

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015

		The Group		The Bank	
		30 June	31 December	30 June	31 December
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Assets					
Cash and short term funds	A1	6,956,061	5,134,659	6,956,050	5,134,612
Deposits and placements with banks and other financial institutions	A2	829,216	218,934	829,216	218,934
Financial assets held for trading	A3	2,758,718	3,536,650	2,758,718	3,536,650
Financial investments available-for-sale	A4	2,573,954	2,023,922	2,573,954	2,023,922
Financial investments held-to-maturity	A5	1,016,490	620,992	1,016,490	620,992
Islamic derivative financial instruments	A19 (i)	244,240	263,865	244,240	263,865
Financing, advances and other financing/loans	A6	38,471,596	36,299,580	38,471,596	36,299,580
Other assets	A7	235,685	101,374	235,685	101,374
Deferred taxation		13,946	21,503	13,946	21,503
Amount due from holding company		269,450	106,783	269,450	106,783
Amount due from related companies		374	662	374	662
Statutory deposits with Bank Negara Malaysia		1,386,105	1,297,654	1,386,105	1,297,654
Investment in subsidiaries		-	-	11	20
Property, plant and equipment		14,697	10,124	14,697	10,124
Intangible assets		87,638	91,096	87,638	91,096
Goodwill		136,000	136,000	136,000	136,000
Total assets		54,994,170	49,863,798	54,994,170	49,863,771
Liabilities					
Deposits from customers	A8	43,471,343	41,328,044	43,471,343	41,328,044
Deposits and placements of banks and other financial institutions	A9	5,768,179	3,644,713	5,768,179	3,644,713
Subordinated Sukuk	A10	857,756	856,026	857,756	856,026
Other liabilities	A11	845,839	297,254	845,839	297,254
Financial liabilities designated at fair value	A12	202,356	149,835	202,356	149,835
Islamic derivative financial instruments	A19 (i)	395,578	330,197	395,578	330,197
Provision for tax and Zakat		34,562	29,721	34,562	29,721
Amount due to related companies		1,399	16,538	1,434	16,537
Total liabilities		51,577,012	46,652,328	51,577,047	46,652,327
Equity					
Capital and reserves attributable to equity holder of the Bank					
Ordinary share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		2,197,158	1,991,470	2,197,123	1,991,444
		3,197,158	2,991,470	3,197,123	2,991,444
Perpetual preference shares		220,000	220,000	220,000	220,000
Total equity		3,417,158	3,211,470	3,417,123	3,211,444
Total equity and liabilities		54,994,170	49,863,798	54,994,170	49,863,771
Commitments and contingencies	A19 (ii)	29,844,447	28,238,559	29,844,447	28,238,559
Net assets per ordinary share attributable to owners of the Parent (RM)		3.20	2.99	3.20	2.99

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

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE QUARTER ENDED 30 JUNE 2015

		The Group			
		2nd Quarter Ended		6 Months Ended	
		30 June	30 June	30 June	30 June
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	A13	574,417	538,006	1,087,644	1,058,696
Income derived from investment of shareholder's funds	A14	93,994	28,718	213,642	75,384
Allowances for impairment losses on financing, advances and other financing/loans	A15	(15,172)	(22,542)	(48,720)	(28,278)
Allowances for impairment losses on other receivables written-back/(made)		(42)	(12)	(67)	139
Total distributable income		653,197	544,170	1,252,499	1,105,940
Income attributable to depositors	A16	(382,630)	(290,092)	(737,670)	(586,581)
Total net income		270,567	254,078	514,829	519,360
Personnel expenses	A17	(20,446)	(15,518)	(40,404)	(35,047)
Other overheads and expenditures	A18	(107,359)	(102,007)	(217,172)	(206,829)
Profit for the the period		142,762	136,553	257,253	277,484
Taxation		(35,458)	(33,618)	(67,673)	(69,262)
Net profit for the period		107,304	102,935	189,580	208,222

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2015

Profit for the period		107,304	102,935	189,580	208,222
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Revaluation reserve financial investments available-for-sale					
- Net gain/(loss) from change in fair value		6,655	2,218	22,269	(5,833)
- Realised gain transferred to comprehensive income		(1,081)	(806)	(1,091)	(1,639)
- Income tax effects		(968)	(353)	(4,869)	1,868
Other comprehensive income for the period, net of tax		4,606	1,059	16,309	(5,604)
Total comprehensive income for the period		111,910	103,994	205,889	202,618
Earnings per share -basis (sen)	B3	10.73	10.29	18.96	20.82

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

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE QUARTER ENDED 30 JUNE 2015

		The Bank			
		2nd Quarter Ended		6 Months Ended	
		30 June	30 June	30 June	30 June
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	A13	574,417	538,006	1,087,644	1,058,696
Income derived from investment of shareholder's funds	A14	93,973	28,703	213,621	75,369
Allowances for losses on financing, advances and other financing/loans	A15	(15,172)	(22,542)	(48,720)	(28,278)
Allowances for impairment losses on other receivables		(42)	(12)	(67)	139
Allowances for commitments and contingencies		(9)	-	(9)	-
Total distributable income		653,167	544,155	1,252,469	1,105,926
Income attributable to depositors	A16	(382,630)	(290,092)	(737,670)	(586,581)
Total net income		270,537	254,063	514,799	519,345
Personnel costs	A17	(20,446)	(15,518)	(40,404)	(35,047)
Other overheads and expenditures	A18	(107,338)	(101,992)	(217,151)	(206,814)
Profit before taxation		142,753	136,553	257,244	277,484
Taxation		(35,458)	(33,618)	(67,673)	(69,262)
Profit for the financial period		107,295	102,935	189,571	208,222

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2015

Profit for the period		107,295	102,935	189,571	208,222
Other comprehensive income/(expenses):					
Items that may be reclassified subsequently to profit or loss					
Revaluation reserve of financial investments available-for-sale					
- Net gain/(loss) from change in fair value		6,655	2,218	22,269	(5,833)
- Realised gain transferred to statement of income on disposal		(1,081)	(806)	(1,091)	(1,639)
- Income tax effects		(968)	(353)	(4,869)	1,868
Other comprehensive income/(expense) for the period, net of tax		4,606	1,059	16,309	(5,604)
Total comprehensive income for the period		111,901	103,994	205,880	202,618
Earnings per share -basis (sen)	B3	10.73	10.29	18.96	20.82

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

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

↕ Attributable to owners of the Parent ↕

The Group	Share capital RM'000	Statutory reserve RM'000	Revaluation				Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained profits RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
			reserve - financial investments available-for-sale RM'000	Merger reserve RM'000	Capital reserve RM'000	Share-based payment reserve RM'000						
30 June 2015												
At 1 January 2015	1,000,000	844,149	(17,270)	(2,457)	458	-	674	1,165,916	2,991,470	220,000	3,211,470	
Net profit for the financial period	-	-	-	-	-	-	-	189,580	189,580	-	189,580	
Other comprehensive income (net of tax)	-	-	16,309	-	-	-	-	-	16,309	-	16,309	
- Financial investments available-for-sale	-	-	16,309	-	-	-	-	-	16,309	-	16,309	
Total comprehensive income for the period	-	-	16,309	-	-	-	-	-	16,309	-	16,309	
Share-based payment expense	-	-	-	-	-	-	274	-	274	-	274	
Transfer to statutory reserve	-	47,393	-	-	-	-	-	(47,393)	-	-	-	
Transfer to regulatory reserve	-	-	-	-	-	49,730	-	(49,730)	-	-	-	
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(475)	-	(475)	-	(475)	
At 30 June 2015	1,000,000	891,542	(961)	(2,457)	458	49,730	473	1,258,373	3,197,158	220,000	3,417,158	

