-	-	-	-	-	1,277	-	-	1,277
Total comprehensive (expense)/income for the financial period	-	-	(578)	-	(1,339,226)	-	-	198,084	258,070	(1,191)	-	813,804	(71,037)	-	(6,688)	(77,725)
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11)	(11)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	56,965	(56,965)	-	-	-	-
Arising from increase in capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24	24
Share-based payment expense	-	-	-	-	-	-	-	-	-	12,901	-	-	12,901	-	-	12,901
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	55,576	(48,733)	-	-	6,843	-	-	6,843
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(54,268)	-	-	-	(54,268)	-	-	(54,268)
At 31 March 2016	8,527,272	10,404,339	6,439,867	138,212	(253,968)	(563)	(43)	45,518	(1,260,343)	54,962	1,078,648	15,772,424	40,946,325	200,000	975,175	42,121,500

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

← Attributable to owners of the Parent →

The Group
31 March 2015

	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	-	-	-	-	-	-	-	-	-	-	-	580,124	580,124	-	10,211	590,335
Other comprehensive income/(expense) (net of tax)	-	-	439	-	570,751	-	-	180,288	(253,891)	695	-	-	498,282	-	14,712	512,994
- financial investments available-for-sales	-	-	-	-	-	-	-	173,746	-	-	-	-	173,746	-	2,558	176,304
- net investment hedge	-	-	-	-	-	-	-	-	(251,655)	-	-	-	(251,655)	-	-	(251,655)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(1,425)	-	-	-	(1,425)	-	(1)	(1,426)
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	(811)	-	-	-	(811)	-	-	(811)
- currency translation difference	-	-	439	-	570,751	-	-	-	-	695	-	-	571,885	-	12,155	584,040
- share of other comprehensive income of associate and joint ventures	-	-	-	-	-	-	-	6,542	-	-	-	-	6,542	-	-	6,542
Total comprehensive income/(expense) for the financial period	-	-	439	-	570,751	-	-	180,288	(253,891)	695	-	580,124	1,078,406	-	24,923	1,103,329
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	35,874	(35,874)	-	-	-	-
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	13
Share-based payment expense	-	-	-	-	-	-	-	-	-	32,950	-	-	32,950	-	-	32,950
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	41,432	(77,932)	-	-	(36,500)	-	-	(36,500)
At 31 March 2015	8,423,751	9,973,065	5,651,152	137,104	(612,865)	(563)	(42)	330,135	(776,549)	75,452	629,669	14,604,983	38,435,292	200,000	855,623	39,490,915

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 31 MARCH 2016**

The Company	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000		
At 1 January 2016	8,527,272	10,404,339	55,982	(43)	1,855,445	20,842,995	
Profit for the financial period	-	-	-	-	955,973	955,973	
Total comprehensive income for the financial period	-	-	-	-	955,973	955,973	
At 31 March 2016	8,527,272	10,404,339	55,982	(43)	2,811,418	21,798,968	

The Company	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000		
At 1 January 2015	8,423,751	9,973,065	55,982	(42)	1,241,859	19,694,615	
Loss for the financial period	-	-	-	-	(67,541)	(67,541)	
Total comprehensive expense for the financial period	-	-	-	-	(67,541)	(67,541)	
At 31 March 2015	8,423,751	9,973,065	55,982	(42)	1,174,318	19,627,074	

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 31 MARCH 2016

	The Group		The Company	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Profit before taxation	1,123,129	823,580	957,473	(64,101)
Adjustments for non-operating and non-cash items	582,077	499,199	(990,816)	24,074
Operating profit/(loss) before changes in working capital	1,705,206	1,322,779	(33,343)	(40,027)
Net changes in operating assets	4,026,419	(12,622,047)	(334)	(1,406)
Net changes in operating liabilities	3,329,211	21,216,810	20,073	47,794
	7,355,630	8,594,763	19,740	46,388
Cash flows generated from/(used in) operations	9,060,837	9,917,542	(13,604)	6,361
Taxation paid	(216,093)	(277,091)	(2,786)	(4,290)
Net cash flows generated from/(used in) operating activities	8,844,744	9,640,451	(16,390)	2,071
Net cash flows used in from investing activities	927,730	(4,138,627)	1,033,042	(991,311)
Net cash flows generated from/(used in) financing activities	2,481,762	(493,021)	179,323	(18,456)
Net decrease in cash and cash equivalents during the financial period	12,254,235	5,008,803	1,195,976	(1,007,696)
Effects of exchange rate changes	(2,938,349)	1,016,205	-	-
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	38,634,716	39,487,825	1,255,549	856,378
Statutory deposits with Bank Indonesia*	(3,592,349)	(4,226,352)	-	-
Monies held in trust	(29,277)	(32,540)	-	-
Cash and cash equivalents at end of the financial period	35,013,090	35,228,933	1,255,549	856,378

* 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 31 March 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”
- 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 31 March 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.

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

(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.

(c) CIMB Bank Berhad has redeemed its HKD430 million and HKD 350 million senior unsecured fixed rate notes issued under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011, in January 2016 and March 2016, respectively.

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

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 11.00sen 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.

No dividend has been proposed during the financial period ended 31 March 2016.

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 of CIMB Group’s stake is subject to regulatory approvals and customary closing conditions.

A6. EVENTS DURING THE REPORTING PERIOD

There was 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 was no significant events that had occurred between 31 March 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	
	31 March 2016	31 December 2015
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	425,291	634,713
Cagamas bonds	157,347	45,925
Malaysian Government treasury bills	1,668	47,739
Bank Negara Malaysia Monetary Notes	-	20,914
Negotiable instruments of deposit	5,689,309	4,747,035
Other Government's securities	6,527,980	5,671,778
Commercial papers	807,804	506,398
Government Investment Issues	221,644	437,313
	13,831,043	12,111,815
Quoted securities:		
<i>In Malaysia:</i>		
Shares	386,583	207,898
<i>Outside Malaysia:</i>		
Shares	298,533	278,632
Private and Islamic debt securities	473,517	727,498
Other Government bonds	1,920,371	1,677,774
Investment linked funds	541,382	546,519
	3,620,386	3,438,321
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	1,866,727	1,761,728
Shares	1	1
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	2,846,870	3,211,017
Private equity funds	139,553	157,384
	4,853,151	5,130,130
Total financial assets held for trading	22,304,580	20,680,266

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	The Group	
	31 March 2016	31 December 2015
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	164,385	457,708
Cagamas bonds	169,553	207,300
Khazanah bonds	225,892	328,709
Other Government securities	858,836	975,949
Other Government treasury bills	229,362	-
Government Investment Issues	41,473	496,811
Negotiable instruments of deposit	356,398	258,112
Malaysian Government Sukuk	37,244	44,168
	2,083,143	2,768,757
Quoted securities:		
<i>In Malaysia:</i>		
Shares	163,079	158,983
<i>Outside Malaysia:</i>		
Shares	74,558	82,235
Private and Islamic debt securities	2,306,799	2,456,271
Other Government bonds	5,786,377	5,218,530
Unit trusts	30,608	32,916
	8,361,421	7,948,935
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	12,353,938	13,944,324
Shares	1,113,615	1,113,614
Loan stocks	10,087	10,211
Property funds	345	325
<i>Outside Malaysia:</i>		
Shares	54,146	55,384
Private equity funds	434,504	480,272
Private and Islamic debt securities	6,518,429	6,907,509
Loan stocks	784	1,930
	20,485,848	22,513,569
	30,930,412	33,231,261
Allowance for impairment losses:		
Private debt securities	(30,306)	(60,306)
Private equity funds	(72,434)	(84,006)
Quoted shares	(69,282)	(69,283)
Quoted bonds	(57,857)	(64,877)
Unquoted shares	(172,940)	(174,683)
Unit trusts	(324)	(347)
Loan stocks	(10,087)	(10,211)
	(413,230)	(463,713)
Total financial investments available-for-sale	30,517,182	32,767,548

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group		The Company	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
Money market instruments:				
Unquoted				
Malaysian Government Securities	1,682,688	1,674,626	-	-
Cagamas bonds	268,736	267,966	-	-
Other government securities	1,351,478	1,419,211	-	-
Other government treasury bills	18,861	19,699	-	-
Bank Negara Malaysia Monetary Notes	7,649	2,558	-	-
Khazanah bonds	444,653	391,667	-	-
Government Investment Issues	6,399,132	6,062,711	-	-
	10,173,197	9,838,438	-	-
Quoted securities				
<i>Outside Malaysia</i>				
Private debt securities	2,413,371	2,909,060	2,028,219	2,002,540
Islamic bonds	7,394	7,797	-	-
Other Government bonds	1,345,263	1,531,991	-	-
Bank Indonesia certificates	169,291	248,058	-	-
	3,935,319	4,696,906	2,028,219	2,002,540
Unquoted securities				
<i>In Malaysia</i>				
Private debt securities	12,436,177	10,526,121	-	-
Loan stocks	7,020	7,020	-	-
<i>Outside Malaysia</i>				
Private debt securities	675,497	726,407	-	-
	13,118,694	11,259,548	-	-
	27,227,210	25,794,892	2,028,219	2,002,540
Amortisation of premium, net of accretion of discount	(20,108)	(23,150)	-	-
Less : Allowance for impairment losses	(12,276)	(12,573)	-	-
Total financial investments held-to-maturity	27,194,826	25,759,169	2,028,219	2,002,540

