

CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	The Group		The Company	
		31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
ASSETS					
Cash and short-term funds	A8	38,932,992	39,563,368	253,722	344,603
Reverse repurchase agreements		6,338,795	6,832,920	-	-
Deposits and placements with banks and other financial institutions	A8	4,186,843	3,562,564	17,883	-
Financial investments at fair value through profit or loss	A9	48,583,413	42,713,133	-	-
Debt instruments at fair value through other comprehensive income	A10	49,842,891	47,725,782	3,227,283	3,246,974
Equity instruments at fair value through other comprehensive income	A11	304,916	308,971	-	-
Debt instruments at amortised cost	A12	56,087,122	56,128,085	6,726,386	6,701,694
Derivative financial instruments	A26	14,578,790	16,008,365	-	-
Loans, advances and financing	A13	353,701,097	353,915,966	-	-
Other assets	A14	14,458,187	14,103,938	83,459	83,516
Tax recoverable		468,396	714,620	184,282	184,023
Deferred tax assets		1,533,327	1,039,057	-	-
Statutory deposits with central banks		3,158,159	4,411,589	-	-
Amount due from a subsidiary		-	-	14	12
Investment in subsidiaries		-	-	32,572,250	32,468,575
Investment in associates and joint ventures		3,735,979	2,496,523	-	-
Property, plant and equipment		2,143,242	2,366,359	4,425	4,573
Right-of-use assets		707,101	669,221	600	603
Investment properties		41,000	41,000	360	363
Goodwill		7,737,318	7,758,423	-	-
Intangible assets		2,022,466	1,986,610	-	-
		608,562,034	602,346,494	43,070,664	43,034,936
Non-current assets held for sale		4,202	8,405	-	-
TOTAL ASSETS		608,566,236	602,354,899	43,070,664	43,034,936
LIABILITIES AND EQUITY					
Deposits from customers	A15	403,509,150	403,050,637	-	-
Investment accounts of customers	A16	3,033,161	2,678,870	-	-
Deposits and placements of banks and other financial institutions	A17	35,657,228	31,791,245	-	-
Repurchase agreements/Collateralised commodity murabahah		29,095,746	28,146,581	-	-
Financial liabilities designated at fair value through profit or loss	A18	3,917,332	4,016,930	-	-
Derivative financial instruments	A26	13,130,643	16,340,770	-	-
Bills and acceptances payable		2,321,609	2,209,716	-	-
Other liabilities	A19	20,000,855	18,456,349	7,763	6,647
Lease liabilities		582,545	543,224	-	-
Recourse obligation on loans and financing sold to Cagamas		2,100,514	2,110,668	-	-
Amount due to subsidiaries		-	-	283	427
Provision for taxation and zakat		206,146	120,999	-	-
Deferred tax liabilities		35,792	35,881	374	374
Bonds, Sukuk and debentures	B5(i)	12,605,226	12,463,964	-	-
Other borrowings	B5(ii)	10,966,480	10,405,959	4,723,904	4,708,893
Subordinated obligations	B5(iii)	12,842,384	12,808,510	10,990,374	10,916,708
		550,004,811	545,180,303	15,722,698	15,633,049
Non-current liabilities held for sale		64	474	-	-
TOTAL LIABILITIES		550,004,875	545,180,777	15,722,698	15,633,049
Ordinary share capital		25,843,808	25,843,808	25,843,808	25,843,808
Reserves		31,527,205	30,082,439	1,504,201	1,558,122
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(43)	(43)	(43)
		57,370,407	55,925,641	27,347,966	27,401,887
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		990,954	1,048,481	-	-
TOTAL EQUITY		58,561,361	57,174,122	27,347,966	27,401,887
TOTAL EQUITY AND LIABILITIES		608,566,236	602,354,899	43,070,664	43,034,936
COMMITMENTS AND CONTINGENCIES	A27 (a)	1,235,454,943	1,123,995,768	-	-
Net assets per share attributable to owners of the Parent (RM)		5.78	5.64	2.76	2.76

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Note	The Group			
		1st quarter ended		Three months ended	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	3,885,620	4,672,790	3,885,620	4,672,790
Interest income for financial assets at fair value through profit or loss	A20(b)	145,366	200,572	145,366	200,572
Interest expense	A21	(1,333,101)	(2,300,577)	(1,333,101)	(2,300,577)
Net interest income (before net modification gain)		2,697,885	2,572,785	2,697,885	2,572,785
Net modification gain	A22	4,287	-	4,287	-
Net interest income (after net modification gain)		2,702,172	2,572,785	2,702,172	2,572,785
Income from Islamic Banking operations	A31(c)	898,271	792,243	898,271	792,243
Net non-interest income	A23	1,200,673	778,001	1,200,673	778,001
Gain on disposal and deemed disposal of subsidiaries	A5	4,801,116 1,155,549	4,143,029 -	4,801,116 1,155,549	4,143,029 -
Overheads	A24	5,956,665 (2,338,385)	4,143,029 (2,318,450)	5,956,665 (2,338,385)	4,143,029 (2,318,450)
Profit before expected credit losses		3,618,280	1,824,579	3,618,280	1,824,579
Expected credit losses on loans, advances and financing	A25(a)	(715,686)	(967,590)	(715,686)	(967,590)
Expected credit losses made for commitments and contingencies		(22,654)	(51,666)	(22,654)	(51,666)
Other expected credit losses and impairment allowances made	A25(b)	(17,427)	(109,428)	(17,427)	(109,428)
Share of results of joint ventures		2,862,513	695,895	2,862,513	695,895
Share of results of associates		35,198 28	18,455 (386)	35,198 28	18,455 (386)
Profit before taxation and zakat		2,897,739	713,964	2,897,739	713,964
Taxation and zakat	B3	(422,850)	(215,208)	(422,850)	(215,208)
Profit for the financial period		2,474,889	498,756	2,474,889	498,756
Profit for the financial period attributable to :					
Owners of the Parent		2,457,233	507,925	2,457,233	507,925
Non-controlling interests		17,656	(9,169)	17,656	(9,169)
		2,474,889	498,756	2,474,889	498,756
Earnings per share (sen):					
- Basic	B7(a)	24.76	5.12	24.76	5.12
- Fully diluted	B7(b)	N/A	N/A	N/A	N/A

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

CIMB GROUP HOLDINGS BERHAD
 (Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2021

	The Group			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	2,474,889	498,756	2,474,889	498,756
Other comprehensive expense:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation	526	1,946	526	1,946
- Actuarial gain	26	-	26	-
- Currency translation difference	500	1,946	500	1,946
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(10,297)	(17,218)	(10,297)	(17,218)
- Net loss from change in fair value attributable to own credit risk	(10,443)	(17,080)	(10,443)	(17,080)
- Currency translation difference	146	(138)	146	(138)
Equity instruments at fair value through other comprehensive income	3,265	(26,239)	3,265	(26,239)
- Net gain/(loss) from change in fair value	3,305	(23,100)	3,305	(23,100)
- Income tax effects	2,608	(74)	2,608	(74)
- Currency translation difference	(2,648)	(3,065)	(2,648)	(3,065)
	(6,506)	(41,511)	(6,506)	(41,511)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(1,052,617)	(547,061)	(1,052,617)	(547,061)
- Net loss from change in fair value	(1,109,217)	(529,695)	(1,109,217)	(529,695)
- Realised gain transferred to statement of income on disposal	(161,944)	(145,968)	(161,944)	(145,968)
- Changes in expected credit losses	(15,077)	22,382	(15,077)	22,382
- Income tax effects	231,246	90,148	231,246	90,148
- Currency translation difference	2,375	16,072	2,375	16,072
Net investment hedge	(164,522)	(234,129)	(164,522)	(234,129)
Hedging reserve - cash flow hedge	2,076	(5,293)	2,076	(5,293)
- Net gain/(loss) from change in fair value	3,044	(4,956)	3,044	(4,956)
- Income tax effects	(968)	(337)	(968)	(337)
Deferred hedging cost	1,599	14,985	1,599	14,985
- Net gain from change in fair value	2,109	14,985	2,109	14,985
- Income tax effects	(510)	-	(510)	-
Exchange fluctuation reserve	177,576	(1,318,588)	177,576	(1,318,588)
Share of other comprehensive income/(expense) of associates and joint ventures	1,217	(23,994)	1,217	(23,994)
	(1,034,671)	(2,114,080)	(1,034,671)	(2,114,080)
Total other comprehensive expense for the financial period, net of tax	(1,041,177)	(2,155,591)	(1,041,177)	(2,155,591)
Total comprehensive income/(expense) for the financial period	1,433,712	(1,656,835)	1,433,712	(1,656,835)
Total comprehensive income/(expense) for the financial period attributable to:				
Owners of the Parent	1,444,242	(1,544,265)	1,444,242	(1,544,265)
Non-controlling interests	(10,530)	(112,570)	(10,530)	(112,570)
	1,433,712	(1,656,835)	1,433,712	(1,656,835)

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

CIMB GROUP HOLDINGS BERHAD
 (Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Note	The Company			
		1st quarter ended		Three months ended	
		31 March	31 March	31 March	31 March
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	109,278	111,054	109,278	111,054
Interest expense	A21	(152,689)	(166,548)	(152,689)	(166,548)
Net interest expense		(43,411)	(55,494)	(43,411)	(55,494)
Net non-interest income	A23	52,232	1,295,965	52,232	1,295,965
Overheads	A24	8,821 (6,034)	1,240,471 (4,482)	8,821 (6,034)	1,240,471 (4,482)
Profit before expected credit losses		2,787	1,235,989	2,787	1,235,989
Other expected credit losses and impairment allowances written back/(made)	A25(b)	4,408	(45,289)	4,408	(45,289)
Profit before taxation		7,195	1,190,700	7,195	1,190,700
Taxation	B3	(191)	(1,743)	(191)	(1,743)
Profit for the financial period		7,004	1,188,957	7,004	1,188,957

CIMB GROUP HOLDINGS BERHAD
 (Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	The Company				
	1st quarter ended		Three months ended		
	31 March	31 March	31 March	31 March	
	2021	2020	2021	2020	
		RM'000	RM'000	RM'000	RM'000
Profit for the financial period		7,004	1,188,957	7,004	1,188,957
Other comprehensive (expense)/income:					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Debt instruments at fair value through other comprehensive income		(60,925)	9,066	(60,925)	9,066
- Net loss from change in fair value		(59,587)	(3,535)	(59,587)	(3,535)
- Changes in expected credit losses		(1,338)	12,601	(1,338)	12,601
Other comprehensive (expense)/income		(60,925)	9,066	(60,925)	9,066
Total comprehensive (expense)/income for the financial period		(53,921)	1,198,023	(53,921)	1,198,023

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

CIMB GROUP HOLDINGS BERHAD
 (Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

