

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 50841-W)  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019**

	Note	The Group		The Company	
		31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
<b>ASSETS</b>					
Cash and short-term funds	A8	33,097,139	35,528,934	1,296,524	197,548
Reverse repurchase agreements		12,115,939	11,276,089	-	-
Deposits and placements with banks and other financial institutions	A8	6,679,522	4,373,818	16,984	-
Financial assets at fair value through profit or loss	A9	36,198,071	29,511,069	-	-
Debt instruments at fair value through other comprehensive income	A10	34,405,872	32,276,304	2,499,840	2,467,071
Equity instruments at fair value through other comprehensive income	A11	576,324	583,524	-	-
Debt instruments at amortised cost	A12	39,375,891	39,269,202	5,419,076	5,397,933
Derivative financial instruments	A25	8,515,904	8,634,633	-	-
Loans, advances and financing	A13	341,453,430	337,148,268	-	-
Other assets	A14	12,344,922	12,206,211	134,813	135,486
Tax recoverable		293,279	317,020	183,414	180,853
Deferred tax assets		1,065,166	1,052,808	-	-
Statutory deposits with central banks		9,024,716	8,139,164	-	-
Investment in subsidiaries		-	-	29,833,969	29,833,969
Investment in associates and joint ventures		1,685,256	1,714,366	3,834	3,834
Property, plant and equipment		2,264,409	2,257,200	1,655	1,703
Right-of-use assets		799,099	-	-	-
Investment properties		17,335	-	396	399
Prepaid lease payments		89,152	91,686	-	-
Goodwill		7,695,067	7,680,096	-	-
Intangible assets		1,672,693	1,708,484	-	-
		<b>549,369,186</b>	<b>533,768,876</b>	<b>39,390,505</b>	<b>38,218,796</b>
Non-current assets held for sale		316,293	320,167	7,862	7,862
<b>TOTAL ASSETS</b>		<b>549,685,479</b>	<b>534,089,043</b>	<b>39,398,367</b>	<b>38,226,658</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A15	375,261,662	370,193,085	-	-
Investment accounts of customers	A16	786,517	1,769,270	-	-
Deposits and placements of banks and other financial institutions	A17	24,886,488	20,232,880	-	-
Repurchase agreements		17,788,909	14,279,476	-	-
Financial liabilities designated at fair value through profit or loss	A18	5,490,615	5,880,707	-	-
Derivative financial instruments	A25	8,023,625	8,407,981	-	-
Bills and acceptances payable		2,449,572	2,521,372	-	-
Other liabilities	A19	18,338,983	15,047,292	2,653	2,450
Lease liability		724,547	-	-	-
Recourse obligation on loans and financing sold to Cagamas		4,508,171	6,007,447	-	-
Amount owing to a subsidiary		-	-	101	1,819
Provision for taxation		559,346	539,823	-	-
Deferred tax liabilities		30,047	30,175	374	374
Bonds, Sukuk and debentures	B6(i)	14,496,152	13,715,181	-	-
Other borrowings	B6(ii)	8,607,398	9,306,640	3,357,078	3,353,526
Subordinated obligations	B6(iii)	13,585,734	13,482,272	9,929,273	9,841,811
		<b>495,537,766</b>	<b>481,413,601</b>	<b>13,289,479</b>	<b>13,199,980</b>
Non-current liabilities held for sale		82,833	87,471	-	-
<b>TOTAL LIABILITIES</b>		<b>495,620,599</b>	<b>481,501,072</b>	<b>13,289,479</b>	<b>13,199,980</b>
Ordinary share capital		24,131,750	24,131,750	24,131,750	24,131,750
Reserves		28,704,708	27,243,151	1,977,181	894,971
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(43)	(43)	(43)
		<b>52,835,852</b>	<b>51,374,295</b>	<b>26,108,888</b>	<b>25,026,678</b>
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		1,029,028	1,013,676	-	-
<b>TOTAL EQUITY</b>		<b>54,064,880</b>	<b>52,587,971</b>	<b>26,108,888</b>	<b>25,026,678</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>549,685,479</b>	<b>534,089,043</b>	<b>39,398,367</b>	<b>38,226,658</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A26 (a)	<b>1,229,987,824</b>	<b>1,129,138,654</b>	<b>-</b>	<b>-</b>
<b>Net assets per share attributable to owners of the Parent (RM)</b>		<b>5.52</b>	<b>5.37</b>	<b>2.73</b>	<b>2.62</b>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

	Note	The Group			
		1st quarter ended 31 March 2019	31 March 2018	Three months ended 31 March 2019	31 March 2018
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	4,803,798	4,494,309	4,803,798	4,494,309
Interest income for financial assets at fair value through profit or loss	A20(b)	219,157	138,708	219,157	138,708
Interest expense	A21	<b>(2,561,412)</b>	(2,213,234)	<b>(2,561,412)</b>	(2,213,234)
Net interest income		<b>2,461,543</b>	2,419,783	<b>2,461,543</b>	2,419,783
Income from Islamic Banking operations	A30(c)	708,830	590,899	708,830	590,899
Net non-interest income	A22	<b>979,919</b>	1,139,335	<b>979,919</b>	1,139,335
		<b>4,150,292</b>	4,150,017	<b>4,150,292</b>	4,150,017
Gain on disposal of subsidiaries, joint venture and associate		<b>15,854</b>	153,294	<b>15,854</b>	153,294
Overheads	A23	<b>(2,302,416)</b>	(2,141,121)	<b>(2,302,416)</b>	(2,141,121)
Profit before expected credit losses		<b>1,863,730</b>	2,162,190	<b>1,863,730</b>	2,162,190
Expected credit losses on loans, advances and financing	A24(a)	<b>(300,014)</b>	(401,288)	<b>(300,014)</b>	(401,288)
Expected credit losses written back for commitments and contingencies		<b>25,082</b>	222	<b>25,082</b>	222
Other expected credit losses written back/(made)	A24(b)	<b>8,742</b>	(24,024)	<b>8,742</b>	(24,024)
		<b>1,597,540</b>	1,737,100	<b>1,597,540</b>	1,737,100
Share of results of joint ventures		<b>5,066</b>	3,321	<b>5,066</b>	3,321
Share of results of associates		<b>520</b>	2,472	<b>520</b>	2,472
Profit before taxation and zakat		<b>1,603,126</b>	1,742,893	<b>1,603,126</b>	1,742,893
Taxation and zakat	B4	<b>(395,440)</b>	(403,421)	<b>(395,440)</b>	(403,421)
Profit for the financial period		<b>1,207,686</b>	1,339,472	<b>1,207,686</b>	1,339,472
Profit for the financial period attributable to :					
Owners of the Parent		<b>1,192,042</b>	1,305,874	<b>1,192,042</b>	1,305,874
Non-controlling interests		<b>15,644</b>	33,598	<b>15,644</b>	33,598
		<b>1,207,686</b>	1,339,472	<b>1,207,686</b>	1,339,472
Earnings per share (sen):					
- Basic	B8(a)	<b>12.46</b>	14.15	<b>12.46</b>	14.15
- Fully diluted	B8(b)	<b>N/A</b>	N/A	<b>N/A</b>	N/A

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**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 2019**

	The Group			
	1st quarter ended 31 March 2019 RM'000	31 March 2018 RM'000	Three months ended 31 March 2019 RM'000	31 March 2018 RM'000
Profit for the financial period	1,207,686	1,339,472	1,207,686	1,339,472
Other comprehensive (expense)/ income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation	(53)	(346)	(53)	(346)
- Actuarial loss	-	(516)	-	(516)
- Currency translation difference	(53)	170	(53)	170
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(719)	-	(719)	-
Equity instruments at fair value through other comprehensive income	(3,518)	(16,087)	(3,518)	(16,087)
- Net loss from change in fair value	(4,095)	(18,840)	(4,095)	(18,840)
- Income tax effects	(13)	467	(13)	467
- Currency translation difference	590	2,286	590	2,286
	<b>(4,290)</b>	<b>(16,433)</b>	<b>(4,290)</b>	<b>(16,433)</b>
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	214,868	(51,770)	214,868	(51,770)
- Net gain/(loss) from change in fair value	299,183	(57,552)	299,183	(57,552)
- Realised gain transferred to statement of income on disposal	(44,196)	(32,979)	(44,196)	(32,979)
- Changes in expected credit losses	(1,525)	16,167	(1,525)	16,167
- Income tax effects	(38,646)	25,557	(38,646)	25,557
- Currency translation difference	52	(2,963)	52	(2,963)
Net investment hedge	68,022	274,466	68,022	274,466
Hedging reserve - cash flow hedge	(5)	649	(5)	649
- Net (loss)/gain from change in fair value	(16)	853	(16)	853
- Income tax effects	11	(204)	11	(204)
Deferred hedging cost	12,920	12,817	12,920	12,817
Exchange fluctuation reserve	(36,024)	(888,419)	(36,024)	(888,419)
Share of other comprehensive (expense)/income of associates and joint ventures	(3,548)	52,771	(3,548)	52,771
	<b>256,233</b>	<b>(599,486)</b>	<b>256,233</b>	<b>(599,486)</b>
Total other comprehensive income/(expense) for the financial period, net of tax	<b>251,943</b>	<b>(615,919)</b>	<b>251,943</b>	<b>(615,919)</b>
Total comprehensive income for the financial period	<b>1,459,629</b>	<b>723,553</b>	<b>1,459,629</b>	<b>723,553</b>
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	1,438,883	736,905	1,438,883	736,905
Non-controlling interests	20,746	(13,352)	20,746	(13,352)
	<b>1,459,629</b>	<b>723,553</b>	<b>1,459,629</b>	<b>723,553</b>

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.*

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

	Note	The Company			
		1st quarter ended		Three months ended	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	101,232	65,906	101,232	65,906
Interest expense	A21	<b>(166,162)</b>	(131,239)	<b>(166,162)</b>	(131,239)
Net interest expense		<b>(64,930)</b>	(65,333)	<b>(64,930)</b>	(65,333)
Net non-interest income	A22	<b>1,151,424</b>	1,716,841	<b>1,151,424</b>	1,716,841
Loss on disposal of a subsidiary		<b>1,086,494</b>	1,651,508	<b>1,086,494</b>	1,651,508
		-	(534,192)	-	(534,192)
Overheads	A23	<b>1,086,494</b>	1,117,316	<b>1,086,494</b>	1,117,316
		<b>(5,056)</b>	(6,145)	<b>(5,056)</b>	(6,145)
Profit before expected credit losses		<b>1,081,438</b>	1,111,171	<b>1,081,438</b>	1,111,171
Other expected credit losses written back/(made)	A24(b)	<b>1,336</b>	(7,426)	<b>1,336</b>	(7,426)
Profit before taxation		<b>1,082,774</b>	1,103,745	<b>1,082,774</b>	1,103,745
Taxation	B4	<b>(25)</b>	(297)	<b>(25)</b>	(297)
Profit for the financial period		<b>1,082,749</b>	1,103,448	<b>1,082,749</b>	1,103,448

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

	The Company				
	1st quarter ended		Three months ended		
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	
		RM'000	RM'000	RM'000	RM'000
Profit for the financial period		<b>1,082,749</b>	1,103,448	<b>1,082,749</b>	1,103,448
Other comprehensive expense:					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Debt instruments at fair value through other comprehensive income		<b>(539)</b>	(1,038)	<b>(539)</b>	(1,038)
- Net loss from change in fair value		<b>(272)</b>	(1,601)	<b>(272)</b>	(1,601)
- Changes in expected credit losses		<b>(267)</b>	563	<b>(267)</b>	563
Other comprehensive expense		<b>(539)</b>	(1,038)	<b>(539)</b>	(1,038)
Total comprehensive income for the financial period		<b>1,082,210</b>	1,102,410	<b>1,082,210</b>	1,102,410

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**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 2019**

Attributable to owners of the Parent

The Group  
31 March 2019

	Ordinary share capital 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	Fair value reserve		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
							Debt instruments at fair value through other comprehensive income RM'000	Equity instruments at fair value through other comprehensive income RM'000								
<b>At 1 January 2019</b>	<b>24,131,750</b>	<b>130,284</b>	<b>137,104</b>	<b>282,393</b>	<b>(563)</b>	<b>(43)</b>	<b>(288,294)</b>	<b>(207,686)</b>	<b>(1,292,581)</b>	<b>73,993</b>	<b>1,542,976</b>	<b>26,864,962</b>	<b>51,374,295</b>	<b>200,000</b>	<b>1,013,676</b>	<b>52,587,971</b>
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,192,042	1,192,042	-	15,644	1,207,686
Other comprehensive income/(expense) (net of tax)	-	45,403	-	(35,755)	-	-	208,928	(3,738)	80,022	(48,013)	(6)	-	246,841	-	5,102	251,943
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	208,932	-	-	-	-	-	208,932	-	5,936	214,868
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(3,738)	-	-	-	-	(3,738)	-	220	(3,518)
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	(719)	-	-	-	(719)	-	-	(719)
- net investment hedge	-	-	-	-	-	-	-	-	68,022	-	-	-	68,022	-	-	68,022
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(5)	-	-	-	(5)	-	-	(5)
- deferred hedging cost	-	-	-	-	-	-	-	-	12,920	-	-	-	12,920	-	-	12,920
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	(53)	-	-	-	(53)	-	-	(53)
- currency translation difference	-	47	-	(35,039)	-	-	-	-	59	(37)	-	-	(34,970)	-	(1,054)	(36,024)
- share of other comprehensive income/ (expense) of associates and joint ventures	-	45,356	-	(716)	-	-	(4)	-	(202)	(47,976)	(6)	-	(3,548)	-	-	(3,548)
Total comprehensive income/ (expense) for the financial period	-	45,403	-	(35,755)	-	-	208,928	(3,738)	80,022	(48,013)	(6)	1,192,042	1,438,883	-	20,746	1,459,629
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9)	(9)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	61,714	(61,714)	-	-	-	-
Disposal of subsidiaries	-	-	-	202	-	-	-	-	-	-	-	-	202	-	-	202
Contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	145	145
Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,530)	(5,530)
Share-based payment expense	-	-	-	-	-	-	-	-	-	17,781	-	-	17,781	-	-	17,781
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	46,859	(42,168)	-	-	4,691	-	-	4,691
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	353	-	-	-	(353)	-	-	-	-
<b>At 31 March 2019</b>	<b>24,131,750</b>	<b>175,687</b>	<b>137,104</b>	<b>246,840</b>	<b>(563)</b>	<b>(43)</b>	<b>(79,366)</b>	<b>(211,071)</b>	<b>(1,165,700)</b>	<b>1,593</b>	<b>1,604,684</b>	<b>27,994,937</b>	<b>52,835,852</b>	<b>200,000</b>	<b>1,029,028</b>	<b>54,064,880</b>

**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 2019**

The Group  
31 March 2018

	← Attributable to owners of the Parent →																	
	Ordinary share capital 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	Fair value reserve		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	
							Debt instruments at fair value through other comprehensive income RM'000	Equity instruments at fair value through other comprehensive income RM'000										
<b>At 1 January 2018</b>	22,183,226	131,155	137,104	423,263	(563)	(43)	-	-	499,476	(1,374,602)	60,002	1,502,520	24,683,941	48,245,479	200,000	1,360,956	49,806,435	
Effect of adopting MFRS 9	-	-	-	-	-	-	(72,914)	(198,038)	(499,476)	(4,157)	-	16,511	(1,056,366)	(1,814,440)	-	(77,722)	(1,892,162)	
<b>1 January 2018, as restated</b>	22,183,226	131,155	137,104	423,263	(563)	(43)	(72,914)	(198,038)	-	(1,378,759)	60,002	1,519,031	23,627,575	46,431,039	200,000	1,283,234	47,914,273	
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	1,305,874	1,305,874	-	33,598	1,339,472	
Other comprehensive (expense)/income (net of tax)	-	(54)	-	(789,331)	-	-	(49,121)	(16,577)	-	287,586	(1,472)	-	(568,969)	-	(46,950)	(615,919)		
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	(49,121)	-	-	-	-	-	(49,121)	-	(2,649)	(51,770)		
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(16,087)	-	-	-	-	(16,087)	-	-	(16,087)		
- net investment hedge	-	-	-	-	-	-	-	-	274,466	-	-	-	274,466	-	-	274,466		
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	649	-	-	-	649	-	-	649		
- deferred hedging cost	-	-	-	-	-	-	-	-	12,817	-	-	-	12,817	-	-	12,817		
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	(346)	-	-	-	(346)	-	-	(346)		
- currency translation difference	-	(33)	-	(843,210)	-	-	-	-	-	(875)	-	-	(844,118)	-	(44,301)	(888,419)		
- share of other comprehensive (expense)/ income of associate and joint venture	-	(21)	-	53,879	-	-	-	(490)	-	-	(597)	-	52,771	-	-	52,771		
Total comprehensive (expense)/income for the financial period	-	(54)	-	(789,331)	-	-	(49,121)	(16,577)	-	287,586	(1,472)	-	1,305,874	736,905	-	(13,352)	723,553	
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13)	(13)	
Transfer to statutory reserve	-	32	-	-	-	-	-	-	-	-	-	-	(32)	-	-	-	-	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	65,742	(65,742)	-	-	-	-	-	
Disposal of a subsidiary	-	(1,650)	-	(233,642)	-	-	-	-	-	-	(3,106)	(12)	-	(238,410)	-	(14,861)	(253,271)	
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,386	38,386	
Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,323)	(5,323)	
Share-based payment expense	-	-	-	-	-	-	-	-	-	15,787	-	-	15,787	-	-	-	15,787	
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	41,340	(35,149)	-	-	6,191	-	-	-	6,191	
<b>At 31 March 2018</b>	22,183,226	129,483	137,104	(599,710)	(563)	(43)	(122,035)	(214,615)	-	(1,049,833)	36,062	1,584,761	24,867,675	46,951,512	200,000	1,288,071	48,439,583	

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.