A11. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
At amortised cost		
Overdrafts	5,299,760	5,504,852
Term loans/financing		
- Housing loans/financing	73,817,233	73,580,261
- Syndicated term loans	16,373,024	17,030,250
- Hire purchase receivables	20,251,203	20,443,916
- Lease receivables	143,314	166,884
- Factoring receivables	42,649	48,114
- Other term loans/financing	110,098,691	112,553,750
Bills receivable	6,097,318	6,463,208
Trust receipts	1,782,973	2,008,748
Claims on customers under acceptance credits	4,115,942	4,498,597
Staff loans *	1,105,601	1,094,875
Credit card receivables	8,649,172	8,842,990
Revolving credits	40,083,698	43,930,344
Share margin financing	1,579,815	1,652,830
Other loans	1,257	2,525
Gross loans, advances and financing	289,441,650	297,822,144
Fair value changes arising from fair value hedge	202,350	164,694
	289,644,000	297,986,838
Less: Allowance for impairment losses		
- Individual impairment allowance	(4,107,774)	(4,256,108)
- Portfolio impairment allowance	(3,345,311)	(3,435,066)
	(7,453,085)	(7,691,174)
Total net loans, advances and financing	282,190,915	290,295,664

* Included in staff loans of the Group are loans to Directors amounting to RM6,128,418 (2015: RM19,853,473).

(a) Included in the Group's loans, advances and financing balances are RM46 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 RM4,765 million (2015: RM4,880 million), using interest rate swaps.

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

	The Group	
	31 March 2016	31 December 2015
	RM'000	RM'000
Domestic banking institutions	152,525	383,801
Domestic non-bank financial institutions		
- stockbroking companies	14	-
- others	2,905,840	3,100,402
Domestic business enterprises		
- small medium enterprises	44,465,827	45,847,011
- others	50,620,029	55,572,380
Government and statutory bodies	9,429,556	8,852,539
Individuals	141,678,327	142,293,811
Other domestic entities	3,163,496	3,223,190
Foreign entities	37,026,036	38,549,010
Gross loans, advances and financing	<u>289,441,650</u>	<u>297,822,144</u>

(iii) By interest/profit rate sensitivity

	The Group	
	31 March 2016	31 December 2015
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	2,248,673	2,153,840
- Hire-purchase receivables	10,177,180	10,497,253
- Other fixed rate loans	39,283,986	41,669,712
Variable rate		
- BLR plus	141,959,408	145,038,101
- Cost plus	34,862,785	36,282,400
- Other variable rates	60,909,618	62,180,838
Gross loans, advances and financing	<u>289,441,650</u>	<u>297,822,144</u>

(iv) By economic purpose

	The Group	
	31 March 2016	31 December 2015
	RM'000	RM'000
Personal use	10,501,849	10,608,443
Credit card	8,649,172	8,842,990
Purchase of consumer durables	107,744	109,330
Construction	9,551,833	9,327,917
Residential property (Housing)	76,858,415	76,837,717
Non-residential property	24,559,918	24,525,498
Purchase of fixed assets other than land and building	14,782,835	15,919,886
Mergers and acquisitions	3,494,127	3,617,161
Purchase of securities	26,270,887	27,168,120
Purchase of transport vehicles	22,813,179	23,296,590
Working capital	74,333,730	78,972,667
Other purposes	17,517,961	18,595,827
Gross loans, advances and financing	<u>289,441,650</u>	<u>297,822,144</u>

A11. LOANS, ADVANCES AND FINANCING (Continued)

(v) By geographical distribution

	The Group	
	31 March 2016	31 December 2015
	RM'000	RM'000
Malaysia	166,903,141	166,319,042
Indonesia	54,871,347	59,624,809
Thailand	27,073,768	28,957,926
Singapore	28,707,767	30,168,540
United Kingdom	948,356	1,160,250
Hong Kong	1,149,935	1,197,214
China	2,069,481	2,116,292
Other countries	7,717,855	8,278,071
Gross loans, advances and financing	<u>289,441,650</u>	<u>297,822,144</u>

(vi) By residual contractual maturity

	The Group	
	31 March 2016	31 December 2015
	RM'000	RM'000
Within one year	64,108,379	68,475,753
One year to less than three years	36,214,198	36,627,785
Three years to less than five years	34,331,941	35,403,399
Five years and more	154,787,132	157,315,207
Gross loans, advances and financing	<u>289,441,650</u>	<u>297,822,144</u>

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

	The Group	
	31 March 2016	31 December 2015
	RM'000	RM'000
Personal use	281,619	265,698
Credit card	184,050	168,730
Purchase of consumer durables	252	228
Construction	1,380,766	1,335,050
Residential property (Housing)	1,427,453	1,436,177
Non-residential property	253,019	214,972
Purchase of fixed assets other than land and building	777,940	911,108
Purchase of securities	218,197	186,946
Purchase of transport vehicles	352,132	393,839
Working capital	3,222,900	3,450,245
Other purpose	686,660	718,766
Gross impaired loans, advances and financing	<u>8,784,988</u>	<u>9,081,759</u>

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

	The Group	
	31 March 2016	31 December 2015
	RM'000	RM'000
Malaysia	3,761,169	3,735,122
Indonesia	3,398,092	3,750,452
Thailand	1,306,699	1,352,567
Singapore	197,469	112,545
United Kingdom	4,097	2,838
China	59,186	64,860
Other countries	58,276	63,375
Gross impaired loans, advances and financing	<u>8,784,988</u>	<u>9,081,759</u>

A11. LOANS, ADVANCES AND FINANCING (Continued)

(ix) Movements in impaired loans

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
At 1 January	9,081,759	8,182,689
Classified as impaired during the period/year	1,461,017	5,210,925
Reclassified as not impaired during the period/year	(731,308)	(1,789,331)
Amount written back in respect of recoveries	(205,910)	(1,086,947)
Amount written off	(470,542)	(1,479,247)
Sale of impaired loans	-	(359,649)
Exchange fluctuation	(350,028)	403,319
At 31 March/31 December	8,784,988	9,081,759
Ratio of gross impaired loans to gross loans, advances and financing	3.04%	3.05%

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

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
<u>Individual impairment allowance</u>		
At 1 January	4,256,108	3,591,249
Net allowance made during the period/year	267,567	1,053,963
Amount written off	(199,885)	(664,920)
Amount transferred to portfolio impairment allowance	-	(6,876)
Allowance for Impaired loan disposed to third party	-	(42,825)
Unwinding income	(464)	6,384
Exchange fluctuation	(215,553)	319,133
At 31 March/31 December	4,107,773	4,256,108
<u>Portfolio impairment allowance</u>		
At 1 January	3,435,066	3,174,060
Net allowance made during the period/year	284,915	1,411,219
Amount transferred from individual impairment allowance	-	6,876
Amount written off	(267,768)	(1,128,204)
Unwinding income	(12,649)	(40,662)
Allowance for Impaired loan disposed to third party	-	(85,802)
Exchange fluctuation	(94,253)	97,579
At 31 March/31 December	3,345,311	3,435,066
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing (excluding RPSIA financing) less individual impairment allowance	1.60%	1.56%

A12. OTHER ASSETS

	The Group		The Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Due from brokers and clients net of allowance for doubtful debts	5,024,563	3,709,795	-	-
Other debtors, deposits and prepayments, net of allowance for doubtful debts	6,018,378	4,184,508	782	440
Due from a joint venture	1,247,574	1,237,928	-	-
Due from insurers, brokers and reinsurers	3,490	3,556	-	-
Structured financing	2,118,487	2,279,166	-	-
Foreclosed properties net of allowance for impairment losses	368,241	404,142	-	-
Collateral for securities lending	720,102	463,326	-	-
Collateral pledged for derivative transactions	4,151,193	5,383,721	-	-
	19,652,028	17,666,142	782	440

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
<u>By type of deposit</u>		
Demand deposits	71,804,276	67,912,293
Savings deposits	41,212,818	41,260,084
Fixed deposits	136,032,483	142,241,288
Negotiable instruments of deposit	1,300,369	1,596,448
Others	66,492,422	64,413,468
	316,842,368	317,423,581

By type of customer

Government and statutory bodies	10,783,151	9,306,280
Business enterprises	122,343,690	124,013,990
Individuals	126,066,277	127,373,004
Others	57,649,250	56,730,307
	316,842,368	317,423,581

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

Due within six months	109,212,858	115,580,330
Six months to less than one year	24,475,991	24,158,631
One year to less than three years	2,290,023	2,525,301
Three years to less than five years	873,664	1,002,774
Five years and more	480,316	570,700
	137,332,852	143,837,736

A14. PLACEMENTS FROM INVESTMENT ACCOUNTS

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
Unrestricted investment accounts	243,566	232,716