Attributable to owners of the Parent

The Group
31 March 2021

	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								
At 1 January 2021	25,843,808	148,117	207,419	421,265	(563)	(43)	465,293	(248,084)	(1,171,120)	75,612	233,441	29,950,496	55,925,641	200,000	1,048,481	57,174,122
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	2,457,233	2,457,233	-	17,656	2,474,889
Other comprehensive (expense)/income (net of tax)	-	(6)	-	183,850	-	-	(1,028,911)	3,139	(171,148)	85	-	-	(1,012,991)	-	(28,186)	(1,041,177)
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	(1,028,914)	-	-	-	-	-	(1,028,914)	-	(23,703)	(1,052,617)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	3,139	-	-	-	-	3,139	-	126	3,265
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	(9,765)	-	-	-	(9,765)	-	(532)	(10,297)
- net investment hedge	-	-	-	-	-	-	-	-	(164,522)	-	-	-	(164,522)	-	-	(164,522)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	2,294	-	-	-	2,294	-	(218)	2,076
- deferred hedging cost	-	-	-	-	-	-	-	-	1,599	-	-	-	1,599	-	-	1,599
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	500	-	-	-	500	-	26	526
- currency translation difference	-	-	-	181,783	-	-	-	-	(408)	86	-	-	181,461	-	(3,885)	177,576
- share of other comprehensive (expense)/income of associates and joint ventures	-	(6)	-	2,067	-	-	3	-	(846)	(1)	-	-	1,217	-	-	1,217
Total comprehensive (expense)/income for the financial period	-	(6)	-	183,850	-	-	(1,028,911)	3,139	(171,148)	85	-	2,457,233	1,444,242	-	(10,530)	1,433,712
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	-	(105,467)	105,467	-	-	-	-
Disposal and deemed disposal of subsidiaries	-	-	-	(34)	-	-	-	-	-	(2,858)	-	-	(2,892)	-	(46,890)	(49,782)
Share-based payment expense	-	-	-	-	-	-	-	-	-	14,764	-	-	14,764	-	-	14,764
Shares released under employee benefit schemes	-	-	-	-	-	-	-	-	45,489	(42,581)	-	-	2,908	-	(107)	2,801
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(14,256)	-	-	-	(14,256)	-	-	(14,256)
At 31 March 2021	25,843,808	148,111	207,419	605,081	(563)	(43)	(563,618)	(244,945)	(1,311,035)	45,022	127,974	32,513,196	57,370,407	200,000	990,954	58,561,361

* The regulatory reserve is maintained to meet the local regulatory requirement of the foreign branch's general provision and the Malaysian subsidiary of the Group.

CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

← Attributable to owners of the Parent →

The Group
31 March 2020

	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								
At 1 January 2020	25,843,808	130,901	137,104	1,071,570	(563)	(43)	170,758	(231,725)	(1,230,508)	75,905	2,133,166	28,136,798	56,237,171	200,000	1,031,905	57,469,076
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	507,925	507,925	-	(9,169)	498,756
Other comprehensive (expense)/income (net of tax)	-	(356)	-	(1,241,396)	-	-	(539,095)	(26,331)	(243,167)	(1,851)	6	-	(2,052,190)	-	(103,401)	(2,155,591)
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	(539,093)	-	-	-	-	-	(539,093)	-	(7,968)	(547,061)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(26,331)	-	-	-	-	(26,331)	-	92	(26,239)
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	(17,218)	-	-	-	(17,218)	-	-	(17,218)
- net investment hedge	-	-	-	-	-	-	-	-	(234,129)	-	-	-	(234,129)	-	-	(234,129)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(5,293)	-	-	-	(5,293)	-	-	(5,293)
- deferred hedging cost	-	-	-	-	-	-	-	-	14,985	-	-	-	14,985	-	-	14,985
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	1,946	-	-	-	1,946	-	-	1,946
- currency translation difference	-	(298)	-	(1,220,791)	-	-	-	-	(123)	(1,851)	-	-	(1,223,063)	-	(95,525)	(1,318,588)
- share of other comprehensive (expense)/ income of associate and joint venture	-	(58)	-	(20,605)	-	-	(2)	-	(3,335)	-	6	-	(23,994)	-	-	(23,994)
Total comprehensive (expense)/income for the financial period	-	(356)	-	(1,241,396)	-	-	(539,095)	(26,331)	(243,167)	(1,851)	6	507,925	(1,544,265)	-	(112,570)	(1,656,835)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,194)	(1,194)
Transfer to statutory reserve	-	2,795	-	-	-	-	-	-	-	-	-	(2,795)	-	-	-	-
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	-	(2,133,172)	2,133,172	-	-	-	-
Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,161)	(1,161)
Share-based payment expense	-	-	-	-	-	-	-	-	-	17,580	-	-	17,580	-	-	17,580
Shares released under employee benefit schemes	-	-	-	-	-	-	-	-	22,065	(36,332)	-	-	(14,267)	-	-	(14,267)
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	2,318	-	-	-	(2,318)	-	-	-	-
At 31 March 2020	25,843,808	133,340	137,104	(169,826)	(563)	(43)	(368,337)	(255,738)	(1,451,610)	55,302	-	30,772,782	54,696,219	200,000	916,980	55,813,199

* The regulatory reserve held against expected losses is reduced to 0% a Covid-19 related measure to drawdown prudential buffers as permitted by BNM.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020

CIMB GROUP HOLDINGS BERHAD
 (Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 31 MARCH 2021

	← Non-distributable →			→	Distributable	
	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	Total RM'000
The Company						
At 1 January 2021	25,843,808	55,982	(43)	103,514	1,398,626	27,401,887
Profit for the financial period	-	-	-	-	7,004	7,004
Other comprehensive expense (net of tax)	-	-	-	(60,925)	-	(60,925)
- Debt instruments at fair value through other comprehensive income	-	-	-	(60,925)	-	(60,925)
Total comprehensive (expense)/income for the financial period	-	-	-	(60,925)	7,004	(53,921)
At 31 March 2021	25,843,808	55,982	(43)	42,589	1,405,630	27,347,966

	← Non-distributable →			→	Distributable	
	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	Total RM'000
The Company						
At 1 January 2020	25,843,808	55,982	(43)	101,432	1,042,263	27,043,442
Profit for the financial period	-	-	-	-	1,188,957	1,188,957
Other comprehensive income (net of tax)	-	-	-	9,066	-	9,066
- Debt instruments at fair value through other comprehensive income	-	-	-	9,066	-	9,066
Total comprehensive income for the financial period	-	-	-	9,066	1,188,957	1,198,023
At 31 March 2020	25,843,808	55,982	(43)	110,498	2,231,220	28,241,465

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	The Group		The Company	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Profit before taxation and zakat	2,897,739	713,964	7,195	1,190,700
Adjustments for non-operating and non-cash items	(1,052,094)	2,193,565	42,967	103,559
Operating profit before changes in working capital	1,845,645	2,907,529	50,162	1,294,259
Net changes in operating assets	(4,018,120)	(1,387,351)	750,021	45,550
Net changes in operating liabilities	7,767,961	8,512,043	1,529	(647)
	3,749,841	7,124,692	751,550	44,903
Cash flows generated from operations	5,595,486	10,032,221	801,712	1,339,162
Taxation paid	(344,147)	(494,117)	(451)	(1,776)
Net cash flows generated from operating activities	5,251,339	9,538,104	801,261	1,337,386
Net cash flows used in investing activities	(3,867,273)	(2,103,460)	(810,246)	(102,036)
Net cash flows used in financing activities	(7,114)	(4,654,347)	(64,013)	(223,601)
Net increase/(decrease) in cash and cash equivalents during the financial period	1,376,952	2,780,297	(72,998)	1,011,749
Effects of exchange rate changes	314,638	(1,063,914)	-	-
Cash and short-term funds at beginning of the financial period	39,563,368	37,765,092	344,603	370,546
	41,254,958	39,481,475	271,605	1,382,295
Monies held in trust	(619,779)	(769,497)	-	-
Cash and cash equivalents at end of the financial period	40,635,179	38,711,978	271,605	1,382,295
Cash and cash equivalents comprise:				
Cash and short-term funds	38,932,992	39,622,916	253,722	1,364,763
Deposits and placements with banks and other financial institutions	4,186,843	5,989,986	17,883	17,532
	43,119,835	45,612,902	271,605	1,382,295
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(1,864,877)	(6,131,427)	-	-
Monies held in trust	(619,779)	(769,497)	-	-
Cash and cash equivalents at end of financial period	40,635,179	38,711,978	271,605	1,382,295

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

(a) The unaudited condensed interim financial statements for the financial period ended 31 March 2021 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 2020. 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 2020.

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 2020, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2021:

- Amendments to MFRS 16 “COVID-19 Related Rent Concessions” (1 June 2020)
- Interest rate benchmark reform-Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)(1 January 2021)

The adoption of the above amendments to published standards did not give rise to material financial impact to the Group except for Interest rate benchmark reform-Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16) where the Group is still in the midst of assessing the impact of the above amendments to published standards.

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.

(b) The Covid-19 pandemic is expected to persist in 2021, although global and regional economies are projected to recover meaningfully on the back of positive developments of the Covid-19 vaccines and the various stimulus measures undertaken by respective governments.

Financial institutions continue to provide economic stimulus and loan repayment programs, as economic headwinds remain within the uncertain environment. Respective central banks are implementing fiscal measures to address market disruptions and disparities.

The Group has been supporting customers impacted by the economic downturn over the past year and continues to provide targeted assistance programs particularly to those within the directly impacted sectors.

The Group will continuously assess the extent of the impact of the Covid-19 pandemic given the potential disruptions from its possible resurgence.

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 other than those disclosed under the basis of preparation.

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 2021:-

(a) On 5 March 2021, the Company announced that it will seek its shareholders' approval at its 64th 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 15 April 2021.

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

(c) 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 RM18.0 million.

(d) On 27 April 2021, CIMB Bank issued USD20.0 million 5-year fixed rate notes under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 1.60% per annum payable semi-annually, will mature on 27 April 2026 (subject to adjustment in accordance with the modified following business day convention).

(e) On 5 May 2021, CIMB Bank issued HKD610 million 3-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 0.88% per annum payable annually, will mature on 5 May 2024 (subject to adjustment in accordance with the modified following business day convention).

(f) On 25 May 2021, CIMBGH redeemed its existing RM1.0 billion Additional Tier 1 Capital securities issued from the RM10 billion AT1 Capital Securities Programme on the first optional redemption date.

(g) On 25 May 2021, CIMB Bank redeemed its existing RM1.0 billion Additional Tier 1 Capital securities issued from the RM10 billion AT1 Capital Securities Programme on the first optional redemption date.

A4. DIVIDENDS PAID

A single-tier interim dividend of 4.81 sen per ordinary share, on 9,922,966,350 ordinary shares amounting to RM477,294,681 in respect of the financial year ended 31 December 2020 was approved by the Board of Directors on 24 February 2021. The dividend consists of an electible portion of 4.81 sen which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Scheme ("DRS"). Following the completion of DRS, a total cash dividend of RM110,599,172 was paid on 22 April 2021.

A5. STATUS OF CORPORATE PROPOSAL

(a) On 27 January 2021, Bow Wave Capital Management ("Bow Wave"), a New York-based investment firm had completed the subscription of new ordinary shares in TNGD, a subsidiary of TnG. Following the investment by Bow Wave, TNG's shareholding in TNGD will dilute from 51.0% to approximately 47.0%. Consequently, TnGD will cease to become a subsidiary of TnG and cease to become an indirect subsidiary of the Group.