30 June 2014

At 1 January 2014	1,000,000	746,312	(16,396)	(2,457)	458	230,088	606	642,317	2,600,928	70,000	2,670,928
Net profit for the financial period	-	-	-	-	-	-	-	208,222	208,222	-	208,222
Other comprehensive income (net of tax)	-	-	(5,604)	-	-	-	-	-	(5,604)	-	(5,604)
- Financial investments available-for-sale	-	-	(5,604)	-	-	-	-	-	(5,604)	-	(5,604)
Total comprehensive income for the period	-	-	(5,604)	-	-	-	-	208,222	202,618	-	202,618
Share-based payment expense	-	-	-	-	-	-	313	-	313	-	313
Transfer to statutory reserve	-	52,056	-	-	-	-	-	(52,056)	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	19,717	-	(19,717)	-	-	-
Issuance new shares	-	-	-	-	-	-	-	-	-	150,000	150,000
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(433)	-	(433)	-	(433)
At 30 June 2014	1,000,000	798,368	(22,000)	(2,457)	458	249,805	486	778,766	2,803,426	220,000	3,023,426

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

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

The Bank	Share capital RM'000	Statutory reserve RM'000	Revaluation				Distributable				Perpetual preference shares RM'000	Total Equity RM'000	
			reserve - financial investments available-for-sale RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained profits RM'000	Total RM'000				
30 June 2015													
At 1 January 2015	1,000,000	844,149	(17,270)	(2,457)	458	-	674	1,165,890	2,991,444	220,000	3,211,444		
Net profit for the financial period	-	-	-	-	-	-	-	189,571	189,571	-	189,571		
Other comprehensive income (net of tax)	-	-	16,309	-	-	-	-	-	16,309	-	16,309		
- Financial investments available-for-sale	-	-	16,309	-	-	-	-	-	16,309	-	16,309		
Total comprehensive income for the period	-	-	16,309	-	-	-	-	-	16,309	-	16,309		
Share-based payment expense	-	-	-	-	-	-	274	-	274	-	274		
Transfer to statutory reserve	-	47,393	-	-	-	-	-	(47,393)	-	-	-		
Transfer to regulatory reserve	-	-	-	-	-	49,730	-	(49,730)	-	-	-		
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(475)	-	(475)	-	(475)		
At 30 June 2015	1,000,000	891,542	(961)	(2,457)	458	49,730	473	1,258,338	3,197,123	220,000	3,417,123		
30 June 2014													
At 1 January 2014	1,000,000	746,312	(16,396)	(2,457)	458	230,088	606	642,291	2,600,902	70,000	2,670,902		
Net profit for the financial period	-	-	-	-	-	-	-	208,222	208,222	-	208,222		
Other comprehensive income (net of tax)	-	-	(5,604)	-	-	-	-	-	(5,604)	-	(5,604)		
- Financial investments available-for-sale	-	-	(5,604)	-	-	-	-	-	(5,604)	-	(5,604)		
Total comprehensive income for the period	-	-	(5,604)	-	-	-	-	208,222	202,618	-	202,618		
Share-based payment expense	-	-	-	-	-	-	313	-	313	-	313		
Transfer to statutory reserve	-	52,056	-	-	-	-	-	(52,056)	-	-	-		
Transfer to regulatory reserve	-	-	-	-	-	19,717	-	(19,717)	-	-	-		
Issuance new shares	-	-	-	-	-	-	-	-	-	150,000	150,000		
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(433)	-	(433)	-	(433)		
At 30 June 2014	1,000,000	798,368	(22,000)	(2,457)	458	249,805	486	778,740	2,803,400	220,000	3,023,400		

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

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2015

	The Group		The Bank	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Profit before taxation	257,253	277,484	257,244	277,484
Adjustments for non-cash items	<u>45,357</u>	<u>23,513</u>	<u>45,366</u>	<u>23,513</u>
Operating profit before changes in working capital	302,610	300,997	302,610	300,997
Net changes in operating assets	(2,319,064)	923,518	(2,319,064)	923,513
Net changes in operating liabilities	4,784,456	(274,056)	4,784,492	(274,056)
Tax paid	<u>(60,005)</u>	<u>(58,593)</u>	<u>(60,005)</u>	<u>(58,593)</u>
Net cash generated from operating activities	2,707,997	891,866	2,708,033	891,861
Net cash flows used in investing activities	(866,033)	(367,010)	(866,033)	(367,010)
Net cash flows (used in)/generated from financing activities	<u>(20,562)</u>	<u>130,811</u>	<u>(20,562)</u>	<u>130,811</u>
Net change in cash and cash equivalents	1,821,402	655,667	1,821,438	655,662
Cash and cash equivalents at beginning of the financial period	<u>5,134,659</u>	<u>6,983,561</u>	<u>5,134,612</u>	<u>6,983,515</u>
Cash and cash equivalents at end of the financial period	<u>6,956,061</u>	<u>7,639,228</u>	<u>6,956,050</u>	<u>7,639,177</u>

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

PART A - EXPLANATORY NOTES

A. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 30 June 2015 have been prepared under the historical cost convention, except for financial assets held for trading, financial investments available-for-sale, derivative financial instruments 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 Bank's audited financial statements for the financial year ended 31 December 2014. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2014.

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

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

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

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's and Bank'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.

PART A - EXPLANATORY NOTES (CONTINUED)

B. 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.

C. ISSUANCE AND REPAYMENT OF DEBT EQUITY SECURITIES

There were no issuance and repayment of debt securities during the period.

D. PROPOSED DIVIDEND

There were no dividends paid or proposed for the period ended 30 June 2015.

E. EVENTS DURING THE REPORTING PERIOD

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

F. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events that had occurred between 30 June 2015 and the date of this announcement.