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	31 March 2016	31 December 2015
	RM'000	RM'000
Licensed banks	19,484,312	17,814,252
Licensed finance companies	1,525,553	1,246,197
Licensed investment banks	465,601	720,097
Bank Negara Malaysia	10,074	165,547
Other financial institutions	3,458,298	3,745,857
	24,943,838	23,691,950

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

Due within six months	21,562,687	18,469,624
Six months to less than one year	2,229,743	3,909,385
One year to less than three years	732,563	918,419
Three years to less than five years	203,550	102,585
Five years and more	215,295	291,937
	24,943,838	23,691,950

A16. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	The Group	
	31 March 2016	31 December 2015
	RM'000	RM'000
Deposits from customers - structured investments	3,009,925	3,047,985
Bills payables	924,583	924,583
Debentures	980,203	980,203
	4,914,711	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 31 March 2016 of financial liabilities designated at fair value were RM320,712,000 (2015: RM567,569,000) lower than the contractual amount at maturity for the structured investments, RM266,270,000 lower (2015: RM18,606,000 higher) than the contractual amount at maturity for the debentures and RM1,812,000 (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	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	4,696,131	3,219,671	-	-
Expenditure payable	1,882,084	2,024,324	3,577	6,702
Provision for legal claims	60,392	62,133	-	-
Sundry creditors	4,037,911	1,704,889	-	1
Insurance fund - life and takaful insurance business	82,665	70,249	-	-
Allowance for commitments and contingencies	7,662	9,219	-	-
Post employment benefit obligations	461,579	468,081	-	-
Credit card expenditure payable	199,255	172,033	-	-
Call deposit borrowing	2,507,168	3,161,566	-	-
Unit link contract liabilities	491,942	512,039	-	-
Collateral for securities borrowings	676,945	669,469	-	-
Others	1,144,253	1,911,008	493	493
	16,247,987	13,984,681	4,070	7,196

A18. INTEREST INCOME

	1st quarter ended		Three months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	RM'000	RM'000	RM'000	RM'000
The Group				
Loans, advances and financing				
- Interest income	3,814,228	3,493,750	3,814,228	3,493,750
- Unwinding income [^]	22,073	10,493	22,073	10,493
Money at call and deposit placements with financial institutions	132,621	137,314	132,621	137,314
Reverse repurchase agreements	44,326	36,545	44,326	36,545
Financial assets held for trading	108,932	100,160	108,932	100,160
Financial investments available-for-sale	315,059	319,554	315,059	319,554
Financial investments held-to-maturity	251,848	179,581	251,848	179,581
Others	5,831	5,405	5,831	5,405
	4,694,918	4,282,802	4,694,918	4,282,802
Accretion of discounts, net of amortisation of premiums	(6,892)	(4,941)	(6,892)	(4,941)
	4,688,026	4,277,861	4,688,026	4,277,861
The Company				
Money at call and deposit placements with financial institutions	2,877	13,734	2,877	13,734
Financial investments held-to-maturity	25,679	-	25,679	-
	28,556	13,734	28,556	13,734

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

A19. INTEREST EXPENSE

	1st quarter ended		Three months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits and placements of banks and other financial institutions	60,261	114,364	60,261	114,364
Deposits from other customers	1,702,406	1,533,308	1,702,406	1,533,308
Repurchase agreements	67,313	22,451	67,313	22,451
Bonds and debentures	73,618	69,273	73,618	69,273
Subordinated obligations	211,291	163,016	211,291	163,016
Financial liabilities designated at fair value	35,159	26,977	35,159	26,977
Negotiable certificates of deposits	60,422	50,322	60,422	50,322
Other borrowings	67,655	87,754	67,655	87,754
Recourse obligation on loan and financing sold to Cagamas	22,514	-	22,514	-
Others	3,562	19,443	3,562	19,443
	2,304,201	2,086,908	2,304,201	2,086,908
The Company				
Subordinated obligations	60,294	36,195	60,294	36,195
Other borrowings	44,287	41,069	44,287	41,069
	104,581	77,264	104,581	77,264

A20. NET NON-INTEREST INCOME

	1st quarter ended		Three months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	RM'000	RM'000	RM'000	RM'000
The Group				
(a) Net fee income and commission income:				
Commissions	190,084	184,152	190,084	184,152
Fee on loans, advances and financing	114,550	148,245	114,550	148,245
Portfolio management fees	5,864	5,230	5,864	5,230
Service charges and fees	164,321	168,265	164,321	168,265
Corporate advisory fees	8,333	53,958	8,333	53,958
Guarantee fees	13,118	15,783	13,118	15,783
Other fee income	73,780	84,689	73,780	84,689
Placement fees	11,049	2,455	11,049	2,455
Underwriting commission	4,382	10,971	4,382	10,971
Fee and commission income	585,481	673,748	585,481	673,748
Fee and commission expense	(125,887)	(142,291)	(125,887)	(142,291)
Net fee and commission income	459,594	531,457	459,594	531,457
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	4,049	9,055	4,049	9,055
- Financial investments available-for-sale	-	10	-	10
<i>Outside Malaysia</i>				
- Financial assets held for trading	64	62	64	62
- Financial investments available-for-sale	357	1,624	357	1,624
	4,470	10,751	4,470	10,751
(c) Net gain/(loss) arising from financial assets held for trading	151,897	(82,983)	151,897	(82,983)
- realised	(85,268)	(77,273)	(85,268)	(77,273)
- unrealised	237,165	(5,710)	237,165	(5,710)
(d) Net gain/(loss) arising from derivative financial instruments	99,942	435,106	99,942	435,106
- realised	174,203	336,371	174,203	336,371
- unrealised	(74,261)	98,735	(74,261)	98,735
(e) Net loss arising from financial liability designated at fair value	(310,875)	(128,892)	(310,875)	(128,892)
- realised	(3,136)	(9,679)	(3,136)	(9,679)
- unrealised	(307,739)	(119,213)	(307,739)	(119,213)
(f) Net (loss)/gain arising from hedging activities	(43,535)	2,081	(43,535)	2,081
(g) Net gain from sale of financial investments available-for-sale	48,113	57,814	48,113	57,814
(h) Net gain from redemption of financial investment held-to-maturity	-	16	-	16
(i) Income from assets management and securities services	79,721	71,587	79,721	71,587
(j) Brokerage income	84,953	130,234	84,953	130,234
(k) Other non-interest income:				
Foreign exchange loss	262,576	32,646	262,576	32,646
Rental income	5,892	3,409	5,892	3,409
Gain on disposal of property, plant and equipment/ assets held for sale	1,226	1,846	1,226	1,846
Underwriting surplus before management expenses	2,249	3,356	2,249	3,356
Loss on disposal of foreclosed properties	(6,431)	(13,876)	(6,431)	(13,876)
Other non-operating income	64,190	67,909	64,190	67,909
	329,702	95,290	329,702	95,290
Total other operating income	903,982	1,122,461	903,982	1,122,461

A20. NET NON-INTEREST INCOME (CONTINUED)

	1st quarter ended		Three months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	RM'000	RM'000	RM'000	RM'000
The Company				
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Subsidiaries	1,032,542	-	1,032,542	-
	1,032,542	-	1,032,542	-
(d) Net gain/(loss) arising from derivative financial instruments				
- unrealised	1	908	1	908
	1	908	1	908
(k) Other non-interest income:				
Foreign exchange gain/(loss)	(7)	(103)	(7)	(103)
Rental income	71	71	71	71
	64	(32)	64	(32)
	1,032,607	876	1,032,607	876

A21. OVERHEADS

	1st quarter ended		Three months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	RM'000	RM'000	RM'000	RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonus	919,326	978,550	919,326	978,550
- Pension cost	93,792	93,264	93,792	93,264
- Overtime	8,519	8,938	8,519	8,938
- Staff incentives and other staff payments	57,646	60,701	57,646	60,701
- Medical expenses	27,286	21,810	27,286	21,810
- Others	48,433	159,736	48,433	159,736
	1,155,002	1,322,999	1,155,002	1,322,999
Establishment costs				
- Depreciation of property, plant and equipment	80,149	89,541	80,149	89,541
- Amortisation of prepaid lease payments	2,834	2,735	2,834	2,735
- Rental	128,501	190,750	128,501	190,750
- Repair and maintenance	143,871	128,767	143,871	128,767
- Outsourced services	67,560	67,606	67,560	67,606
- Security expenses	32,032	31,886	32,032	31,886
- Others	61,912	62,838	61,912	62,838
	516,859	574,123	516,859	574,123
Marketing expenses				
- Sales commission	1,952	1,496	1,952	1,496
- Advertisement	60,635	69,971	60,635	69,971
- Others	20,100	24,116	20,100	24,116
	82,687	95,583	82,687	95,583
Administration and general expenses				
- Amortisation of intangible assets	80,082	77,763	80,082	77,763
- Legal and professional fees	35,050	41,094	35,050	41,094
- Stationery	15,998	14,557	15,998	14,557
- Communication	28,930	28,370	28,930	28,370
- Incidental expenses on banking operations	15,979	10,451	15,979	10,451
- Insurance	68,901	65,122	68,901	65,122
- Others	137,397	108,236	137,397	108,236
	382,337	345,593	382,337	345,593
	2,136,885	2,338,298	2,136,885	2,338,298