**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 2019**

	← Non-distributable →			Distributable		Total RM'000
	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve - debt instruments at fair value through other comprehensive income RM'000	Retained earnings RM'000	
<b>The Company</b>						
<b>At 1 January 2019</b>	24,131,750	55,982	(43)	71,135	767,854	25,026,678
Profit for the financial period	-	-	-	-	1,082,749	1,082,749
Other comprehensive expense	-	-	-	(539)	-	(539)
- Debt instruments at fair value through other comprehensive income	-	-	-	(539)	-	(539)
Total comprehensive (expense)/income for the financial period	-	-	-	(539)	1,082,749	1,082,210
<b>At 31 March 2019</b>	24,131,750	55,982	(43)	70,596	1,850,603	26,108,888

	← Non-distributable →			Distributable		Total RM'000	
	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve - debt instruments at fair value through other comprehensive income RM'000	Revaluation reserve - financial investments available- for-sale RM'000		Retained earnings RM'000
<b>The Company</b>							
<b>At 1 January 2018</b>	22,183,226	55,982	(43)	-	26,619	656,679	22,922,463
Effect of adopting MFRS 9	-	-	-	37,195	(26,619)	(37,130)	(26,554)
<b>1 January 2018, as restated</b>	22,183,226	55,982	(43)	37,195	-	619,549	22,895,909
Profit for the financial period	-	-	-	-	-	1,103,448	1,103,448
Other comprehensive expense (net of tax)	-	-	-	(1,038)	-	-	(1,038)
- Debt instruments at fair value through other comprehensive income	-	-	-	(1,038)	-	-	(1,038)
Total comprehensive (expense)/income for the financial period	-	-	-	(1,038)	-	1,103,448	1,102,410
<b>At 31 March 2018</b>	22,183,226	55,982	(43)	36,157	-	1,722,997	23,998,319

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.*

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

	<b>The Group</b>		<b>The Company</b>	
	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>
Profit before taxation and zakat	<b>1,603,126</b>	1,742,893	<b>1,082,774</b>	1,103,745
Adjustments for non-operating and non-cash items	<b>300,607</b>	196,057	<b>(1,084,790)</b>	(1,071,015)
Operating profit/(loss) before changes in working capital	<b>1,903,733</b>	1,938,950	<b>(2,016)</b>	32,730
Net changes in operating assets	<b>(16,152,597)</b>	(4,682,786)	<b>(16,580)</b>	(43,072)
Net changes in operating liabilities	<b>16,222,142</b>	10,462,310	<b>(2,964)</b>	(5,602)
	<b>69,545</b>	5,779,524	<b>(19,544)</b>	(48,674)
Cash flows generated from/(used in) operations	<b>1,973,278</b>	7,718,474	<b>(21,560)</b>	(15,944)
Taxation paid	<b>(364,661)</b>	(347,732)	<b>(2,586)</b>	(312)
Net cash flows generated from/(used in) operating activities	<b>1,608,617</b>	7,370,742	<b>(24,146)</b>	(16,256)
Net cash flows (used in)/generated from investing activities	<b>(2,084,986)</b>	(1,491,221)	<b>1,195,600</b>	1,207,834
Net cash flows (used in)/generated from financing activities	<b>(1,520,401)</b>	(954,249)	<b>(72,478)</b>	673,739
Net (decrease)/increase in cash and cash equivalents during the financial year	<b>(1,996,770)</b>	4,925,272	<b>1,098,976</b>	1,865,317
Effects of exchange rate changes	<b>(435,025)</b>	(1,489,104)	-	-
Cash and short-term funds at beginning of the financial year	<b>35,528,934</b>	41,667,884	<b>197,548</b>	182,809
Cash and cash equivalent for asset classified as held for sale	-	(166,829)	-	-
<b>Cash and short-term funds at end of the financial period</b>	<b>33,097,139</b>	44,937,223	<b>1,296,524</b>	2,048,126
Statutory deposits with Bank Indonesia*	<b>(2,800,384)</b>	(3,810,234)	-	-
Monies held in trust	<b>(127,439)</b>	(77,954)	-	-
<b>Cash and cash equivalents at end of the financial period</b>	<b>30,169,316</b>	41,049,035	<b>1,296,524</b>	2,048,126

\* 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 2018*



## **PART A - EXPLANATORY NOTES**

### **A1. BASIS OF PREPARATION**

The unaudited condensed interim financial statements for the financial period ended 31 March 2019 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, derivative financial instruments and non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, 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 2018. 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 2018.

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 2018, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2019:

- MFRS 16 “Leases”
- Amendments to MFRS 9 “Prepayment Features with Negative Compensation”
- Amendments to MFRS 128 “Long-term Interests in Associates and Joint Ventures”
- Amendments to MFRS 119 “Plan Amendment, Curtailment or Settlement”
- Annual Improvements to MFRSs 2015 – 2017 Cycle
- IC Interpretation 23 “Uncertainty over Income Tax Treatments”

The adoption of MFRS 16 has required additional disclosure of leases. Other than that, the adoption of the above new standards, amendments to published standards and interpretation are not expected to give rise to significant 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 2019:-

(a) On 7 March 2019, the Company announced that it will seek its shareholders’ approval at its 62nd 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 22 April 2019.

(b) The entitlement date pursuant to Single Tier Second Interim Dividend for financial year ended 31 December 2018 and the corresponding Dividend Reinvestment Scheme (“DRS”) was fixed for 27 March 2019. The Group had, on 24 April 2019, issued and allotted 162,964,518 new ordinary shares (“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., Thursday, 25 April 2019. With the listing of the New Shares, the enlarged issued and paid-up share capital of CIMB Group Holdings Berhad (“CIMBGH”) is 9,727,423,936 shares.

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

(c) On 19 March 2019, CIMB Bank issued USD88 million in nominal value 5-year floating rate notes (the "Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of USD 3-months LIBOR + 0.85% per annum payable quarterly, will mature on 19 March 2024.

(d) On 4 April 2019, CIMB Bank, acting through its Hong Kong branch, issued HKD700 million in nominal value 1-year fixed rate notes (the "Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 1.98% per annum payable annually, will mature on 4 April 2020 (subject to adjustment in accordance with the modified following business day convention).

(e) During the financial period, Ziya Capital Bhd ("Ziya"), an Islamic special purpose vehicle consolidated by CIMB Islamic Bank, undertook a partial redemption of its Sukuk amounting to RM24 million.

(f) During the financial period, Merdeka Kapital Berhad ("MKB"), a special purpose vehicle consolidated by CIMB Bank, undertook a partial redemption of the Medium Term Note amounting to RM18.6 million.

(g) On 15 April 2019, CIMB Bank, acting through its Labuan Offshore Branch, issued USD30 million in nominal value 5-year floating rate notes (the "Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of USD 3-months LIBOR + 0.80% per annum payable quarterly, will mature on 15 April 2024 (subject to adjustment in accordance with the modified following business day convention).

(h) On 25 April 2019, Touch N' Go Sdn Bhd ("TnG"), a subsidiary of CIMBGH, announced a proposed increase of its share capital by RM80,105,700 via a proposed issuance and allotment of ordinary shares to the shareholders of TnG in proportion to their current shareholdings. CIMBGH has fully subscribed the share capital on 17 May 2019.

Subsequent to the completion of the exercise, the Group's effective shareholding in TnG has increased from 52.22% to 66.58% due to the full subscription to its allotment of shares and the subscription of excess shares which were not taken up by the other shareholders of TnG.

(i) On 15 May 2019, CIMB Bank PLC has successfully issued the first tranche of USD15 million Subordinated Loan which qualified as Tier 2 capital for CIMB Bank PLC for the purpose of computation of minimum Solvency Requirements by the National Bank of Cambodia ("NBC"). The first tranche of the Subordinated Loan was issued as a single tranche at 4.5% per annum with a maturity of 10 years from the issue date with a call option starting at the end of year 5 and on each relevant Coupon Payment Date thereafter. The redemption of the Subordinated Loan will be subject to NBCs approval and the interest rate will remain unchanged throughout the tenor of the Subordinated Loan.

### **A4. DIVIDENDS PAID AND PROPOSED**

A single-tier second interim dividend of 12.00 sen per ordinary share, on 9,564,454,510 ordinary shares amounting to RM1,147,734,541 in respect of the financial year ended 31 December 2018 was approved by the Board of Directors on 31 January 2019. The dividend consists of an electable portion of 12.00 sen which can be elected to be reinvested in new ordinary shares in accordance with the DRS. Following the completion of the DRS, a total cash dividend of RM341,060,177 was paid on 24 April 2019.

### **A5. STATUS OF CORPORATE PROPOSAL**

(a) On 17 October 2016, the Group announced that CIMB Group Sdn Bhd ("CIMBG"), a wholly-owned subsidiary of the Company, has signed a Heads of Terms with China Galaxy International Financial Holdings Limited ("CGI"), a wholly-owned subsidiary of China Galaxy Securities Co. Ltd. ("CGS"), with respect to a potential strategic partnership in the cash equities business in the region ("Proposed Partnership"). On 6 June 2017, CIMBG has signed a conditional Share Purchase Agreement with CGI with respect to the sale of 50% of the issued and paid-up share capital of CIMB Securities International Pte. Ltd. ("CSI") to CGI ("Proposed Disposal").

CSI is a wholly-owned subsidiary of CIMBG, and is the holding company for the cash equities business comprising institutional and retail brokerage, equities research and associated securities businesses in Indonesia, Singapore, Thailand, Hong Kong, India, South Korea, United Kingdom and the United States of America.

The consideration for the Proposed Disposal amounts to approximately S\$167 million (approximately RM515 million), and is subject to completion audit adjustment, if any. The Proposed Disposal is completed on 18 January 2018.

On 6 September 2017, CIMBG signed a conditional Share Purchase Agreement to acquire 100% equity interest in Jupiter Securities Sdn Bhd ("Jupiter Securities") for a cash consideration of RM55 million ("Proposed Acquisition"). The proposed acquisition is in connection with the proposed partnership with CGI, wherein Jupiter Securities shall be the platform for the partnership's operations in Malaysia.

#### **A5. STATUS OF CORPORATE PROPOSAL (Continued)**

(a) The Securities Commission has on 2 April 2018 approved the Proposed Acquisition and the proposed sale of CIMBG's Malaysia cash equities business including the sale of 100% equity interest in CIMB Futures Sdn Bhd to Jupiter Securities Sdn Bhd ("Jupiter Securities") in connection with the Proposed Partnership. On 10 August 2018, the Group announced that approval from BNM has been received. On 28 September 2018, the Proposed Acquisition has been completed.

On 18 December 2018, CIMBG, CGI and CGS-CIMB Holdings Sdn Bhd (the "Malaysia JV Entity") have signed a Share Subscription Agreement for the subscription of new shares in the Malaysia JV Entity ("Proposed MY Share Subscription"), which shall be the holding company for the Malaysia stockbroking business of the CGS-CIMB joint venture. At completion, CIMBG and CGI will be 50:50 shareholders in the Malaysia JV Entity. The parties will proceed with the necessary process to effect the transfer of the Malaysia stockbroking business of CIMB Group into Jupiter Securities Sdn Bhd ("Jupiter Securities") ("Proposed Business Transfer"). Jupiter Securities is a 100%-owned subsidiary of the Malaysia JV Entity and will be the operating company for the stockbroking business of the CGS-CIMB joint venture in Malaysia. The consideration in connection with the Proposed Business Transfer will be satisfied in cash. The consideration was determined based on the future prospects and net asset value of the in-scope business as at 31 December 2015, which amounted to RM565.6 million. The consideration is subject to closing audit adjustments, if any. CIMB Group is estimated to record a gain on disposal of approximately RM200 million, after taking into account the premium on the disposal of approximately RM433 million and goodwill attributable to the business.

On 9 May 2019, the Group has announced that the High Court of Malaya has granted the necessary court orders for the Proposed Business Transfer to be effective from 1 July 2019.

(b) On 23 January 2019, CIG, a wholly-owned indirect subsidiary of CIMB Group Holdings Berhad ("CIMBGH"), entered into a Share Purchase Agreement with HBG Asia Holdings Limited and Howden to divest 510,000 shares in CIMB Howden Insurance Brokers ("CHIB"), representing CIG's entire stake of 51% of the issued capital of CHIB, to Howden for a consideration of RM59.6 million ("Proposed Divestment"). Approval from Bank Negara Malaysia in relation to the Proposed Divestment was received by Howden on 27 November 2018. On 31 January 2019, the Proposed Divestment has been completed.

(c) On 23 January 2019, CIMB Group Sdn Bhd ("CIMBG"), a wholly-owned subsidiary of CIMBGH, received the relevant approvals from the Securities and Exchange Commission of the Philippines to establish its investment banking business in the Philippines. This includes the receipt of Certificate of Incorporation and Certificate of Registration for an Investment House license ("SEC Approvals"). CIMBG will be operating its investment banking business in the Philippines via a 60% shareholding in CIMB Bancom Capital Corporation ("CIMB Bancom"), with the remaining 40% stake in CIMB Bancom to be held by local partners, Bancom II Consultants, Inc. ("Bancom II") and PLP Group Holdings, Inc. ("PLP Group"). With the receipt of the SEC Approvals, CIMBG, Bancom II and PLP Group had entered into a joint venture agreement on 23 January 2019.

The proceeds raised from the corporate proposal will be used for working capital, general banking and other corporate purposes, as intended.

#### **A6. EVENTS DURING THE REPORTING PERIOD**

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

#### **A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

There is no significant events that had occurred between 31 March 2019 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. CASH AND SHORT-TERM FUNDS AND DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS**

As at 31 March 2019, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM5,983,000 (2018: RM4,322,000) and RM627,000 (2018: RM1,278,000) respectively. The 12-month expected credit losses made in the income statement during the financial period is amounting to RM1,065,000 (2018: written back of RM735,000).

### **A9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	The Group	
	31 March 2019 RM'000	31 December 2018 RM'000
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government Securities	5,246,533	1,856,675
Cagamas bonds	774,003	626,157
Khazanah bonds	4,478	4,395
Malaysian Government treasury bills	204,498	9,967
Bank Negara Malaysia monetary notes	1,633,619	738,413
Negotiable instruments of deposit	7,346,868	7,663,918
Other Government securities	4,944,899	4,527,434
Government Investment Issues	1,177,180	237,414
Other Government treasury bills	5,695,763	5,667,495
Commercial papers	1,362,160	1,139,868
Bankers' acceptance	-	102,325
Promissory Notes	408,362	413,965
	<b>28,798,363</b>	<b>22,988,026</b>
<b>Quoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Shares	281,107	340,872
<i><u>Outside Malaysia:</u></i>		
Shares	100,112	59,114
	<b>381,219</b>	<b>399,986</b>
<b>Unquoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Corporate bond and Sukuk	2,288,259	2,626,873
Shares	860,454	860,454
Unit trusts	10,506	10,410
<i><u>Outside Malaysia:</u></i>		
Corporate bond	2,746,096	1,752,278
Private equity and unit trusts funds	382,837	398,925
Other Government bonds	730,337	474,117
	<b>7,018,489</b>	<b>6,123,057</b>
	<b>36,198,071</b>	<b>29,511,069</b>

**A10. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	The Group		The Company	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
<b>Fair value</b>				
<b>Money market instruments:</b>				
<b>Unquoted</b>				
Malaysian Government Securities	501,079	748,002	-	-
Cagamas bonds	266,603	280,390	-	-
Khazanah bonds	17,693	41,185	-	-
Negotiable instruments of deposit	471,188	448,425	-	-
Other Government securities	3,258,655	3,585,795	-	-
Government investment Issues	1,070,389	1,146,627	-	-
Other Government treasury bills	277,811	105,406	-	-
Commercial Papers	74,431	24,271	-	-
	<b>5,937,849</b>	<b>6,380,101</b>	-	-
<b>Unquoted securities:</b>				
<i>In Malaysia:</i>				
Corporate bond and Sukuk	14,985,896	13,270,963	2,499,840	2,467,071
<i>Outside Malaysia:</i>				
Corporate bond and Sukuk	8,974,657	8,571,418	-	-
Bank Indonesia certificates	475,969	423,805	-	-
Other Government bonds	4,031,500	3,630,016	-	-
Unit trusts	1	1	-	-
	<b>28,468,023</b>	<b>25,896,203</b>	<b>2,499,840</b>	<b>2,467,071</b>
	<b>34,405,872</b>	<b>32,276,304</b>	<b>2,499,840</b>	<b>2,467,071</b>

**Expected credit losses movement for debt instruments at fair value through other comprehensive income:**

The carrying amount of debt instruments at fair value through other comprehensive income is equivalent to their fair value. The loss allowance is recognised in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

	The Group			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
<b>At 1 January 2019</b>	<b>23,219</b>	<b>2,002</b>	<b>30,306</b>	<b>55,527</b>
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 1	115,136	(115,136)	-	-
Transferred to Stage 2	(230)	230	-	-
<b>Total charge to Income Statement:</b>	<b>(114,455)</b>	<b>113,320</b>	<b>(390)</b>	<b>(1,525)</b>
New financial assets purchased	11,057	-	-	11,057
Financial assets that have been derecognised	(2,026)	-	-	(2,026)
Change in credit risk	(123,486)	113,320	(390)	(10,556)
Exchange fluctuation	(64)	-	-	(64)
<b>At 31 March 2019</b>	<b>23,836</b>	<b>186</b>	<b>29,916</b>	<b>53,938</b>
<b>At 1 January 2018</b>	-	-	-	-
Effect of adopting MFRS 9	26,790	4,143	133,306	164,239
<b>Adjusted 1 January 2018</b>	<b>26,790</b>	<b>4,143</b>	<b>133,306</b>	<b>164,239</b>
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 1	17,194	(17,194)	-	-
Transferred to Stage 2	17,276	(17,276)	-	-
Transferred to Stage 2	(82)	82	-	-
<b>Total charge to Income Statement:</b>	<b>(20,550)</b>	<b>15,056</b>	<b>2,894</b>	<b>(2,600)</b>
New financial assets purchased	51,355	66	-	51,421
Financial assets that have been derecognised	(8,190)	(4,536)	-	(12,726)
Change in credit risk	(63,715)	19,526	2,894	(41,295)
Write-offs	-	-	(65,679)	(65,679)
Exchange fluctuation	(215)	(3)	88	(130)
Other movements	-	-	(40,303)	(40,303)
<b>At 31 December 2018</b>	<b>23,219</b>	<b>2,002</b>	<b>30,306</b>	<b>55,527</b>

**A10. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)**

**Expected credit losses movement for debt instruments at fair value through other comprehensive income (Continued):**

The following expected credit losses is not recognised in the statement of financial position as the carrying amount of debt instruments at fair value through other comprehensive income is equivalent to their fair value. (continued)

	<b>The Company</b>				
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000	
	<b>At 1 January 2019</b>	21,044	-	-	21,044
	<b>Total write back to Income Statement:</b>	(267)	-	-	(267)
Change in credit risk	(267)	-	-	(267)	
<b>At 31 March 2019</b>	<b>20,777</b>	<b>-</b>	<b>-</b>	<b>20,777</b>	
<b>At 1 January 2018</b>	-	-	-	-	
Effect of adopting MFRS 9	10,576	-	-	10,576	
<b>Adjusted 1 January 2018</b>	10,576	-	-	10,576	
<b>Total charge to Income Statement:</b>	10,468	-	-	10,468	
New financial assets purchased	8,526	-	-	8,526	
Change in credit risk	1,942	-	-	1,942	
<b>At 31 December 2018</b>	<b>21,044</b>	<b>-</b>	<b>-</b>	<b>21,044</b>	

**Gross carrying amount movement for debt instruments at fair value through other comprehensive income classified as credit impaired:**

	<b>The Group</b>	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
	<b>At 1 January 2019</b>	30,306
Other changes in debts instruments	(390)	(390)
<b>At 31 March 2019</b>	<b>29,916</b>	<b>29,916</b>
<b>At 1 January 2018</b>	-	-
Effect of adopting MFRS 9	140,715	140,715
<b>Adjusted 1 January 2018</b>	140,715	140,715
Write-offs	(65,679)	(65,679)
Financial assets that have been derecognised	(44,783)	(44,783)
Exchange fluctuation	53	53
<b>At 31 December 2018</b>	<b>30,306</b>	<b>30,306</b>

**A11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<b>The Group</b>		<b>The Company</b>	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
	<b>Quoted securities</b>			
<i>In Malaysia</i>				
Shares	47,355	39,580	-	-
<i>Outside Malaysia</i>				
Shares	2,398	2,350	-	-
Unit trust	5,500	5,376	-	-
	<b>55,253</b>	<b>47,306</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities</b>				
<i>In Malaysia</i>				
Shares	253,883	253,883	-	-
Property funds	179	178	-	-
Perpetual corporate bonds	177,349	177,034	-	-
<i>Outside Malaysia</i>				
Shares	6,270	6,243	-	-
Private equity funds and unit trusts funds	83,390	98,880	-	-
	<b>521,071</b>	<b>536,218</b>	<b>-</b>	<b>-</b>
	<b>576,324</b>	<b>583,524</b>	<b>-</b>	<b>-</b>