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
A1 Cash and short-term funds				
Cash and balances with banks and other financial institutions	353,952	266,808	353,941	266,761
Money at call and deposit placements maturing within one month	6,602,109	4,867,851	6,602,109	4,867,851
	6,956,061	5,134,659	6,956,050	5,134,612
A2 Deposits and placements with banks and other financial institutions				
Licensed banks	829,216	218,934	829,216	218,934
	829,216	218,934	829,216	218,934
A3 Financial assets held for trading				
Money market instruments				
Unquoted				
<u>In Malaysia</u>				
Malaysian Government treasury bills	19,609	14,826	19,609	14,826
Bank Negara monetary notes	-	2,235,535	-	2,235,535
Islamic negotiable instruments of deposits	2,335,701	992,580	2,335,701	992,580
Government Investment Issues	166,292	12,885	166,292	12,885
Islamic Commercial papers	29,601	-	29,601	-
	2,551,203	3,255,826	2,551,203	3,255,826
Unquoted securities				
<u>In Malaysia</u>				
Islamic private debt securities	132,040	210,789	132,040	210,789
<u>Outside Malaysia</u>				
Islamic private debt securities	75,475	70,035	75,475	70,035
	2,758,718	3,536,650	2,758,718	3,536,650
A4 Financial investments available-for-sale				
Money market instruments				
Unquoted				
<u>In Malaysia</u>				
Government Investment Issues	460,593	315,897	460,593	315,897
Islamic Cagamas bonds	23,957	8,504	23,957	8,504
Malaysian Government Sukuk	41,861	19,750	41,861	19,750
Khazanah bonds	72,138	70,214	72,138	70,214
	598,549	414,365	598,549	414,365
Unquoted securities				
<u>In Malaysia</u>				
Islamic private debt securities	1,891,609	1,525,393	1,891,609	1,525,393
Placement with IBFIM	575	575	575	575
<u>Outside Malaysia</u>				
Islamic private debt securities	83,221	83,589	83,221	83,589
	2,573,954	2,023,922	2,573,954	2,023,922
A5 Financial investments held-to-maturity				
Money market instruments				
Unquoted				
<u>In Malaysia</u>				
Government Investment Issues	149,783	7,569	149,783	7,569
Islamic Cagamas bonds	30,881	-	30,881	-
Khazanah bonds	12,662	12,662	12,662	12,662
	193,326	20,231	193,326	20,231
Unquoted securities				
<u>In Malaysia</u>				
Islamic private debt securities	822,643	600,386	822,643	600,386
Amortisation of premium less accretion of discount	521	375	521	375
	1,016,490	620,992	1,016,490	620,992

PART A - EXPLANATORY NOTES (CONTINUED)

A6 Financing, advances and other financing/loans

(i) Financing by types and Shariah contracts

At amortised cost:

	The Group and the Bank				Total RM'000
	Bai' RM'000	Ijarah RM'000	Qard RM'000	Others RM'000	
30 June 2015					
Cash line [^]	568,202	-	6,050	-	574,252
Term financing					
- House financing	9,276,696	1,206,238	-	-	10,482,934
- Syndicated financing	1,745,493	185,968	-	-	1,931,461
- Hire purchase receivables	-	4,807,051	-	-	4,807,051
- Other term financing	18,410,760	58,435	-	-	18,469,195
Bills receivable	2,741	-	102	-	2,843
Islamic trust receipts	12,027	-	-	-	12,027
Claims on customer under Islamic accepted bills	288,683	-	-	-	288,683
Credit card receivables	-	-	-	112,018	112,018
Revolving credits	2,027,239	-	-	-	2,027,239
Share purchase financing	7,559	-	-	-	7,559
Ar Rahnū	-	-	-	2,035	2,035
Gross financing, advances and other financing/loans	32,339,400	6,257,692	6,152	114,053	38,717,297
Fair value changes arising from fair value hedges					129,811
Less : Allowance for impairment losses					
- Individual impairment allowance					(51,116)
- Portfolio impairment allowance					(324,396)
Total net financing, advances and other financing/loans					<u>38,471,596</u>

31 December 2014

Cash line [^]	554,680	-	10,277	-	564,957
Term financing					
- House financing	8,907,718	992,267	-	-	9,899,985
- Syndicated financing	365,825	211,243	-	-	577,068
- Hire purchase receivables	-	5,298,240	-	-	5,298,240
- Other term financing	17,304,405	56,820	-	-	17,361,225
Bills receivable	2,939	-	-	-	2,939
Islamic trust receipts	19,218	-	-	-	19,218
Claims on customer under Islamic accepted bills	391,983	-	-	-	391,983
Credit card receivables	-	-	-	111,917	111,917
Revolving credits	2,389,876	-	-	-	2,389,876
Share purchase financing	9,453	-	-	-	9,453
Ar Rahnū	-	-	-	1,590	1,590
Gross financing, advances and other financing/loans	29,946,097	6,558,570	10,277	113,507	36,628,451
Fair value changes arising from fair value hedges					57,272
Less : Allowance for impairment losses					
- Individual impairment allowance					(39,713)
- Portfolio impairment allowance					(346,430)
Total net financing, advances and other financing/loans					<u>36,299,580</u>

[^] Includes current account in excess

PART A - EXPLANATORY NOTES (CONTINUED)

A6 Financing, advances and other financing/loans (continued)

(a) The Group and the Bank have undertaken fair value hedges on financing using Islamic profit rate swaps.

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

The fair value loss on Islamic profit rate swaps of the Group and the Bank in this hedge transaction as at 30 June 2015 were RM155 million (31 December 2014 : fair value loss of RM83 million).

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

As at 30 June 2015, the gross exposures to RPSIA financing is RM2,463 million (31 December 2014: RM2,099 million) and the portfolio impairment allowance relating to this RPSIA amounting to RM6.4 million (31 December 2014: RM6.4 million) is recognised in the Financial Statements of CIMB Bank Berhad.

There was no individual impairment provided on this RPSIA financing.

(c) Movement of Qard financing

	The Group and the Bank	
	30 June 2015 RM'000	31 December 2014 RM'000
As at 1 January 2015/2014	10,277	2,006
New disbursement	1,128	10,067
Repayment	(5,253)	(1,796)
As at 30 June/ 31 December	6,152	10,277
Sources of Qard fund:		
Depositors' fund	5,777	9,665
Shareholders' fund	375	612
	6,152	10,277
Uses of Qard fund:		
Personal use	330	1,156
Business purpose	5,822	9,121
	6,152	10,277

PART A - EXPLANATORY NOTES (CONTINUED)

A6 Financing, advances and other financing/loans (continued)

	The Group		The Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
(ii) By geographical distribution:				
Malaysia	38,717,297	36,628,451	38,717,297	36,628,451
	38,717,297	36,628,451	38,717,297	36,628,451
(iii) By type of customer :				
Domestic non-bank financial institutions	1,668,456	1,744,023	1,668,456	1,744,023
Domestic business enterprises				
- Small medium enterprises	5,433,705	5,072,522	5,433,705	5,072,522
- Others	3,847,542	2,814,822	3,847,542	2,814,822
Government and statutory bodies	6,772,208	6,773,484	6,772,208	6,773,484
Individuals	20,731,729	19,990,768	20,731,729	19,990,768
Other domestic entities	81,350	48,331	81,350	48,331
Foreign entities	182,307	184,501	182,307	184,501
	38,717,297	36,628,451	38,717,297	36,628,451
(iv) By profit rate sensitivity :				
Fixed rate				
- House financing	154,361	169,414	154,361	169,414
- Hire purchase receivables	4,807,051	5,298,240	4,807,051	5,298,240
- Others	11,105,189	11,101,995	11,105,189	11,101,995
Variable rate				
- House financing	10,328,573	9,730,571	10,328,573	9,730,571
- Other financing	12,322,123	10,328,231	12,322,123	10,328,231
	38,717,297	36,628,451	38,717,297	36,628,451
(v) By economic purpose :				
Personal use	2,792,526	2,903,936	2,792,526	2,903,936
Credit card	112,018	111,918	112,018	111,918
Construction	1,482,649	1,698,211	1,482,649	1,698,211
Residential property	10,649,217	10,038,277	10,649,217	10,038,277
Non-residential property	3,609,607	3,573,649	3,609,607	3,573,649
Purchase of fixed assets other than land and building	220,871	199,445	220,871	199,445
Merger and acquisition	757	934	757	934
Purchase of securities	1,375,466	584,113	1,375,466	584,113
Purchase of transport vehicles	5,079,672	5,349,838	5,079,672	5,349,838
Working capital	9,222,695	9,164,677	9,222,695	9,164,677
Other purpose	4,171,819	3,003,453	4,171,819	3,003,453
	38,717,297	36,628,451	38,717,297	36,628,451
(vi) By residual contractual maturity :				
Within one year	3,689,289	3,561,476	3,689,289	3,561,476
One year to less than three years	1,659,256	1,518,090	1,659,256	1,518,090
Three years to less than five years	9,455,065	6,924,314	9,455,065	6,924,314
Five years and more	23,913,687	24,624,571	23,913,687	24,624,571
	38,717,297	36,628,451	38,717,297	36,628,451