A21. OVERHEADS (CONTINUED)

	1st quarter ended		Three months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	RM'000	RM'000	RM'000	RM'000
The Company				
Personnel costs				
- Staff incentives and other staff payments	-	5	-	5
	-	5	-	5
Establishment costs				
- Depreciation of property, plant and equipment	55	55	55	55
- Depreciation of investment properties	5	6	5	6
- Repair and maintenance	4	36	4	36
- Others	24	80	24	80
	88	177	88	177
Marketing expenses				
- Advertisement	11	-	11	-
- Others	3	-	3	-
	14	-	14	-
Administration and general expenses				
- Legal and professional fees	1,309	396	1,309	396
- Others	(2,302)	869	(2,302)	869
	(993)	1,265	(993)	1,265
	(891)	1,447	(891)	1,447

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

	1st quarter ended		Three months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 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	267,567	318,608	267,567	318,608
- Portfolio impairment allowance	284,915	296,615	284,915	296,615
Impaired loans, advances and financing:				
- recovered	(93,616)	(96,979)	(93,616)	(96,979)
- written off	5,689	17,518	5,689	17,518
	464,555	535,762	464,555	535,762

A23. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 31 March 2016	The Group			The Company		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange derivatives</u>						
Currency forward	24,789,559	439,742	(1,061,217)	-	-	-
- Less than 1 year	20,932,029	366,290	(632,138)	-	-	-
- 1 year to 3 years	3,053,622	73,452	(208,722)	-	-	-
- More than 3 years	803,908	-	(220,357)	-	-	-
Currency swaps	181,940,877	2,049,535	(2,110,764)	-	-	-
- Less than 1 year	179,710,207	1,994,457	(2,068,266)	-	-	-
- 1 year to 3 years	1,707,556	55,046	(32,740)	-	-	-
- More than 3 years	523,114	32	(9,758)	-	-	-
Currency spot	9,251,528	12,386	(12,814)	-	-	-
- Less than 1 year	9,251,528	12,386	(12,814)	-	-	-
Currency options	10,699,253	265,427	(262,311)	-	-	-
- Less than 1 year	9,304,497	180,967	(176,273)	-	-	-
- 1 year to 3 years	406,546	16,643	(16,018)	-	-	-
- More than 3 years	988,210	67,817	(70,020)	-	-	-
Cross currency interest rate swaps	63,336,252	3,433,154	(3,252,995)	-	-	-
- Less than 1 year	17,365,618	708,855	(828,260)	-	-	-
- 1 year to 3 years	22,343,662	1,280,480	(1,430,566)	-	-	-
- More than 3 years	23,626,972	1,443,819	(994,169)	-	-	-
	290,017,469	6,200,244	(6,700,101)	-	-	-
<u>Interest rate derivative</u>						
Interest rate swaps	466,265,930	3,166,089	(2,484,675)	500,000	75	-
- Less than 1 year	194,224,305	141,539	(124,228)	500,000	75	-
- 1 year to 3 years	137,965,882	697,211	(668,629)	-	-	-
- More than 3 years	134,075,743	2,327,339	(1,691,818)	-	-	-
Interest rate futures	6,408,229	616	(11,304)	-	-	-
- Less than 1 year	3,175,958	616	(5,279)	-	-	-
- 1 year to 3 years	2,566,668	-	(6,025)	-	-	-
- More than 3 years	665,603	-	-	-	-	-
Interest rate options	178,087	136	(370)	-	-	-
- Less than 1 year	178,087	136	(370)	-	-	-
	472,852,246	3,166,841	(2,496,349)	500,000	75	-
<u>Equity related derivatives</u>						
Equity futures	180,654	1,004	(565)	-	-	-
- Less than 1 year	180,654	1,004	(565)	-	-	-
Equity options	8,847,781	126,692	(307,035)	-	-	-
- Less than 1 year	2,640,227	18,101	(155,625)	-	-	-
- 1 year to 3 years	5,401,550	99,531	(133,370)	-	-	-
- More than 3 years	806,004	9,060	(18,040)	-	-	-
Equity swaps	579,592	909	(1,462)	-	-	-
- Less than 1 year	5,389	-	(659)	-	-	-
- More than 3 years	574,203	909	(803)	-	-	-
	9,608,027	128,605	(309,062)	-	-	-

A23. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 March 2016	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	1,421,164	393,211	(343,160)	-	-	-
- Less than 1 year	1,317,722	302,879	(253,678)	-	-	-
- 1 year to 3 years	103,442	90,332	(89,482)	-	-	-
Commodity futures	698,651	10,537	(53,625)	-	-	-
- Less than 1 year	664,315	9,373	(52,161)	-	-	-
- 1 year to 3 years	34,336	1,164	(1,464)	-	-	-
Commodity options	2,633,336	182,722	(125,138)	-	-	-
- Less than 1 year	2,274,434	129,624	(113,392)	-	-	-
- 1 year to 3 years	358,902	53,098	(11,746)	-	-	-
	4,753,151	586,470	(521,923)	-	-	-
<u>Credit related contract</u>						
Credit default swaps	7,937,565	67,515	(74,626)	-	-	-
- Less than 1 year	3,775,679	9,700	(8,708)	-	-	-
- 1 year to 3 years	2,002,182	41,105	(40,164)	-	-	-
- More than 3 years	2,159,704	16,710	(25,754)	-	-	-
Total return swaps	2,398,265	21,966	(31,121)	-	-	-
- Less than 1 year	1,898,855	1,005	(317)	-	-	-
- 1 year to 3 years	195,950	-	(8,312)	-	-	-
- More than 3 years	303,460	20,961	(22,492)	-	-	-
	10,335,830	89,481	(105,747)	-	-	-
Bond contract						
Bond Forward	30,000	198	(204)	-	-	-
- More than 3 years	30,000	198	(204)	-	-	-
Hedging derivatives						
Interest rate swaps	28,233,512	178,346	(517,408)	-	-	-
- Less than 1 year	5,264,928	6,763	(1,606)	-	-	-
- 1 year to 3 years	7,650,817	34,203	(51,407)	-	-	-
- More than 3 years	15,317,767	137,380	(464,395)	-	-	-
Currency swaps	3,344,069	287,695	(77,757)	-	-	-
- Less than 1 year	3,344,069	287,695	(77,757)	-	-	-
Cross currency interest rate swaps	3,929,891	70,474	(190,674)	-	-	-
- Less than 1 year	1,436,379	16,642	(15,218)	-	-	-
- 1 year to 3 years	802,814	22,851	(42,940)	-	-	-
- More than 3 years	1,690,698	30,981	(132,516)	-	-	-
	35,507,472	536,515	(785,839)	-	-	-
Total derivative assets/(liabilities)	823,104,195	10,708,354	(10,919,225)	500,000	75	-

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 31 March 2016, the amount of credit risk in the Group and the Company, measured in terms of the cost to replace the profitable contracts, was RM10,708,354 and RM75,000 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 31 March 2016, the Group has posted cash collateral of RM4,151 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 discussed 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.

	31 March 2016	31 December 2015
	Principal Amount RM'000	Principal Amount RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	6,335,780	6,552,626
Certain transaction-related contingent items	5,491,926	6,047,494
Short-term self-liquidating trade-related contingencies	7,197,678	8,525,630
Obligations under underwriting agreement	62,427	9,406
Irrevocable commitments to extend credit		
- maturity not exceeding one year	46,922,558	46,117,291
- maturity exceeding one year	25,047,218	22,176,460
Miscellaneous commitments and contingencies	3,450,732	4,148,292
Total credit-related commitments and contingencies	94,508,319	93,577,199
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	241,344,327	215,117,886
- one year to five years	46,125,080	49,650,897
- more than five years	9,822,022	10,690,954
	297,291,429	275,459,737
<u>Interest rate related contracts</u>		
- less than one year	202,843,278	204,499,823
- one year to five years	250,935,604	235,172,060
- more than five years	47,306,876	49,255,373
	501,085,758	488,927,256
<u>Equity related contracts</u>		
- less than one year	2,826,270	3,059,493
- one year to five years	6,409,597	6,915,007
- more than five years	372,160	425,131
	9,608,027	10,399,631
<u>Credit related contracts</u>		
- less than one year	5,674,534	5,933,343
- one year to five years	3,581,360	4,070,019
- more than five years	1,079,936	274,471
	10,335,830	10,277,833
<u>Commodity related contracts</u>		
- Less one year	4,256,471	4,540,276
- one year to five years	496,680	371,507
	4,753,151	4,911,783
<u>Bond contracts</u>		
- more than five years	30,000	30,000
	30,000	30,000
Total treasury-related commitments and contingencies	823,104,195	790,006,240
	917,612,514	883,583,439
The Company		
<u>Interest rate related contracts</u>		
- less than one year	500,000	500,000
	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 (SA) while Operational Risk is based on Basic Indicator Approach.