**A12. DEBT INSTRUMENTS AT AMORTISED COST**

	The Group		The Company	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
<b>Money market instruments:</b>				
<b>Unquoted</b>				
Malaysian Government securities	3,187,173	3,188,569	-	-
Cagamas bonds	243,219	242,008	-	-
Other Government treasury bills	1,496,726	2,263,502	-	-
Other Government securities	1,874,536	1,736,645	-	-
Malaysian Government investment issue	8,470,891	8,492,547	-	-
Khazanah bonds	364,199	364,199	-	-
	<b>15,636,744</b>	<b>16,287,470</b>	<b>-</b>	<b>-</b>
<b>Quoted securities</b>				
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	9,624	9,627	-	-
	<b>9,624</b>	<b>9,627</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities</b>				
<i>In Malaysia</i>				
Corporate bond and Sukuk	17,586,484	16,865,348	5,465,570	5,445,496
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	3,145,639	3,211,629	-	-
Bank Indonesia certificates	170,775	169,210	-	-
Other Government bonds	2,795,048	2,702,917	-	-
	<b>23,697,946</b>	<b>22,949,104</b>	<b>5,465,570</b>	<b>5,445,496</b>
Total	<b>39,344,314</b>	<b>39,246,201</b>	<b>5,465,570</b>	<b>5,445,496</b>
Amortisation of premium, net of accretion of discount	153,352	143,738	-	-
Less : Expected credit losses	(121,775)	(120,737)	(46,494)	(47,563)
	<b>39,375,891</b>	<b>39,269,202</b>	<b>5,419,076</b>	<b>5,397,933</b>

**Expected credit losses movement for debt instruments at amortised cost:**

	The Group			Total RM'000
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	
<b>At 1 January 2019</b>	<b>9,115</b>	<b>100,148</b>	<b>11,474</b>	<b>120,737</b>
Changes in expected credit losses due to transfer within stages:	<b>72,604</b>	<b>(72,604)</b>	<b>-</b>	<b>-</b>
Transferred to Stage 1	72,652	(72,652)	-	-
Transferred to Stage 2	(48)	48	-	-
<b>Total charge to Income Statement:</b>	<b>(70,321)</b>	<b>71,199</b>	<b>-</b>	<b>878</b>
New financial assets purchased	2,181	-	-	2,181
Financial assets that have been derecognised	(421)	-	-	(421)
Change in credit risk	(72,081)	71,199	-	(882)
Exchange fluctuation	150	-	10	160
<b>At 31 March 2019</b>	<b>11,548</b>	<b>98,743</b>	<b>11,484</b>	<b>121,775</b>
<b>At 1 January 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Effect of adopting MFRS 9	11,691	9,876	11,664	33,231
<b>Adjusted 1 January 2018</b>	<b>11,691</b>	<b>9,876</b>	<b>11,664</b>	<b>33,231</b>
Changes in expected credit losses due to transfer within stages:	<b>(2,921)</b>	<b>2,921</b>	<b>-</b>	<b>-</b>
Transferred to Stage 2	(2,921)	2,921	-	-
<b>Total charge to Income Statement:</b>	<b>442</b>	<b>87,351</b>	<b>-</b>	<b>87,793</b>
New financial assets purchased	22,842	-	-	22,842
Financial assets that have been derecognised	(374)	(11,673)	-	(12,047)
Change in credit risk	(22,026)	99,024	-	76,998
Exchange fluctuation	(97)	-	(190)	(287)
<b>At 31 December 2018</b>	<b>9,115</b>	<b>100,148</b>	<b>11,474</b>	<b>120,737</b>

A12. DEBT INSTRUMENTS AT AMORTISED COST (Continued)

Expected credit losses movement for debt instruments at amortised cost (Continued):

	The Company			
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2019</b>	47,563	-	-	47,563
<b>Total write back to Income Statement:</b>	<b>(1,069)</b>	-	-	<b>(1,069)</b>
Change in credit risk	(1,069)	-	-	(1,069)
<b>At 31 March 2019</b>	<b>46,494</b>	-	-	<b>46,494</b>
<b>At 1 January 2018</b>	-	-	-	-
Effect of adopting MFRS 9	26,554	-	-	26,554
<b>Adjusted 1 January 2018</b>	26,554	-	-	26,554
<b>Total charge to Income Statement:</b>	<b>21,009</b>	-	-	<b>21,009</b>
New financial assets purchased	15,644	-	-	15,644
Change in credit risk	5,365	-	-	5,365
<b>At 31 December 2018</b>	<b>47,563</b>	-	-	<b>47,563</b>

Gross carrying amount movement for debt instruments at amortised cost classified as credit impaired:

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000
<b>At 1 January 2019</b>	11,474	11,474
Exchange fluctuation	10	10
<b>At 31 March 2019</b>	<b>11,484</b>	<b>11,484</b>
<b>At 1 January 2018</b>	-	-
Effect of adopting MFRS 9	11,664	11,664
<b>Adjusted 1 January 2018</b>	11,664	11,664
Exchange fluctuation	(190)	(190)
<b>At 31 December 2018</b>	<b>11,474</b>	<b>11,474</b>



### A13. LOANS, ADVANCES AND FINANCING

#### (i) By type

	The Group	
	31 March 2019	31 December 2018
	RM'000	RM'000
<b>At amortised cost</b>		
Overdrafts	5,359,787	5,315,592
Term loans/financing		
- Housing loans/financing	98,262,109	95,812,651
- Syndicated term loans	15,796,482	17,141,144
- Hire purchase receivables	21,802,436	20,818,624
- Lease receivables	182,718	166,102
- Factoring receivables	8,794	12,898
- Other term loans/financing	146,003,270	143,246,139
Bills receivable	9,044,968	8,198,220
Trust receipts	2,070,627	2,028,200
Claims on customers under acceptance credits	5,214,398	5,212,364
Staff loans *	1,486,122	1,464,094
Credit card receivables	9,238,440	9,462,104
Revolving credits	34,890,856	35,893,597
Share margin financing	764,788	715,119
Gross loans, advances and financing	350,125,795	345,486,848
Fair value changes arising from fair value hedges	26,656	30,104
	350,152,451	345,516,952
Less:		
- Expected credit losses	(9,257,705)	(9,172,365)
	(9,257,705)	(9,172,365)
Net loans, advances and financing at amortised cost	340,894,746	336,344,587
<b>At fair value through profit or loss</b>		
Term loans/financing		
- Syndicated term loan	558,684	803,501
- Other term loans/financing	-	180
	558,684	803,681
<b>Total net loans, advances and financing</b>	341,453,430	337,148,268
<b>Total Gross loans, advances and financing:</b>		
- At amortised cost	350,125,795	345,486,848
- At fair value through profit or loss	558,684	803,681
	350,684,479	346,290,529

\* Included in staff loans of the Group are loans to Directors amounting to RM4,902,743 (2018: RM6,367,622).

(a) Included in the Group's loans, advances and financing balances are RM33,870,000 (2018: RM34,633,000) 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 RM3,477,072,000 (2018: RM3,492,615,000), using interest rate swaps.

(c) Included in the loans, advances and financing of the Group at 31 March 2019 are financing which are disclosed as "Restricted Agency Investment Account" ("RAIA") in the financial statements of CIMB Islamic amounting to RM5,577,683,000 (2018: RM5,530,998,000). RAIA arrangement is with CIMB Bank's wholly owned subsidiary, CIMB Islamic, and the contract is based on the Wakalah principle where CIMB Bank solely provide the funds, whilst the assets are managed by CIMB Islamic (as the Wakeel or agent). In the arrangement, CIMB Islamic has transferred substantially all the risk and rewards of ownership of the Investment (i.e the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and expected credit losses arising thereon, if any, are recognised and accounted for by CIMB Bank.

#### (ii) By type of customers

	The Group	
	31 March 2019	31 December 2018
	RM'000	RM'000
Domestic banking institutions	48,304	44,287
Domestic non-bank financial institutions		
- stockbroking companies	2,927	162
- others	4,384,322	4,305,076
Domestic business enterprises		
- small medium enterprises	50,102,331	49,648,698
- others	61,906,216	62,330,354
Government and statutory bodies	10,126,418	10,188,407
Individuals	172,474,828	170,414,963
Other domestic entities	9,418,371	8,804,883
Foreign entities	42,220,762	40,553,699
Gross loans, advances and financing	350,684,479	346,290,529

**A13. LOANS, ADVANCES AND FINANCING (Continued)****(iii) By interest/profit rate sensitivity**

	The Group	
	31 March 2019	31 December 2018
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	2,903,178	2,824,425
- Hire-purchase receivables	14,855,361	14,158,936
- Other fixed rate loans	36,729,808	37,936,768
Variable rate		
- BLR plus	138,639,752	139,167,886
- Cost plus	54,050,465	53,493,540
- Other variable rates	103,505,915	98,708,974
Gross loans, advances and financing	<b>350,684,479</b>	<b>346,290,529</b>

**(iv) By economic purpose**

	The Group	
	31 March 2019	31 December 2018
	RM'000	RM'000
Personal use	13,814,929	13,808,198
Credit card	9,238,440	9,462,104
Purchase of consumer durables	77,753	79,553
Construction	13,524,088	13,970,730
Residential property (Housing)	100,298,409	98,067,579
Non-residential property	28,183,435	27,477,657
Purchase of fixed assets other than land and building	14,282,943	13,994,503
Mergers and acquisitions	2,572,652	2,648,296
Purchase of securities	26,728,811	25,756,162
Purchase of transport vehicles	22,163,598	21,898,596
Working capital	91,037,726	90,315,846
Other purposes	28,761,695	28,811,305
Gross loans, advances and financing	<b>350,684,479</b>	<b>346,290,529</b>

**(v) By geographical distribution**

	The Group	
	31 March 2019	31 December 2018
	RM'000	RM'000
Malaysia	210,406,508	207,395,558
Indonesia	57,923,288	58,370,263
Thailand	33,909,373	31,453,674
Singapore	28,656,720	29,485,975
United Kingdom	5,077,854	4,866,634
Hong Kong	1,744,346	2,287,259
China	3,435,277	3,766,611
Other countries	9,531,113	8,664,555
Gross loans, advances and financing	<b>350,684,479</b>	<b>346,290,529</b>

**(vi) By economic sector**

	The Group	
	31 March 2019	31 December 2018
	RM'000	RM'000
Primary agriculture	12,448,561	12,555,650
Mining and quarrying	5,952,160	7,284,772
Manufacturing	26,092,754	24,520,102
Electricity, gas and water supply	5,999,668	5,714,682
Construction	14,662,465	14,610,895
Transport, storage and communications	11,485,192	11,865,314
Education, health and others	16,381,948	15,424,718
Wholesale and retail trade, and restaurants and hotels	33,232,450	31,764,216
Finance, insurance/takaful, real estate and business activities	43,896,831	44,323,608
Household	163,721,959	161,798,791
Others	16,810,491	16,427,781
Gross loans, advances and financing	<b>350,684,479</b>	<b>346,290,529</b>

**A13. LOANS, ADVANCES AND FINANCING (Continued)**

**(vii) By residual contractual maturity**

	<b>The Group</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	<b>100,211,911</b>	104,578,676
One year to less than three years	<b>30,698,811</b>	25,779,218
Three years to less than five years	<b>34,825,154</b>	33,324,101
Five years and more	<b>184,948,603</b>	182,608,534
Gross loans, advances and financing	<b>350,684,479</b>	346,290,529

**(viii) Credit impaired loans, advances and financing by economic purpose**

	<b>The Group</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Personal use	<b>454,617</b>	412,999
Credit card	<b>150,283</b>	151,609
Purchase of consumer durables	<b>959</b>	715
Construction	<b>1,526,607</b>	1,518,618
Residential property (Housing)	<b>1,591,098</b>	1,488,236
Non-residential property	<b>347,612</b>	305,923
Purchase of fixed assets other than land and building	<b>770,471</b>	647,471
Mergers and acquisitions	<b>50,348</b>	51,242
Purchase of securities	<b>133,760</b>	136,610
Purchase of transport vehicles	<b>219,010</b>	221,504
Working capital	<b>4,228,110</b>	4,158,030
Other purpose	<b>1,024,795</b>	983,756
Gross credit impaired loans, advances and financing	<b>10,497,670</b>	10,076,713

**(ix) Credit impaired loans, advances and financing by geographical distribution**

	<b>The Group</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	<b>3,877,260</b>	3,622,639
Indonesia	<b>3,344,625</b>	3,176,570
Thailand	<b>2,346,150</b>	2,323,355
Singapore	<b>701,809</b>	676,323
United Kingdom	<b>8,689</b>	8,462
China	<b>1,115</b>	16,051
Other countries	<b>218,022</b>	253,313
Gross credit impaired loans, advances and financing	<b>10,497,670</b>	10,076,713

**(x) Credit impaired loans, advances and financing by economic sector**

	<b>The Group</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	<b>266,615</b>	173,272
Mining and quarrying	<b>1,498,978</b>	1,554,409
Manufacturing	<b>1,946,519</b>	1,746,217
Electricity, gas and water supply	<b>44,420</b>	54,667
Construction	<b>281,861</b>	278,582
Transport, storage and communications	<b>1,155,090</b>	1,152,509
Education, health and others	<b>196,849</b>	199,830
Wholesale and retail trade, and restaurants and hotels	<b>1,715,129</b>	1,702,513
Finance, insurance/takaful, real estate and business activities	<b>826,857</b>	760,464
Household	<b>2,294,404</b>	2,149,216
Others	<b>270,948</b>	305,034
Gross credit impaired loans, advances and financing	<b>10,497,670</b>	10,076,713

A13. LOANS, ADVANCES AND FINANCING (Continued)

(xi) Movements in the expected credit losses for loans, advances and financing are as follows:

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
<b>Loans, advances and financing at amortised cost</b>					
<b>At 1 January 2019</b>	2,407,561	1,218,564	5,543,688	2,552	9,172,365
Changes in expected credit losses due to transfer within stages:	271,664	(199,345)	(72,319)	-	-
Transferred to Stage 1	379,434	(311,659)	(67,775)	-	-
Transferred to Stage 2	(105,824)	207,035	(101,211)	-	-
Transferred to Stage 3	(1,946)	(94,721)	96,667	-	-
<b>Total charge to Income Statement:</b>	(334,734)	111,022	673,401	-	449,689
New financial assets originated	529,477	92,043	17,211	-	638,731
Financial assets that have been derecognised	(394,487)	(254,339)	-	-	(648,826)
Writeback in respect of full recoveries	-	-	(66,009)	-	(66,009)
Change in credit risk	(469,724)	273,318	722,199	-	525,793
Write-offs	(188)	(617)	(368,355)	-	(369,160)
Exchange fluctuation	(8,828)	2,387	8,878	18	2,455
Other movements	1,570	(432)	1,218	-	2,356
<b>At 31 March 2019</b>	<b>2,337,045</b>	<b>1,131,579</b>	<b>5,786,511</b>	<b>2,570</b>	<b>9,257,705</b>

A13. LOANS, ADVANCES AND FINANCING (Continued)

(xi) Movements in the expected credit losses for loans, advances and financing are as follows: (Continued)

	The Group						Total RM'000	
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Individual impairment provision under MFRS 139 RM'000	Portfolio impairment provision under MFRS 139 RM'000		
	<b>Loans, advances and financing at amortised cost</b>							
	<b>At 1 January 2018</b>	-	-	-	-	4,613,542		3,134,037
Effect of adopting MFRS 9 and reclassification	2,595,298	1,271,097	6,063,509	7,561	(4,613,542)	(3,134,037)	2,189,886	
<b>Adjusted 1 January 2018</b>	2,595,298	1,271,097	6,063,509	7,561	-	-	9,937,465	
Changes in expected credit losses due to transfer within stages:	985,923	(829,533)	(156,390)	-	-	-	-	
Transferred to Stage 1	1,437,380	(1,116,539)	(320,841)	-	-	-	-	
Transferred to Stage 2	(391,963)	753,896	(361,933)	-	-	-	-	
Transferred to Stage 3	(59,494)	(466,890)	526,384	-	-	-	-	
<b>Total charge to Income Statement:</b>	(775,864)	793,187	2,008,486	(3,121)	-	-	2,022,688	
New financial assets originated	1,257,216	235,185	99,833	-	-	-	1,592,234	
Financial assets that have been derecognised	(915,501)	(384,548)	-	-	-	-	(1,300,049)	
Writeback in respect of full recoveries	-	-	(211,584)	-	-	-	(211,584)	
Change in credit risk	(1,117,579)	942,550	2,120,237	(3,121)	-	-	1,942,087	
Write-offs	(2,072)	(84,261)	(2,399,383)	(2,011)	-	-	(2,487,727)	
Exchange fluctuation	(395,787)	56,614	173,624	123	-	-	(165,426)	
Other movements	63	11,460	(146,158)	-	-	-	(134,635)	
<b>At 31 December 2018</b>	2,407,561	1,218,564	5,543,688	2,552	-	-	9,172,365	

A13. LOANS, ADVANCES AND FINANCING (Continued)

(xii) Movements in credit impaired loans, advances and financing

**Gross carrying amount movement of loans, advances and financing at amortised cost classified as credit impaired:**

	The Group			
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000	
	<b>At 1 January 2019</b>	10,069,160	7,553	10,076,713
	Transfer within stages	511,637	-	511,637
New financial assets originated	72,683	-	72,683	
Write-offs	(368,355)	-	(368,355)	
Amount fully recovered	(182,487)	-	(182,487)	
Other changes in loans, advances and financing	366,136	(19)	366,117	
Exchange fluctuation	21,308	54	21,362	
<b>At 31 March 2019</b>	<b>10,490,082</b>	<b>7,588</b>	<b>10,497,670</b>	

	The Group			Total RM'000		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Impaired loans under MFRS 139 RM'000			
	<b>At 1 January 2018</b>	-	-		10,993,680	10,993,680
	Effect of adopting MFRS 9	11,107,938	9,431		(10,993,680)	123,689
<b>Adjusted 1 January 2018</b>	11,107,938	9,431	-	11,117,369		
Transfer within stages	2,194,585	-	-	2,194,585		
New financial assets originated	327,069	-	-	327,069		
Write-offs	(2,408,081)	(2,011)	-	(2,410,092)		
Amount fully recovered	(596,876)	-	-	(596,876)		
Other changes in loans, advances and financing	(347,292)	(101)	-	(347,393)		
Exchange fluctuation	(208,183)	234	-	(207,949)		
<b>At 31 December 2018</b>	<b>10,069,160</b>	<b>7,553</b>	<b>-</b>	<b>10,076,713</b>		

	The Group	
	31 March 2019	31 December 2018
Ratio of credit impaired loans to total loans, advances and financing	<b>2.99%</b>	2.91%

**A14. OTHER ASSETS**

	The Group		The Company	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Due from brokers and clients net of expected credit losses	686,573	524,649	-	-
Other debtors, net of expected credit losses on deposits and prepayments	7,113,673	6,648,849	134,813	135,486
Due from a joint venture	1,011,421	1,004,758	-	-
Structured financing	997,631	1,187,605	-	-
Foreclosed assets net of allowance for impairment losses	142,951	172,382	-	-
Collateral pledged for derivative transactions	2,236,437	2,511,732	-	-
Deferred consideration	156,236	156,236	-	-
	<b>12,344,922</b>	<b>12,206,211</b>	<b>134,813</b>	<b>135,486</b>

**A15. DEPOSITS FROM CUSTOMERS**

	The Group	
	31 March 2019 RM'000	31 December 2018 RM'000
<u>By type of deposit</u>		
Demand deposits	80,456,822	79,085,839
Savings deposits	45,110,223	44,720,070
Fixed deposits	176,491,270	165,742,429
Negotiable instruments of deposit	102,154	304,083
Others	73,101,193	80,340,664
	<b>375,261,662</b>	<b>370,193,085</b>
<u>By type of customer</u>		
Government and statutory bodies	11,877,201	10,566,326
Business enterprises	139,737,281	138,181,711
Individuals	171,124,654	164,157,280
Others	52,522,526	57,287,768
	<b>375,261,662</b>	<b>370,193,085</b>
<u>The maturity structure of fixed deposits and negotiable instruments of deposit is as follows:</u>		
Due within six months	131,293,246	133,532,948
Six months to less than one year	42,412,480	30,374,069
One year to less than three years	2,576,232	2,025,308
Three years to less than five years	311,466	114,122
Five years and more	-	65
	<b>176,593,424</b>	<b>166,046,512</b>

**A16. INVESTMENT ACCOUNTS OF CUSTOMERS**

	The Group	
	31 March 2019 RM'000	31 December 2018 RM'000
Unrestricted investment accounts	786,517	1,769,270

**A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>The Group</b>	
	<b>31 March 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	22,142,336	17,163,634
Licensed finance companies	1,217,733	993,543
Licensed investment banks	65,837	157,684
Bank Negara Malaysia	7,405	292
Other financial institutions	1,453,177	1,917,727
	<b>24,886,488</b>	<b>20,232,880</b>

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

Due within six months	23,875,382	19,489,750
Six months to less than one year	910,370	641,868
One year to less than three years	100,736	101,262
	<b>24,886,488</b>	<b>20,232,880</b>

**A18. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>The Group</b>	
	<b>31 March 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers - structured investments	1,035,906	1,355,488
Debentures	1,684,532	1,873,520
Bills payables	2,770,177	2,651,699
	<b>5,490,615</b>	<b>5,880,707</b>

The Group has issued structured investments, bills payable and debentures, and has designated them at fair value in accordance with MFRS 9. 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 2019 of financial liabilities designated at fair value were RM115,066,000 (2018: RM147,262,000) lower than the contractual amount at maturity for the structured investments, RM15,681,000 (2018: RM31,214,000) lower than the contractual amount at maturity for the debentures and RM440,329,000 (2018: RM377,634,000) higher than the contractual amount at maturity for the bills payable.