(b) On 4 February 2021, CIMB Group Sdn Bhd ("CIMBG"), a direct subsidiary of CIMBGH, has completed its disposal of 100% equity interest in CIMB Southeast Asia Research Sdn Bhd ("CARI").

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 2021 and the date of this announcement, other than those disclosed under Issuance and Repayment of Debts and Equity Securities.

A8. CASH AND SHORT-TERM FUNDS AND DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

As at 31 March 2021, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM2,448,000 (2020: RM2,357,000) and RM36,000 (2020: RM78,000) respectively. The 12-month expected credit losses written back in the income statement during the financial period is amounting to RM30,000 (2020: RM38,000).

A9. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 March 2021 RM'000	31 December 2020 RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	1,633,673	1,653,243
Cagamas bonds	935,229	862,050
Khazanah bonds	62,422	62,457
Malaysian Government treasury bills	551,629	289,567
Bank Negara Malaysia monetary notes	2,399,575	-
Negotiable instruments of deposit	4,988,570	2,650,577
Other Government securities	7,026,105	7,448,307
Government Investment Issues	1,348,016	1,113,392
Other Government treasury bills	13,619,920	12,082,414
Commercial papers	4,276,539	4,086,026
Promissory Notes	447,923	433,546
	37,289,601	30,681,579
Quoted securities:		
<i><u>In Malaysia:</u></i>		
Shares	907,856	1,161,338
<i><u>Outside Malaysia:</u></i>		
Shares	198,409	138,069
	1,106,265	1,299,407
Unquoted securities:		
<i><u>In Malaysia:</u></i>		
Corporate bond and Sukuk	2,063,779	1,956,881
Shares	959,488	959,488
Unit trusts	115,171	99,549
<i><u>Outside Malaysia:</u></i>		
Corporate bond	4,040,498	5,142,453
Private equity and unit trusts funds	275,338	266,273
Other Government bonds	2,733,273	2,307,503
	10,187,547	10,732,147
	48,583,413	42,713,133

A10. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Company	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Fair value				
Money market instruments:				
Unquoted				
Malaysian Government Securities	4,556,666	4,347,217	-	-
Cagamas bonds	121,596	212,655	-	-
Negotiable instruments of deposit	591,199	572,682	-	-
Other Government securities	4,888,373	3,609,745	-	-
Government investment Issues	4,558,967	2,863,367	-	-
Commercial Papers	24,959	41,866	-	-
	14,741,760	11,647,532	-	-
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bond and Sukuk	18,480,896	17,893,352	3,227,283	3,246,974
<i>Outside Malaysia:</i>				
Corporate bond and Sukuk	8,839,585	9,325,010	-	-
Bank Indonesia certificates	41,476	140,513	-	-
Other Government bonds	7,739,173	8,719,374	-	-
Unit trusts	1	1	-	-
	35,101,131	36,078,250	3,227,283	3,246,974
	49,842,891	47,725,782	3,227,283	3,246,974

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			Total RM'000
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	
	RM'000	RM'000	RM'000	
At 1 January 2021	40,076	24,223	20,849	85,148
Total charge to Income Statement:	(14,062)	(1,015)	-	(15,077)
New financial assets purchased	20,540	-	-	20,540
Financial assets that have been derecognised	(20,208)	(855)	-	(21,063)
Change in credit risk	(14,394)	(160)	-	(14,554)
Exchange fluctuation	13,620	214	-	13,834
At 31 March 2021	39,634	23,422	20,849	83,905
At 1 January 2020	27,447	179	21,030	48,656
Changes in expected credit losses due to transfer within stages:	(1)	1	-	-
Transferred to Stage 1	141	(141)	-	-
Transferred to Stage 2	(142)	142	-	-
Total charge to Income Statement:	12,808	25,495	(181)	38,122
New financial assets purchased	93,180	-	-	93,180
Financial assets that have been derecognised	(5,701)	(77)	-	(5,778)
Change in credit risk	(74,671)	25,572	(181)	(49,280)
Exchange fluctuation	(178)	(1,452)	-	(1,630)
At 31 December 2020	40,076	24,223	20,849	85,148

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)

The Company

	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
At 1 January 2021	25,947	-	-	25,947
Total charge to Income Statement:	(1,338)	-	-	(1,338)
Change in credit risk	(1,338)	-	-	(1,338)
At 31 March 2021	24,609	-	-	24,609
At 1 January 2020	25,269	-	-	25,269
Total charge to Income Statement:	678	-	-	678
Change in credit risk	678	-	-	678
At 31 December 2020	25,947	-	-	25,947

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

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	20,849	20,849
Other changes in debt instruments	-	-
At 31 March 2021	20,849	20,849
At 1 January 2020	21,030	21,030
Other changes in debts instruments	(181)	(181)
At 31 December 2020	20,849	20,849

A11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group	
	31 March 2021 RM'000	31 December 2020 RM'000
Quoted securities		
<i>In Malaysia</i>		
Shares	31,099	30,745
<i>Outside Malaysia</i>		
Shares	2,043	2,012
Unit trust	5,309	5,178
	38,451	37,935
Unquoted securities		
<i>In Malaysia</i>		
Shares	241,290	252,380
Property funds	187	187
<i>Outside Malaysia</i>		
Shares	11,772	10,010
Private equity funds and unit trusts funds	13,216	8,459
	266,465	271,036
	304,916	308,971

A12. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Company	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Money market instruments:				
Unquoted				
Malaysian Government securities	7,250,552	7,143,519	-	-
Cagamas bonds	111,327	110,960	-	-
Other Government treasury bills	3,667,141	2,735,065	-	-
Other Government securities	1,981,252	2,240,121	-	-
Malaysian Government investment issue	15,797,078	15,739,078	-	-
Khazanah bonds	235,345	401,316	-	-
Negotiable instruments of deposit	200,076	193,005	-	-
	29,242,771	28,563,064	-	-
Unquoted securities				
<i>In Malaysia</i>				
Corporate bond and Sukuk	18,191,099	18,817,337	6,778,338	6,756,716
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	3,813,076	4,048,298	-	-
Bank Indonesia certificates	104,683	162,769	-	-
Other Government bonds	5,141,455	5,137,278	-	-
	27,250,313	28,165,682	6,778,338	6,756,716
Total	56,493,084	56,728,746	6,778,338	6,756,716
Amortisation of premium, net of accretion of discount	58,641	155,828	-	-
Less : Expected credit losses	(464,603)	(756,489)	(51,952)	(55,022)
	56,087,122	56,128,085	6,726,386	6,701,694

Expected credit losses movement for debt instruments at amortised cost:

	The Group			
	12-month expected credit losses	Lifetime expected credit losses - not credit impaired	Lifetime expected credit losses - Credit impaired	Total
	(Stage 1)	(Stage 2)	(Stage 3)	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	9,096	735,922	11,471	756,489
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 2	(93)	93	-	-
Total charge to Income Statement:	404	(2,065)	-	(1,661)
New financial assets purchased	1,395	-	-	1,395
Financial assets that have been derecognised	(26)	-	-	(26)
Change in credit risk	(965)	(2,065)	-	(3,030)
Exchange fluctuation	38	-	(4)	34
Other movements	-	(290,259)	-	(290,259)
At 31 March 2021	9,445	443,691	11,467	464,603
At 1 January 2020	9,884	55,355	11,613	76,852
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 2	(5,430)	5,430	-	-
Total charge to Income Statement:	17,457	675,137	-	692,594
New financial assets purchased	6,581	-	-	6,581
Financial assets that have been derecognised	(287)	-	-	(287)
Change in credit risk	11,163	675,137	-	686,300
Exchange fluctuation	(12,815)	-	(142)	(12,957)
At 31 December 2020	9,096	735,922	11,471	756,489

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) 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
At 1 January 2021	55,022	-	-	55,022
Total charge to Income Statement:	(3,070)	-	-	(3,070)
Change in credit risk	(3,070)	-	-	(3,070)
At 31 March 2021	51,952	-	-	51,952
At 1 January 2020	65,524	-	-	65,524
Total charge to Income Statement:	(10,502)	-	-	(10,502)
Change in credit risk	(10,502)	-	-	(10,502)
At 31 December 2020	55,022	-	-	55,022

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

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	11,471	11,471
Exchange fluctuation	(4)	(4)
At 31 March 2021	11,467	11,467
At 1 January 2020	11,613	11,613
Exchange fluctuation	(142)	(142)
At 31 December 2020	11,471	11,471

A13. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	31 March 2021	31 December 2020
	RM'000	RM'000
At amortised cost		
Overdrafts	4,859,356	4,861,624
Term loans/financing		
- Housing loans/financing	114,939,984	113,351,042
- Syndicated term loans	16,603,339	16,162,906
- Hire purchase receivables	24,056,807	24,285,568
- Lease receivables	182,033	182,150
- Factoring receivables	4,293	3,594
- Other term loans/financing	148,551,586	149,553,388
Bills receivable	7,854,425	7,062,222
Trust receipts	2,202,638	2,151,261
Claims on customers under acceptance credits	3,620,872	3,369,336
Staff loans *	1,599,048	1,559,344
Credit card receivables	8,129,967	8,402,871
Revolving credits	33,510,278	34,134,850
Share margin financing	54,763	54,010
Gross loans, advances and financing at amortised cost	366,169,389	365,134,166
Fair value changes arising from fair value hedges	(6,769)	6,497
	366,162,620	365,140,663
Less:		
- Expected credit losses	(12,854,922)	(11,934,932)
	(12,854,922)	(11,934,932)
Net loans, advances and financing at amortised cost	353,307,698	353,205,731
At fair value through profit or loss		
Term loans/financing		
- Syndicated term loan	393,399	710,235
	393,399	710,235
Total net loans, advances and financing	353,701,097	353,915,966
Total Gross loans, advances and financing:		
- At amortised cost	366,169,389	365,134,166
- At fair value through profit or loss	393,399	710,235
	366,562,788	365,844,401

* Included in staff loans of the Group are loans to Directors amounting to RM3,181,433 (2020: RM4,041,922).

(a) Included in the Group's loans, advances and financing balances are RM26,218,000 (2020: RM26,839,000) 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 RM395,720,000 (2020: RM392,508,000), using interest rate swaps.