PART A - EXPLANATORY NOTES (CONTINUED)

A6 Financing, advances and other financing/loans (continued)

	The Group		The Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
(vii) Impaired financing by economic purpose :				
Personal use	28,419	31,233	28,419	31,233
Credit card	3,105	2,922	3,105	2,922
Construction	43,798	46,896	43,798	46,896
Residential property	90,433	89,243	90,433	89,243
Non-residential property	40,828	33,429	40,828	33,429
Purchased of fixed assets other than land & building	458	883	458	883
Purchase of securities	721	200	721	200
Purchase of transport vehicles	121,905	145,510	121,905	145,510
Working capital	71,968	68,039	71,968	68,039
Other purpose	38,420	39,506	38,420	39,506
	440,055	457,861	440,055	457,861
(viii) Impaired financing by geographical distribution:				
Malaysia	440,055	457,861	440,055	457,861
	440,055	457,861	440,055	457,861
(ix) Movement in impaired financing, advances and other financing/loans :				
As at 1 January	457,861	310,151	457,861	310,151
Classified as impaired during the financial year	252,159	769,607	252,159	769,607
Reclassified as non-impaired during the period/year	(140,763)	(355,337)	(140,763)	(355,337)
Amount written back in respect of recoveries	(49,955)	(103,631)	(49,955)	(103,631)
Amount written off	(79,245)	(162,929)	(79,245)	(162,929)
As at 30 June/ 31 December	440,057	457,861	440,057	457,861
Ratio of gross impaired financing to total financing advances, and other financing/loans	1.14%	1.25%	1.14%	1.25%
(x) Movements in allowance for impaired financing :				
Individual impairment allowance				
As at 1 January	39,713	29,801	39,713	29,801
Net allowance (written back)/made during the period/year	12,699	19,017	12,699	19,017
Amount written off	(1,296)	(9,105)	(1,296)	(9,105)
As at 30 June/ 31 December	51,116	39,713	51,116	39,713
Portfolio impairment allowance				
As at 1 January	346,430	376,849	346,430	376,849
Net allowance made during the period/year	55,895	123,405	55,895	123,405
Amount written off	(77,929)	(153,824)	(77,929)	(153,824)
As at 30 June/ 31 December	324,396	346,430	324,396	346,430
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other financing/loans (excluding RPSIA financing) less individual impairment allowance	1.20%	1.24%	1.20%	1.24%

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
A7 Other assets				
Deposits and prepayments	4,409	4,085	4,409	4,085
Sundry debtors	170,712	34,338	170,712	34,338
Credit Support Annex for derivative transactions	53,850	57,150	53,850	57,150
Clearing accounts	6,714	5,801	6,714	5,801
	235,685	101,374	235,685	101,374
A8 Deposits from customers				
(i) By type of deposit				
Savings deposits	2,464,417	2,202,778	2,464,417	2,202,778
Wadiah	2,464,417	2,202,778	2,464,417	2,202,778
Demand deposits	9,539,331	7,901,001	9,539,331	7,901,001
Wadiah	8,666,785	7,101,583	8,666,785	7,101,583
Qard	131,215	61,320	131,215	61,320
Mudharabah	741,331	738,098	741,331	738,098
Commodity Murabahah	30,563,105	21,420,321	30,563,105	21,420,321
Islamic negotiable instruments	544,421	2,563,732	544,421	2,563,732
Mudharabah	345,265	389,915	345,265	389,915
Hybrid (Bai Bithamin Ajil and Bai al-Dayn)	199,156	2,173,817	199,156	2,173,817
Short term money market deposit-i	-	5,093,512	-	5,093,512
Wakalah	-	5,093,512	-	5,093,512
Fixed Deposit-i	9,155	617,170	9,155	617,170
Wakalah	-	608,700	-	608,700
Wadiah	9,155	8,470	9,155	8,470
General investment account	158,875	1,336,037	158,875	1,336,037
Mudharabah	158,875	1,336,037	158,875	1,336,037
Specific investment account	176,260	174,606	176,260	174,606
Mudharabah	176,260	174,606	176,260	174,606
Term deposit	31,451,816	31,205,378	31,451,816	31,205,378
Others - Qard	15,779	18,887	15,779	18,887
	43,471,343	41,328,044	43,471,343	41,328,044
(ii) Maturity structures of term deposits				
Due within six months	26,996,487	29,668,807	26,996,487	29,668,807
Six months to one year	3,916,087	986,768	3,916,087	986,768
One year to three years	368,560	380,679	368,560	380,679
Three years to five years	368	436	368	436
More than five years	170,314	168,688	170,314	168,688
	31,451,816	31,205,378	31,451,816	31,205,378

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
A8 Deposits from customers (continued)				
(iii) By type of customer				
Government and statutory bodies	4,286,801	3,737,245	4,286,801	3,737,245
Business enterprises	16,126,803	16,365,739	16,126,803	16,365,739
Individuals	8,833,039	5,400,206	8,833,039	5,400,206
Others	14,224,700	15,824,854	14,224,700	15,824,854
	43,471,343	41,328,044	43,471,343	41,328,044

A9 Deposits and placements of banks and other financial institutions

Mudharabah

Licensed Islamic banks	600,053	140,012	600,053	140,012
Licensed banks	3,199,518	2,097,647	3,199,518	2,097,647
Licensed investment banks	430	201,122	430	201,122
Other financial institutions	178,816	-	178,816	-
	3,978,817	2,438,781	3,978,817	2,438,781

Non-Mudharabah

Licensed Islamic banks	22,650	111,978	22,650	111,978
Licensed banks	1,502,869	912,097	1,502,869	912,097
Licensed investment banks	200,020	-	200,020	-
Bank Negara Malaysia	39,192	29,384	39,192	29,384
Other financial institutions	24,631	152,473	24,631	152,473
	1,789,362	1,205,932	1,789,362	1,205,932
	5,768,179	3,644,713	5,768,179	3,644,713

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

Due within six months	5,760,610	3,644,713	5,760,610	3,644,713
Six months to one year	6,625	-	6,625	-
One year to three years	944	-	944	-
Three years to five years				
More than five years				
	5,768,179	3,644,713	5,768,179	3,644,713

A10 Subordinated sukuk

The Group and the Bank

The RM850 million subordinated Sukuk (“the Sukuk”) is part of the Tier-2 Junior Sukuk programme which was approved by the Securities Commission on 22 May 2009. Under the programme, the Bank is allowed to raise Tier-2 capital of up to RM2.0 billion in nominal value outstanding at any one time.