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

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

A25. CAPITAL ADEQUACY (Continued)

31 March 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*
Common equity tier 1 ratio	11.091% #	12.687%	10.603%	10.859% #	27.201%	N/A	N/A
Tier 1 ratio	12.083% #	13.494%	10.603%	11.697% #	27.201%	15.974%	N/A
Total capital ratio	15.824% #	15.859%	14.856%	15.449% #	27.201%	17.885%	18.330%

(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	132,260,153	21,055,305	20,597,589	176,509,823	1,245,192	46,798,926	1,228,928
Market risk	10,773,591	636,204	3,556,879	13,129,383	173,223	548,186	-
Operational risk	12,988,746	2,111,715	1,678,018	17,453,727	626,989	7,022,415	-
Large exposure risk	664,591	-	-	664,591	-	-	-
	156,687,081	23,803,224	25,832,486	207,757,524	2,045,404	54,369,527	1,228,928

(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	1,377,780	5,148,084	100,000	476,055	195,950
Other reserves	20,443,725	2,432,673	1,504,507	25,129,502	483,249	8,515,087	29
Qualifying non-controlling interests	-	-	-	268,494	-	-	-
Common Equity Tier I capital before regulatory adjustments	25,591,809	3,432,673	2,882,287	30,546,080	583,249	8,991,142	195,979
Less: Regulatory adjustments							
Goodwill	(3,555,075)	(136,000)	-	(5,023,387)	(964)	-	-
Intangible assets	(864,931)	(79,730)	(24,737)	(931,203)	-	-	(2,185)
Deferred tax assets	(211,153)	(29,345)	(99,699)	(399,031)	(16,485)	(73,440)	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(2,570,376)	-	-	(508,241)	(4,946)	(232,983)	-
Deduction in excess of Tier 1 & Tier 2 capital	-	-	-	-	(2,191)	-	-
Shortfall of eligible provisions to expected losses	-	(68,450)	-	-	-	-	-
Others	(1,012,179)	(99,257)	(18,757)	(1,123,606)	(2,294)	-	(6,261)
Common Equity Tier I capital after regulatory adjustments	17,378,095	3,019,891	2,739,094	22,560,612	556,369	8,684,719	187,533
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	-	-	-
Qualifying capital instruments held by third parties	-	-	-	53,219	-	-	-
Additional Tier I capital before regulatory adjustments	1,687,080	192,000	-	1,740,299	-	-	-
Less: Regulatory adjustments							
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(132,000)	-	-	-	-	-	-
Additional Tier I capital after regulatory adjustments	1,555,080	192,000	-	1,740,299	-	-	-
Total Tier I Capital	18,933,175	3,211,891	2,739,094	24,300,911	556,369	8,684,719	187,533
Tier II capital							
Subordinated notes	6,950,000	510,000	1,019,952	6,950,000	-	558,337	27,433
Redeemable preference shares	17,844	-	-	17,844	6	-	-
Surplus of eligible provision over expected loss	508,439	-	-	290,776	-	-	-
Qualifying capital instruments held by third parties	-	-	-	378,614	-	-	-
Portfolio impairment allowance & Regulatory reserve	218,115	53,072	78,592	498,136	2,326	480,894	10,301
Tier II capital before regulatory adjustments	7,694,398	563,072	1,098,544	8,135,370	2,332	1,039,231	37,734
Less: Regulatory adjustments							
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,833,962)	-	-	(338,878)	(4,523)	-	-
Total Tier II capital	5,860,436	563,072	1,098,544	7,796,492	-	1,039,231	37,734
Total capital base	24,793,611	3,774,963	3,837,638	32,097,403	556,369	9,723,950	225,267
Less :							
Proposed dividends	-	-	-	-	-	-	-
Total capital base (net of proposed dividend)	24,793,611	3,774,963	3,837,638	32,097,403	556,369	9,723,950	225,267

√ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 March 2016 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM190 million, RM166 million and RM24 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.

The dividends on Redeemable Preference Shares were paid on 7 March 2016.

A25. CAPITAL ADEQUACY (Continued)

31 December 2015

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

	CIMB Bank **	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC*
Before deducting proposed dividend							
Common equity tier 1 ratio	12.107% # ^	12.718%	10.778%	11.329% # ^	33.250%	N/A	N/A
Tier 1 ratio	13.279% # ^	13.557%	10.778%	12.279% # ^	33.250%	14.141%	N/A
Total capital ratio	16.425% # ^	16.273%	15.456%	15.892% # ^	33.250%	16.181%	17.377%
After deducting proposed dividend							
Common equity tier 1 ratio	11.504% ^	12.718%	10.778%	10.876% ^	29.747%	N/A	N/A
Tier 1 ratio	12.677% ^	13.557%	10.778%	11.825% ^	29.747%	14.141%	N/A
Total capital ratio	15.823% ^	16.273%	15.456%	15.438% ^	29.747%	16.181%	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	8,145,296	(22,767)
Qualifying non-controlling interests	-	-	-	275,120	-	-	-
Common Equity Tier I capital before regulatory adjustments	26,739,309	3,386,083	3,076,826	31,941,420	654,758	8,647,303	191,883
Less: Regulatory adjustments							
Goodwill	(3,555,075)	(136,000)	-	(5,114,235)	(964)	-	-
Intangible assets	(874,745)	(82,210)	(17,752)	(945,435)	-	-	(2,703)
Deferred tax assets	(210,842)	(31,184)	(102,575)	(403,149)	(15,278)	-142,958	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,721,064)	-	-	(319,238)	(3,268)	(245,451)	-
Deduction in excess of Tier 2 capital	-	-	-	-	(6,462)	-	-
Shortfall of eligible provisions to expected losses	-	(60,965)	-	-	-	-	-
Others	(959,972)	(61,387)	(20,060.00)	(1,023,930)	(2,284)	-	(6,250)
Common Equity Tier I capital after regulatory adjustments	19,417,611	3,014,337	2,936,439	24,135,433	626,502	8,258,894	182,930
Additional Tier I capital							
Perpetual preference shares	140,000	199,000	-	140,000	-	-	-
Non-innovative Tier I Capital	700,000	-	-	700,000	-	-	-
Innovative Tier I Capital	1,128,260	-	-	1,128,260	-	-	-
Qualifying capital instruments held by third parties	-	-	-	54,760	-	-	-
Additional Tier I capital before regulatory adjustments	1,968,260	199,000	-	2,023,020	-	-	-
Less: Regulatory adjustments							
Investments in 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	21,297,871	3,213,337	2,936,439	26,158,453	626,502	8,258,894	182,930
Tier II capital							
Subordinated notes	7,050,000	595,000	1,191,929	7,050,000	-	615,610	30,051
Redeemable preference shares	29,740	-	-	29,740	7	-	-
Surplus of eligible provision over expected loss	480,515	-	-	210,735	-	-	-
Qualifying capital instruments held by third parties	-	-	-	376,000	-	-	-
Portfolio impairment allowance & Regulatory reserve	236,377	48,698	82,629	509,270	159	543,312	11,448
Others	-	-	-	-	-	32,358	-
Tier II capital before regulatory adjustments	7,796,632	643,698	1,274,558	8,175,745	166	1,191,280	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	-	1,191,280	41,499
Total capital base	26,343,862	3,857,035	4,210,997	33,855,291	626,502	9,450,174	224,429
Less:							
Proposed dividends	(966,553)	-	-	(966,553)	(66,000)	-	-
Total capital base (net of proposed dividend)	25,377,309	3,857,035	4,210,997	32,888,738	560,502	9,450,174	224,429

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

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

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

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

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

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
31 March 2016						
Net interest income						
- external income	1,239,690	383,882	682,963	11,212	66,078	2,383,825
- inter-segment (expense)/income	(115,553)	3,682	129,215	(3)	(17,341)	-
	1,124,137	387,564	812,178	11,209	48,737	2,383,825
Income from Islamic Banking operations	197,642	47,085	141,266	2,412	49,106	437,511
Net non-interest income	406,243	75,338	398,211	109,061	(84,871)	903,982
Net income	1,728,022	509,987	1,351,655	122,682	12,972	3,725,318
Overheads	(1,042,934)	(269,886)	(653,386)	(92,148)	(78,531)	(2,136,885)
of which:						
- Depreciation of property, plant and equipment	(32,061)	(2,372)	(10,188)	(5,686)	(29,842)	(80,149)
- Amortisation of prepaid lease payments	125	(12)	(43)	-	(2,904)	(2,834)
- Amortisation of intangible assets	(16,031)	(1,379)	(7,246)	(3,240)	(52,186)	(80,082)
Profit before allowances	685,088	240,101	698,269	30,534	(65,559)	1,588,433
Allowance (made)/written back for impairment losses on loans, advances and financing	(124,816)	(93,904)	(242,435)	-	(3,400)	(464,555)
Allowance (made)/written back for losses on other receivables:	(3,807)	(338)	(48,773)	109	1,573	(51,236)
Allowance written back for other impairment losses	-	-	124	-	551	675
Segment results	556,465	145,859	407,185	30,643	(66,835)	1,073,317
Share of results of joint ventures	1,024	-	-	(874)	-	150
Share of results of associates	-	-	-	49,662	-	49,662
Profit/(Loss) before taxation	557,489	145,859	407,185	79,431	(66,835)	1,123,129
% of profit before taxation	49.6	13.0	36.3	7.1	(6.0)	100.0
Taxation						(293,327)
Profit for the period						829,802