(c) Included in the loans, advances and financing of the Group at 31 March 2021 are financing which are disclosed as "Restricted Agency Investment Account" ("RAIA") in the financial statements of CIMB Islamic amounting to RM5,779,643,000 (2020: RM5,030,980,000). 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 2021	31 December 2020
	RM'000	RM'000
Domestic banking institutions	614,549	804,586
Domestic non-bank financial institutions		
- stockbroking companies	110,026	139,043
- others	5,613,541	5,956,144
Domestic business enterprises		
- small medium enterprises	49,475,327	49,710,154
- others	62,263,908	60,886,556
Government and statutory bodies	8,070,576	8,053,764
Individuals	190,784,032	190,815,561
Other domestic entities	10,097,417	9,950,233
Foreign entities	39,533,412	39,528,360
Gross loans, advances and financing	366,562,788	365,844,401

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

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	3,990,869	4,027,481
- Hire-purchase receivables	18,825,368	18,852,955
- Other fixed rate loans	35,133,402	36,132,877
Variable rate		
- BLR plus/BFR plus	128,702,596	129,644,383
- Cost plus	50,983,514	50,761,558
- Other variable rates	128,927,039	126,425,147
Gross loans, advances and financing	366,562,788	365,844,401

(iv) By economic purpose

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Personal use	20,729,654	20,851,531
Credit card	8,129,967	8,402,871
Purchase of consumer durables	176,002	154,415
Construction	14,693,002	14,813,140
Residential property (Housing)	115,750,207	114,174,338
Non-residential property	30,808,471	30,268,939
Purchase of fixed assets other than land and building	12,491,489	12,880,836
Mergers and acquisitions	2,972,047	3,089,307
Purchase of securities	23,443,193	24,712,110
Purchase of transport vehicles	24,012,240	24,262,083
Working capital	80,940,069	81,372,027
Other purposes	32,416,447	30,862,804
Gross loans, advances and financing	366,562,788	365,844,401

(v) By geographical distribution

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Malaysia	229,131,652	226,808,035
Indonesia	53,434,855	53,791,508
Thailand	32,760,317	34,193,244
Singapore	30,437,908	29,661,648
United Kingdom	4,741,109	4,887,590
Hong Kong	1,199,900	1,467,910
China	4,142,466	4,065,305
Other countries	10,714,581	10,969,161
Gross loans, advances and financing	366,562,788	365,844,401

(vi) By economic sector

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Primary agriculture	12,560,599	12,414,462
Mining and quarrying	5,345,885	4,727,278
Manufacturing	26,658,685	26,359,046
Electricity, gas and water supply	5,536,496	5,593,468
Construction	13,396,470	13,864,622
Transport, storage and communications	9,934,684	9,630,242
Education, health and others	15,821,298	15,890,873
Wholesale and retail trade, and restaurants and hotels	32,284,315	31,938,904
Finance, insurance/takaful, real estate and business activities	47,080,368	47,144,075
Household	179,905,877	179,953,874
Others	18,038,111	18,327,557
Gross loans, advances and financing	366,562,788	365,844,401

A13. LOANS, ADVANCES AND FINANCING (Continued)
(vii) By residual contractual maturity

	The Group	
	31 March 2021 RM'000	31 December 2020 RM'000
Within one year	85,572,646	84,796,499
One year to less than three years	29,529,339	31,196,200
Three years to less than five years	31,811,088	29,310,907
Five years and more	219,649,715	220,540,795
Gross loans, advances and financing	366,562,788	365,844,401

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

	The Group	
	31 March 2021 RM'000	31 December 2020 RM'000
Personal use	464,533	529,728
Credit card	195,036	141,049
Purchase of consumer durables	898	737
Construction	1,451,328	1,472,079
Residential property (Housing)	1,910,764	2,257,797
Non-residential property	491,466	544,050
Purchase of fixed assets other than land and building	1,156,359	1,170,038
Mergers and acquisitions	320,847	310,512
Purchase of securities	185,949	289,926
Purchase of transport vehicles	221,314	253,514
Working capital	5,355,838	5,231,998
Other purpose	857,038	825,631
Gross credit impaired loans, advances and financing	12,611,370	13,027,059

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

	The Group	
	31 March 2021 RM'000	31 December 2020 RM'000
Malaysia	4,926,179	5,586,430
Indonesia	4,323,426	4,090,533
Thailand	1,740,866	1,766,911
Singapore	1,468,858	1,424,273
United Kingdom	6,700	9,618
Hong Kong	2,764	3,167
China	13,988	15,311
Other countries	128,589	130,816
Gross credit impaired loans, advances and financing	12,611,370	13,027,059

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

	The Group	
	31 March 2021 RM'000	31 December 2020 RM'000
Primary agriculture	125,482	123,808
Mining and quarrying	756,860	765,199
Manufacturing	2,270,096	2,116,127
Electricity, gas and water supply	250,247	257,463
Construction	269,850	290,279
Transport, storage and communications	1,447,833	1,429,520
Education, health and others	215,244	210,998
Wholesale and retail trade, and restaurants and hotels	3,093,295	3,123,828
Finance, insurance/takaful, real estate and business activities	1,043,335	1,012,592
Household	2,693,665	3,252,921
Others	445,463	444,324
Gross credit impaired loans, advances and financing	12,611,370	13,027,059

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
<u>Loans, advances and financing at amortised cost</u>					
At 1 January 2021	2,284,597	2,789,443	6,857,633	3,259	11,934,932
Changes in expected credit losses due to transfer within stages:	196,892	(114,684)	(82,208)	-	-
Transferred to Stage 1	400,125	(359,476)	(40,649)	-	-
Transferred to Stage 2	(198,922)	490,356	(291,434)	-	-
Transferred to Stage 3	(4,311)	(245,564)	249,875	-	-
Total charge to Income Statement:	(107,408)	506,897	516,996	-	916,485
New financial assets originated	215,775	16,884	43,021	-	275,680
Financial assets that have been derecognised	(175,518)	(192,816)	-	-	(368,334)
Writeback in respect of full recoveries	-	-	(49,543)	-	(49,543)
Change in credit risk	(147,665)	682,829	523,518	-	1,058,682
Write-offs	(10)	(60)	(431,835)	-	(431,905)
Exchange fluctuation	8,831	6,680	55,670	(42)	71,139
Other movements	1,381	353,606	9,284	-	364,271
At 31 March 2021	2,384,283	3,541,882	6,925,540	3,217	12,854,922

A13. LOANS, ADVANCES AND FINANCING (Continued)

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

	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
Loans, advances and financing at amortised cost					
At 1 January 2020	1,905,723	1,814,592	5,436,768	2,748	9,159,831
Changes in expected credit losses due to transfer within stages:	(251,612)	(229,003)	480,615	-	-
Transferred to Stage 1	904,885	(757,647)	(147,238)	-	-
Transferred to Stage 2	(1,146,027)	1,595,287	(449,260)	-	-
Transferred to Stage 3	(10,470)	(1,066,643)	1,077,113	-	-
Total charge to Income Statement:	1,041,172	1,182,839	3,642,446	574	5,867,031
New financial assets originated	707,835	84,707	131,001	-	923,543
Financial assets that have been derecognised	(470,951)	(162,785)	-	-	(633,736)
Writeback in respect of full recoveries	-	-	(191,185)	-	(191,185)
Change in credit risk	804,288	1,260,917	3,702,630	574	5,768,409
Write-offs	(665)	(728)	(2,390,047)	-	(2,391,440)
Disposal of loans, advances and financing	-	-	(361,487)	-	(361,487)
Exchange fluctuation	(402,521)	21,922	(40,373)	(63)	(421,035)
Other movements	(7,500)	(179)	89,711	-	82,032
At 31 December 2020	2,284,597	2,789,443	6,857,633	3,259	11,934,932

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	
	At 1 January 2021	13,019,243	7,816	13,027,059
	Transfer within stages	192,458	-	192,458
New financial assets originated	114,274	-	114,274	
Write-offs	(432,286)	-	(432,286)	
Amount fully recovered	(247,166)	-	(247,166)	
Other changes in loans, advances and financing	(115,050)	(4)	(115,054)	
Exchange fluctuation	72,185	(100)	72,085	
At 31 March 2021	12,603,658	7,712	12,611,370	

	The Group			
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000	
	At 1 January 2020	11,335,824	8,024	11,343,848
	Transfer within stages	5,621,052	-	5,621,052
New financial assets originated	449,831	-	449,831	
Write-offs	(2,390,544)	-	(2,390,544)	
Amount fully recovered	(681,932)	-	(681,932)	
Other changes in loans, advances and financing	(893,801)	(28)	(893,829)	
Disposal of loans, advances and financing	(431,602)	-	(431,602)	
Exchange fluctuation	10,415	(180)	10,235	
At 31 December 2020	13,019,243	7,816	13,027,059	

	The Group	
	31 March 2021	31 December 2020
Ratio of credit impaired loans to total loans, advances and financing	3.44%	3.56%

A14. OTHER ASSETS

	The Group		The Company	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
Due from brokers	7,071	16,498	-	-
Other debtors net of expected credit losses, deposits and prepayments	4,927,502	4,086,157	83,459	83,516
Settlement accounts	269,562	2,147,072	-	-
Treasury related receivables	3,178,923	1,206,091	-	-
Due from joint ventures	1,918,796	1,815,458	-	-
Structured financing	655,395	677,899	-	-
Foreclosed assets net of allowance for impairment losses	223,846	212,891	-	-
Collateral pledged for derivative transactions	3,251,612	3,916,392	-	-
Deferred consideration	25,480	25,480	-	-
	14,458,187	14,103,938	83,459	83,516

A15. DEPOSITS FROM CUSTOMERS

	The Group	
	31 March 2021 RM'000	31 December 2020 RM'000
<u>By type of deposit</u>		
Demand deposits	105,790,266	102,464,353
Savings deposits	67,913,559	66,289,180
Fixed deposits	151,027,928	156,085,535
Negotiable instruments of deposit	409,174	199,022
Others	78,368,223	78,012,547
	403,509,150	403,050,637
<u>By type of customer</u>		
Government and statutory bodies	14,193,397	13,374,541
Business enterprises	131,350,815	128,933,199
Individuals	178,245,931	182,755,722
Others	79,719,007	77,987,175
	403,509,150	403,050,637

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

Due within six months	123,036,969	130,126,679
Six months to less than one year	27,810,755	25,689,520
One year to less than three years	499,728	380,773
Three years to less than five years	89,638	87,585
	151,437,102	156,284,557

A16. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	31 March 2021 RM'000	31 December 2020 RM'000
Unrestricted investment accounts	3,033,161	2,678,870

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	31 March 2021	31 December 2020
	RM'000	RM'000
Licensed banks	29,424,277	25,865,604
Licensed finance companies	2,247,245	2,138,885
Licensed investment banks	31,421	23,761
Bank Negara Malaysia	638,275	671,953
Other financial institutions	3,316,010	3,091,042
	35,657,228	31,791,245

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

Due within six months	33,712,047	29,166,993
Six months to less than one year	149,222	1,806,872
One year to less than three years	1,014,040	-
Three years to less than five years	154,433	155,517
Five years and more	627,486	661,863
	35,657,228	31,791,245

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

	The Group	
	31 March 2021	31 December 2020
	RM'000	RM'000
Deposits from customers - structured investments	34,687	134,285
Debentures	1,072,150	1,072,150
Bills payables	2,810,495	2,810,495
	3,917,332	4,016,930

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 financial liabilities designated at fair value of the Group at 31 March 2021 were RM10,312,000 lower (2020: RM479,000 higher) than the contractual amount at maturity for the structured investments, RM3,875,000 lower (2020: RM1,611,000 higher) than the contractual amount at maturity for the debentures and RM440,900,000 (2020: RM520,836,000) higher than the contractual amount at maturity for the bills payable.