**A19. OTHER LIABILITIES**

	<b>The Group</b>		<b>The Company</b>	
	<b>31 March 2019</b>	<b>31 December 2018</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Due to brokers and clients	609,242	475,959	-	-
Expenditure payable	2,108,795	2,310,996	2,584	2,381
Provision for legal claims	59,397	60,062	-	-
Sundry creditors	3,961,776	1,221,327	-	-
Structured deposits	7,449,560	7,055,128	-	-
Post employment benefit obligations	433,588	358,740	-	-
Credit card expenditure payable	221,610	263,934	-	-
Collateral received for derivative transactions	1,609,680	1,307,759	-	-
Expected credit losses for loan commitments and financial guarantee contracts	(a) 477,282	502,337	-	-
Collateral for securities lending	281,122	85,213	-	-
Others	1,126,931	1,405,837	69	69
	<b>18,338,983</b>	<b>15,047,292</b>	<b>2,653</b>	<b>2,450</b>



**A19. OTHER LIABILITIES** (Continued)

(a) Movements in the expected credit losses for loan commitments and financial guarantee contracts are as follows:

	The Group			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
<b>At 1 January 2019</b>	333,672	58,862	109,803	502,337
Changes in expected credit losses due to transfer within stages:	55,008	(51,424)	(3,584)	-
Transferred to Stage 1	56,802	(53,460)	(3,342)	-
Transferred to Stage 2	(1,754)	4,083	(2,329)	-
Transferred to Stage 3	(40)	(2,047)	2,087	-
<b>Total charge to Income Statement:</b>	(53,506)	23,753	4,671	(25,082)
New exposures	67,293	1,018	40	68,351
Exposures derecognised or matured	(23,169)	(2,376)	(14,201)	(39,746)
Change in credit risk	(97,630)	25,111	18,832	(53,687)
Exchange fluctuation	(392)	(37)	592	163
Other movements	(552)	302	114	(136)
<b>At 31 March 2019</b>	<b>334,230</b>	<b>31,456</b>	<b>111,596</b>	<b>477,282</b>

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Individual impairment provision under MFRS 139 RM'000	Total RM'000
<b>At 1 January 2018</b>	-	-	-	49,095	49,095
Effect of adopting MFRS 9	320,175	77,738	112,512	(49,095)	461,330
<b>Adjusted 1 January 2018</b>	320,175	77,738	112,512	-	510,425
Changes in expected credit losses due to transfer within stages:	121,101	(97,802)	(23,299)	-	-
Transferred to Stage 1	133,076	(110,689)	(22,387)	-	-
Transferred to Stage 2	(11,618)	20,079	(8,461)	-	-
Transferred to Stage 3	(357)	(7,192)	7,549	-	-
<b>Total charge to Income Statement:</b>	(107,272)	80,678	19,167	-	(7,427)
New exposures	149,897	2,107	1,128	-	153,132
Exposures derecognised or matured	(74,537)	(45,286)	(9,812)	-	(129,635)
Change in credit risk	(182,632)	123,857	27,851	-	(30,924)
Exchange fluctuation	(233)	(2,024)	1,338	-	(919)
Other movements	(99)	272	85	-	258
<b>At 31 December 2018</b>	<b>333,672</b>	<b>58,862</b>	<b>109,803</b>	<b>-</b>	<b>502,337</b>

As at 31 March 2019, the gross exposures of loan commitments and financial guarantee contracts that are credit impaired is RM192,807,000 (2018: RM172,960,000).

**A20(a). INTEREST INCOME**

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Loans, advances and financing				
- Interest income	3,887,426	3,625,719	3,887,426	3,625,719
- Unwinding income <sup>^</sup>	36,775	44,721	36,775	44,721
Money at call and deposit placements with financial institutions	169,737	179,178	169,737	179,178
Reverse repurchase agreements	82,350	41,101	82,350	41,101
Debt instruments at fair value through other comprehensive income	273,605	296,938	273,605	296,938
Debt instruments at amortised cost	344,046	300,960	344,046	300,960
Equity instruments at fair value through other comprehensive income	2,860	6,892	2,860	6,892
Others	421	686	421	686
	4,797,220	4,496,195	4,797,220	4,496,195
Accretion of discounts, net of amortisation of premiums	6,578	(1,886)	6,578	(1,886)
	4,803,798	4,494,309	4,803,798	4,494,309

**The Company**

Money at call and deposit placements with financial institutions	1,575	2,262	1,575	2,262
Debt instruments at fair value through other comprehensive income	33,041	19,726	33,041	19,726
Debt instruments at amortised cost	66,616	43,918	66,616	43,918
	101,232	65,906	101,232	65,906

<sup>^</sup> Unwinding income is interest income earned on credit impaired financial assets

**A20(b) INTEREST INCOME FOR FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Financial assets at fair value through profit or loss	175,570	124,613	175,570	124,613
Reverse repurchase agreements at fair value through profit or loss	3,430	-	3,430	-
	179,000	124,613	179,000	124,613
Accretion of discounts, net of amortisation of premiums	40,157	14,095	40,157	14,095
	219,157	138,708	219,157	138,708

**A21. INTEREST EXPENSE**

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Deposits and placements of banks and other financial institutions	130,046	83,117	130,046	83,117
Deposits from other customers	1,748,032	1,579,875	1,748,032	1,579,875
Repurchase agreements	103,929	46,398	103,929	46,398
Bonds, sukuk and debentures	140,063	121,047	140,063	121,047
Subordinated obligations	179,489	168,053	179,489	168,053
Financial liabilities designated at fair value through profit or loss	32,380	28,909	32,380	28,909
Negotiable certificates of deposits	22,792	18,522	22,792	18,522
Other borrowings	79,009	79,141	79,009	79,141
Recourse obligation on loan and financing sold to Cagamas	34,725	30,640	34,725	30,640
Structured deposits	77,379	49,767	77,379	49,767
Lease liabilities	8,781	-	8,781	-
Others	4,787	7,765	4,787	7,765
	2,561,412	2,213,234	2,561,412	2,213,234
<b>The Company</b>				
Subordinated obligations	133,779	97,766	133,779	97,766
Other borrowings	32,383	33,473	32,383	33,473
	166,162	131,239	166,162	131,239

**A22. NET NON-INTEREST INCOME**

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
(a) Net fee income and commission income:				
Commissions	272,794	361,372	272,794	361,372
Fee on loans, advances and financing	166,790	144,741	166,790	144,741
Service charges and fees	174,305	178,214	174,305	178,214
Corporate advisory and arrangement fees	6,929	6,837	6,929	6,837
Guarantee fees	15,011	12,748	15,011	12,748
Other fee income	57,329	53,218	57,329	53,218
Placement fees	-	102	-	102
Underwriting commission	21,420	16,915	21,420	16,915
Fee and commission income	714,578	774,147	714,578	774,147
Fee and commission expense	(187,650)	(184,645)	(187,650)	(184,645)
Net fee and commission income	526,928	589,502	526,928	589,502
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets at fair value through profit or loss	3,011	3,268	3,011	3,268
- Equity instruments at fair value through other comprehensive income	-	968	-	968
<i>Outside Malaysia</i>				
- Financial assets at fair value through profit or loss	-	184	-	184
- Equity instruments at fair value through other comprehensive income	166	-	166	-
	3,177	4,420	3,177	4,420
(c) Net gain/(loss) arising from financial assets at fair value through profit or loss	155,507	(254,017)	155,507	(254,017)
- realised	(273,536)	134,475	(273,536)	134,475
- unrealised	429,043	(388,492)	429,043	(388,492)
(d) Net gain/(loss) arising from derivative financial instruments	89,062	(9,101)	89,062	(9,101)
- realised	138,712	(649,717)	138,712	(649,717)
- unrealised	(49,650)	640,616	(49,650)	640,616
(e) Net (loss)/gain arising from financial liability designated at fair value through profit or loss	(93,857)	18,683	(93,857)	18,683
- realised	(11,968)	(8,956)	(11,968)	(8,956)
- unrealised	(81,889)	27,639	(81,889)	27,639
(f) Net gain/(loss) arising from hedging activities	6,231	(14,994)	6,231	(14,994)
(g) Net gain from sale of investment in debt instruments at fair value through other comprehensive income	30,898	30,429	30,898	30,429
(h) Net gain from redemption of debt instruments at amortised cost	-	464	-	464
(i) Net gain arising from loans, advances and financing designated at fair value through profit or loss:				
gain/(loss)	1,071	-	1,071	-
	1,071	-	1,071	-
(j) Income from assets management and securities services	4,656	107,144	4,656	107,144
(k) Brokerage income	31,349	36,307	31,349	36,307
(l) Other non-interest income:				
Foreign exchange gain	210,794	602,155	210,794	602,155
Rental income	7,055	5,166	7,055	5,166
Gain on disposal of property, plant and equipment/ assets held for sale	5,321	14,887	5,321	14,887
Loss on disposal of foreclosed assets	(29,567)	(20,837)	(29,567)	(20,837)
Other non-operating income	31,294	29,127	31,294	29,127
	224,897	630,498	224,897	630,498
	979,919	1,139,335	979,919	1,139,335

**A22. NET NON-INTEREST INCOME (CONTINUED)**

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Company</b>				
(a) Gross dividend income from :				
<i>In Malaysia</i>				
- Subsidiaries	<b>1,151,844</b>	1,719,553	<b>1,151,844</b>	1,719,553
(b) Other non-interest income:				
Foreign exchange loss	<b>(496)</b>	(2,783)	<b>(496)</b>	(2,783)
Rental income	<b>76</b>	71	<b>76</b>	71
	<b>(420)</b>	(2,712)	<b>(420)</b>	(2,712)
	<b>1,151,424</b>	1,716,841	<b>1,151,424</b>	1,716,841

**A23. OVERHEADS**

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Personnel costs				
- Salaries, allowances and bonus	<b>1,088,542</b>	996,809	<b>1,088,542</b>	996,809
- Pension cost	<b>111,659</b>	105,603	<b>111,659</b>	105,603
- Overtime	<b>6,557</b>	6,993	<b>6,557</b>	6,993
- Staff incentives and other staff payments	<b>56,095</b>	63,207	<b>56,095</b>	63,207
- Medical expenses	<b>27,811</b>	26,834	<b>27,811</b>	26,834
- Others	<b>60,430</b>	46,113	<b>60,430</b>	46,113
	<b>1,351,094</b>	1,245,559	<b>1,351,094</b>	1,245,559
Establishment costs				
- Depreciation of property, plant and equipment	<b>70,672</b>	76,296	<b>70,672</b>	76,296
- Depreciation of right-of-use assets	<b>55,965</b>	-	<b>55,965</b>	-
- Amortisation of intangible assets	<b>77,429</b>	94,662	<b>77,429</b>	94,662
- Amortisation of prepaid lease payments	<b>2,535</b>	2,541	<b>2,535</b>	2,541
- Rental	<b>42,598</b>	120,736	<b>42,598</b>	120,736
- Repair and maintenance	<b>135,824</b>	120,563	<b>135,824</b>	120,563
- Outsourced services	<b>22,321</b>	13,557	<b>22,321</b>	13,557
- Security expenses	<b>28,752</b>	24,033	<b>28,752</b>	24,033
- Others	<b>67,520</b>	32,744	<b>67,520</b>	32,744
	<b>503,616</b>	485,132	<b>503,616</b>	485,132
Marketing expenses				
- Sales commission	<b>1,758</b>	994	<b>1,758</b>	994
- Advertisement	<b>51,970</b>	42,072	<b>51,970</b>	42,072
- Others	<b>14,081</b>	15,240	<b>14,081</b>	15,240
	<b>67,809</b>	58,306	<b>67,809</b>	58,306
Administration and general expenses				
- Legal and professional fees	<b>52,076</b>	29,138	<b>52,076</b>	29,138
- Stationery	<b>13,812</b>	10,296	<b>13,812</b>	10,296
- Communication	<b>26,266</b>	23,323	<b>26,266</b>	23,323
- Incidental expenses on banking operations	<b>12,214</b>	12,650	<b>12,214</b>	12,650
- Insurance	<b>77,225</b>	72,317	<b>77,225</b>	72,317
- Others	<b>198,304</b>	204,400	<b>198,304</b>	204,400
	<b>379,897</b>	352,124	<b>379,897</b>	352,124
	<b>2,302,416</b>	2,141,121	<b>2,302,416</b>	2,141,121

**A23. OVERHEADS (CONTINUED)**

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Company</b>				
Personnel costs				
- Staff incentives and other staff payments	3	19	3	19
Establishment costs				
- Depreciation of property, plant and equipment	48	53	48	53
- Depreciation of investment properties	5	5	5	5
- Rental	1	2	1	2
- Repair and maintenance	177	3	177	3
- Others	24	56	24	56
	255	119	255	119
Administration and general expenses				
- Legal and professional fees	2,099	3,043	2,099	3,043
- Communication	-	29	-	29
- Insurance	888	1,252	888	1,252
- Others	1,811	1,683	1,811	1,683
	4,798	6,007	4,798	6,007
	5,056	6,145	5,056	6,145

**A24(a). EXPECTED CREDIT LOSSES ON LOANS, ADVANCES AND FINANCING**

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	449,689	566,457	449,689	566,457
Credit impaired loans, advances and financing:				
- recovered	(153,085)	(169,542)	(153,085)	(169,542)
- written off	3,410	4,373	3,410	4,373
	300,014	401,288	300,014	401,288

**A24(b). OTHER EXPECTED CREDIT LOSSES**

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Expected credit losses (written back)/made on:				
- Debt instrument at fair value through other comprehensive income	(1,525)	16,167	(1,525)	16,167
- Debt instrument at amortised cost	878	9,507	878	9,507
- Money at call and deposits and placements with banks and other financial institutions	1,065	(735)	1,065	(735)
- Other assets	(9,160)	(915)	(9,160)	(915)
	(8,742)	24,024	(8,742)	24,024
<b>The Company</b>				
Expected credit losses (written back)/made on:				
- Debt instrument at fair value through other comprehensive income	(267)	563	(267)	563
- Debt instrument at amortised cost	(1,069)	6,863	(1,069)	6,863
	(1,336)	7,426	(1,336)	7,426

## A25. 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 2019	The Group		
	Principal	Fair values	
	amount RM'000	Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>			
<u>Foreign exchange derivatives</u>			
Currency forward	<b>32,254,084</b>	<b>305,636</b>	<b>(522,835)</b>
- Less than 1 year	27,093,805	214,923	(273,464)
- 1 year to 3 years	4,086,260	75,905	(149,023)
- More than 3 years	1,074,019	14,808	(100,348)
Currency swaps	<b>323,533,100</b>	<b>1,456,534</b>	<b>(1,629,821)</b>
- Less than 1 year	319,999,604	1,370,406	(1,590,831)
- 1 year to 3 years	2,981,487	73,798	(38,128)
- More than 3 years	552,009	12,330	(862)
Currency spot	<b>6,218,809</b>	<b>6,213</b>	<b>(4,714)</b>
- Less than 1 year	6,218,809	6,213	(4,714)
Currency options	<b>15,959,781</b>	<b>286,471</b>	<b>(307,779)</b>
- Less than 1 year	12,342,791	91,444	(79,674)
- 1 year to 3 years	2,758,077	155,773	(164,711)
- More than 3 years	858,913	39,254	(63,394)
Cross currency interest rate swaps	<b>92,280,383</b>	<b>2,743,814</b>	<b>(2,020,375)</b>
- Less than 1 year	27,458,809	509,717	(187,117)
- 1 year to 3 years	27,250,341	1,112,704	(843,938)
- More than 3 years	37,571,233	1,121,393	(989,320)
	<b>470,246,157</b>	<b>4,798,668</b>	<b>(4,485,524)</b>
<u>Interest rate derivative</u>			
Interest rate swaps	<b>575,693,471</b>	<b>2,823,272</b>	<b>(2,251,931)</b>
- Less than 1 year	232,969,750	227,063	(350,510)
- 1 year to 3 years	195,697,421	688,771	(549,512)
- More than 3 years	147,026,300	1,907,438	(1,351,909)
Interest rate futures	<b>6,981,736</b>	<b>4,229</b>	<b>(12,255)</b>
- Less than 1 year	4,381,566	2,899	(11,161)
- 1 year to 3 years	2,600,170	1,330	(1,094)
Interest rate options	<b>519,676</b>	<b>3,936</b>	<b>(10,708)</b>
- Less than 1 year	385,592	-	(7,533)
- 1 year to 3 years	7,170	2	(9)
- More than 3 years	126,914	3,934	(3,166)
	<b>583,194,883</b>	<b>2,831,437</b>	<b>(2,274,894)</b>
<u>Equity related derivatives</u>			
Equity futures	<b>14,864</b>	<b>57</b>	<b>(15)</b>
- Less than 1 year	14,864	57	(15)
Index futures	<b>58,620</b>	<b>274</b>	<b>(637)</b>
- Less than 1 year	58,620	274	(637)
Equity options	<b>4,672,966</b>	<b>113,051</b>	<b>(101,459)</b>
- Less than 1 year	3,821,988	55,820	(94,364)
- 1 year to 3 years	783,346	57,231	(7,095)
- More than 3 years	67,632	-	-
Equity swaps	<b>896,739</b>	<b>714</b>	<b>(1,830)</b>
- Less than 1 year	7,201	55	-
- 1 year to 3 years	50,000	3	(1,372)
- More than 3 years	839,538	656	(458)
	<b>5,643,189</b>	<b>114,096</b>	<b>(103,941)</b>