The Sukuk of RM300 million under the first issuance was issued at par on 25 September 2009 and is due on 25 September 2024, with optional redemption on 25 September 2019 or any periodic payment date thereafter. The Sukuk bears a profit rate of 5.85% per annum payable semi-annually in arrears.

The second tranche of the Sukuk of RM250 million was issued at par on 21 April 2011 and is due on 21 April 2021, with optional redemption on 21 April 2016 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.20% per annum payable semi-annually in arrears.

On 18 September 2012, the Bank had issued the third tranche of Sukuk of RM300 million at par and is due on 15 September 2022, with the optional redemption on 18 September 2017 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.00% per annum, payable semi-annually in arrears.

The RM850 million Sukuk qualify as Tier-2 capital for the purpose of the RWCR computation.

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
A11 Other liabilities				
Accruals and other payables	568,372	63,025	568,372	63,025
Clearing accounts	268,424	223,067	268,424	223,067
Others	9,043	11,162	9,043	11,162
	845,839	297,254	845,839	297,254

A12 Financial liabilities designated at fair value

Deposits from customers - structured investments	202,356	149,835	202,356	149,835
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The Group and the Bank have issued structured investments, and have designated them at fair value in accordance with MFRS139. The Group and the Bank have the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group and the Bank on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of the Group and the Bank as at 30 June 2015 of financial liabilities designated at fair value were RM5,102,000 (31 December 2014:RM8,551,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
A13 Income derived from investment of depositors' funds and others				
The Group and The Bank				
Income derived from investment of :				
a) General investment deposits	360,720	242,570	658,387	483,293
b) Specific investment deposits	38,505	19,329	75,171	47,539
c) Other deposits	175,192	276,107	354,086	527,864
	<u>574,417</u>	<u>538,006</u>	<u>1,087,644</u>	<u>1,058,696</u>
a) Income derived from investment of general investment deposits				
Financing, advances and other financing/loans				
- Profit income	284,127	182,585	539,161	372,997
- Unwinding income [^]	1,495	816	2,740	1,588
Financial assets held for trading	4,372	2,794	8,229	5,588
Financial investments available-for-sale	16,106	6,385	28,516	12,217
Financial investments held-to-maturity	6,276	3,575	10,811	6,933
Money at call and deposit with financial institutions	49,507	22,974	83,695	50,463
	<u>361,883</u>	<u>219,129</u>	<u>673,152</u>	<u>449,786</u>
Accretion of discount less amortisation of premium	13,048	9,647	27,919	18,059
Total finance income and hibah	<u>374,931</u>	<u>228,776</u>	<u>701,071</u>	<u>467,845</u>
Other operating income				
- Net gain/(loss) arising from financial assets held for trading				
- realised gain/(loss)	107	(82)	658	68
- unrealised gain/(loss)	1,255	162	1,371	(166)
- Net gain from sale of financial investments available-for-sale	683	355	689	739
- Net (loss)/gain from foreign exchange transactions	(18,687)	12,620	(48,358)	13,502
	<u>(16,642)</u>	<u>13,055</u>	<u>(45,640)</u>	<u>14,143</u>
Fee and commission income	2,431	739	2,956	1,305
	<u>360,720</u>	<u>242,570</u>	<u>658,387</u>	<u>483,293</u>
b) Income derived from investment of specific investment deposits				
Financing, advances and other financing/loans				
- Profit income	33,254	13,867	64,472	36,399
Money at call and deposit with financial institutions	5,251	5,462	10,699	11,140
	<u>38,505</u>	<u>19,329</u>	<u>75,171</u>	<u>47,539</u>

[^] Unwinding income is income earned on impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

2nd Quarter Ended		6 Months Ended	
30 June	30 June	30 June	30 June
2015	2014	2015	2014
RM'000	RM'000	RM'000	RM'000

A13 Income derived from investment of depositors funds and others (continued)

c) Income derived from investment of other deposits

Financing, advances and other financing/loans				
- Profit income	137,993	207,828	291,267	406,971
- Unwinding income [^]	726	929	1,474	1,736
Financial assets held for trading	2,123	3,180	4,441	6,102
Financial investments available-for-sale	7,822	7,267	15,280	13,367
Financial investments held-to-maturity	3,049	4,069	5,774	7,581
Money at call and deposit with financial institutions	24,045	26,151	44,591	54,899
	175,758	249,424	362,827	490,656
Accretion of discount less amortisation of premium	6,337	10,981	15,274	19,778
Total finance income and hibah	182,095	260,405	378,101	510,434
Other operating income				
- Net gain/(loss) arising from financial assets held for trading				
- realised gain/(loss)	52	(93)	383	63
- unrealised gain/(loss)	610	185	679	(159)
- Net gain from sale of financial investments available-for-sale	331	404	335	806
- Net (loss)/gain from foreign exchange transactions	(9,076)	14,365	(26,908)	15,287
	(8,083)	14,861	(25,511)	15,997
Fee and commission income	1,180	841	1,496	1,433
	175,192	276,107	354,086	527,864

[^] Unwinding income is income earned on impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
A14 Income derived from investment of shareholder's funds				
The Group				
Financing, advances and other financing/loans				
- Profit income	27,421	24,732	55,197	47,516
- Unwinding income [^]	144	111	280	203
Financial assets held for trading	422	378	842	713
Financial investments available-for-sale	1,554	865	2,906	1,563
Financial investments held-to-maturity	606	484	1,100	886
Money at call and deposit with financial institutions	4,778	3,112	8,501	6,401
	34,925	29,682	68,826	57,282
Accretion of discount less amortisation of premium	1,259	1,307	2,879	2,313
Total finance income and hibah	36,184	30,989	71,705	59,595
Other operating income				
- Net gain/(loss) arising from financial assets held for trading				
- realised gain/(loss)	10	(11)	70	7
- unrealised gain/(loss)	121	22	134	(17)
- Net gain from sale of financial investments available-for-sale	66	48	67	94
- Net (loss)/gain from foreign exchange transactions	(1,805)	1,710	(5,037)	1,815
- Net gain/(loss) arising from hedging activities	26	203	(2,310)	(340)
-Net gain/(loss) arising from financial liabilities designated at fair value				
- realised loss	(356)	(962)	(918)	(1,551)
- unrealised gain/(loss)	1,224	(882)	(3,538)	4,390
-Net gain/(loss) arising from derivative financial instrument				
- realised gain/(loss)	52,308	(24,870)	109,170	(551)
- unrealised loss	(21,407)	(7,685)	(14,381)	(36,480)
	30,187	(32,427)	83,257	(32,633)
Fee and commission income	27,244	29,083	58,067	46,865
Less : fee and commission expense	(1,155)	-	(2,288)	(769)
Net fee and commission income	26,089	29,083	55,779	46,096
Other income				
- Sundry income	1,534	1,073	2,901	2,326
	93,994	28,718	213,642	75,384