A26. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Asset Management and Investments RM'000	Group Funding and Others RM'000	Total RM'000
31 March 2015						
Net interest income						
- external income/(expense)	1,109,048	374,989	651,448	9,898	45,570	2,190,953
- inter-segment (expense)/income	(51,068)	(32,780)	72,294	(16)	11,570	-
	1,057,980	342,209	723,742	9,882	57,140	2,190,953
Income from Islamic Banking operations	187,682	37,302	117,680	-	24,249	366,913
Net non-interest income	367,463	78,964	505,059	114,120	56,855	1,122,461
Net income	1,613,125	458,475	1,346,481	124,002	138,244	3,680,327
Overheads	(1,022,598)	(285,404)	(853,717)	(84,748)	(91,831)	(2,338,298)
of which:						
- Depreciation of property, plant and equipment	(32,897)	(2,386)	(19,668)	(2,583)	(32,007)	(89,541)
- Amortisation of prepaid lease payments	106	(12)	(40)	-	(2,789)	(2,735)
Profit before allowances	590,527	173,071	492,764	39,254	46,413	1,342,029
Allowance (made)/written back for impairment losses on loans, advances and financing	(179,261)	12,712	(369,898)	-	685	(535,762)
Allowance (made)/written back for losses on other receivables	(422)	(110)	1,929	3,824	205	5,426
Allowance written back/(made) for other impairment losses	-	-	249	(1,318)	(629)	(1,698)
Segment results	410,844	185,673	125,044	41,760	46,674	809,995
Share of results of joint ventures	461	-	-	(13,549)	-	(13,088)
Share of results of associates	-	-	-	26,673	-	26,673
Profit before taxation	411,305	185,673	125,044	54,884	46,674	823,580
% of profit before taxation	49.9	22.5	15.2	6.7	5.7	100.0
Taxation						(233,245)
Profit for the period						590,335

A26. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Asset Management and Investments RM'000	Group Funding and Others RM'000	Total RM'000
31 March 2016 Group						
Segment assets	148,062,298	48,261,065	216,162,829	3,120,477	27,689,595	443,296,264
Investment in associates and joint ventures	163,799	-	-	918,924	174	1,082,897
	148,226,097	48,261,065	216,162,829	4,039,401	27,689,769	444,379,161
Unallocated assets	-	-	-	-	-	20,817,123
Total assets	148,226,097	48,261,065	216,162,829	4,039,401	27,689,769	465,196,284
Segment liabilities	136,977,804	49,228,920	205,193,221	1,547,213	17,242,678	410,189,836
Unallocated liabilities	-	-	-	-	-	12,884,948
Total liabilities	136,977,804	49,228,920	205,193,221	1,547,213	17,242,678	423,074,784
Other segment items						
Incurring capital expenditure	46,247	1,660	11,669	3,260	118,246	181,082
Investment in joint ventures	163,799	-	-	15,527	-	179,326
Investment in associates	-	-	-	903,396	175	903,571

	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						
Incurring capital expenditure	314,986	4,319	69,262	46,132	508,896	943,595
Investment in joint ventures	162,775	-	-	15,833	-	178,608
Investment in associates	-	-	-	858,665	175	858,840

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	
31 March 2016					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial assets held for trading					
- Money market instruments	13,831,043	-	13,831,043	-	13,831,043
- Quoted securities	3,620,386	3,388,544	231,842	-	3,620,386
- Unquoted securities	4,853,151	-	4,713,597	139,554	4,853,151
Financial investments available-for-sale					
- Money market instruments	2,083,143	-	2,083,143	-	2,083,143
- Quoted securities	8,233,958	5,531,008	2,702,950	-	8,233,958
- Unquoted securities	20,200,081	51	18,889,027	1,311,003	20,200,081
Derivative financial instruments					
- Trading derivatives	10,171,839	13,122	10,085,384	73,333	10,171,839
- Hedging derivatives	536,515	-	536,515	-	536,515
Total	63,530,116	8,932,725	53,073,501	1,523,890	63,530,116
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	10,133,386	130,948	9,751,083	251,355	10,133,386
- Hedging derivatives	785,839	-	785,839	-	785,839
Financial liabilities designated at fair value	4,914,711	-	4,536,379	378,332	4,914,711
Total	15,833,936	130,948	15,073,301	629,687	15,833,936

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	7,814,428	7,814,428	-	-	7,814,428
- Unquoted securities	22,184,363	-	20,839,301	1,345,062	22,184,363
Derivative financial instruments					
- Trading derivatives	11,546,818	12,408	11,401,532	132,878	11,546,818
- Hedging derivatives	162,031	-	162,031	-	162,031
Total	65,156,663	11,265,157	52,256,181	1,635,325	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	
31 March 2016					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Derivative financial instruments					
- Trading derivatives	75	-	75	-	75
Total	75	-	75	-	75

The Company	Carrying amount RM'000	Quoted market prices (Level 1) RM'000	Fair Value		Total RM'000
			Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
31 December 2014					
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Derivative financial instruments					
- Trading derivatives	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 31 March 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	Unquoted securities	Trading derivatives			Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2016							
At 1 January	157,385	1,345,062	132,878	1,635,325	(359,089)	(216,627)	(575,716)
Total gains/(losses) recognised in Statement of Income	(4,409)	9,139	(63,505)	(58,775)	(22,667)	(31,289)	(53,956)
Total losses recognised in Other Comprehensive Income	-	(1,271)	-	(1,271)	-	-	-
Purchases	-	10,872	14,204	25,076	-	(10,484)	(10,484)
New issuances	-	-	-	-	-	-	-
Sales and redemptions	-	(17,962)	-	(17,962)	-	-	-
Settlements	-	-	(8,854)	(8,854)	3,424	5,349	8,773
Exchange fluctuation	(13,422)	(34,837)	(1,390)	(49,649)	-	1,696	1,696
At 31 March	139,554	1,311,003	73,333	1,523,890	(378,332)	(251,355)	(629,687)
Total gains/(losses) recognised in Statement of Income for financial period ended 31 March 2016 under:							
- net non-interest income	(4,409)	9,139	(63,505)	(58,775)	(18,899)	(31,289)	(50,188)
- interest expense	-	-	-	-	(3,768)	-	(3,768)
Total losses recognised in Other Comprehensive Income for the financial period ended 31 March 2016 under "revaluation reserves"	-	(1,271)	-	(1,271)	-	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 31 March 2016 under "net non-interest income"	(4,409)	7,757	3,453	6,801	(18,899)	(122,972)	(141,871)

A27. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial period/year ended 31 March 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	Unquoted securities	Trading derivatives		Trading derivatives		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2015							
At 1 January	132,681	1,532,468	66,855	1,732,004	(360,736)	(870,966)	(1,231,702)
Total gains/(losses) recognised in Statement of Income	769	(15,891)	58,126	43,004	(24,856)	765,434	740,578
Total 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)	(354,865)	-	(359,865)	-	-	-
Settlements	-	-	(26,307)	(26,307)	26,959	17,039	43,998
Exchange fluctuation	28,935	100,664	2,067	131,666	-	(99,281)	(99,281)
At 31 December	157,385	1,345,062	132,878	1,635,325	(359,089)	(216,627)	(575,716)
Total gains/(losses) recognised in Statement of Income for financial year ended 31 December 2014 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 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 31 March 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 31 March 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 31 MARCH 2016**

	Note	The Group	
		31 March 2016 RM'000	31 December 2015 RM'000
ASSETS			
Cash and short-term funds		7,154,237	8,046,054
Reverse repurchase agreements		13,355	-
Deposits and placements with banks and other financial institutions		977	507,849
Financial assets held for trading		2,548,368	2,945,220
Islamic derivative financial instruments		455,013	496,564
Financial investments available-for-sale		1,747,234	2,337,791
Financial investments held-to-maturity		2,361,922	2,264,868
Financing, advances and other financing/loans	A28d(i)	48,038,482	47,235,376
Deferred tax assets		28,843	30,541
Amount due from conventional operations		4,509,904	4,371,874
Statutory deposits with Bank Negara Malaysia		1,209,210	1,257,178
Property, plant and equipment		14,357	15,570
Other assets		1,182,068	972,518
Goodwill		136,000	136,000
Intangible assets		81,207	83,957
TOTAL ASSETS		69,481,177	70,701,360
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS			
Deposits from customers	A28(e)	49,236,987	49,331,189
Investment accounts of customers	A28(f)	243,566	232,716
Deposits and placements of banks and other financial institutions		2,221,861	3,596,306
Investment accounts due to designated financial institutions	A28(g)	3,510,503	2,900,982
Islamic derivative financial instruments		661,503	594,474
Financial liabilities designated at fair value	A28(h)	165,227	199,063
Recourse obligation on loans and financing sold to Cagamas		1,354,871	502,368
Amount due to conventional operations		470,293	1,202,273
Amount due to related companies		-	-
Provision for taxation and Zakat		43,897	39,017
Other liabilities		4,745,039	5,413,779
Other borrowings		-	17,125
Subordinated Sukuk		853,702	856,983
TOTAL LIABILITIES		63,507,449	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		4,686,809	4,528,937
		5,962,505	5,804,187
Non-controlling interests		11,223	10,898
TOTAL ISLAMIC BANKING CAPITAL FUNDS		5,973,728	5,815,085
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		69,481,177	70,701,360