A19. OTHER LIABILITIES

	The Group		The Company	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Due to brokers	19,130	9,856	-	-
Expenditure payable	1,789,878	2,305,158	6,945	5,829
Provision for legal claims	56,585	52,069	-	-
Sundry creditors	2,021,282	1,266,006	818	818
Treasury related payables	4,627,029	2,957,041	-	-
Structured deposits	6,442,552	5,920,785	-	-
Post employment benefit obligations	523,881	492,882	-	-
Credit card expenditure payable	147,447	158,023	-	-
Collateral received for derivative transactions	2,131,959	2,888,876	-	-
Expected credit losses for loan commitments and financial guarantee contracts	(a) 700,906	668,621	-	-
Prepayment	533,726	694,863	-	-
Others	1,006,480	1,042,169	-	-
	20,000,855	18,456,349	7,763	6,647

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
At 1 January 2021	364,382	137,978	166,261	668,621
Changes in expected credit losses due to transfer within stages:	39,135	(24,385)	(14,750)	-
Transferred to Stage 1	46,083	(35,288)	(10,795)	-
Transferred to Stage 2	(6,792)	16,507	(9,715)	-
Transferred to Stage 3	(156)	(5,604)	5,760	-
Total charge to Income Statement:	(37,153)	56,252	3,555	22,654
New exposures	50,267	1,616	801	52,684
Exposures derecognised or matured	(32,438)	(5,487)	(264)	(38,189)
Change in credit risk	(54,982)	60,123	3,018	8,159
Exchange fluctuation	959	17	(1,176)	(200)
Other movements	217	9,479	135	9,831
At 31 March 2021	367,540	179,341	154,025	700,906

	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
At 1 January 2020	304,686	43,046	150,660	498,392
Changes in expected credit losses due to transfer within stages:	19,652	(23,675)	4,023	-
Transferred to Stage 1	131,745	(84,651)	(47,094)	-
Transferred to Stage 2	(76,584)	93,955	(17,371)	-
Transferred to Stage 3	(35,509)	(32,979)	68,488	-
Total charge to Income Statement:	65,140	113,048	13,332	191,520
New exposures	302,168	41,662	40,124	383,954
Exposures derecognised or matured	(188,462)	(34,426)	(42,326)	(265,214)
Change in credit risk	(48,566)	105,812	15,534	72,780
Exchange fluctuation	(24,234)	7,776	(1,899)	(18,357)
Other movements	(862)	(2,217)	145	(2,934)
At 31 December 2020	364,382	137,978	166,261	668,621

As At 31 March 2021, the gross exposures of loan commitments and financial guarantee contracts that are credit impaired is RM262,144,000 (2020: RM294,844,000) .

A20(a). INTEREST INCOME

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Loans, advances and financing				
- Interest income	2,967,871	3,813,912	2,967,871	3,813,912
- Unwinding income [^]	34,050	52,745	34,050	52,745
Money at call and deposit placements with financial institutions	78,851	164,047	78,851	164,047
Reverse repurchase agreements	29,717	53,341	29,717	53,341
Debt instruments at fair value through other comprehensive income	414,254	288,566	414,254	288,566
Debt instruments at amortised cost	437,236	301,962	437,236	301,962
Equity instruments at fair value through other comprehensive income	-	1,266	-	1,266
Others	45	4	45	4
	3,962,024	4,675,843	3,962,024	4,675,843
Accretion of discounts, net of amortisation of premiums	(76,404)	(3,053)	(76,404)	(3,053)
	3,885,620	4,672,790	3,885,620	4,672,790
The Company				
Money at call and deposit placements with financial institutions	1,150	2,611	1,150	2,611
Debt instruments at fair value through other comprehensive income	39,896	33,408	39,896	33,408
Debt instruments at amortised cost	68,231	75,035	68,231	75,035
	109,277	111,054	109,277	111,054
Accretion of discounts, net of amortisation of premiums	1	-	1	-
	109,278	111,054	109,278	111,054

[^] Included in 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
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Financial investments at fair value through profit or loss	175,038	137,144	175,038	137,144
Loan, advances and financing at fair value through profit or loss	3,930	9,547	3,930	9,547
	178,968	146,691	178,968	146,691
Accretion of discounts, net of amortisation of premiums	(33,602)	53,881	(33,602)	53,881
	145,366	200,572	145,366	200,572

A21. INTEREST EXPENSE

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits and placements of banks and other financial institutions	54,161	101,410	54,161	101,410
Deposits from customers	881,313	1,606,949	881,313	1,606,949
Repurchase agreements	79,598	67,529	79,598	67,529
Bonds, sukuk and debentures	71,070	162,086	71,070	162,086
Subordinated obligations	121,793	164,739	121,793	164,739
Financial liabilities designated at fair value through profit or loss	7,233	13,033	7,233	13,033
Negotiable certificates of deposits	1,919	11,174	1,919	11,174
Other borrowings	49,062	74,355	49,062	74,355
Recourse obligation on loan and financing sold to Cagamas	12,486	27,778	12,486	27,778
Structured deposits	44,178	58,208	44,178	58,208
Lease liabilities	5,647	8,496	5,647	8,496
Others	4,641	4,820	4,641	4,820
	1,333,101	2,300,577	1,333,101	2,300,577
The Company				
Subordinated obligations	120,048	129,995	120,048	129,995
Other borrowings	32,641	36,553	32,641	36,553
	152,689	166,548	152,689	166,548

A22. MODIFICATION LOSS

In light of the Covid-19 outbreak, BNM and Ministry of Finance introduced several relief measures to assist customer/ borrowers. These measures aim to ensure that the financial intermediation function of the financial sector remains intact, access to financial continues to be available, and banking institutions remain focused on supporting the economy during these exceptional circumstances.

Modification loss is the Day-1 loss arising from granting the payment relief on all loans/ financing repayment.

A23. NET NON-INTEREST INCOME

	1st quarter ended		Three months ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
The Group				
(a) Net fee income and commission income:				
Commissions	402,523	314,354	402,523	314,354
Fee on loans, advances and financing	95,018	131,115	95,018	131,115
Service charges and fees	105,957	154,182	105,957	154,182
Corporate advisory and arrangement fees	6,218	3,440	6,218	3,440
Guarantee fees	21,067	19,540	21,067	19,540
Other fee income	55,862	46,991	55,862	46,991
Placement fees	2,002	2,683	2,002	2,683
Underwriting commission	11,190	21,877	11,190	21,877
Fee and commission income	699,837	694,182	699,837	694,182
Fee and commission expense	(121,645)	(193,608)	(121,645)	(193,608)
Net fee and commission income	578,192	500,574	578,192	500,574
(b) Gross dividend income from:				
<u>In Malaysia</u>				
- Financial investments at fair value through profit or loss	14,518	9,215	14,518	9,215
<u>Outside Malaysia</u>				
- Equity instruments at fair value through other comprehensive income	314	8	314	8
	14,832	9,223	14,832	9,223
(c) Net loss arising from financial investments at fair value through profit or loss	(756,258)	(638,684)	(756,258)	(638,684)
- realised	(86,494)	(16,810)	(86,494)	(16,810)
- unrealised	(669,764)	(621,874)	(669,764)	(621,874)
(d) Net gain arising from derivative financial instruments	1,945,386	1,411,380	1,945,386	1,411,380
- realised	494,530	274,577	494,530	274,577
- unrealised	1,450,856	1,136,803	1,450,856	1,136,803
(e) Net gain/(loss) arising from financial liability designated at fair value through profit or loss	104,282	(89,015)	104,282	(89,015)
- realised	(11,125)	(5,367)	(11,125)	(5,367)
- unrealised	115,407	(83,648)	115,407	(83,648)
(f) Net gain/(loss) arising from hedging activities	2,919	(7,964)	2,919	(7,964)
(g) Net gain from sale of investment in debt instruments at fair value through other comprehensive income	129,537	108,068	129,537	108,068
(h) Net gain arising from loans, advances and financing at fair value through profit or loss:				
gain/(loss)	487	356	487	356
(i) Income from assets management and securities services	5,545	3,532	5,545	3,532
(j) Brokerage income	578	946	578	946
(k) Other non-interest income:				
Foreign exchange loss	(852,577)	(534,849)	(852,577)	(534,849)
Rental income	5,752	8,394	5,752	8,394
Gain on disposal of property, plant and equipment/ assets held for sale	3,056	3,952	3,056	3,952
Loss on disposal of foreclosed assets	(2,890)	(1,765)	(2,890)	(1,765)
Other non-operating income	21,832	3,853	21,832	3,853
	(824,827)	(520,415)	(824,827)	(520,415)
	1,200,673	778,001	1,200,673	778,001

A23. NET NON-INTEREST INCOME (CONTINUED)

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Company				
(a) Gross dividend income from:				
<u>In Malaysia</u>				
- Subsidiaries	50,820	1,295,104	50,820	1,295,104
(b) Other non-interest income:				
Foreign exchange gain	355	784	355	784
Rental income	77	77	77	77
Other non-operating income	980	-	980	-
	1,412	861	1,412	861
	52,232	1,295,965	52,232	1,295,965

A24. OVERHEADS

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonus	1,063,949	1,071,301	1,063,949	1,071,301
- Pension cost	120,704	113,582	120,704	113,582
- Overtime	3,634	7,348	3,634	7,348
- Staff incentives and other staff payments	137,414	71,172	137,414	71,172
- Medical expenses	21,777	26,182	21,777	26,182
- Others	71,813	61,464	71,813	61,464
	1,419,291	1,351,049	1,419,291	1,351,049
Establishment costs				
- Depreciation of property, plant and equipment	69,431	70,444	69,431	70,444
- Depreciation of right-of-use assets	58,621	67,473	58,621	67,473
- Amortisation of intangible assets	98,750	80,398	98,750	80,398
- Rental	46,352	36,106	46,352	36,106
- Repair and maintenance	177,632	150,511	177,632	150,511
- Outsourced services	13,914	14,350	13,914	14,350
- Security expenses	31,117	26,934	31,117	26,934
- Others	41,492	50,576	41,492	50,576
	537,309	496,792	537,309	496,792
Marketing expenses				
- Advertisement	27,708	81,188	27,708	81,188
- Others	2,982	15,081	2,982	15,081
	30,690	96,269	30,690	96,269
Administration and general expenses				
- Legal and professional fees	49,833	67,435	49,833	67,435
- Stationery	6,023	8,512	6,023	8,512
- Communication	24,380	37,066	24,380	37,066
- Incidental expenses on banking operations	13,580	11,666	13,580	11,666
- Insurance	64,953	84,841	64,953	84,841
- Others	192,326	164,820	192,326	164,820
	351,095	374,340	351,095	374,340
	2,338,385	2,318,450	2,338,385	2,318,450

A24. OVERHEADS (CONTINUED)

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Company				
Establishment costs				
- Depreciation of property, plant and equipment	148	152	148	152
- Depreciation of investment properties	5	5	5	5
- Depreciation of right-of-use assets	3	3	3	3
- Others	20	18	20	18
	176	178	176	178
Administration and general expenses				
- Legal and professional fees	1,514	818	1,514	818
- Insurance	869	1,539	869	1,539
- Others	3,475	1,947	3,475	1,947
	5,858	4,304	5,858	4,304
	6,034	4,482	6,034	4,482

A25(a). EXPECTED CREDIT LOSSES ON LOANS, ADVANCES AND FINANCING

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses on loans, advances and financing at amortised cost	916,485	1,112,174	916,485	1,112,174
Credit impaired loans, advances and financing:				
- recovered	(202,906)	(147,385)	(202,906)	(147,385)
- written off	2,107	2,801	2,107	2,801
	715,686	967,590	715,686	967,590

A25(b). OTHER EXPECTED CREDIT LOSSES AND IMPAIRMENT ALLOWANCES

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Other expected credit losses and impairment allowances made:				
- Debt instrument at fair value through other comprehensive income	(15,077)	22,382	(15,077)	22,382
- Debt instrument at amortised cost	(1,661)	17,392	(1,661)	17,392
- Money at call and deposits and placements with banks and other financial institutions	(30)	(38)	(30)	(38)
- Other assets	34,195	69,692	34,195	69,692
	17,427	109,428	17,427	109,428
The Company				
Other expected credit losses and impairment allowances (written back)/made:				
- Debt instrument at fair value through other comprehensive income	(1,338)	12,601	(1,338)	12,601
- Debt instrument at amortised cost	(3,070)	32,688	(3,070)	32,688
	(4,408)	45,289	(4,408)	45,289

A26. 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.