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
A14 Income derived from investment of shareholder's funds (cont'd.)				
The Bank				
Financing, advances and other financing/loans				
- Profit income	27,421	24,732	55,197	47,516
- Unwinding income [^]	144	111	280	203
Financial assets held for trading	422	378	842	713
Financial investments available-for-sale	1,554	865	2,906	1,563
Financial investments held-to-maturity	606	484	1,100	886
Money at call and deposit with financial institutions	4,778	3,112	8,501	6,401
	<u>34,925</u>	<u>29,682</u>	<u>68,826</u>	<u>57,282</u>
Accretion of discount less amortisation of premium	1,259	1,307	2,879	2,313
Total finance income and hibah	<u>36,184</u>	<u>30,989</u>	<u>71,705</u>	<u>59,595</u>
Other operating income				
- Net gain/(loss) from sale of financial investments held for trading				
- realised gain/(loss)	10	(11)	70	7
- unrealised gain/(loss)	121	22	134	(17)
- Net gain from sale of financial investments available-for-sale	66	48	67	94
- Net (loss)/gain from foreign exchange transactions	(1,805)	1,710	(5,037)	1,815
- Net gain/(loss) arising from hedging activities	26	203	(2,310)	(340)
Net gain/(loss) arising from financial liabilities designated at fair value				
- realised loss	(356)	(962)	(918)	(1,551)
- unrealised gain/(loss)	1,224	(882)	(3,538)	4,390
- Net gain/(loss) arising from derivative financial instrument		-		-
- realised gain/(loss)	52,308	(24,870)	109,170	(551)
- unrealised loss	(21,407)	(7,685)	(14,381)	(36,480)
	<u>30,187</u>	<u>(32,427)</u>	<u>83,257</u>	<u>(32,633)</u>
Fee and commission income	27,244	29,083	58,067	46,865
Less : fee and commission expense	(1,155)	-	(2,288)	(769)
Net fee and commission income	<u>26,089</u>	<u>29,083</u>	<u>55,779</u>	<u>46,096</u>
Other income				
- Sundry income	1,513	1,058	2,880	2,311
	<u>93,973</u>	<u>28,703</u>	<u>213,621</u>	<u>75,369</u>

[^] Unwinding income is income earned on impaired financing, advances and other financing/loans.

A15 Allowance for impairment losses on financing, advances and other financing/loans

The Group and The Bank

Individual impairment allowance				
- (Written-back)/made during the period	(1,007)	359	12,699	314
Portfolio impairment allowance				
- Made during the period	25,988	32,559	55,895	48,965
Impaired financing :				
- recovered	(10,706)	(10,892)	(21,382)	(22,086)
- written off	897	516	1,508	1,085
	<u>15,172</u>	<u>22,542</u>	<u>48,720</u>	<u>28,278</u>

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
A16 Income attributable to depositors				
The Group and The Bank				
Deposits from customers				
- Mudharabah	37,855	28,503	52,594	58,697
- Non-Mudharabah	294,054	212,825	581,626	414,939
- Financial liabilities designated at fair value	1,851	1,749	3,378	3,197
Deposits and placements of banks and other financial institutions				
- Mudharabah	32,703	19,765	63,691	45,192
- Non-Mudharabah	5,934	17,663	15,994	45,541
Subordinated Sukuk	10,233	9,587	20,387	19,015
	382,630	290,092	737,670	586,581
A17 Personnel expenses				
The Group and The Bank				
Salaries, allowances and bonuses	15,706	12,788	33,568	29,790
Pension costs (defined contribution plan)	951	809	1,783	1,557
Staff incentives and other staff payments	361	1,717	1,207	3,342
Mutual Separation Scheme	2,586	-	2,586	-
Medical expenses	242	96	428	158
Others	600	108	832	200
	20,446	15,518	40,404	35,047

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
A18 Other overheads and expenditures				
The Group				
Establishment				
Depreciation of property, plant equipment	985	530	1,988	1,068
Rental	268	423	568	806
Repairs and maintenance	670	759	1,172	1,472
Outsourcing expenses	(174)	342	408	663
Security expenses	-	8	9	18
Utility expenses	-	64	73	126
Others	(266)	(336)	(17)	(106)
	1,483	1,790	4,201	4,047
Marketing				
Advertisement and publicity	2,902	733	4,065	2,109
Others	387	579	1,182	1,003
	3,289	1,312	5,247	3,112
General expenses				
Communication	60	152	152	316
Consultancy and professional fees	328	18	189	167
Legal expenses	27	42	195	365
Stationery	207	221	337	320
Amortisation of intangible assets	2,531	3,661	5,062	4,691
Postages	401	600	1,386	1,539
Donation	598	132	2,039	132
Incidental expenses on banking operations	1,638	399	3,967	863
Others	4,075	2,930	6,666	6,213
	9,865	8,155	19,993	14,606
Total other overheads and expenditures	14,637	11,257	29,441	21,765
Shared service costs paid/payable to CIMB Bank/CIMB Investment Bank	92,722	90,750	187,731	185,064
	107,359	102,007	217,172	206,829

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
A18 Other overheads and expenditures (continued)				
The Bank				
Establishment				
Depreciation of property, plant equipment	985	530	1,988	1,068
Rental	268	423	568	806
Repairs and maintenance	670	759	1,172	1,472
Outsourcing expenses	(174)	342	408	663
Security expenses	-	8	9	18
Utility expenses	-	64	73	126
Others	(266)	(336)	(17)	(106)
	1,483	1,790	4,201	4,047
Marketing				
Advertisement and publicity	2,902	733	4,065	2,109
Others	387	579	1,182	1,003
	3,289	1,312	5,247	3,112
General expenses				
Communication	60	152	152	316
Consultancy and professional fees	328	18	189	167
Legal expenses	27	42	195	365
Stationery	207	221	337	320
Amortisation of intangible assets	2,531	3,661	5,062	4,691
Postages	401	600	1,386	1,539
Donation	598	132	2,039	132
Incidental expenses on banking operations	1,638	399	3,967	863
Others	4,054	2,915	6,645	6,198
	9,844	8,140	19,972	14,591
Total other overheads and expenditures	14,616	11,242	29,420	21,750
Shared service costs paid/payable to CIMB Bank/CIMB Investment Bank	92,722	90,750	187,731	185,064
	107,338	101,992	217,151	206,814

PART A - EXPLANATORY NOTES (CONTINUED)

A19 Islamic derivative financial instruments, commitments and contingencies

(i) Islamic derivative financial instruments

The following tables summarise the contractual or underlying principal amounts of trading derivative 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 of risk.