A28b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD ENDED 31 MARCH 2016

	The Group			
	1st quarter ended		Three months ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Income derived from investment of depositors' funds and others	712,367	587,195	712,367	587,195
Income derived from investment of investment account	42,577	-	42,577	-
Net income derived from investment of shareholders' funds	85,645	136,909	85,645	136,909
Allowance written back/(made) for impairment losses on financing, advances and other financing/loans	211	(35,341)	211	(35,341)
Allowance written back/(made) for impairment losses on other receivables	30	(35)	30	(35)
Total distributable income	840,830	688,728	840,830	688,728
Income attributable to depositors	(373,598)	(357,191)	(373,598)	(357,191)
Profit distributed to investment account holder	(29,480)	-	(29,480)	-
Total net income	437,752	331,537	437,752	331,537
Other operating expenses	(144,002)	(144,121)	(144,002)	(144,121)
Profit before taxation	293,750	187,416	293,750	187,416
Taxation	(58,524)	(42,318)	(58,524)	(42,318)
Profit for the period	235,226	145,098	235,226	145,098
Profit for the period attributable to:				
Owners of the Parent	234,836	144,715	234,836	144,715
Non-controlling interests	390	383	390	383
	235,226	145,098	235,226	145,098

A28c. UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2016

	The Group			
	1st quarter ended		Three months ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Profit for the period	235,226	145,098	235,226	145,098
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	5,591	13,061	5,591	13,061
- Net gain from change in fair value	11,290	17,105	11,290	17,105
- Realised gain transferred to statement of income on disposal and impairment	(3,012)	(143)	(3,012)	(143)
- Income tax effects	(2,687)	(3,901)	(2,687)	(3,901)
Exchange fluctuation reserve	(16,404)	5,136	(16,404)	5,136
Other comprehensive income for the period, net of tax	(10,813)	18,197	(10,813)	18,197
Total comprehensive income for the period	224,413	163,295	224,413	163,295
Total comprehensive income for the period attributable to:				
Owners of the Parent	224,479	163,307	224,479	163,307
Non-controlling interests	(66)	(12)	(66)	(12)
	224,413	163,295	224,413	163,295
<u>Income from Islamic operations (per page 2)</u>				
Total net income	437,752	331,537	437,752	331,537
Add: Allowance made for impairment losses on financing, advances and other financing/loans	(211)	35,341	(211)	35,341
Add: Allowance (written back)/made for impairment losses on other receivables	(30)	35	(30)	35
	437,511	366,913	437,511	366,913

A28d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS
(i) By type and Shariah contract
31 March 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^	622,218	-	-	14,701	-	636,919
Term financing						
House Financing	10,178,648	1,439,790	-	-	-	11,618,438
Syndicated Financing	2,125,379	148,055	-	-	26,418	2,299,852
Hire purchase receivables	844,889	4,102,724	-	-	-	4,947,613
Other term financing	21,941,176	57,177	-	-	3,093,096	25,091,449
Bills receivable	3,946	-	-	-	-	3,946
Trust receipts	18,578	-	-	-	149,959	168,537
Claims on customers under acceptance credits	301,543	-	-	-	-	301,543
Staff financing	-	-	-	-	2	2
Revolving credits	2,608,191	-	-	-	299,675	2,907,866
Credit card receivables	-	-	-	-	188,088	188,088
Share margin financing	3,555	-	83,951	-	24,191	111,697
Ar Rahn	-	-	-	-	746	746
Other financing	-	15,621	-	-	7,902	23,523
Gross financing, advances and other financing/loans	38,648,123	5,763,367	83,951	14,701	3,790,077	48,300,219
Fair value changes arising from fair value hedge						145,829
						48,446,048
Less: Allowance for impairment losses						
- Individual impairment allowance						(75,694)
- Portfolio impairment allowance						(331,872)
						(407,566)
Net financing, advances and other financing/loans						48,038,482

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 31 March 2016, the gross exposures to RPSIA financing is RM3,242 million (2015: RM2,733 million) and the portfolio impairment allowance relating to this RPSIA amounting to RM4.8 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	
	31 March 2016 RM'000	31 December 2015 RM'000
At 1 January	17,267	10,277
New disbursement	11,511	13,522
Repayment	(14,077)	(6,532)
At 31 March/31 December	14,701	17,267

b) Sources and uses of Qard Financing

Sources of Qard fund:

Depositors' fund	13,658	16,122
Shareholders' fund	1,043	1,145
	14,701	17,267

Uses of Qard fund:

Personal use	255	337
Business use	14,446	16,930
	14,701	17,267

(ii) By geographical distribution

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
Malaysia	42,018,946	40,805,184
Indonesia	2,327,692	2,328,448
Singapore	2,855,795	3,183,243
Other countries	1,097,786	1,245,307
Gross financing, advances and other financing/loans	48,300,219	47,562,182

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

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
Malaysia	470,667	424,382
Indonesia	41,394	42,156
Gross impaired financing, advances and other financing/loans	512,061	466,538

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

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

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
At 1 January	466,538	539,920
Classified as impaired during the period/year	182,838	561,268
Reclassified as not impaired during the period/year	(74,599)	(312,552)
Amount recovered	(25,059)	(103,317)
Amount written off	(43,950)	(213,337)
Exchange fluctuation	6,293	(5,444)
At 31 March/31 December	512,061	466,538
Ratio of gross impaired financing, advances and other financing/loans to gross financing, advances and other financing/loans	1.06%	0.98%

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

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
Individual impairment allowance		
At 1 January	79,321	88,336
Allowance made during the period/year	(2,043)	(11,810)
Amount written off	-	(981)
Exchange fluctuation	(1,584)	3,776
At 31 March/31 December	75,694	79,321
Portfolio impairment allowance		
At 1 January	357,976	374,704
Allowance made during the period/year	16,747	199,278
Amount written off	(43,950)	(212,336)
Exchange fluctuation	1,099	(3,670)
At 31 March/31 December	331,872	357,976
Portfolio impairment allowance as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	1.12%	1.10%

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

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
Savings deposit		
Wadiah	3,485,130	3,263,150
Mudharabah	344,740	320,617
	3,829,870	3,583,767
Demand deposit		
Wadiah	9,386,997	9,408,866
Qard	299,564	386,784
Mudharabah	72,329	71,026
	9,758,890	9,866,676
Term deposit		
<i>Commodity Murabahah</i>	33,580,725	33,230,363
<i>Islamic negotiable instruments</i>	241,336	742,792
Mudharabah	241,336	344,450
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	-	398,342
<i>Short term money market deposit-i</i>	20,993	28,781
Wakalah	20,993	17,816
Wadiah	-	10,965
<i>Fixed Deposit-i</i>	219,470	239,772
Wakalah	-	-
Wadiah	219,470	239,772
<i>General investment account</i>	1,266,118	1,310,340
Mudharabah	1,266,118	1,310,340
<i>Specific investment account</i>	308,295	314,009
Mudharabah	308,295	314,009
	35,636,937	35,866,057
Others - Qard	11,290	14,689
	49,236,987	49,331,189

(ii) By maturity structures of term deposit

Due within six months	29,707,522	27,962,417
Six months to one year	5,372,643	7,202,592
One year to three years	250,160	391,340
Three years to five years	20,635	885
More than five years	285,977	308,823
	35,636,937	35,866,057

(iii) By type of customer

Government and statutory bodies	3,329,830	3,513,833
Business enterprises	18,644,351	19,932,893
Individuals	11,099,209	10,829,624
Others	16,163,597	15,054,839
	49,236,987	49,331,189

A28f. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
Unrestricted investment accounts		
- without maturity		
Special Mudharabah Investment Account	243,566	232,716
	243,566	232,716

A28g. INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
Restricted investment accounts		
Mudharabah	3,510,503	2,900,982
By type of counterparty		
Licensed banks	3,510,503	2,900,982

A28h. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	The Group	
	31 March 2016 RM'000	31 December 2015 RM'000
Deposits from customers - structured investments	165,227	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 31 March 2016 of financial liabilities designated at fair value were RM1,479,000 (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.

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 RM1,123 million for the first quarter of 2016 (“1Q16”). On a year-on-year (Y-o-Y) basis, the Net Profit of RM814 million improved 4.1% compared to the Business As Usual (“BAU”) 1Q15 Net Profit of RM782 million. The 1Q16 net earnings per share (“EPS”) stood at 9.5 sen, while the annualised 1Q16 net return on average equity (“ROE”) was 7.9%.