	The Group		
	Principal	Fair values	
	amount	Assets	Liabilities
At 31 March 2021	RM'000	RM'000	RM'000
<u>Trading derivatives</u>			
<u>Foreign exchange derivatives</u>			
Currency forward	45,196,160	684,336	(390,197)
- Less than 1 year	41,218,310	560,690	(218,802)
- 1 year to 3 years	2,723,539	78,264	(82,738)
- More than 3 years	1,254,311	45,382	(88,657)
Currency swaps	420,441,880	4,907,738	(4,467,058)
- Less than 1 year	417,442,097	4,855,859	(4,434,091)
- 1 year to 3 years	2,758,190	50,929	(22,964)
- More than 3 years	241,593	950	(10,003)
Currency spot	6,346,357	6,224	(5,253)
- Less than 1 year	6,346,357	6,224	(5,253)
Currency options	10,524,019	257,372	(294,523)
- Less than 1 year	6,049,664	112,528	(122,743)
- 1 year to 3 years	1,853,204	86,927	(109,323)
- More than 3 years	2,621,151	57,917	(62,457)
Cross currency interest rate swaps	98,936,986	2,226,205	(2,078,421)
- Less than 1 year	28,532,619	512,055	(663,059)
- 1 year to 3 years	32,514,535	792,751	(546,278)
- More than 3 years	37,889,832	921,399	(869,084)
	581,445,402	8,081,875	(7,235,452)
<u>Interest rate derivative</u>			
Interest rate swaps	475,459,425	4,996,225	(4,434,839)
- Less than 1 year	177,089,881	497,280	(527,427)
- 1 year to 3 years	137,002,134	1,230,218	(1,327,541)
- More than 3 years	161,367,410	3,268,727	(2,579,871)
Interest rate futures	9,749,764	24,459	(11,290)
- Less than 1 year	6,391,788	21,780	(9,271)
- 1 year to 3 years	2,645,678	734	(2,019)
- More than 3 years	712,298	1,945	-
Interest rate options	7,300	-	(46)
- Less than 1 year	7,300	-	(46)
	485,216,489	5,020,684	(4,446,175)
<u>Equity related derivatives</u>			
Equity futures	8,920	85	(3)
- Less than 1 year	8,920	85	(3)
Index futures	34,914	230	(527)
- Less than 1 year	34,914	230	(527)
Equity options	3,232,188	188,097	(81,657)
- Less than 1 year	2,973,239	180,996	(79,454)
- 1 year to 3 years	169,805	5,188	(290)
- More than 3 years	89,144	1,913	(1,913)
Equity swaps	205,927	3,706	(29,475)
- Less than 1 year	40,387	1,401	(3,350)
- 1 year to 3 years	18,265	2,232	(897)
- More than 3 years	147,275	73	(25,228)
	3,481,949	192,118	(111,662)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 March 2021	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Commodity related derivatives</u>			
Commodity swaps	764,220	118,691	(100,162)
- Less than 1 year	742,855	117,181	(98,612)
- 1 year to 3 years	21,365	1,510	(1,550)
Commodity futures	194,729	10,136	(10,148)
- Less than 1 year	194,729	10,136	(10,148)
Commodity options	4,693,041	449,905	(444,765)
- Less than 1 year	4,693,041	449,905	(444,765)
	5,651,990	578,732	(555,075)
<u>Credit related contract</u>			
Credit default swaps	3,206,406	44,498	(33,729)
- Less than 1 year	62,269	143	-
- 1 year to 3 years	318,221	2,756	(664)
- More than 3 years	2,825,916	41,599	(33,065)
Total return swaps	26,025	-	(1,450)
- Less than 1 year	5,525	-	(247)
- More than 3 years	20,500	-	(1,203)
	3,232,431	44,498	(35,179)
<u>Bond contract</u>			
Bond Forward	2,904,619	175,587	(173,792)
- Less than 1 year	1,126,146	43,407	(97,574)
- 1 year to 3 years	1,109,330	53,733	(65,945)
- More than 3 years	669,143	78,447	(10,273)
	2,904,619	175,587	(173,792)
<u>Hedging derivatives</u>			
Interest rate swaps	24,197,001	457,187	(392,488)
- Less than 1 year	6,639,753	75,370	(44,046)
- 1 year to 3 years	7,534,270	136,215	(85,678)
- More than 3 years	10,022,978	245,602	(262,764)
Currency forward	3,540	-	(4)
- Less than 1 year	3,540	-	(4)
Currency swaps	3,339,848	14,375	(54,176)
- Less than 1 year	3,339,848	14,375	(54,176)
Cross currency interest rate swaps	3,060,613	13,734	(126,640)
- Less than 1 year	1,047,639	10,154	(77,240)
- 1 year to 3 years	542,111	2,474	(9,742)
- More than 3 years	1,470,863	1,106	(39,658)
	30,601,002	485,296	(573,308)
Total derivative assets/(liabilities)	1,112,533,882	14,578,790	(13,130,643)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2020	The Group		
	Principal amount	Fair values	
	RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	41,186,689	320,615	(968,711)
- Less than 1 year	36,620,159	242,362	(833,533)
- 1 year to 3 years	3,373,897	63,970	(74,125)
- More than 3 years	1,192,633	14,283	(61,053)
Currency swaps	338,308,769	4,133,064	(4,423,256)
- Less than 1 year	335,046,694	4,100,434	(4,359,984)
- 1 year to 3 years	2,968,017	32,483	(56,313)
- More than 3 years	294,058	147	(6,959)
Currency spot	2,584,689	2,472	(3,392)
- Less than 1 year	2,584,689	2,472	(3,392)
Currency options	9,830,683	256,190	(271,938)
- Less than 1 year	5,879,981	103,493	(121,918)
- 1 year to 3 years	2,036,085	98,823	(99,316)
- More than 3 years	1,914,617	53,874	(50,704)
Cross currency interest rate swaps	92,817,949	3,602,989	(3,027,157)
- Less than 1 year	24,226,805	893,823	(665,679)
- 1 year to 3 years	30,090,562	1,111,117	(990,401)
- More than 3 years	38,500,582	1,598,049	(1,371,077)
	484,728,779	8,315,330	(8,694,454)
<u>Interest rate derivative</u>			
Interest rate swaps	463,734,769	6,360,401	(5,846,830)
- Less than 1 year	185,658,690	606,088	(622,753)
- 1 year to 3 years	130,806,893	1,530,814	(1,459,581)
- More than 3 years	147,269,186	4,223,499	(3,764,496)
Interest rate futures	10,195,263	2,327	(16,454)
- Less than 1 year	10,195,263	2,327	(16,454)
Interest rate options	7,085	-	(67)
- Less than 1 year	7,085	-	(67)
	473,937,117	6,362,728	(5,863,351)
<u>Equity related derivatives</u>			
Equity futures	30,563	215	-
- Less than 1 year	30,563	215	-
Index futures	11,286	-	(285)
- Less than 1 year	11,286	-	(285)
Equity options	2,749,143	171,471	(133,985)
- Less than 1 year	2,396,904	163,002	(129,811)
- 1 year to 3 years	265,695	6,618	(2,323)
- More than 3 years	86,544	1,851	(1,851)
Equity swaps	223,354	3,995	(27,065)
- 1 year to 3 years	60,033	3,991	(2,964)
- More than 3 years	163,321	4	(24,101)
	3,014,346	175,681	(161,335)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2020	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Commodity related derivatives</u>			
Commodity swaps	865,341	106,541	(87,016)
- Less than 1 year	796,501	97,197	(74,962)
- 1 year to 3 years	68,840	9,344	(12,054)
Commodity futures	241,897	9,896	(18,472)
- Less than 1 year	241,897	9,896	(18,472)
Commodity options	5,710,668	395,693	(384,511)
- Less than 1 year	5,707,845	394,172	(383,204)
- 1 year to 3 years	2,823	1,521	(1,307)
	6,817,906	512,130	(489,999)
<u>Credit related contract</u>			
Credit default swaps	2,584,541	40,193	(40,167)
- Less than 1 year	60,270	280	-
- 1 year to 3 years	297,064	3,115	(525)
- More than 3 years	2,227,207	36,798	(39,642)
Total return swaps	26,275	-	(2,242)
- Less than 1 year	5,525	-	(218)
- More than 3 years	20,750	-	(2,024)
	2,610,816	40,193	(42,409)
Bond contract			
Bond forward	3,164,544	9,606	(397,770)
- Less than 1 year	1,164,037	61	(164,155)
- 1 year to 3 years	1,381,984	7,208	(203,226)
- More than 3 years	618,523	2,337	(30,389)
<u>Hedging derivatives</u>			
Interest rate swaps	21,925,876	467,034	(589,848)
- Less than 1 year	3,805,462	51,583	(12,388)
- 1 year to 3 years	8,791,102	180,680	(127,783)
- More than 3 years	9,329,312	234,771	(449,677)
Currency forward	7,133	-	(230)
- Less than 1 year	7,133	-	(230)
Currency swaps	2,322,131	78,907	(45,156)
- Less than 1 year	2,322,131	78,907	(45,156)
Cross currency interest rate swaps	1,497,779	46,756	(56,218)
- Less than 1 year	451,459	6,837	-
- 1 year to 3 years	119,800	617	(2,070)
- More than 3 years	926,520	39,302	(54,148)
	25,752,919	592,697	(691,452)
Total derivative assets/(liabilities)	1,000,026,427	16,008,365	(16,340,770)

A26. 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 2021, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM14,578,790,000 (2020: RM16,008,365,000). 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 2021, the Group has posted cash collateral of RM3,251,612,000 (2020: RM3,916,392,000) 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 2020 and the Risk Management section of the 2020 Annual Report.