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

The Group and the Bank	30 June 2015			31 December 2014		
	Principal Amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000	Principal amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000
<u>Foreign exchange derivatives</u>						
Currency forwards	1,544,527	74,304	(43,199)	919,232	42,422	(22,544)
- Less than 1 year	846,966	23,962	(1,667)	258,448	11,082	(41)
- 1 year to 3 years	42,255	248	(223)	5,478	172	(74)
- More than 3 years	655,306	50,094	(41,309)	655,306	31,168	(22,429)
Currency swaps	4,007,256	44,225	(75,841)	2,727,683	36,895	(38,700)
- Less than 1 year	3,930,881	44,225	(75,834)	2,727,683	36,895	(38,700)
- 1 year to 3 years	76,375	-	(7)	-	-	-
Currency spot	53,059	112	(13)	21,488	10	(12)
- Less than 1 year	53,059	112	(13)	21,488	10	(12)
Currency options	22,948	4	(4)	-	-	-
- Less than 1 year	22,948	4	(4)	-	-	-
Cross currency profit rate swaps	1,703,195	74,891	(71,227)	1,050,230	70,333	(69,932)
- Less than 1 year	423,725	16,088	(16,071)	308,785	9,282	(9,250)
- 1 year to 3 years	-	-	-	-	-	-
- More than 3 years	1,279,470	58,803	(55,156)	741,445	61,051	(60,682)
	7,330,985	193,536	(190,284)	4,718,633	149,660	(131,188)
<u>Islamic profit rate derivatives</u>						
Islamic profit rate swaps	8,720,385	42,350	(38,611)	9,548,143	70,369	(67,567)
- Less than 1 year	460,200	304	(258)	857,750	342	(524)
- 1 year to 3 years	5,397,360	16,109	(16,542)	3,592,678	19,290	(18,593)
- More than 3 years	2,862,825	25,937	(21,811)	5,097,715	50,737	(48,450)
<u>Equity related derivatives</u>						
Equity options	461,144	6,461	(6,461)	580,161	13,611	(13,611)
- Less than 1 year	-	-	-	103,011	2,621	(2,621)
- 1 year to 3 years	84,806	3,525	(3,525)	100,070	4,265	(4,265)
- More than 3 years	376,338	2,936	(2,936)	377,080	6,725	(6,725)
<u>Credit related contracts</u>						
Total return swaps	106,640	1,171	(1,171)	113,800	752	(752)
- More than 3 years	106,640	1,171	(1,171)	113,800	752	(752)
<u>Held for hedging purpose</u>						
Islamic profit rate swaps	5,442,419	722	(159,051)	6,916,136	29,473	(117,079)
- Less than 1 year	250,000	722	-	-	-	-
- 1 year to 3 years	300,000	-	(3,559)	550,000	808	(5,233)
- More than 3 years	4,892,419	-	(155,492)	6,366,136	28,665	(111,846)
Total derivative assets/(liabilities)	22,061,573	244,240	(395,578)	21,876,873	263,865	(330,197)

PART A - EXPLANATORY NOTES (CONTINUED)

A19 Islamic derivative financial instruments, commitments and contingencies (continued)

(i) Islamic derivative financial instruments (continued)

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

Market Risk

Market risk is defined as any fluctuation in the value arising from changes in value of market risk factors such as profit 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 profit rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 June 2015, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM244 million respectively (31 December 2014: RM264 million) respectively. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A19 Islamic derivative financial instruments, commitments and contingencies (continued)

(ii) Commitments and contingencies

	30 June 2015 Principal amount	31 December 2014 Principal amount
The Group and the Bank	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	134,714	129,163
Certain transaction-related contingent items	367,529	366,786
Short-term self-liquidating trade-related contingencies	16,554	76,602
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	4,180,281	3,408,649
- maturity exceeding one year	3,028,930	2,325,983
Miscellaneous commitments and contingencies	54,866	54,503
Total credit-related commitments and contingencies	<u>7,782,874</u>	<u>6,361,686</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- up to one year	5,277,579	3,316,404
- more than one year to 5 years	903,112	510,204
- more than five years	1,150,294	892,025
Profit rate related contracts :		
- up to one year	710,200	857,750
- more than one year to 5 years	12,942,282	12,079,018
- more than five years	510,322	3,527,511
Equity related contracts :		
- up to one year	-	103,011
- more than one year to 5 years	123,659	144,287
- more than five years	337,485	332,863
Credit related contracts:		
- more than five years	106,640	113,800
Total treasury-related commitments and contingencies	<u>22,061,573</u>	<u>21,876,873</u>
	<u>29,844,447</u>	<u>28,238,559</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A20 Capital Adequacy

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

The risk-weighted assets of the Group and the 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 Advanced 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.

(a) The capital adequacy ratios of the Group and Bank are as follows:

	The Group		The Bank	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Common equity tier 1 ratio	11.519%	11.448%	11.519%	11.448%
Tier 1 ratio	12.337%	12.346%	12.337%	12.345%
Total capital ratio	15.028%	15.493%	15.028%	15.493%

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

	30 June 2015		30 June 2015	
	RM'000	31 December 2014 RM'000	RM'000	31 December 2014 RM'000
Credit risk	21,685,132	20,438,939	21,685,265	20,439,165
Market risk	600,688	498,080	600,688	498,080
Operational risk	2,055,736	2,011,791	2,055,659	2,011,728
Total risk-weighted assets	24,341,556	22,948,810	24,341,612	22,948,973

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

	30 June 2015		30 June 2015	
	RM'000	31 December 2014 RM'000	RM'000	31 December 2014 RM'000
Common Equity Tier I capital				
Ordinary shares	1,000,000	1,000,000	1,000,000	1,000,000
Other reserves	2,197,158	1,991,470	2,197,123	1,991,444
Common Equity Tier I capital before regulatory adjustments	3,197,158	2,991,470	3,197,123	2,991,444
<u>Less: Regulatory adjustments</u>				
Goodwill	(136,000)	(136,000)	(136,000)	(136,000)
Intangible assets	(85,627)	(89,744)	(85,627)	(89,744)
Deferred tax assets	(15,957)	(22,855)	(15,957)	(22,855)
Others	(155,635)	(115,688)	(155,636)	(115,689)
Common Equity Tier I capital after regulatory adjustments	2,803,939	2,627,183	2,803,903	2,627,156
Additional Tier I capital				
Perpetual preference shares	199,000	206,000	199,000	206,000
Additional Tier I capital before regulatory adjustments	199,000	206,000	199,000	206,000
<u>Less: Regulatory adjustments</u>				
Investment in capital instruments of unconsolidated financial and takaful entities	-	-	-	-
Additional Tier I capital after regulatory adjustments	199,000	206,000	199,000	206,000
Total Tier I capital	3,002,939	2,833,183	3,002,903	2,833,156
Tier II capital				
Subordinated notes	595,000	680,000	595,000	680,000
Portfolio impairment allowance and regulatory reserves ^	60,224	42,231	60,225	42,233
Total Tier II capital	655,224	722,231	655,225	722,233
Total capital	3,658,163	3,555,414	3,658,128	3,555,389

^ The capital base of the Group and the Bank as at 30 June 2015 have excluded portfolio impairment allowance on impaired financings restricted from Tier II capital of RM24.7million (31 December 2014: RM24.5 million) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A21 Segmental reporting

Definition of segments

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.

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

Business segment reporting

Definition of segments:

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

Consumer Banking

Consumer Banking provides everyday banking solutions to individual customers covering Islamic financial products and services such as residential property financing, non-residential property financing, personal financing, hire purchase financing, share purchase financing, credit cards, 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 Islamic 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.

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.

Investments

Investments focus on defining and formulating strategies at the corporate and business unit levels, oversee the Group's strategic and private equity fund management businesses. It also invests in the Group's proprietary capital.

Support and others

Support services comprise of unallocated middle and back-office processes and cost centres and other subsidiaries whose results are not material to the Group.