The Group posted a respectable performance for 1Q16 despite the difficult operating conditions across the region, with Y-o-Y improvements in our Consumer, Wholesale Banking and Group Asset Management and Investments divisions. The 1.2% Y-o-Y growth in operating income was achieved in spite of the weak capital markets. The Group’s strict cost control initiatives and declining provision levels enabled the Group to achieve a 4.1% net profit growth.

CIMB Group 1Q16 Y-o-Y Results

For comparative purposes, the corresponding 1Q15 numbers are based on BAU basis. CIMB Group’s 1Q16 operating income grew 1.2% Y-o-Y to RM3,725 million underpinned by a 8.5% improvement in non-interest income but partially offset by a 14.5% decline in net interest income, which felt the effects of a softer capital market environment in 1Q16. Operating expenses were flat Y-o-Y but was 4.0% lower after excluding foreign currency translation effects, reflecting the Group’s stricter cost management initiatives. This brought about the 2.8% improvement in the Group’s Pre-Provisioning Operating Profit (“PPOP”). The Group’s PBT was 9.5% higher at RM1,123million, in tandem with a 13.2% Y-o-Y decline in loan provisions.

The Group’s regional Consumer Bank PBT increased by 35.5% Y-o-Y in 1Q16 to RM557 million, making up 50% of Group PBT. The better performance was fuelled by consumer loans growth across the region as well as lower consumer provisions. The regional Commercial Banking PBT was 21.5% lower Y-o-Y at RM146 million largely attributed to higher provisions in Indonesia, Thailand and Singapore. The Group’s Regional Wholesale Banking PBT improved by 24.8% Y-o-Y to RM408 million from better performances at Corporate Banking and Treasury & Markets, while Investment Banking was softer on the back of slower markets. Group Asset Management and Investments (“GAMI”)’s PBT expanded 43.6% Y-o-Y due to higher contributions from investments, while Group Funding PBT was 242.6% lower Y-o-Y from higher costs of funding and lower investment returns.

Non-Malaysia PBT contribution to the Group increased to 26% in 1Q16 compared to 20% in 1Q15, largely attributed to the 158.3% Y-o-Y improvement in Indonesia’s PBT to RM124 million in line with lower provisions at CIMB Niaga. Thailand’s PBT contribution was 51.7% higher Y-o-Y at RM88 million given lower provisions in the first three months of 2016. Total PBT contribution from Singapore was 42.1% lower at RM62 million from increased commercial banking provisions.

The Group’s total gross loans (excluding the bad bank) expanded 7.5% Y-o-Y or 5.6% excluding FX fluctuations. Total deposits grew 6.8% Y-o-Y or 5.0% excluding FX fluctuations. The Group’s loan to deposit (“LDR”) ratio stood at 90.6% compared to 90.3% in 1Q15.

The Group’s gross impairment ratio reduced to 3.0% as at March 2016 from 3.2% in March 2015, with a higher allowance coverage of 84.8% as at March 2016. The Group’s cost to income ratio improved to 57.4% compared with 58.0% in 1Q15, with the Group’s cost management initiatives continuing to show results. The Group’s Net Interest Margins (“NIM”) were lower at 2.62% driven mainly by the higher cost of deposits in Malaysia.

As at 31 March 2016, CIMB Group’s total capital ratio stood at 15.4% while the Common Equity Tier 1 (“CET1”) capital ratio strengthened to 10.6%.

CIMB Group 1Q16 Q-o-Q Performance

On a Q-o-Q basis, 1Q16 operating income was 7.8% lower at RM3,725million with both net interest income and non-interest income declining by 2.8% and 19.3% respectively. The Consumer Banking PBT posted a 42.1% Q-o-Q growth on the back of revenue expansion and lower provisions. Commercial Banking PBT was 14.6% lower due to increased provisions during the quarter, while the 15.5% Q-o-Q decline in Wholesale Banking PBT was attributed to the reduction in gross loans as well as the comparatively weaker capital markets. The 1Q16 net profit was 4.2% lower Q-o-Q at RM814 million attributed to the decline in revenues.

CIMB Islamic

CIMB Islamic’s 1Q16 Y-o-Y PBT increased by 66.9% to RM191 million from improved performance in the Consumer and Wholesale segments. CIMB Islamic’s gross financing assets increased by 10.3% Y-o-Y to RM41.8 billion, accounting for 14.4% of total Group loans. Total deposits declined by 9.5% Y-o-Y to RM43.6 billion.

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

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 Tengku Abdul 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 of Group Wholesale 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.

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.

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 of 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 11 January 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 21 January 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 28 January 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 28 January 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 29 February 2016, Fitch Ratings affirmed CIMB Thai's long-term and short-term national ratings at AA-(tha) and F1+(tha) respectively. The outlook is stable.
- On 7 March 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 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.
- 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.

B3. PROSPECTS FOR THE CURRENT FINANCIAL PERIOD

The Group continues to be cautious on overall balance sheet growth, with a focus on cost management, asset quality, capital management and governance, given the slower regional economies and persistent market volatility. The Group has made significant progress on various T18 programmes implemented in 2015, resulting in, among others, a firmer control of our operating expenses, as well as an improved CET1 ratio of 10.6%. For the rest of 2016, the Group expects a slower growth environment at CIMB Malaysia. The Group also foresees a gradual improvement at CIMB Niaga through the year. Thailand and Singapore will see selective growth areas, coupled with close monitoring of asset quality.

B4. TAXATION

	1st quarter ended		Three months ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
The Group				
Major components of tax expense:				
Current tax expense	258,704	279,626	258,704	279,626
Deferred tax expense	12,729	(45,695)	12,729	(45,695)
Under/(over) provision in prior years	21,894	(686)	21,894	(686)
	293,327	233,245	293,327	233,245
Reconciliation				
Profit before taxation	1,123,129	823,580	1,123,129	823,580
Tax at statutory income tax rate of 24% (2015: 25%)	269,551	205,895	269,551	205,895
Effect of different tax rates in other countries and change in tax rates	(42,510)	(60,893)	(42,510)	(60,893)
Due to expenses not deductible for tax purposes and income not subject to income tax	44,392	88,929	44,392	88,929
Under/(over) provision in prior years	21,894	(686)	21,894	(686)
	293,327	233,245	293,327	233,245
The Company				
Major components of tax expense:				
Current tax expense	2,750	3,212	2,750	3,212
Deferred tax expense	(1,250)	108	(1,250)	108
Under provision in prior years	-	120	-	120
	1,500	3,440	1,500	3,440
Reconciliation				
Profit before taxation	957,473	(64,101)	957,473	(64,101)
Tax at statutory income tax rate of 24% (2015: 25%)	229,794	(16,025)	229,794	(16,025)
Due to expenses not deductible for tax purposes and income not subject to income tax	(228,294)	19,345	(228,294)	19,345
Under provision in prior years	-	120	-	120
	1,500	3,440	1,500	3,440

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

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

B6. REALISED AND UNREALISED PROFITS

	The Group		The Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Total retained earnings of the Group and subsidiaries				
- Realised	14,435,165	14,047,882	2,747,458	1,801,801
- Unrealised	395,996	100,048	63,960	53,644
	14,831,161	14,147,930	2,811,418	1,855,445
Total share of retained earnings from associates				
- Realised	851,131	800,973	-	-
- Unrealised	292	788	-	-
Total share of retained earnings from joint ventures				
- Realised	93,679	93,529	-	-
- Unrealised	1,293	1,293	-	-
	15,777,556	15,044,513	2,811,418	1,855,445
Consolidation adjustments	(5,132)	(28,928)	-	-
Total group retained earnings as per consolidated financial statements	15,772,424	15,015,585	2,811,418	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 31 March 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	
	31 March 2016 RM'000	31 December 2015 RM'000
Bonds and debentures*		
Unsecured		
One year or less (short term)	4,512,757	4,510,945
More than one year (medium/long term)	6,202,831	6,766,231
	10,715,588	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 USD683 million, THB denominated debentures equivalents to THB28,584 million, SGD denominated bonds equivalents to SGD120 million, AUD denominated bonds equivalents to AUD100 million, EUR denominated notes equivalents to EUR30 million and CNY denominated notes equivalents to CNY220 million. HKD430 million and HKD 350 million bonds has been redeemed in January 2016 and March 2016, respectively.

	The Group		The Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Other borrowing **				
Unsecured				
One year or less (short term)	2,894,629	3,025,436	1,066,572	1,156,939
More than one year (medium/long term)	6,024,087	6,011,688	3,744,610	3,515,670
	8,918,716	9,037,124	4,811,182	4,672,609
Subordinated obligations***				
Unsecured				
One year or less (short term)	1,778,758	1,452,160	-	-
More than one year (medium/long term)	11,975,542	12,242,731	4,052,572	3,992,277
	13,754,300	13,694,891	4,052,572	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			
	1st quarter ended		Three months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests	813,804	580,124	813,804	580,124
Weighted average number of ordinary shares in issue ('000)	8,527,267	8,423,746	8,527,267	8,423,746
Basic earnings per share (expressed in sen per share)	9.5	6.9	9.5	6.9

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.