A27. COMMITMENTS AND CONTINGENCIES

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

	31 March 2021 Principal Amount RM'000	31 December 2020 Principal Amount RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	7,183,731	7,054,851
Certain transaction-related contingent items	7,146,287	7,557,071
Short-term self-liquidating trade-related contingencies	2,827,666	2,763,854
Irrevocable commitments to extend credit		
- maturity not exceeding one year	72,692,470	72,322,919
- maturity exceeding one year	32,265,827	31,691,945
Miscellaneous commitments and contingencies	805,080	2,578,701
Total credit-related commitments and contingencies	122,921,061	123,969,341
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	503,980,074	407,139,051
- one year to five years	64,454,500	63,857,426
- more than five years	19,414,829	17,559,345
	587,849,403	488,555,822
<u>Interest rate related contracts</u>		
- less than one year	190,128,722	199,666,500
- one year to five years	252,414,083	233,544,980
- more than five years	66,870,685	62,651,513
	509,413,490	495,862,993
<u>Equity related contracts</u>		
- less than one year	3,057,460	2,438,753
- one year to five years	335,345	476,829
- more than five years	89,144	98,764
	3,481,949	3,014,346
<u>Credit related contracts</u>		
- less than one year	67,794	65,795
- one year to five years	1,649,685	1,867,323
- more than five years	1,514,952	677,698
	3,232,431	2,610,816
<u>Commodity related contracts</u>		
- less than one year	5,630,625	6,746,243
- one year to five years	21,365	71,663
	5,651,990	6,817,906
<u>Bond contracts</u>		
- less than one year	1,126,146	1,164,037
- one year to five years	1,748,473	1,970,507
- more than five years	30,000	30,000
	2,904,619	3,164,544
Total treasury-related commitments and contingencies	1,112,533,882	1,000,026,427
	1,235,454,943	1,123,995,768
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	3,000,000	3,700,000

A28. 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 9 December 2020. The revised guidelines took effect on 9 December 2020 for all banking institutions and financial holding companies and sets up the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

On 5 February 2020, BNM issued the policy document on Domestic Systemically Important Banks (D-SIB) Framework, which sets out BNM’s assessment methodology to identify D-SIBs in Malaysia, following which CIMB Group Holdings Berhad has been identified as a D-SIB. A D-SIB is required to maintain additional capital buffers to regulatory capital requirements that include a higher loss absorbency (HLA) requirement which came into effect on 31 January 2021. The applicable HLA requirements will be in accordance to the list of D-SIBs published and updated by BNM on an annual basis.

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 3 May 2019.

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 Advanced IRB approach and non-retail exposures on Foundation IRB approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on 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. SorNorSor. 12/2555 Re: Regulations on Supervision of Capital for 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 Otoritas Jasa Keuangan (OJK)’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.

The 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 41/2016/TT-NHNN (dated 30 December 2016), which requires banks and branches of foreign banks to maintain the minimum CAR at 8% which covers credit, market and operational risk.

A28. CAPITAL ADEQUACY (Continued)

31 March 2021

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

	The Group
Common equity tier 1 ratio	12.054%
Tier 1 ratio	13.328%
Total capital ratio	<u>16.209%</u>

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

	The Group RM'000
Credit risk ⁽¹⁾	276,773,747
Market risk	21,427,253
Large exposure risk requirements	837,083
Operational risk	31,572,129
Total risk-weighted assets	<u>330,610,212</u>

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

	The Group RM'000
Under Restricted Agency Investment Account arrangement	<u>326,101</u>

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

	The Group RM'000
Common Equity Tier I capital	
Ordinary share capital	25,843,808
Other reserves	28,486,605 *
Qualifying non-controlling interests	470,159
Common Equity Tier I capital before regulatory adjustments	<u>54,800,572</u>
<u>Less: Regulatory adjustments</u>	
Goodwill	(7,737,318)
Intangible assets	(2,022,466)
Deferred tax assets	(1,497,535)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(3,585,666)
Regulatory reserve	(127,974)
Others	22,299
Common Equity Tier I capital after regulatory adjustments	<u>39,851,912</u>
Additional Tier I capital	
Perpetual subordinated capital securities	4,150,000
Qualifying capital instruments held by third parties	63,527
	<u>4,213,527</u>
<u>Less: Regulatory adjustments</u>	
Investments in own Additional Tier 1 capital instruments	(2,450)
Additional Tier I capital after regulatory adjustments	<u>4,211,077</u>
Total Tier I capital	<u>44,062,989</u>

A28. CAPITAL ADEQUACY (Continued)

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

	The Group RM'000
Tier II capital	
Subordinated notes	6,700,000
Qualifying capital instruments held by third parties	951,831
Surplus eligible provisions over expected loss	651,835
General provisions [√]	<u>1,221,447</u>
Tier II capital before regulatory adjustments	<u>9,525,113</u>
<u>Less: Regulatory adjustments</u>	
Investments in own Tier II capital instruments	<u>-</u>
Total Tier II capital	<u>9,525,113</u>
Total capital	<u>53,588,102</u>

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

	CIMB Bank Group	CIMB Bank **	CIMB Islamic Bank	CIMB Investment Bank Group	CIMB Thai Bank	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	12.801%	12.297%	11.970%	91.878%	14.080%	20.283%	N/A	N/A
Tier 1 ratio	14.022%	13.890%	12.700%	91.878%	14.080%	20.283%	N/A	N/A
Total capital ratio	<u>17.593%</u>	<u>17.598%</u>	<u>15.113%</u>	<u>91.878%</u>	<u>19.717%</u>	<u>21.393%</u>	<u>18.486%</u>	<u>61.729%</u>

* Includes the proposed single-tier second interim dividend of RM477 million in respect of the financial year ended 31 December 2020 which was paid on 22 April 2021.

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

[√] Total Capital of CIMB Group as at 31 March 2021 has excluded general provisions restricted from Tier II capital of RM536 million.

A28. CAPITAL ADEQUACY (Continued)**31 December 2020**

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

	The Group
Before deducting proposed dividend	
Common equity tier 1 ratio	13.315%
Tier 1 ratio	14.634%
Total capital ratio	<u>17.624%</u>
After deducting proposed dividend	
Common equity tier 1 ratio	13.167%
Tier 1 ratio	14.486%
Total capital ratio	<u>17.476%</u>

The Group implemented a Dividend Reinvestment Scheme ("DRS") for the single-tier interim dividend in respect of the financial year ended 31 December 2020, 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:

	The Group RM'000
Credit risk ⁽¹⁾	271,321,905
Market risk	19,145,332
Large exposure risk requirements	910,107
Operational risk	<u>31,233,381</u>
Total risk-weighted assets	<u>322,610,725</u>

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

	The Group RM'000
Under Restricted Agency Investment Account arrangement	<u>209,266</u>

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

	The Group RM'000
Common Equity Tier I capital	
Ordinary share capital	25,843,808
Other reserves	30,081,833
Qualifying non-controlling interests	468,913
Less: Proposed dividends	<u>(477,295)</u>
Common Equity Tier I capital before regulatory adjustments	55,917,259
<u>Less: Regulatory adjustments</u>	
Goodwill	(7,758,423)
Intangible assets	(1,986,610)
Deferred tax assets	(1,003,176)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(2,354,415)
Regulatory reserve	(233,441)
Others	<u>(101,558)</u>
Common Equity Tier I capital after regulatory adjustments	<u>42,479,636</u>
Additional Tier I capital	
Perpetual subordinated capital securities	4,150,000
Qualifying capital instruments held by third parties	<u>116,948</u>
	4,266,948
<u>Less: Regulatory adjustments</u>	
Investments in own Additional Tier 1 capital instruments	<u>(12,400)</u>
Additional Tier I capital after regulatory adjustments	<u>4,254,548</u>
Total Tier I capital	<u>46,734,184</u>

A28. CAPITAL ADEQUACY (Continued)

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

	The Group RM'000
Tier II capital	
Subordinated notes	6,700,000
Qualifying capital instruments held by third parties	912,962
Surplus eligible provisions over expected loss	683,264
General provisions [√]	1,348,071
Tier II capital before regulatory adjustments	<u>9,644,297</u>
<u>Less: Regulatory adjustments</u>	
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-
Total Tier II capital	<u>9,644,297</u>
Total capital	<u>56,378,481</u>

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

	CIMB Bank Group	CIMB Bank **	CIMB Islamic Bank	CIMB Investment Bank Group	CIMB Thai Bank	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
<u>Before deducting proposed dividend</u>								
Common equity tier 1 ratio	13.607%	13.126%	13.307%	91.131%	14.938%	20.115%	N/A	N/A
Tier 1 ratio	14.860%	14.760%	14.100%	91.131%	14.938%	20.115%	N/A	N/A
Total capital ratio	<u>18.571%</u>	<u>18.564%</u>	<u>16.760%</u>	<u>91.131%</u>	<u>20.749%</u>	<u>21.239%</u>	<u>17.491%</u>	<u>73.436%</u>
<u>After deducting proposed dividend</u>								
Common equity tier 1 ratio	13.607%	13.126%	13.307%	83.181%	14.938%	20.115%	N/A	N/A
Tier 1 ratio	14.860%	14.760%	14.100%	83.181%	14.938%	20.115%	N/A	N/A
Total capital ratio	<u>18.571%</u>	<u>18.564%</u>	<u>16.760%</u>	<u>83.181%</u>	<u>20.749%</u>	<u>21.239%</u>	<u>17.491%</u>	<u>73.436%</u>

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

[√] Total Capital of CIMB Group as at 31 December 2020 has excluded general provisions restricted from Tier II capital of RM581 million.

A29. 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.

A29. 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.

CIMB Digital Assets & Group Funding (previously known as *Group Ventures & Partnerships and Funding*)

CIMB Digital Assets (previously Group Ventures & Partnerships) drives all strategic partnerships across business lines Group-wide and explores strategic equity joint ventures in the ecosystem space. Group 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.