A25. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 March 2019	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>			
<u>Commodity related derivatives</u>			
Commodity swaps	<b>2,788,882</b>	<b>199,522</b>	<b>(230,047)</b>
- Less than 1 year	2,217,366	126,407	(166,553)
- 1 year to 3 years	571,516	73,115	(63,494)
Commodity futures	<b>3,190,878</b>	<b>158,105</b>	<b>(52,428)</b>
- Less than 1 year	3,190,878	158,105	(52,428)
Commodity options	<b>3,503,373</b>	<b>143,522</b>	<b>(144,849)</b>
- Less than 1 year	3,503,373	143,522	(144,849)
	<b>9,483,133</b>	<b>501,149</b>	<b>(427,324)</b>
<u>Credit related contract</u>			
Credit default swaps	<b>3,049,648</b>	<b>34,113</b>	<b>(22,035)</b>
- Less than 1 year	194,272	304	(63)
- 1 year to 3 years	396,971	6,866	(392)
- More than 3 years	2,458,405	26,943	(21,580)
Total return swaps	<b>287,675</b>	<b>1,431</b>	<b>(2,936)</b>
- 1 year to 3 years	4,325	954	(1,496)
- More than 3 years	283,350	477	(1,440)
	<b>3,337,323</b>	<b>35,544</b>	<b>(24,971)</b>
<b>Bond contract</b>			
Bond Forward	<b>2,388,855</b>	<b>2,285</b>	<b>(74,626)</b>
- Less than 1 year	763,557	-	(25,762)
- 1 year to 3 years	1,017,648	801	(33,196)
- More than 3 years	607,650	1,484	(15,668)
	<b>2,388,855</b>	<b>2,285</b>	<b>(74,626)</b>
<b>Hedging derivatives</b>			
Interest rate swaps	<b>27,055,296</b>	<b>181,737</b>	<b>(323,236)</b>
- Less than 1 year	2,109,645	786	(18,518)
- 1 year to 3 years	10,698,078	55,681	(72,997)
- More than 3 years	14,247,573	125,270	(231,721)
Currency swaps	<b>8,719,298</b>	<b>46,720</b>	<b>(229,877)</b>
- Less than 1 year	5,861,067	32,013	(119,074)
- 1 year to 3 years	1,142,307	-	(65,412)
- More than 3 years	1,715,924	14,707	(45,391)
Cross currency interest rate swaps	<b>1,385,046</b>	<b>4,268</b>	<b>(79,232)</b>
- Less than 1 year	930,613	2,764	(79,232)
- 1 year to 3 years	454,433	1,504	-
	<b>37,159,640</b>	<b>232,725</b>	<b>(632,345)</b>
Total derivative assets/(liabilities)	<b>1,111,453,180</b>	<b>8,515,904</b>	<b>(8,023,625)</b>

A25. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2018	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>			
<u>Foreign exchange derivatives</u>			
Currency forward	<b>32,410,589</b>	<b>375,275</b>	<b>(529,427)</b>
- Less than 1 year	26,968,963	281,823	(260,250)
- 1 year to 3 years	4,415,657	79,877	(164,953)
- More than 3 years	1,025,969	13,575	(104,224)
Currency swaps	<b>279,996,654</b>	<b>1,503,473</b>	<b>(1,819,805)</b>
- Less than 1 year	276,985,421	1,424,731	(1,788,378)
- 1 year to 3 years	2,854,537	67,156	(30,522)
- More than 3 years	156,696	11,586	(905)
Currency spot	<b>4,004,111</b>	<b>5,776</b>	<b>(6,016)</b>
- Less than 1 year	4,004,111	5,776	(6,016)
Currency options	<b>12,456,562</b>	<b>419,240</b>	<b>(433,734)</b>
- Less than 1 year	9,104,317	185,558	(170,910)
- 1 year to 3 years	2,736,327	174,745	(178,561)
- More than 3 years	615,918	58,937	(84,263)
Cross currency interest rate swaps	<b>85,114,582</b>	<b>2,429,794</b>	<b>(1,943,583)</b>
- Less than 1 year	26,438,087	347,172	(255,034)
- 1 year to 3 years	23,217,050	1,001,825	(767,547)
- More than 3 years	35,459,445	1,080,797	(921,002)
	<b>413,982,498</b>	<b>4,733,558</b>	<b>(4,732,565)</b>
<u>Interest rate derivative</u>			
Interest rate swaps	<b>528,255,573</b>	<b>2,458,109</b>	<b>(1,794,708)</b>
- Less than 1 year	208,742,046	216,630	(239,831)
- 1 year to 3 years	180,588,234	715,907	(584,630)
- More than 3 years	138,925,293	1,525,572	(970,247)
Interest rate futures	<b>8,397,529</b>	<b>6,009</b>	<b>(21,679)</b>
- Less than 1 year	6,002,038	5,776	(21,121)
- 1 year to 3 years	2,395,491	233	(558)
Interest rate options	<b>771,502</b>	<b>3</b>	<b>(13,457)</b>
- Less than 1 year	637,913	-	(10,938)
- 1 year to 3 years	7,263	3	(4)
- More than 3 years	126,326	-	(2,515)
	<b>537,424,604</b>	<b>2,464,121</b>	<b>(1,829,844)</b>
<u>Equity related derivatives</u>			
Equity futures	<b>48,300</b>	<b>26</b>	<b>(332)</b>
- Less than 1 year	48,300	26	(332)
Index futures	<b>10,904</b>	<b>56</b>	<b>(12)</b>
- Less than 1 year	10,904	56	(12)
Equity options	<b>5,697,423</b>	<b>225,269</b>	<b>(139,908)</b>
- Less than 1 year	4,773,919	168,853	(133,720)
- 1 year to 3 years	834,086	56,416	(6,188)
- More than 3 years	89,418	-	-
Equity swaps	<b>2,987,106</b>	<b>1,116</b>	<b>(6,767)</b>
- Less than 1 year	7,011	-	(6,669)
- 1 year to 3 years	2,140,897	565	-
- More than 3 years	839,198	551	(98)
	<b>8,743,733</b>	<b>226,467</b>	<b>(147,019)</b>



A25. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2018	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>			
<u>Commodity related derivatives</u>			
Commodity swaps	<b>3,330,619</b>	<b>818,476</b>	<b>(266,305)</b>
- Less than 1 year	2,417,016	289,239	(224,109)
- 1 year to 3 years	913,603	529,237	(42,196)
Commodity futures	<b>3,705,140</b>	<b>10,981</b>	<b>(487,983)</b>
- Less than 1 year	3,705,140	10,981	(487,983)
Commodity options	<b>5,515,624</b>	<b>227,863</b>	<b>(213,889)</b>
- Less than 1 year	5,468,720	227,855	(213,881)
- 1 year to 3 years	46,904	8	(8)
	<b>12,551,383</b>	<b>1,057,320</b>	<b>(968,177)</b>
<u>Credit related contract</u>			
Credit default swaps	<b>2,962,199</b>	<b>30,284</b>	<b>(13,569)</b>
- Less than 1 year	197,015	741	(430)
- 1 year to 3 years	588,687	10,568	(307)
- More than 3 years	2,176,497	18,975	(12,832)
Total return swaps	<b>507,196</b>	<b>4,442</b>	<b>(4,297)</b>
- Less than 1 year	221,801	1,581	-
- 1 year to 3 years	5,525	-	(521)
- More than 3 years	279,870	2,861	(3,776)
	<b>3,469,395</b>	<b>34,726</b>	<b>(17,866)</b>
<b>Bond contract</b>			
Bond forward	<b>2,474,820</b>	<b>6,791</b>	<b>(49,080)</b>
- Less than 1 year	598,899	1,052	(13,002)
- 1 year to 3 years	1,118,794	2,089	(23,543)
- More than 3 years	757,127	3,650	(12,535)
<b>Hedging derivatives</b>			
Interest rate swaps	<b>26,632,750</b>	<b>83,067</b>	<b>(331,708)</b>
- Less than 1 year	2,018,786	566	(23,323)
- 1 year to 3 years	8,408,787	34,338	(40,527)
- More than 3 years	16,205,177	48,163	(267,858)
Currency swaps	<b>4,713,524</b>	<b>10,550</b>	<b>(14,250)</b>
- Less than 1 year	4,713,524	10,550	(14,250)
Cross currency interest rate swaps	<b>5,065,485</b>	<b>18,033</b>	<b>(317,472)</b>
- Less than 1 year	1,851,258	239	(205,787)
- 1 year to 3 years	1,607,773	-	(66,911)
- More than 3 years	1,606,454	17,794	(44,774)
	<b>36,411,759</b>	<b>111,650</b>	<b>(663,430)</b>
Total derivative assets/(liabilities)	<b>1,015,058,192</b>	<b>8,634,633</b>	<b>(8,407,981)</b>

## A25. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The Group's derivative financial instruments are subject to market risk, 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 2019, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM8,515,904,000 (2018: RM8,634,633,000). 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 2019, the Group has posted cash collateral of RM2,236,437,000 (2018: RM2,511,732,000) 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;
- c) the hedging policies in respect of foreign exchange and interest/profit rate exposures; and
- d) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group are disclosed in the audited annual financial statements for the financial year ended 31 December 2018 and the Risk Management section of the 2018 Annual Report.

## A26. COMMITMENTS AND CONTINGENCIES

- (a) 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 2019 Principal Amount RM'000	31 December 2018 Principal Amount RM'000
<b>The Group</b>		
<u>Credit-related</u>		
Direct credit substitutes	6,629,451	6,637,881
Certain transaction-related contingent items	8,187,323	7,985,779
Short-term self-liquidating trade-related contingencies	3,839,906	3,432,622
Obligations under underwriting agreement	-	250,000
Irrevocable commitments to extend credit		
- maturity not exceeding one year	64,925,560	62,748,922
- maturity exceeding one year	32,115,135	32,058,573
Miscellaneous commitments and contingencies	2,837,269	966,685
Total credit-related commitments and contingencies	<b>118,534,644</b>	<b>114,080,462</b>
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	399,905,498	350,065,681
- one year to five years	62,065,223	54,253,458
- more than five years	18,379,780	19,442,368
	<b>480,350,501</b>	<b>423,761,507</b>
<u>Interest rate related contracts</u>		
- less than one year	239,846,553	217,400,783
- one year to five years	303,638,281	279,690,635
- more than five years	66,765,345	66,965,936
	<b>610,250,179</b>	<b>564,057,354</b>
<u>Equity related contracts</u>		
- less than one year	3,902,673	4,840,134
- one year to five years	1,056,616	3,223,895
- more than five years	683,900	679,704
	<b>5,643,189</b>	<b>8,743,733</b>
<u>Credit related contracts</u>		
- less than one year	194,272	418,816
- one year to five years	918,737	1,835,065
- more than five years	2,224,314	1,215,514
	<b>3,337,323</b>	<b>3,469,395</b>
<u>Commodity related contracts</u>		
- less than one year	8,911,617	11,590,876
- one year to five years	571,516	960,507
	<b>9,483,133</b>	<b>12,551,383</b>
<u>Bond contracts</u>		
- less than one year	763,557	598,899
- one year to five years	1,505,298	1,755,921
- more than five years	120,000	120,000
	<b>2,388,855</b>	<b>2,474,820</b>
Total treasury-related commitments and contingencies	<b>1,111,453,180</b>	<b>1,015,058,192</b>
	<b>1,229,987,824</b>	<b>1,129,138,654</b>
Included under irrevocable commitments to extend credit are the amount related to the Restricted Agency Investment Account, as follows:		
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	700,000	700,000

- (b) The Company has on 24 February 2017 filed a notice of appeal (Form Q) according to Section 99 (1) of the Income Tax Act, 1967 against the Notices of Assessment (Notices) for the years of assessment 2009 to 2012 dated 8 February 2017 from Inland Revenue Board ("IRB"), and obtained a stand over of taxes from IRB on 13 April 2017. The Company has subsequently made full payment of taxes as requested by IRB vide their letter dated 18 December 2018 revoking their earlier approval for the stand over of taxes. However, no provision has been made in the financial statements for any potential contingent liabilities up to the reporting date, based on independent legal advice.

## A27. CAPITAL ADEQUACY

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

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia (“BNM”) Capital Adequacy Framework (“CAF”) (Capital Components)/Capital Adequacy Framework for Islamic Banks (“CAFIB”) (Capital Components), of which the latest revision was issued on 2 February 2018. The revised guidelines took effect on 1 January 2018 and 1 January 2019 for all banking institutions and financial holding companies respectively. The revised guideline sets out the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III. The risk-weighted assets of the Bank Group and the Bank are computed in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets), of which the latest revision was issued on 2 February 2018.

The Internal Ratings Based (“IRB”) Approach adopted by CIMB Bank and CIMB Islamic Bank 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 the Basic Indicator Approach. As for CIMB Investment Bank Group, the Standardised Approach is applied for Credit Risk and Market Risk while Operational Risk is based on the Basic Indicator Approach.

The capital adequacy ratios of CIMB Thai Bank is based on the Bank of Thailand (BOT) Notification No. FPG. 9/2561 issued on 17 July 2018. 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. SorNorSor. 12/2555 - The supervisory capital funds of commercial banks" dated 8 November 2012. Credit Risk and Market Risk are based on Standardised Approach while Operational Risk is based on Basic Indicator Approach.

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

The regulatory compliance ratio of CIMB Bank PLC refers to the Solvency Ratio. The Solvency 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 from CIMB Bank PLC's net worth divided by its risk-weighted assets.

Capital adequacy ratio of CIMB Bank (Vietnam) Ltd. is calculated and managed according to local regulations as per the requirement of State Bank of Vietnam (SBV) in circular 36/2014/TT-NHNN dated 20 November 2014 with minimum compliance of 9%, amended by circular 06/2016/TT-NHNN dated 27 May 2016 and circular 19/2017/TT-NHNN dated 28 December 2017. On 30 December 2016, SBV officially issued circular 41/2016/TT-NHNN (effective 1 January 2020) requiring banks and branches of foreign banks to maintain the minimum CAR at 8% which covers credit, market and operational risk.

**A27. CAPITAL ADEQUACY (Continued)**

**31 March 2019**

(a) The capital adequacy ratios of the Group is as follows:

	<b>The Group</b>
Common equity tier 1 ratio	12.142%
Tier 1 ratio	12.972%
Total capital ratio	<u>15.615%</u>

The Group implemented the DRS for the second interim dividend in respect of the financial year ended 2018. The Group successfully completed its thirteenth DRS of which RM807 million was reinvested into new CIMB Group shares on 25 April 2019, which would increase the capital adequacy ratios of the Group above those stated above.

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

	<b>The Group RM'000</b>
Credit risk <sup>(1)</sup>	258,621,340
Market risk	18,467,557
Large exposure risk requirements	906,666
Operational risk	<u>30,993,844</u>
Total risk-weighted assets	<u>308,989,407</u>

<sup>(1)</sup> The RWA for credit risk relating to the Restricted Agency Investment Account are as follows:

	<b>The Group RM'000</b>
Under Restricted Agency Investment Account arrangement	<u>325,544</u>

(c) Components of Common Equity Tier I, Additional Tier 1 and Tier II capital are as follows:

	<b>The Group RM'000</b>
<b>Common Equity Tier I capital</b>	
Ordinary share capital	24,131,750
Other reserves	26,426,390 *
Qualifying non-controlling interests	<u>475,873</u>
Common Equity Tier I capital before regulatory adjustments	51,034,013
<u>Less: Regulatory adjustments</u>	
Goodwill	(7,695,067)
Intangible assets	(1,672,693)
Deferred tax assets	(1,035,119)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,506,966)
Regulatory reserve	(1,604,684)
Others	<u>(1,601)</u>
Common Equity Tier I capital after regulatory adjustments	<u>37,517,883</u>
<b>Additional Tier I capital</b>	
Perpetual subordinated capital securities	2,400,000
Qualifying capital instruments held by third parties	<u>178,333</u>
	2,578,333
<u>Less: Regulatory adjustments</u>	
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	<u>(13,550)</u>
Additional Tier I capital after regulatory adjustments	<u>2,564,783</u>
<b>Total Tier I capital</b>	<u>40,082,666</u>

**A27. CAPITAL ADEQUACY (Continued)**

(c) Components of Common Equity Tier I, Additional Tier 1 and Tier II capital are as follows (Continued):

	<b>The Group RM'000</b>
<b>Tier II capital</b>	
Subordinated notes	5,400,000
Qualifying capital instruments held by third parties	1,049,033
Surplus eligible provisions over expected loss	426,213
General provisions √	1,291,588
Tier II capital before regulatory adjustments	<u>8,166,834</u>
<u>Less: Regulatory adjustments</u>	
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-
<b>Total Tier II capital</b>	<u>8,166,834</u>
<b>Total capital</b>	<u>48,249,500</u>

The capital adequacy of the banking subsidiary companies of the Group are as follows:

	<b>CIMB Bank Group</b>	<b>CIMB Bank **</b>	<b>CIMB Islamic Bank</b>	<b>CIMB Investment Bank Group</b>	<b>CIMB Thai Bank</b>	<b>Bank CIMB Niaga</b>	<b>CIMB Bank PLC</b>	<b>CIMB Bank (Vietnam) Ltd</b>
Common equity tier 1 ratio	12.600%	11.963%	12.531%	35.140%	13.005%	18.357%	N/A	N/A
Tier 1 ratio	13.655%	13.351%	12.997%	35.140%	13.005%	18.357%	N/A	N/A
Total capital ratio	<u>17.487%</u>	<u>17.943%</u>	<u>15.035%</u>	<u>35.140%</u>	<u>18.223%</u>	<u>19.559%</u>	<u>16.119%</u>	<u>124.745%</u>

\* Includes the proposed single-tier second interim dividend of RM1,148 million in respect of the financial year ended 31 December 2018 which was paid on 24 April 2019.

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

√ Total Capital of CIMB Group as at 31 March 2019 has excluded general provisions restricted from Tier II capital of RM281 million.