PART A - EXPLANATORY NOTES (CONTINUED)

A21 Segmental reporting (continued)

The Group 30 June 2015	Commercial Banking RM'000	Consumer Banking RM'000	Wholesale Banking RM'000	Investments RM'000	Support and others RM'000	Total RM'000
Net income:						
- external	81,706	489,205	(126,203)	43,669	-	488,377
- inter-segment	(28,544)	(182,911)	201,380	10,075	-	-
	53,162	306,294	75,177	53,744	-	488,377
Other income	4,865	48,947	21,432	(5)	-	75,239
Operating income	58,027	355,241	96,609	53,739	-	563,616
Overhead expenses	(27,730)	(199,903)	(27,352)	(4,116)	1,525	(257,576)
Consist of :						
Depreciation of property,	-	(1,918)	(70)	-	-	(1,988)
Amortisation of intangible	-	(4,999)	(63)	-	-	(5,062)
Profit before allowances	30,297	155,338	69,257	49,623	1,525	306,040
Allowances for losses on financing, advances and other financing/loans	7,815	(45,550)	(10,985)	-	-	(48,720)
Allowances for impairment losses on other receivables	-	-	(56)	-	(11)	(67)
Segment results	38,112	109,788	58,216	49,623	1,514	257,253
Taxation						(67,673)
Net profit for the financial year						189,580

The Group 30 June 2014	Commercial Banking RM'000	Consumer Banking RM'000	Wholesale Banking RM'000	Investments RM'000	Support and others RM'000	Total RM'000
Net income:						
- external	62,832	520,334	(103,655)	19,321	-	498,832
- inter-segment	(17,424)	(219,684)	212,523	24,585	-	-
	45,408	300,650	108,868	43,906	-	498,832
Other income	5,134	42,160	1,999	(626)	-	48,667
Operating income	50,542	342,810	110,867	43,280	-	547,499
Overhead expenses	(17,695)	(197,162)	(23,361)	(888)	(2,770)	(241,876)
Consist of :						
Depreciation of property,	-	(1,003)	(65)	-	-	(1,068)
Amortisation of intangible	-	(4,714)	23	-	-	(4,691)
Profit/(loss) before allowances	32,847	145,648	87,506	42,392	(2,770)	305,623
Allowances for losses on financing, advances and other financing/loans	3,975	(34,380)	2,127	-	-	(28,278)
Allowances for impairment losses on other receivables	-	-	152	-	(13)	139
Segment results	36,822	111,268	89,785	42,392	(2,783)	277,484
Taxation						(69,262)
Net profit for the financial year						208,222

PART A - EXPLANATORY NOTES (CONTINUED)

A21 Segmental reporting (continued)

The Group 30 June 2015	Commercial Banking RM'000	Consumer Banking RM'000	Wholesale Banking RM'000	Investments RM'000	Total RM'000
Segment assets	4,138,526	21,634,891	28,640,622	-	54,414,039
Unallocated assets					580,131
Total assets					54,994,170
Segment liabilities	2,520,582	13,332,065	33,984,510	858,054	50,695,211
Unallocated liabilities					881,801
Total liabilities					51,577,012
Other segment items					
Capital expenditure	-	1,262	19	-	1,281
The Group 31 December 2014	Commercial Banking RM'000	Consumer Banking RM'000	Wholesale Banking RM'000	Investments RM'000	Support and others RM'000
Segment assets	3,816,025	20,788,256	24,960,418	-	49,564,699
Unallocated assets					299,099
Total assets					49,863,798
Segment liabilities	1,974,791	9,471,656	34,006,217	856,151	46,308,815
Unallocated liabilities					343,513
Total liabilities					46,652,328
Other segment items					
Capital expenditure	1	93,025	2,595	-	95,621

PART A - EXPLANATORY NOTES (CONTINUED)

A22 Fair Value Estimation

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

Determination of fair value and fair value hierarchy

Valuation Model Review and Approval

- Mark-to-Model process shall be carried out by Market Risk Management within Group Risk. Group Risk Management Quantitative Analysts are responsible for independent evaluation and validation of the Group's financial models used for valuation. The validation includes an assessment of the stability of models in terms of performance over a variety of conditions and back-testing of the model outputs;
- Valuation methodologies for the purpose of determining Mark-to-Market prices will be verified by Group Risk Management Quantitative Analysts before submitting to Group Risk Committee and Board 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. Group Risk Management Quantitative Analysts shall perform model verification at least once a year. 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; and

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.

PART A - EXPLANATORY NOTES (CONTINUED)

A22 Fair Value Estimation (continued)

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

The Group and the Bank	Fair Value				Fair Value				
	30 June 2015				31 December 2014				
	Carrying amount	Observable inputs (Level 2)	Fair Value Significant unobservable inputs (Level 3)	Total	Carrying amount	Observable inputs (Level 2)	Fair Value Significant unobservable inputs (Level 3)	Total	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Financial assets									
Financial assets held for trading									
-Money market instruments	2,551,203	2,551,203	-	2,551,203	3,255,826	3,255,826	-	3,255,826	
-Unquoted securities	207,515	207,515	-	207,515	280,824	280,824	-	280,824	
Financial investments available-for-sale									
-Money market instruments	598,549	598,549	-	598,549	414,365	414,365	-	414,365	
-Unquoted securities	1,975,405	1,974,830	575	1,975,405	1,609,557	1,608,982	575	1,609,557	
Derivative financial instruments									
-Trading derivatives	243,518	243,518	-	243,518	234,392	234,392	-	234,392	
-Hedging derivatives	722	722	-	722	29,473	29,473	-	29,473	
Total	5,576,912	5,576,337	575	5,576,912	5,824,437	5,823,862	575	5,824,437	5,824,437
Financial liabilities									
Derivative financial instruments									
-Trading derivatives	236,527	236,527	-	236,527	213,118	213,118	-	213,118	
-Hedging derivatives	159,051	159,051	-	159,051	117,079	117,079	-	117,079	
Financial liabilities designated at fair value	202,356	202,356	-	202,356	149,835	149,835	-	149,835	
Total	597,934	597,934	-	597,934	480,032	480,032	-	480,032	480,032

^ Placement with Islamic Banking and Finance Institute Malaysia (IBFIM)

PART A - EXPLANATORY NOTES (CONTINUED)

A23 Credit transactions and exposures with connected parties

	The Group and the Bank	
	30 June	31 December
	2015	2014
	RM'000	RM'000
Outstanding credit exposures with connected parties	1,947,994	657,062
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	3.40%	1.30%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	0.00%	0.00%

PART B

B1 GROUP PERFORMANCE REVIEW

The Group registered a pre-tax profit of RM257.3 million for the six months period ended 30 June 2015, RM20.2 million or 7.3% lower as compared to the pre-tax profit of RM277.5 million in the comparative period. The decrease in profit was primarily due to higher income attributable to depositors, as well as higher allowances for impairment losses on financing, advances and other financing/loans, by RM151.1 million and RM20.4 million respectively, compared to the previous period. However, this was offset by higher income derived from investment of shareholder's funds of RM140.6 million.

B2 PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Growth prospects for CIMB Islamic are cautious, in light of the recent moderation of regional economies and softer capital markets. Focus will be on maintaining a healthy liquidity level and stable funding base, and to expand fee based income from amongst others, wealth management and bancatakaful businesses.

B3 COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

The Group and Bank basic EPS is calculated by dividing the net profit for the financial period by the weighted average number of ordinary shares in issue during the financial period.

	The Group			
	2nd Quarter Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	107,304	102,935	189,580	208,222
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	10.73	10.29	18.96	20.82

	The Bank			
	2nd Quarter Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
RM'000	RM'000	RM'000	RM'000	
Net profit for the financial period (RM '000)	107,295	102,935	189,571	208,222
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	10.73	10.29	18.96	20.82

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 June 2015 and 30 June 2014.