**A27. CAPITAL ADEQUACY (Continued)**

**31 December 2018**

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

	<b>CIMB Bank **</b>	<b>CIMB Islamic Bank</b>	<b>CIMB Thai Bank</b>	<b>CIMB Bank Group</b>	<b>CIMB Investment Bank Group</b>	<b>Bank CIMB Niaga</b>	<b>CIMB Bank PLC</b>	<b>CIMB Bank (Vietnam) Ltd</b>
Common equity tier 1 ratio	12.914% ^	13.505%	13.319%	13.357% ^	31.110%	17.968%	N/A	N/A
Tier 1 ratio	14.342% ^	14.026%	13.319%	14.444% ^	31.110%	17.968%	N/A	N/A
Total capital ratio	19.035% ^	16.194%	18.688%	18.302% ^	31.110%	19.204%	15.707%	122.265%
<b><u>After deducting proposed dividend</u></b>								
Common equity tier 1 ratio	12.230% ^	13.505%	13.319%	12.887% ^	30.254%	17.968%	N/A	N/A
Tier 1 ratio	13.659% ^	14.026%	13.319%	13.974% ^	30.254%	17.968%	N/A	N/A
Total capital ratio	18.351% ^	16.194%	18.688%	17.832% ^	30.254%	19.204%	15.707%	122.265%

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

	<b>CIMB Bank ** RM'000</b>	<b>CIMB Islamic Bank RM'000</b>	<b>CIMB Thai Bank RM'000</b>	<b>CIMB Bank Group RM'000</b>	<b>CIMB Investment Bank Group RM'000</b>	<b>Bank CIMB Niaga RM'000</b>	<b>CIMB Bank PLC RM'000</b>	<b>CIMB Bank (Vietnam) Ltd RM'000</b>
Credit risk	139,780,748 ^^	30,912,888	24,936,026	203,544,033 ^^	898,080	50,460,048	2,471,600	442,606
Market risk	10,773,681	452,745	4,253,122	16,395,328	397,868	555,625	-	-
Operational risk	14,727,726	2,742,729	2,187,790	20,794,460	573,431	7,555,277	-	-
Large exposure risk	881,647	-	-	881,647	-	-	-	-
	166,163,802	34,108,362	31,376,938	241,615,468	1,869,379	58,570,950	2,471,600	442,606

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

	<b>CIMB Bank** RM'000</b>	<b>CIMB Islamic Bank RM'000</b>	<b>CIMB Thai Bank RM'000</b>	<b>CIMB Bank Group RM'000</b>	<b>CIMB Investment Bank Group RM'000</b>	<b>Bank CIMB Niaga RM'000</b>	<b>CIMB Bank PLC RM'000</b>	<b>CIMB Bank (Vietnam) Ltd RM'000</b>
<b>Common Equity Tier I capital</b>								
Ordinary share capital	20,088,345	1,000,000	2,218,619	20,088,345	100,000	389,562	310,313	568,275
Other reserves	13,363,305	4,295,342	2,256,996	20,539,125	515,322	10,398,518	32,719	252
Qualifying non-controlling interests	-	-	-	156,841	-	-	-	-
Less: Proposed dividends	(1,135,854)	-	-	(1,135,854)	(15,990)	-	-	-
Common Equity Tier I capital before regulatory adjustments	32,315,796	5,295,342	4,475,615	39,648,457	599,332	10,788,080	343,032	568,527
<b><u>Less: Regulatory adjustments</u></b>								
Goodwill	(3,555,075)	(136,000)	-	(5,213,838)	(964)	-	-	-
Intangible assets	(830,487)	(71,330)	(61,286)	(975,612)	-	-	(1,610)	-
Deferred tax assets	(552,391)	(77,454)	(119,552)	(776,984)	(19,239)	(27,206)	-	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(5,856,416)	-	-	-	(9,311)	(236,929)	-	-
Deduction in excess of Tier 1 & Tier 2 capital	-	-	-	-	(4,251)	-	-	-
Regulatory reserve	(1,197,301)	(404,378)	-	(1,542,976)	-	-	-	-
Others	(2,182)	-	(115,626)	(2,182)	-	-	(4,800)	(28,694)
Common Equity Tier I capital after regulatory adjustments	20,321,944	4,606,180	4,179,151	31,136,865	565,567	10,523,945	336,622	539,833

A27. CAPITAL ADEQUACY (Continued)

**31 December 2018**

(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	CIMB Bank (Vietnam) Ltd
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Additional Tier I capital</b>								
Perpetual preference shares	200,000	178,000	-	200,000	-	-	-	-
Innovative Tier I Capital	1,000,000	-	-	1,000,000	-	-	-	-
Perpetual subordinated capital securities	1,400,000	-	-	1,400,000	-	-	-	-
Qualifying capital instruments held by third parties	-	-	-	32,685	-	-	-	-
Additional Tier I capital before regulatory adjustments	2,600,000	178,000	-	2,632,685	-	-	-	-
<u>Less: Regulatory adjustments</u>								
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(225,956)	-	-	(5,956)	-	-	-	-
Additional Tier I capital after regulatory adjustments	2,374,044	178,000	-	2,626,729	-	-	-	-
<b>Total Tier I capital</b>	<b>22,695,988</b>	<b>4,784,180</b>	<b>4,179,151</b>	<b>33,763,594</b>	<b>565,567</b>	<b>10,523,945</b>	<b>336,622</b>	<b>539,833</b>
<b>Tier II capital</b>								
Subordinated notes	7,900,000	610,000	1,560,225	7,900,000	-	177,318	28,963	-
Redeemable preference shares	29,740	-	-	29,740	4	-	-	-
Surplus of eligible provision over expected loss	708,469	67,111	-	325,153	-	-	-	-
Qualifying capital instruments held by third parties	-	-	-	408,443	-	-	-	-
General provisions <sup>√</sup>	271,282	62,111	124,236	659,423	-	546,964	22,627	1,320
Tier II capital before regulatory adjustments	8,909,491	739,222	1,684,461	9,322,759	4	724,282	51,590	1,320
<u>Less: Regulatory adjustments</u>								
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,112,125)	-	-	(759)	(4,255)	-	-	-
<b>Total Tier II capital</b>	<b>7,797,366</b>	<b>739,222</b>	<b>1,684,461</b>	<b>9,322,000</b>	<b>-</b>	<b>724,282</b>	<b>51,590</b>	<b>1,320</b>
<b>Total Capital</b>	<b>30,493,354</b>	<b>5,523,402</b>	<b>5,863,612</b>	<b>43,085,594</b>	<b>565,567</b>	<b>11,248,227</b>	<b>388,212</b>	<b>541,153</b>

<sup>√</sup> Total Capital of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 December 2018 have excluded general provisions restricted from Tier II capital of RM160 million, RM147 million and RM13 million respectively.

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

<sup>^</sup> CIMB Group successfully completed its eleventh DRS of which RM1,278 million was reinvested into new CIMB Group shares. Pursuant to the completion of DRS, CIMB Group reinvested cash dividend surplus of RM1,278 million into CIMB Bank via rights issue which was completed on 29 June 2018.

CIMB Group successfully completed its twelfth DRS for the first interim dividend in respect of the financial year ended 2018. Pursuant to the DRS, CIMB Group reinvested cash dividend surplus of RM974 million and an additional equity injection of RM226 million into CIMB Bank via rights issue which was completed on 21 December 2018.

CIMB Group's second interim dividend in respect of the financial year ended 2018 will be made applicable under the DRS. Pursuant to the DRS, CIMB Group intends to reinvest the excess cash dividend into CIMB Bank, which would increase the capital adequacy ratios of CIMB Bank Group and CIMB Bank above those stated above.

<sup>^^</sup>The RWA for credit risk relating to the Restricted Agency Investment Account (refer Note A13(i)(c) for more details) are as follows:

	CIMB Bank Group RM'000	CIMB Bank** RM'000
Under Restricted Agency Investment Account arrangement	316,179	316,179



## A28. 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 Executive Committee as its chief operating decision-maker.

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

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

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

### Business segment reporting

#### Definition of segments:

As a result of an internal reorganisation, there is a change in business segment reporting. The Group has four 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.

#### **Commercial Banking**

Commercial Banking offers products and services for customer segments comprising small and medium-scale enterprises ("SMEs") and mid-sized corporations. Their products and services include banking credit facilities, trade financing, cash management, online business banking platform, remittance and foreign exchange, as well as general deposit products.

#### ***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.

## **A28. 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 Ventures & Partnership and Funding***

Group Ventures & Partnerships drives all strategic partnerships across business lines Group-wide and explores strategic equity joint ventures in the ecosystem space. Funding encompasses a wide range of activities from capital, balance sheet and fixed income investments and management, as well as the funding and incubation of corporate ventures and projects.

**A28. SEGMENTAL REPORT (Continued)**

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Ventures & Partnership and Funding RM'000	Total RM'000
<b>31 March 2019</b>					
Net interest income					
- external income	1,186,837	618,739	583,667	72,300	2,461,543
- inter-segment (expense)/income	(52,968)	(72,490)	10,448	115,010	-
	1,133,869	546,249	594,115	187,310	2,461,543
Income from Islamic Banking operations	264,061	134,968	166,961	142,840	708,830
Net non-interest income	383,916	123,892	430,713	41,398	979,919
Gain on disposal of subsidiary and associate	-	-	-	15,854	15,854
Net income	1,781,846	805,109	1,191,789	387,402	4,166,146
Overheads	(1,090,899)	(437,162)	(594,520)	(179,835)	(2,302,416)
of which:					
- Depreciation of property, plant and equipment	(31,691)	(1,246)	(4,197)	(33,538)	(70,672)
- Amortisation of prepaid lease payments	-	(12)	-	(2,523)	(2,535)
- Amortisation of intangible assets	(15,716)	(588)	(7,187)	(53,938)	(77,429)
Profit before expected credit losses	690,947	367,947	597,269	207,567	1,863,730
Expected credit losses made on loans, advances and financing	(112,086)	(55,297)	(132,488)	(143)	(300,014)
Expected credit losses written back on commitments and contingencies	1,255	7,671	16,147	9	25,082
Other expected credit losses written back	2,336	318	483	5,605	8,742
Segment results	582,452	320,639	481,411	213,038	1,597,540
Share of results of joint ventures	830	-	(4,556)	8,792	5,066
Share of results of associates	-	-	-	520	520
Profit before taxation and zakat	583,282	320,639	476,855	222,350	1,603,126
% of profit before taxation and zakat	36.4	20.0	29.7	13.9	100.0
Taxation and zakat					(395,440)
<b>Profit for the financial period</b>					<b>1,207,686</b>

**A28. SEGMENTAL REPORT (Continued)**

	<b>Consumer Banking RM'000</b>	<b>Commercial Banking RM'000</b>	<b>Wholesale Banking RM'000</b>	<b>Group Ventures &amp; Partnership and Funding RM'000</b>	<b>Total RM'000</b>
<b>31 March 2018</b>					
Net interest income					
- external income	1,264,304	549,613	394,301	211,565	2,419,783
- inter-segment (expense)/income	(100,876)	(726)	201,324	(99,722)	-
	1,163,428	548,887	595,625	111,843	2,419,783
Income/(expense) from Islamic Banking operations	221,051	108,441	189,457	71,950	590,899
Net non-interest income	489,276	148,576	362,888	138,595	1,139,335
Gain on disposal of subsidiary and joint venture	-	-	-	153,294	153,294
Net income	1,873,755	805,904	1,147,970	475,682	4,303,311
Overheads	(1,003,937)	(412,647)	(550,617)	(173,920)	(2,141,121)
of which:					
- Depreciation of property, plant and equipment	(33,232)	(1,240)	(5,010)	(36,814)	(76,296)
- Amortisation of prepaid lease payments	-	(11)	-	(2,530)	(2,541)
- Amortisation of intangible assets	(16,044)	(909)	(7,469)	(70,240)	(94,662)
Profit before expected credit losses	869,818	393,257	597,353	301,762	2,162,190
Expected credit losses on loans, advances and financing	(114,809)	(256,489)	(27,974)	(2,016)	(401,288)
Expected credit losses (made)/written back on commitments and contingencies	(12,629)	(3,660)	16,389	122	222
Other expected credit losses written back/(made)	3,067	(7,567)	(11,315)	(8,209)	(24,024)
Segment results	745,447	125,541	574,453	291,659	1,737,100
Share of results of joint ventures	1,183	-	1,513	625	3,321
Share of results of associates	-	-	-	2,472	2,472
Profit before taxation and zakat	746,630	125,541	575,966	294,756	1,742,893
% of profit before taxation and zakat	42.9	7.2	33.0	16.9	100.0
Taxation and zakat					(403,421)
<b>Profit for the financial period</b>					<b>1,339,472</b>



## A29. 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

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.

### Valuation Model Review and Approval

- Fair valuation of financial instruments is determined either through Mark-to-Market or Mark-to-Model methodology, as appropriate;
- Market Risk Management is mandated to perform mark-to-market, mark-to-model and rate reasonableness verification. Market price and/or rate sources for Mark-to-Market are validated by Market Risk Management as part and parcel of market data reasonableness verification;
- Valuation methodologies for the purpose of determining Mark-to-Model prices will be verified by Group Risk Management Quantitative analysts before submitting to the GMRC for approval;
- Mark-to-Model process shall be carried out by Market Risk Management in accordance with the approved valuation methodologies. Group Risk Management Quantitative analysts are responsible for independent evaluation and validation of the Group's financial models used for valuation;
- Group Risk Management Quantitative analysts are the guardian of the financial models and valuation methodologies. 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 Regional Head, Market Risk Management and/or the Group Market Risk Committee;
- Model risk and unobservable parameter reserve must be considered to provide for the uncertainty of the model assumptions;
- 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; and
- Independent price verification process shall be carried out by Market Risk Management to ensure that financial assets/liabilities are recorded at fair value.

**A29. 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 2019 and 31 December 2018.

The Group	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>31 March 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Reverse repurchased agreements at fair value through profit or loss	250,646	-	250,646	-	250,646
Financial assets at fair value through profit or loss					
- Money market instruments	28,798,363	-	28,390,001	408,362	28,798,363
- Quoted securities	381,219	381,219	-	-	381,219
- Unquoted securities	7,018,489	-	5,819,872	1,198,617	7,018,489
Debt instruments at fair value through other comprehensive income					
- Money market instruments	5,937,849	-	5,937,849	-	5,937,849
- Unquoted securities	28,468,023	-	28,468,022	1	28,468,023
Equity instruments at fair value through other comprehensive income					
- Quoted securities	55,253	55,253	-	-	55,253
- Unquoted securities	521,071	-	177,352	343,719	521,071
Derivative financial instruments					
- Trading derivatives	8,283,179	161,692	8,019,525	101,962	8,283,179
- Hedging derivatives	232,725	-	232,725	-	232,725
Loans, advances and financing at fair value through profit or loss	558,684	-	558,684	-	558,684
<b>Total</b>	<b>80,505,501</b>	<b>598,164</b>	<b>77,854,676</b>	<b>2,052,661</b>	<b>80,505,501</b>
<b>Financial liabilities</b>					
Derivative financial instruments					
- Trading derivatives	7,391,280	79,454	7,235,535	76,291	7,391,280
- Hedging derivatives	632,345	-	632,345	-	632,345
Financial liabilities designated at fair value through profit or loss	5,490,615	-	5,490,615	-	5,490,615
<b>Total</b>	<b>13,514,240</b>	<b>79,454</b>	<b>13,358,495</b>	<b>76,291</b>	<b>13,514,240</b>
<b>31 December 2018</b>					
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Reverse repurchased agreements at fair value through profit or loss	500,134	-	500,134	-	500,134
Financial assets at fair value through profit or loss					
- Money market instruments	22,988,026	-	22,574,061	413,965	22,988,026
- Quoted securities	399,986	399,986	-	-	399,986
- Unquoted securities	6,123,057	-	4,908,353	1,214,704	6,123,057
Debt instruments at fair value through other comprehensive income					
- Money market instruments	6,380,101	-	6,380,101	-	6,380,101
- Quoted securities	-	-	-	-	-
- Unquoted securities	25,896,203	-	25,896,202	1	25,896,203
Equity instruments at fair value through other comprehensive income					
- Quoted securities	47,306	47,306	-	-	47,306
- Unquoted securities	536,218	-	177,036	359,182	536,218
Derivative financial instruments					
- Trading derivatives	8,522,983	17,150	8,289,553	216,280	8,522,983
- Hedging derivatives	111,650	-	111,650	-	111,650
Loans, advances and financing at fair value through profit or loss	803,681	-	803,681	-	803,681
<b>Total</b>	<b>72,309,345</b>	<b>464,442</b>	<b>69,640,771</b>	<b>2,204,132</b>	<b>72,309,345</b>
<b>Financial liabilities</b>					
Derivative financial instruments					
- Trading derivatives	7,744,551	531,062	7,104,345	109,144	7,744,551
- Hedging derivatives	663,430	-	663,430	-	663,430
Financial liabilities designated at fair value through profit or loss	5,880,707	-	5,880,707	-	5,880,707
<b>Total</b>	<b>14,288,688</b>	<b>531,062</b>	<b>13,648,482</b>	<b>109,144</b>	<b>14,288,688</b>

**A29. 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 2019 and 31 December 2018

The Company 31 March 2019	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Debt instruments at fair value through other comprehensive income					
- Unquoted securities	2,499,840	-	2,499,840	-	2,499,840
<b>Total</b>	<b>2,499,840</b>	<b>-</b>	<b>2,499,840</b>	<b>-</b>	<b>2,499,840</b>

The Company 31 December 2018	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Debt instruments at fair value through other comprehensive income					
- Unquoted securities	2,467,071	-	2,467,071	-	2,467,071
<b>Total</b>	<b>2,467,071</b>	<b>-</b>	<b>2,467,071</b>	<b>-</b>	<b>2,467,071</b>



**A29. FAIR VALUE ESTIMATION** (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial year ended 31 March 2019 and 31 December 2018 for the Group.

	Financial Assets				Financial Liabilities		Total
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Derivative financial instruments Trading derivatives	Total	Derivative financial instruments Trading derivatives	
	Money market instruments and unquoted securities	Unquoted securities					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2019</b>							
<b>At 1 January</b>	<b>1,628,669</b>	<b>1</b>	<b>359,182</b>	<b>216,280</b>	<b>2,204,132</b>	<b>(109,144)</b>	<b>(109,144)</b>
Total (losses)/gains recognised in Statement of Income	(8,556)	-	-	(114,119)	(122,675)	20,889	20,889
Total loss recognised in Other Comprehensive Income	-	-	(12,021)	-	(12,021)	-	-
Purchases	60	-	172	50,619	50,851	(37,190)	(37,190)
Sales and redemptions	(2,221)	-	(2,343)	-	(4,564)	-	-
Settlements	-	-	-	(49,875)	(49,875)	48,609	48,609
Exchange fluctuation	(10,973)	-	(1,271)	(943)	(13,187)	545	545
<b>At 31 March</b>	<b>1,606,979</b>	<b>1</b>	<b>343,719</b>	<b>101,962</b>	<b>2,052,661</b>	<b>(76,291)</b>	<b>(76,291)</b>
Total (losses)/gains recognised in Statement of Income for the financial period ended 31 March 2019 under:							
- net non-interest income	(8,556)	-	-	(114,119)	(122,675)	20,889	20,889
Total losses recognised in Other Comprehensive Income for the financial period ended 31 March 2019 under "revaluation reserves"	-	-	(12,021)	-	(12,021)	-	-
Change in unrealised (losses)/gains recognised in Statement of Income relating to assets held on 31 March 2019 under "net non-interest income"	(8,556)	-	-	(14,427)	(22,983)	2,098	2,098

**A29. FAIR VALUE ESTIMATION** (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial year ended 31 March 2019 and 31 December 2018 for the Group.

	Financial Assets					Derivative financial instruments Trading derivatives	Total	Financial Liabilities		
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial assets held for trading	Financial investments available- for-sale			Financial liabilities designated at fair value through profit or loss	Derivative financial instruments Trading derivatives	Total
	Money market instruments and unquoted securities	Unquoted securities		Unquoted securities	Unquoted securities					
<b>2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	-	-	-	164,243	1,354,356	56,396	1,574,995	(395,058)	(24,104)	(419,162)
Effect of adopting MFRS 9	1,211,452	1,502	305,645	(164,243)	(1,354,356)	-	-	-	-	-
Adjusted 1 January	1,211,452	1,502	305,645	-	-	56,396	1,574,995	(395,058)	(24,104)	(419,162)
Total gains/(losses) recognised in Statement of Income	29,438	-	-	-	-	155,651	185,089	(127,879)	(109,911)	(237,790)
Total gain recognised in Other Comprehensive Income	-	-	52,480	-	-	-	52,480	-	-	-
Purchases	405,598	-	743	-	-	111,947	518,288	-	(76,254)	(76,254)
Sales and redemptions	(35,917)	(1,507)	(10,063)	-	-	-	(47,487)	-	-	-
Settlements	-	-	-	-	-	(109,352)	(109,352)	522,937	102,048	624,985
Exchange fluctuation	18,098	6	10,377	-	-	1,638	30,119	-	(923)	(923)
At 31 December	1,628,669	1	359,182	-	-	216,280	2,204,132	-	(109,144)	(109,144)
Total gains/(losses) recognised in Statement of Income for the financial year ended 31 December 2018 under:										
- net non-interest income	29,438	-	-	-	-	155,651	185,089	(120,525)	(109,911)	(230,436)
- interest expense	-	-	-	-	-	-	-	(7,354)	-	(7,354)
Total gains recognised in Other Comprehensive Income for the financial year ended 31 December 2018 under "revaluation reserves"	-	-	52,480	-	-	-	52,480	-	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 31 December 2018 under "net non-interest income"	28,346	-	-	-	-	99,751	128,097	-	(11,714)	(11,714)

**A29. 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 2019 and 31 December 2018.

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 2019, the property plant and equipment held for sales of the Group that were stated at fair value less cost to sell was RM7,466,000 (2018: RM13,775,000). 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.

### A30. OPERATIONS OF ISLAMIC BANKING

#### A30a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	The Group	
		31 March 2019 RM'000	31 December 2018 RM'000
<b>ASSETS</b>			
Cash and short-term funds		12,763,884	12,595,979
Deposits and placements with banks and other financial institutions		1,864,252	1,748,523
Financial assets at fair value through profit or loss		4,382,858	3,033,103
Debt instruments at fair value through other comprehensive income		4,068,371	3,499,105
Equity instruments at fair value through other comprehensive income		575	575
Debt instruments at amortised cost		7,553,877	6,959,658
Islamic derivative financial instruments		520,027	599,095
Financing, advances and other financing/loans	A30d(i)	86,521,649	84,026,755
Other assets		3,008,166	2,477,919
Deferred tax assets		97,556	81,882
Amount due from conventional operations		4,447,667	3,747,396
Statutory deposits with Bank Negara Malaysia		2,224,432	2,076,422
Property, plant and equipment		3,778	4,841
Right-of-use assets		5,218	-
Goodwill		136,000	136,000
Intangible assets		70,064	71,895
<b>TOTAL ASSETS</b>		<b>127,668,374</b>	<b>121,059,148</b>
<b>LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>			
<b>CAPITAL FUNDS</b>			
Deposits from customers	A30(e)	92,304,697	86,851,108
Investment accounts of customers	A30(f)	786,517	1,769,270
Deposits and placements of banks and other financial institutions		4,652,216	3,164,963
Investment accounts due to designated financial institutions	A30(g)	7,686,709	8,216,809
Financial liabilities designated at fair value through profit or loss	A30(h)	25,440	21,918
Islamic derivative financial instruments		559,752	628,361
Bills and acceptances payable		15,950	27,428
Other liabilities		6,262,514	4,675,622
Lease liability		4,554	-
Recourse obligation on loans and financing sold to Cagamas		1,516,760	1,915,503
Amount due to conventional operations		4,147,100	4,326,549
Provision for taxation		395,177	418,954
Sukuk		334,217	358,265
Other borrowings		-	28,604
Subordinated Sukuk		613,979	615,033
		<b>119,305,582</b>	<b>113,018,387</b>
Non-current liabilities held for sale		-	143
<b>TOTAL LIABILITIES</b>		<b>119,305,582</b>	<b>113,018,530</b>
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,696	55,696
Perpetual preference shares		220,000	220,000
Reserves		7,043,968	6,727,382
		<b>8,319,664</b>	<b>8,003,078</b>
Non-controlling interests		43,128	37,540
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>8,362,792</b>	<b>8,040,618</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>127,668,374</b>	<b>121,059,148</b>
<b>RESTRICTED AGENCY INVESTMENT ACCOUNT(*)</b>		<b>6,277,683</b>	<b>6,230,998</b>
<b>TOTAL ISLAMIC BANKING ASSETS</b>		<b>133,946,057</b>	<b>127,290,146</b>

\* The disclosure is in accordance with the requirements of Bank Negara Malaysia's Guideline on Financial Reporting for Islamic Banking Institutions dated 2 February 2018

**A30b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED  
31 MARCH 2019**

	The Group			
	1st quarter ended		Three months ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	1,271,373	984,878	1,271,373	984,878
Income derived from investment of investment account	110,948	109,053	110,948	109,053
Net income derived from investment of shareholders' funds	132,488	102,262	132,488	102,262
Expected credit loss on financing, advances and other financing/loans	(44,375)	(93,268)	(44,375)	(93,268)
Expected credit losses for commitments and contingencies written-back/(made)	22,783	(147)	22,783	(147)
Other expected credit losses written-back/(made)	726	(552)	726	(552)
Total distributable income	<b>1,493,943</b>	1,102,226	<b>1,493,943</b>	1,102,226
Income attributable to depositors and others	<b>(819,808)</b>	(604,636)	<b>(819,808)</b>	(604,636)
Profit distributed to investment account holder	<b>(84,697)</b>	(86,786)	<b>(84,697)</b>	(86,786)
Total net income	<b>589,438</b>	410,804	<b>589,438</b>	410,804
Other operating expenses	<b>(218,937)</b>	(166,009)	<b>(218,937)</b>	(166,009)
Profit before taxation and zakat	<b>370,501</b>	244,795	<b>370,501</b>	244,795
Taxation and zakat	<b>(60,587)</b>	(53,226)	<b>(60,587)</b>	(53,226)
Profit for the financial period	<b>309,914</b>	191,569	<b>309,914</b>	191,569
Profit for the financial period attributable to:				
Owners of the Parent	<b>304,363</b>	190,084	<b>304,363</b>	190,084
Non-controlling interests	<b>5,551</b>	1,485	<b>5,551</b>	1,485
	<b>309,914</b>	191,569	<b>309,914</b>	191,569

**A30c. UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

	The Group			
	1st quarter ended 31 March 2019 RM'000	31 March 2018 RM'000	Three months ended 31 March 2019 RM'000	31 March 2018 RM'000
Profit for the financial period	<b>309,914</b>	191,569	<b>309,914</b>	191,569
Other comprehensive income/(expense):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	<b>30,441</b>	6,909	<b>30,441</b>	6,909
- Net gain from change in fair value	<b>49,723</b>	7,947	<b>49,723</b>	7,947
- Realised gain transferred to statement of income on disposal	<b>(13,298)</b>	(1,975)	<b>(13,298)</b>	(1,975)
- Changes in expected credit losses	<b>208</b>	762	<b>208</b>	762
- Income tax effects	<b>(6,192)</b>	175	<b>(6,192)</b>	175
Exchange fluctuation reserve	<b>(1,770)</b>	3,446	<b>(1,770)</b>	3,446
Other comprehensive income for the financial period, net of tax	<b>28,671</b>	10,355	<b>28,671</b>	10,355
Total comprehensive income for the financial period	<b>338,585</b>	201,924	<b>338,585</b>	201,924
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	<b>332,997</b>	203,210	<b>332,997</b>	203,210
Non-controlling interests	<b>5,588</b>	(1,286)	<b>5,588</b>	(1,286)
	<b>338,585</b>	201,924	<b>338,585</b>	201,924
<u>Income from Islamic operations (per page 2)</u>				
Total net income	<b>589,438</b>	410,804	<b>589,438</b>	410,804
Add: Expected credit losses on financing, advances and other financing/loans	<b>44,375</b>	93,268	<b>44,375</b>	93,268
Add: Expected credit losses for commitments and contingencies (written-back)/made	<b>(22,783)</b>	147	<b>(22,783)</b>	147
Add: Other expected credit losses (written back)/made	<b>(726)</b>	552	<b>(726)</b>	552
	<b>610,304</b>	504,771	<b>610,304</b>	504,771
Elimination for transaction with conventional operations	<b>98,526</b>	86,128	<b>98,526</b>	86,128
	<b>708,830</b>	590,899	<b>708,830</b>	590,899

**A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS**
**(i) By type and Shariah contract**
**31 March 2019**

	The Group											Total
	Sale-based contracts					Lease-based contracts		Profit sharing contracts		Loan contract	Others	
	Murabahah	Bai' Bithaman Ajil	Bai' al-'Inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai' #	Mudharabah	Musharakah	Qard	Ujrah	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>												
Cash line <sup>^</sup>	-	4,910	-	-	965,347	-	-	-	1	2,125	-	972,383
Term financing												
House Financing	290,202	5,643,275	-	-	12,349,841	1,338,255	-	-	2,231,876	-	-	21,853,449
Syndicated Financing	449,954	-	178,342	-	1,885,576	-	-	659	-	-	-	2,514,531
Hire purchase receivables	169,821	-	-	-	-	-	7,651,209	-	-	-	-	7,821,030
Other term financing	1,327,770	1,424,934	6,946,132	-	28,863,632	51,031	-	76,521	4,542,307	-	-	43,232,327
Lease receivable	-	-	-	-	-	173,154	-	-	-	-	-	173,154
Bills receivable	29,594	-	-	1,804,191	-	-	-	-	-	375	-	1,834,160
Islamic Trust receipts	114,718	-	-	-	-	-	-	-	-	-	-	114,718
Claims on customers under acceptance credits	1,014,072	-	-	63,412	-	-	-	15,950	-	-	-	1,093,434
Staff financing	-	-	-	-	125,741	-	-	-	7,080	-	-	132,821
Revolving credits	-	-	-	-	7,032,829	-	-	8,932	-	-	-	7,041,761
Credit card receivables	-	-	-	-	-	-	-	-	-	188,385	135,615	324,000
Share purchase financing	208	-	-	-	-	-	-	-	-	-	-	208
Gross financing, advances and other financing/loans, at amortised cost	3,396,339	7,073,119	7,124,474	1,867,603	51,222,966	1,562,440	7,651,209	102,062	6,781,264	190,885	135,615	87,107,976
Fair value changes arising from fair value hedge												28,457
												87,136,433
Less: Expected credit losses												(832,952)
Net financing, advances and other financing/loans at amortised cost												86,303,481
<b>At fair value through profit or loss</b>												
Term financing												
Syndicated Financing	-	-	-	-	218,168	-	-	-	-	-	-	218,168
Net financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	218,168	-	-	-	-	-	-	218,168
<b>Net financing, advances and other financing/loans</b>												86,521,649

<sup>^</sup> Includes current account in excess

\* The beneficial owner of the asset belongs to the subsidiaries of CIMB Group. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

# CIMB Islamic is the owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

**A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**

(i) By type and Shariah contract (Continued)

31 December 2018

	The Group											Total
	Sale-based contracts					Lease-based contracts		Profit sharing contracts		Loan contract	Others	
	Murabahah	Bai' Bithaman Ajil	Bai' al-'Inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai' #	Mudharabah	Musharakah	Qard	Ujrah	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>												
Cash line^	-	5,704	-	-	891,281	-	-	-	-	1,455	-	898,440
Term financing												
House Financing	284,108	5,786,483	-	-	11,099,048	1,357,811	-	-	2,000,803	-	-	20,528,253
Syndicated Financing	470,952	-	162,279	-	1,982,505	7,450	-	684	-	-	-	2,623,870
Hire purchase receivables	163,915	-	-	-	-	-	7,423,573	-	-	-	-	7,587,488
Other term financing	1,406,682	1,484,968	6,982,666	-	26,888,119	52,570	-	68,331	4,326,375	-	-	41,209,711
Lease receivable	-	-	-	-	-	150,259	-	-	-	-	-	150,259
Bills receivable	5,075	-	-	2,302,104	-	-	-	-	-	-	-	2,307,179
Islamic Trust receipts	108,436	-	-	-	-	-	-	-	-	-	-	108,436
Claims on customers under acceptance credits	1,031,894	-	-	80,964	-	-	-	27,428	-	-	-	1,140,286
Staff financing	-	-	-	-	114,300	-	-	-	5,596	-	-	119,896
Revolving credits	-	-	-	-	7,300,930	-	-	9,924	-	-	-	7,310,854
Credit card receivables	-	-	-	-	-	-	-	-	-	183,628	137,325	320,953
Share purchase financing	207	-	-	-	-	-	-	-	-	-	-	207
Gross financing, advances and other financing/loans	3,471,269	7,277,155	7,144,945	2,383,068	48,276,183	1,568,090	7,423,573	106,367	6,332,774	185,083	137,325	84,305,832
Fair value changes arising from fair value hedge												32,732
												84,338,564
Less: Expected credit losses												(803,375)
Net financing, advances and other financing/loans at amortised cost												83,535,189
<b>At fair value through profit or loss</b>												
Term financing												
Syndicated financing	-	-	-	-	491,566	-	-	-	-	-	-	491,566
Net financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	491,566	-	-	-	-	-	-	491,566
<b>Net financing, advances and other financing/loans</b>												84,026,755

^ Includes current account in excess

\* The beneficial owner of the asset belongs to the subsidiaries of CIMB Group. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

# CIMB Islamic is the owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.



**A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)****(i) By type and Shariah contract (Continued)**

	<b>The Group</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Gross financing, advances and other financing/loans		
- At amortised cost	<b>87,107,976</b>	84,305,832
- At fair value through profit or loss	<b>218,168</b>	491,566
	<b>87,326,144</b>	84,797,398

(a) During the financial period, the Group has undertaken fair value hedges on RM3,379,116,000 (2018: RM3,384,006,000) 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 expected credit losses for financing arising thereon.

As at 31 March 2019, the gross carrying amount to RPSIA financing is RM6,599,348,000 (2018: RM6,907,549,000) and 12-month expected credit losses relating to this RPSIA amounting to RM87,752,000 (2018: RM25,658,000) is recognised in the Financial Statements of CIMB Bank Berhad.

**c) Movement of Qard financing**

	<b>The Group</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
At 1 January	<b>185,083</b>	197,097
New disbursement	<b>53,787</b>	90,047
Repayment	<b>(48,351)</b>	(93,626)
Exchange fluctuation	<b>366</b>	(8,435)
At 31 March/December	<b>190,885</b>	185,083
Sources of Qard fund:		
Depositors' fund	<b>190,734</b>	184,999
Shareholders' fund	<b>151</b>	84
	<b>190,885</b>	185,083
Uses of Qard fund:		
Personal use	<b>188,678</b>	183,800
Business use	<b>2,207</b>	1,283
	<b>190,885</b>	185,083

**(ii) By geographical distribution**

	<b>The Group</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Malaysia	<b>74,060,602</b>	71,137,309
Indonesia	<b>8,119,963</b>	7,683,084
Singapore	<b>2,479,190</b>	2,774,847
Hong Kong	<b>32,381</b>	38,487
Other countries	<b>2,634,008</b>	3,163,671
Gross financing, advances and other financing/loans	<b>87,326,144</b>	84,797,398

**A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)****(iii) By economic sector**

	<b>The Group</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	<b>2,750,645</b>	3,161,986
Mining and quarrying	<b>1,796,190</b>	2,299,551
Manufacturing	<b>3,469,858</b>	3,248,065
Electricity, gas and water supply	<b>1,882,190</b>	1,874,337
Construction	<b>3,330,707</b>	3,160,719
Transport, storage and communications	<b>4,492,783</b>	4,184,459
Education, health and others	<b>6,078,797</b>	5,973,245
Wholesale and retail trade, and restaurants and hotels	<b>4,380,736</b>	4,144,368
Finance, insurance/takaful, real estate and business activities	<b>11,009,973</b>	11,204,877
Household	<b>44,837,904</b>	42,444,984
Others	<b>3,296,361</b>	3,100,807
	<b>87,326,144</b>	84,797,398

**(iv) Credit impaired financing, advances and other financing/loans by geographical distribution**

	<b>The Group</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	<b>666,174</b>	483,673
Indonesia	<b>107,425</b>	89,794
Singapore	<b>67,394</b>	68,319
Other countries	<b>110,109</b>	118,813
Gross impaired financing, advances and other financing/loans	<b>951,102</b>	760,599

**(v) Credit impaired financing, advances and other financing by economic sector**

	<b>The Group</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	<b>88,358</b>	19,049
Mining and quarrying	<b>177,264</b>	184,612
Manufacturing	<b>37,697</b>	28,146
Construction	<b>22,305</b>	26,145
Transport, storage and communications	<b>122,237</b>	124,127
Education, health and others	<b>12,581</b>	10,613
Wholesale and retail trade, and restaurants and hotels	<b>34,073</b>	16,466
Finance, insurance/takaful, real estate and business activities	<b>112,947</b>	44,369
Household	<b>291,441</b>	255,247
Others	<b>52,199</b>	51,825
	<b>951,102</b>	760,599

A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

(vi) Movements in the expected credit losses for financing, advances and other financing/loans are as follows:

	The Group			Total RM'000
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	
<b>Financing, advances and other financing/loans at amortised cost</b>				
<b>At 1 January 2019</b>	332,545	170,509	300,321	803,375
Changes in expected credit losses due to transfer within stages:	95,483	(77,682)	(17,801)	-
Transferred to stage 1	109,695	(100,650)	(9,045)	-
Transferred to stage 2	(13,981)	36,572	(22,591)	-
Transferred to stage 3	(231)	(13,604)	13,835	-
<b>Total charge to Income Statement:</b>	<b>(78,869)</b>	<b>69,974</b>	<b>68,952</b>	<b>60,057</b>
New financial assets originated	88,207	41	457	88,705
Financial assets that have been derecognised	(65,352)	(9,331)	-	(74,683)
Writeback in respect of full recoveries	-	-	(8,220)	(8,220)
Change in credit risk	(101,724)	79,264	76,715	54,255
Write-offs	-	-	(31,704)	(31,704)
Exchange fluctuation	269	187	(741)	(285)
Other movements	750	(238)	997	1,509
<b>At 31 March 2019</b>	<b>350,178</b>	<b>162,750</b>	<b>320,024</b>	<b>832,952</b>

	The Group					Total RM'000
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Individual impairment provision under MFRS 139 RM'000	Portfolio impairment provision under MFRS 139 RM'000	
<b>At 1 January 2018</b>	-	-	-	134,937	292,952	427,889
Effect of adopting MFRS 9	227,031	133,224	263,934	(134,937)	(292,952)	196,300
<b>Adjusted 1 January 2018</b>	227,031	133,224	263,934	-	-	624,189
Changes in expected credit losses due to transfer within stages:	220,297	(176,073)	(44,224)	-	-	-
Transferred to stage 1	276,077	(232,989)	(43,088)	-	-	-
Transferred to stage 2	(55,220)	123,811	(68,591)	-	-	-
Transferred to stage 3	(560)	(66,895)	67,455	-	-	-
<b>Total charge to Income Statement:</b>	<b>(123,236)</b>	<b>210,666</b>	<b>225,732</b>	<b>-</b>	<b>-</b>	<b>313,162</b>
New financial assets originated	228,339	44,036	1,125	-	-	273,500
Financial assets that have been derecognised	(138,268)	(6,461)	-	-	-	(144,729)
Writeback in respect of full recoveries	-	-	(10,351)	-	-	(10,351)
Change in credit risk	(213,307)	173,091	234,958	-	-	194,742
Write-offs	-	-	(141,185)	-	-	(141,185)
Exchange fluctuation	7,599	(3,841)	(11,105)	-	-	(7,347)
Other movements	854	6,533	7,169	-	-	14,556
<b>At 31 December 2018</b>	<b>332,545</b>	<b>170,509</b>	<b>300,321</b>	<b>-</b>	<b>-</b>	<b>803,375</b>

A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

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

Gross carrying amount movement of financing, advances and other financing at amortised cost classified as credit impaired:

	The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
<b>At 1 January 2019</b>	760,599	760,599
Transfer within stages	181,581	181,581
New financial assets originated	46,478	46,478
Write-offs	(31,704)	(31,704)
Amount fully recovered	(17,315)	(17,315)
Other changes in financing, advances and other financing/loans	22,125	22,125
Exchange fluctuation	(10,662)	(10,662)
<b>At 31 March 2019</b>	<b>951,102</b>	<b>951,102</b>

	The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	The Group Impaired financing, advances and other financing/loans under MFRS 139 RM'000	Total RM'000
<b>At 1 January 2018</b>	-	713,797	713,797
Effect of adopting MFRS 9	713,797	(713,797)	-
<b>Adjusted 1 January 2018</b>	713,797	-	713,797
Transfer within stages	260,774	-	260,774
New financial assets originated	2,576	-	2,576
Write-offs	(141,185)	-	(141,185)
Amount fully recovered	(57,250)	-	(57,250)
Other changes in financing, advances and other financing/loans	(26,075)	-	(26,075)
Exchange fluctuation	7,962	-	7,962
<b>At 31 December 2018</b>	<b>760,599</b>	-	<b>760,599</b>

	The Group 31 March 2019	31 December 2018
Ratio of credit impaired financing to total financing, advances and other financing	<b>1.09%</b>	0.90%

### A30e. DEPOSITS FROM CUSTOMERS

#### (i) By type of deposits

	The Group	
	31 March 2019 RM'000	31 December 2018 RM'000
Savings deposit	5,514,797	5,048,242
Wadiah	713,425	713,640
Mudharabah	1,050,888	904,678
Commodity Murabahah (via Tawarruq arrangement) *	3,750,484	3,429,924
Demand deposit	14,821,699	12,848,746
Wadiah	639,357	666,732
Qard	12,032,873	10,069,627
Mudharabah	122,792	116,974
Commodity Murabahah (via Tawarruq arrangement) *	2,026,677	1,995,413
Term deposit	66,751,078	64,436,553
Commodity Murabahah Deposits-i (via Tawarruq arrangement) *	33,931,585	39,946,997
Fixed Return Income Account-i (via Tawarruq arrangement)*	32,819,493	24,489,556
General investment account	5,092,603	4,392,620
Mudharabah	5,092,603	4,392,620
Specific investment account	103,287	104,791
Mudharabah	103,287	104,791
Others	21,233	20,156
Qard	21,233	20,156
	<b>92,304,697</b>	<b>86,851,108</b>

\*included Qard contract of RM405,703,000 (2018: RM633,484,000)

#### (ii) By maturity structures of term deposits, investment accounts and Islamic negotiable instruments

	The Group	
	31 March 2019 RM'000	31 December 2018 RM'000
Due within six months	62,756,590	59,824,647
Six months to one year	9,072,113	8,932,231
One year to three years	14,358	71,667
Three years to five years	78,903	80,363
More than five years	25,004	25,056
	<b>71,946,968</b>	<b>68,933,964</b>

**A30e. DEPOSITS FROM CUSTOMERS (Continued)****(iii) By type of customer**

	<b>The Group</b>	
	<b>31 March 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	4,997,172	3,827,034
Business enterprises	36,109,629	36,689,863
Individuals	33,655,669	25,430,926
Others	17,542,227	20,903,285
	<b>92,304,697</b>	<b>86,851,108</b>

**A30f. INVESTMENT ACCOUNTS OF CUSTOMERS**

	<b>The Group</b>	
	<b>31 March 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Unrestricted investment accounts (Mudharabah)		
- without maturity		
Special Mudharabah Investment Account	536,131	465,733
- with maturity		
Term Investment Account-i	250,386	1,303,537
	<b>786,517</b>	<b>1,769,270</b>

The underlying assets for the investments are hire purchase, house financing and other term financing.

**A30g. INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS**

	<b>The Group</b>	
	<b>31 March 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Restricted investment accounts		
Mudharabah	7,686,709	8,216,809
By type of counterparty		
Licensed banks	7,686,709	8,216,809

The underlying assets for the investments are deposit placement with financial institutions, syndicated term financing, revolving credit and other term financing.

**A30h. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>The Group</b>	
	<b>31 March 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers - structured investments	25,440	21,918

The Group has issued structured investments, and have designated them at fair value in accordance with MFRS 9. 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 financial liabilities designated at fair value of the Group as at 31 March 2019 was RM605,000 (2018: RM1,235,000) 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 B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

### **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 RM1.60 billion for the first quarter of 2019 (“1Q19”). The 8.0% year-on-year (“YoY”) decline was attributed to a lower operating income and a 7.5% increase in operating expenses, partially offset by a 25.2% YoY decline in loan loss provisions. Operating income was 3.2% lower YoY due to a decline in fee income and the RM152 million gain from the sale of CIMB Securities International (“CSI”) in the prior year’s corresponding period. The Group’s 1Q19 net profit was 8.7% lower YoY at RM1.19 billion, translating to a net Earnings Per Share (“EPS”) of 12.5 sen and an annualised Return On average Equity (“ROE”) of 9.2%.

Although the Group's PBT declined by 8.0% YoY to RM1.60 billion, the QoQ performance improved by 6.0%. This was achieved amid a challenging operating landscape in its key markets. The QoQ performance was supported by better operating income in 1Q19, driven by stronger performances in Thailand and Singapore. CIMB Group's ROE came in at 9.2%, and it is pleased that its CET1 strengthened to 12.8%<sup>^</sup> while loan loss charge improved to 0.34%.

#### **CIMB Group 1Q19 Y-o-Y Performance**

	<b>31 March 2019 RM'mil</b>	<b>The Group Three months ended 31 March 2018 RM'mil</b>	<b>Variance</b>	
			<b>RM'mil</b>	<b>%</b>
<b>Key Profit or Loss Items:</b>				
Operating income	4,166	4,303	(137)	(3.2)
Profit before taxation and zakat	1,603	1,743	(140)	(8.0)
Net profit for the financial period attributable to Owners of the Parent	1,192	1,306	(114)	(8.7)

CIMB Group’s 1Q19 operating income was 3.2% lower YoY at RM4.17 billion due to a 19.3% decline in non-interest income. This was attributed to the absence of the RM152 million one-off gain from the sale of 50% of CSI in 1Q18 as well as lower bancassurance and wealth management fees, partially offset by a 4.3% YoY growth in net interest income on the back of a 7.6% loans growth. Operating expenses rose 7.5% YoY from incremental investments and Forward23-related expenses, resulting in the Group’s Cost-to-Income Ratio (“CIR”) registering at 55.3% in 1Q19. With a 25.2% YoY decline in loan loss provisions, the Group’s PBT was 8.0% lower YoY at RM1.60 billion.

The Group’s Consumer Banking PBT declined 22.0% YoY in 1Q19 to RM583 million from weaker non-interest income attributed to lower bancassurance and wealth management fee income, and higher operating expenses. Commercial Banking PBT rose by 154.8% YoY to RM321 million as a result of its regional recalibration, which brought about a 6.4% YoY loan growth and 82.4% decline in provisions. PBT at the Group’s Wholesale Banking division declined 17.0% YoY to RM477 million as the improved capital market revenue was offset by increased operating expenses and higher loan provisions. Group Ventures & Partnerships and Funding (“GVPF”) is a new segment incorporating mandates for strategic platform partnerships, investments, management of digital assets and markets as well as management of the Group’s shareholders’ funds, previously known as Group Funding. GVPF PBT was 24.7% lower YoY from higher investment expenses and the absence of the RM152 million one-off gain from the sale of 50% of CSI recognised in 1Q18.

Non-Malaysia PBT contribution to the Group rose to 45% in 1Q19 compared to 28% in 1Q18 from stronger performances in Indonesia and Thailand. Indonesia’s PBT increased by 47.0% YoY to RM397 million in 1Q19 due to a 4.9% loan growth, better Net Interest Margin (“NIM”) and lower provisions. Thailand’s PBT contribution of RM159 million was 62.2% higher YoY from business improvements and lower provisions. Total PBT contribution from Singapore was 4.2% lower YoY at RM113 million mainly from the deconsolidation of the asset management business.

The Group’s total gross loans grew by 7.6% YoY while total deposits were 5.6% higher YoY. The Loan to Deposit Ratio (“LDR”) stood at 91.4%, compared to 89.7% as at end-March 2018.

The Group’s gross impairment ratio stood at 3.0% as at end-March 2019, with an allowance coverage of 103.5%. The Group’s CIR stood at 55.3% compared with 49.8% in 1Q18 from higher operating expenses and lower revenues. The Group’s NIM was lower at 2.48% due to spread compression in Malaysia and Thailand.

As at 31 March 2019, CIMB Group’s total capital ratio stood at 16.2%<sup>^</sup> while the Common Equity Tier 1 (“CET1”) capital ratio stood at 12.8%<sup>^</sup>.

<sup>^</sup> Post CIMBGH’s interim dividend, DRS, reinvestment of cash dividend surplus into CIMB Bank and includes unaudited profits

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

### CIMB Group 1Q19 Q-o-Q Performance Current quarter against preceding quarter

	The Group Quarter ended		Variance	
	31 March 2019 RM'mil	31 December 2018 RM'mil	RM'mil	%
<b>Key Profit or Loss Items:</b>				
Operating income	4,166	4,075	91	2.2
Operating expenses	(2,302)	(2,269)	(33)	1.5
Profit before taxation and zakat	1,603	1,512	91	6.0
Net profit for the financial period attributable to Owners of the Parent	1,192	1,117	75	6.7

On a quarter-on-quarter (“QoQ”) basis, 1Q19 operating income increased by 2.2% to RM4.17 billion from the 1.0% growth in net interest income and 6.0% improvement in non-interest income. Consumer Banking PBT rose 6.8% QoQ largely due to lower provisions. The 71.7% QoQ improvement in Commercial Banking PBT was attributed to operating income growth coupled with lower costs and provisions. Wholesale Banking PBT declined 12.0% QoQ as the 5.5% operating income growth was offset by higher provisions. GVPF PBT fell 6.3% as operating expenses increased 31.2%. The Group’s 1Q19 net profit was 6.7% higher QoQ mainly from better Commercial and Wholesale operating income and 11.6% lower provisions.

### CIMB Islamic

CIMB Islamic’s 1Q19 PBT increased by 19.8% YoY to RM248 million, driven by strong 16.4% operating income growth and 57.6% lower provisions. CIMB Islamic’s gross financing assets rose 16.2% YoY to RM74.0 billion, accounting for 21.1% of the Group’s total gross loans. Total deposits (including investment account) increased by 13.3% YoY to RM81.8 billion.

## B2. CORPORATE DEVELOPMENTS

### Capital Management

- On 24 April 2019, CIMB Group issued and allotted 162,964,518 new CIMB Group shares pursuant to the DRS arising from the Second Interim Dividend announcement for FY18. The new shares were listed and quoted on the Main Market of Bursa Securities on 25 April 2019.
- On 15 May 2019, CIMB Bank PLC completed a Tier 2 Subordinated Loan issuance of USD15 million, at 4.5% per annum with a maturity of 10 years callable at the end year 5. The entire Subordinated Loan was subscribed by CIMB Bank via its offshore Labuan branch.

### Mergers and Acquisitions

- On 6 June 2017, CIMB Group Sdn Bhd signed a conditional Share Purchase Agreement with China Galaxy International Financial Holdings Limited (“CGI”) for the sale of 50% interest in CIMB Securities International Pte Ltd (“CSI”). On 6 September 2017, CIMB Group Sdn Bhd signed a conditional Share Purchase Agreement to acquire 100% equity interest in Jupiter Securities for RM55 million cash. On 18 January 2018, the CSI disposal was completed for approximately SGD167 million (approximately RM500 million). On 28 September 2018, the proposed acquisition of Jupiter Securities was completed. On 18 December 2018, CIMB Group Sdn Bhd and CGI subscribed to new shares in CGS-CIMB Holdings, which will be the holding company for the Malaysia stockbroking business of the CGS-CIMB joint venture. On 9 May 2019, High Court of Malaya granted the court orders for the Proposed Business Transfer, effective 1 July 2019.
- On 23 January 2019, CIMB Group Sdn Bhd received approval from the Securities and Exchange Commission of the Philippines to establish its investment banking business via a 60:40 JV (CIMB Bancom Capital Corporation) with Bancom II Consultants, Inc. and PLP Group Holdings, Inc.
- On 23 January 2019, CIMB Group’s wholly-owned indirect subsidiary, CIG Berhad, entered into a Share Purchase Agreement to divest its entire 51% interest in CIMB Howden Insurance Brokers to HBG Malaysia Sdn Bhd for RM59.6 million. On 31 January 2019, the divestment was completed.



## **B2. CORPORATE DEVELOPMENTS**

### **Others**

- On 16 January 2019, CIMB Group announced that the President/CEO of CIMB Thai, Kittiphun Anutarasoti would take voluntary personal leave until 31 March 2019 due to personal reasons. On 4 February 2019, the Group Chief Operating Officer of CIMB Group, Omar Siddiq was appointed Acting President and CEO of CIMB Thai effective 30 January 2019. On 29 March 2019, CIMB Group announced the extension of Kittiphun Anutarasoti's voluntary personal leave until 31 May 2019. On 2 May 2019, Adisorn Sermchaiwong was appointed Acting President and CEO of CIMB Thai, replacing Omar Siddiq from 1 May 2019 to 31 May 2019. On 27 May 2019, the Group announced a further extension of Kittiphun Anutarasoti's term of voluntary personal leave until further notice.
- On 24 January 2019, CIMB Group announced the retirement of Watanan Petersik and Glenn Muhammad Surya Yusuf from the Board of Directors. On 31 January 2019, Afzal bin Abdul Rahim was appointed as Independent Director and a member of the Group's Nomination & Remuneration Committee. On 7 May 2019, Didi Syafruddin Yahya and Tongurai Limpiti were appointed as Independent Directors on the Board of Directors. On 9 May 2019, Didi Syafruddin Yahya was appointed as a member of the Nomination & Remuneration Committee.
- On 29 January 2019, Moody's reaffirmed CIMB Investment Bank's long term and short term issuer ratings at A3 and P-2 respectively. The outlook is stable.
- On 21 February 2019, CIMB Group announced the appointment of Jefferi M. Hashim as CEO of CIMB Investment Bank effective 1 March 2019, and retirement of Dato' Kong Sooi Lin effective 1 April 2019.
- On 23 April 2019, Fitch Ratings reaffirmed CIMB Niaga's long term and short term issuer default rating at BBB- and F3, long term and short term national ratings at AA+ (idn) and F1+(idn) respectively. The outlook is stable.
- On 15 May 2019, CIMB Niaga completed a Cash Dividend distribution of IDR 696,485,584,153 to all its shareholders for FY2018.

## **B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR**

The Group remains cautious on the prospects for the rest of 2019 given continued global and regional economic challenges. The Forward23 mid-term plan will drive management's focus on investing in digital transformation and growth in key markets and segments. CIMB Malaysia should maintain a steady performance with gradually improving capital markets and banking activity. Prospects for CIMB Singapore should track regional economic activity. CIMB Thai's performance will likely track balance sheet growth and improved asset quality. CIMB Niaga is expected to perform better in the second half of the year.

**B4. TAXATION AND ZAKAT**

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Major components of tax expense and zakat:				
Current tax expense	396,451	403,455	396,451	403,455
Deferred tax expense	(5,801)	5,340	(5,801)	5,340
Under/(over) provision in prior years	2,490	(6,819)	2,490	(6,819)
	<b>393,140</b>	401,976	<b>393,140</b>	401,976
Zakat	2,300	1,445	2,300	1,445
	<b>395,440</b>	403,421	<b>395,440</b>	403,421
<b>Reconciliation</b>				
Profit before taxation and zakat	1,603,126	1,742,893	1,603,126	1,742,893
Less: Share of results of joint venture	(5,066)	(3,321)	(5,066)	(3,321)
Share of results of associates	(520)	(2,472)	(520)	(2,472)
	<b>1,597,540</b>	1,737,100	<b>1,597,540</b>	1,737,100
Tax at statutory income tax rate of 24%	383,410	416,904	383,410	416,904
Effect of different tax rates in other countries and change in tax rates	(45,210)	(93,036)	(45,210)	(93,036)
Due to expenses not deductible for tax purposes and income not subject to income tax	52,450	84,927	52,450	84,927
Under/(over) provision in prior years	2,490	(6,819)	2,490	(6,819)
Tax expenses	<b>393,140</b>	401,976	<b>393,140</b>	401,976
<b>The Company</b>				
Major components of tax expense:				
Current tax expense	25	296	25	296
Deferred tax expense	-	1	-	1
	<b>25</b>	297	<b>25</b>	297
<b>Reconciliation</b>				
Profit before taxation	1,082,774	1,103,745	1,082,774	1,103,745
Tax at statutory income tax rate of 24%	259,866	264,899	259,866	264,899
Due to expenses not deductible for tax purposes and income not subject to income tax	(259,841)	(264,602)	(259,841)	(264,602)
Tax expenses	<b>25</b>	297	<b>25</b>	297

**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. BORROWINGS AND DEBT SECURITIES**

	The Group	
	31 March	31 December
	2019	2018
	RM'000	RM'000
(i) <b>Bonds, sukuk and debentures</b>		
<b>Unsecured</b>		
One year or less (short term)		
- USD	2,452,844	-
- AUD	293,888	294,339
- IDR	458,608	457,161
- THB	430,555	385,540
- HKD	800,961	812,232
- CNY	157,721	154,843
More than one year (medium/long term)		
- USD	4,238,217	5,976,483
- RM	4,140,414	4,112,392
- HKD	456,092	457,700
- IDR	1,066,852	1,064,491
	<b>14,496,152</b>	13,715,181

**B6. BORROWINGS AND DEBT SECURITIES (Continued)**

	The Group		The Company	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
<b>(ii) Other borrowing</b>				
<b>Unsecured</b>				
One year or less (short term)				
- USD	1,430,795	990,170	-	-
- RM	354,524	350,856	354,524	350,856
- IDR	33,026	31,315	-	-
- THB	38,505	95,530	-	-
More than one year (medium/long term)				
- RM	3,027,564	3,027,671	3,002,554	3,002,670
- USD	3,690,549	4,791,356	-	-
- IDR	32,435	19,742	-	-
	<b>8,607,398</b>	<b>9,306,640</b>	<b>3,357,078</b>	<b>3,353,526</b>
<b>(iii) Subordinated obligations</b>				
<b>Unsecured</b>				
One year or less (short term)				
- RM	2,102,147	2,080,940	1,405,116	1,380,276
More than one year (medium/long term)				
- RM	10,982,325	10,901,292	8,524,157	8,461,535
- IDR	501,262	500,040	-	-
	<b>13,585,734</b>	<b>13,482,272</b>	<b>9,929,273</b>	<b>9,841,811</b>

**B7. 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.

**B8. 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 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Net profit for the financial period after non-controlling interests	1,192,042	1,305,874	1,192,042	1,305,874
Weighted average number of ordinary shares in issue ('000)	9,564,455	9,225,543	9,564,455	9,225,543
Basic earnings per share (expressed in sen per share)	12.46	14.15	12.46	14.15

**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.