A29. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
31 March 2021					
Net interest income - after net modification gain					
- external income	1,182,744	493,524	728,436	297,468	2,702,172
- inter-segment income/(expense)	26,174	63,896	16,269	(106,339)	-
	1,208,918	557,420	744,705	191,129	2,702,172
Income from Islamic Banking operations	399,770	173,119	158,257	167,125	898,271
Net non-interest income	497,628	126,422	487,138	89,485	1,200,673
Gain on disposal and deemed disposal of subsidiaries	-	-	-	1,155,549	1,155,549
Net income	2,106,316	856,961	1,390,100	1,603,288	5,956,665
Overheads	(1,131,791)	(447,433)	(503,280)	(255,881)	(2,338,385)
of which:					
- Depreciation of property, plant and equipment	(27,302)	(1,227)	(3,434)	(37,468)	(69,431)
- Amortisation of intangible assets	(22,668)	(1,249)	(8,669)	(66,164)	(98,750)
Profit before expected credit losses	974,525	409,528	886,820	1,347,407	3,618,280
Expected credit losses made on loans, advances and financing	(330,180)	(116,349)	(264,530)	(4,627)	(715,686)
Expected credit losses (made)/written back for commitments and contingencies	(5,353)	35	(17,340)	4	(22,654)
Other expected credit losses and impairment allowances (made)/written back	(33,858)	(446)	(1,683)	18,560	(17,427)
Segment results	605,134	292,768	603,267	1,361,344	2,862,513
Share of results of joint ventures	9,371	-	19,515	6,312	35,198
Share of results of associates	-	-	-	28	28
Profit before taxation and zakat	614,505	292,768	622,782	1,367,684	2,897,739
% of profit before taxation and zakat	21.2	10.1	21.5	47.2	100.0
Taxation and zakat					(422,850)
Profit for the financial period					2,474,889

A29. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
31 March 2020					
Net interest income					
- external income	1,192,151	578,770	662,196	139,668	2,572,785
- inter-segment (expense)/income	(78)	(31,688)	(4,844)	36,610	-
	1,192,073	547,082	657,352	176,278	2,572,785
Income from Islamic Banking operations	310,447	155,460	168,676	157,660	792,243
Net non-interest income	410,319	132,362	145,276	90,044	778,001
Net income	1,912,839	834,904	971,304	423,982	4,143,029
Overheads	(1,114,941)	(455,140)	(526,734)	(221,635)	(2,318,450)
of which:					
- Depreciation of property, plant and equipment	(31,629)	(1,289)	(3,570)	(33,956)	(70,444)
- Amortisation of intangible assets	(21,998)	(682)	(6,639)	(51,079)	(80,398)
Profit before expected credit losses	797,898	379,764	444,570	202,347	1,824,579
Expected credit losses made back on loans, advances and financing	(241,623)	(514,340)	(205,627)	(6,000)	(967,590)
Expected credit losses written back/(made) for commitments and contingencies	7,680	2,245	(61,580)	(11)	(51,666)
Other expected credit losses and impairment allowances made	(55,322)	(7,574)	(36,800)	(9,732)	(109,428)
Segment results	508,633	(139,905)	140,563	186,604	695,895
Share of results of joint ventures	(292)	-	6,330	12,417	18,455
Share of results of associates	-	-	-	(386)	(386)
Profit/(loss) before taxation and zakat	508,341	(139,905)	146,893	198,635	713,964
% of profit before taxation and zakat	71.2	(19.6)	20.6	27.8	100.0
Taxation and zakat					(215,208)
Profit for the financial period					498,756

A29. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
31 March 2021 Group					
Segment assets	188,039,938	59,623,309	250,185,119	88,321,719	586,170,085
Investment in associates and joint ventures	149,529	-	1,421,821	2,164,629	3,735,979
	188,189,467	59,623,309	251,606,940	90,486,348	589,906,064
Unallocated assets	-	-	-	-	18,660,172
Total assets	188,189,467	59,623,309	251,606,940	90,486,348	608,566,236
Segment liabilities	167,425,129	72,436,413	252,278,827	37,580,111	529,720,480
Unallocated liabilities	-	-	-	-	20,284,395
Total liabilities	167,425,129	72,436,413	252,278,827	37,580,111	550,004,875
Other segment items					
Capital expenditure	31,482	1,104	14,696	159,185	206,467
Investment in joint ventures	149,529	-	1,421,821	2,120,592	3,691,942
Investment in associates	-	-	-	44,037	44,037

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
31 December 2020 Group					
Segment assets	188,176,345	61,392,914	240,955,673	91,542,432	582,067,364
Investment in associates and joint ventures	140,158	-	1,400,853	955,512	2,496,523
	188,316,503	61,392,914	242,356,526	92,497,944	584,563,887
Unallocated assets	-	-	-	-	17,791,012
Total assets	188,316,503	61,392,914	242,356,526	92,497,944	602,354,899
Segment liabilities	171,435,818	71,794,619	245,112,043	38,786,987	527,129,467
Unallocated liabilities	-	-	-	-	18,051,310
Total liabilities	171,435,818	71,794,619	245,112,043	38,786,987	545,180,777
Other segment items					
Capital expenditure	407,446	20,357	73,451	628,127	1,129,381
Investment in joint ventures	140,158	-	1,400,853	910,206	2,451,217
Investment in associates	-	-	-	45,306	45,306

A30. 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 GMRC;
- 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.

A30. 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 2021 and 31 December 2020 .

The Group	Fair Value			Total
	Level 1	Level 2	Level 3	
31 March 2021	RM'000	RM'000	RM'000	RM'000
Recurring fair value measurements				
Financial assets				
Financial investments at fair value through profit or loss				
- Money market instruments	-	36,841,678	447,923	37,289,601
- Quoted securities	1,106,265	-	-	1,106,265
- Unquoted securities	-	8,952,721	1,234,826	10,187,547
Debt instruments at fair value through other comprehensive income				
- Money market instruments	-	14,741,760	-	14,741,760
- Unquoted securities	-	35,101,130	1	35,101,131
Equity instruments at fair value through other comprehensive income				
- Quoted securities	38,451	-	-	38,451
- Unquoted securities	-	-	266,465	266,465
Derivative financial instruments				
- Trading derivatives	32,786	13,877,993	182,715	14,093,494
- Hedging derivatives	-	485,296	-	485,296
Loans, advances and financing at fair value through profit or loss				
-	-	393,399	-	393,399
Total	1,177,502	110,393,977	2,131,930	113,703,409
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	508,786	12,019,656	28,893	12,557,335
- Hedging derivatives	-	573,308	-	573,308
Financial liabilities designated at fair value through profit or loss				
-	-	3,917,332	-	3,917,332
Total	508,786	16,510,296	28,893	17,047,975

The Group	Fair Value			Total
	Level 1	Level 2	Level 3	
31 December 2020	RM'000	RM'000	RM'000	RM'000
Recurring fair value measurements				
Financial assets				
Financial investments at fair value through profit or loss				
- Money market instruments	-	30,248,033	433,546	30,681,579
- Quoted securities	1,299,407	-	-	1,299,407
- Unquoted securities	-	9,506,386	1,225,761	10,732,147
Debt instruments at fair value through other comprehensive income				
- Money market instruments	-	11,647,532	-	11,647,532
- Unquoted securities	-	36,078,249	1	36,078,250
Equity instruments at fair value through other comprehensive income				
- Quoted securities	37,935	-	-	37,935
- Unquoted securities	-	-	271,036	271,036
Derivative financial instruments				
- Trading derivatives	12,399	15,245,968	157,301	15,415,668
- Hedging derivatives	-	592,697	-	592,697
Loans, advances and financing at fair value through profit or loss				
-	-	710,235	-	710,235
Total	1,349,741	104,029,100	2,087,645	107,466,486
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	522,577	15,118,428	8,313	15,649,318
- Hedging derivatives	-	691,452	-	691,452
Financial liabilities designated at fair value through profit or loss				
-	-	4,016,930	-	4,016,930
Total	522,577	19,826,810	8,313	20,357,700

A30. 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 2021 and 31 December 2020

The Company	Fair Value			Total
	Level 1	Level 2	Level 3	
31 March 2021	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial assets</u>				
Debt instruments at fair value through other comprehensive income				
- Unquoted securities	-	3,227,283	-	3,227,283
Total	-	3,227,283	-	3,227,283

The Company	Fair Value			Total
	Level 1	Level 2	Level 3	
31 December 2020	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial assets</u>				
Debt instruments at fair value through other comprehensive income				
- Unquoted securities	-	3,246,974	-	3,246,974
Total	-	3,246,974	-	3,246,974

A30. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial year ended 31 March 2021 and 31 December 2020 for the Group.

	Financial Assets				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	Derivative financial instruments Trading derivatives		Derivative financial instruments Trading derivatives	Total
	Money market instruments and unquoted securities	Unquoted securities					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2021							
At 1 January	1,659,307	1	271,036	157,301	2,087,645	(8,313)	(8,313)
Total gains/(losses) recognised in Statement of Income	11,197	-	-	28,035	39,232	(15,145)	(15,145)
Total gains recognised in Other Comprehensive Income	-	-	2,447	-	2,447	-	-
Purchases	670	-	-	1,113	1,783	(8,216)	(8,216)
Sales and redemptions	(11,637)	-	(7,317)	-	(18,954)	-	-
Settlements	-	-	-	(3,956)	(3,956)	2,957	2,957
Exchange fluctuation	23,212	-	299	222	23,733	(176)	(176)
At 31 March	1,682,749	1	266,465	182,715	2,131,930	(28,893)	(28,893)
Total gains/(losses) recognised in Statement of Income for the financial period ended 31 March 2021 under:							
- net non-interest income	11,197	-	-	28,035	39,232	(15,145)	(15,145)
Total gains recognised in Other Comprehensive Income for the financial period ended 31 March 2021 under "revaluation reserves"	-	-	2,447	-	2,447	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 31 March 2021 under "net non-interest income"	10,618	-	-	110,047	120,665	(24,257)	(24,257)

A30. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial year ended 31 March 2021 and 31 December 2020 for the Group.

	Financial Assets				Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income Unquoted securities	Equity instruments at fair value through other comprehensive income	Derivative financial instruments Trading derivatives		Derivative financial instruments Trading derivatives	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2020							
At 1 January	1,597,162	1	330,642	69,119	1,996,924	(15,552)	(15,552)
Total gains recognised in Statement of Income	78,233	-	-	84,930	163,163	4,306	4,306
Total losses recognised in Other Comprehensive Income	-	-	(11,408)	-	(11,408)	-	-
Purchases	2,159	-	297	6,531	8,987	(9,834)	(9,834)
Sales and redemptions	(7,370)	-	(47,501)	-	(54,871)	-	-
Settlements	-	-	-	(3,276)	(3,276)	12,765	12,765
Exchange fluctuation	(10,877)	-	(994)	(3)	(11,874)	2	2
At 31 December	1,659,307	1	271,036	157,301	2,087,645	(8,313)	(8,313)
Total gains recognised in Statement of Income for the financial year ended 31 December 2020 under: - net non-interest income	78,233	-	-	84,930	163,163	4,306	4,306
Total losses recognised in Other Comprehensive Income for the financial year ended 31 December 2020 under "revaluation reserves"	-	-	(11,408)	-	(11,408)	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 31 December 2020 under "net non-interest income"	79,729	-	-	450,820	530,549	(65,574)	(65,574)

A30. 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 2021 and 31 December 2020.

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 MFRS 5, 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 2021, the property plant and equipment held for sale of the Group that were stated at fair value less cost to sell was RM3,734,000 (2020: RM7,112,000). 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.

A31. OPERATIONS OF ISLAMIC BANKING**A31a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021**

		The Group	
		31 March 2021	31 December 2020
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		15,172,493	13,176,836
Deposits and placements with banks and other financial institutions		2,604,465	2,364,137
Financial investments at fair value through profit or loss		7,217,504	5,144,152
Debt instruments at fair value through other comprehensive income		4,257,638	4,623,981
Debt instruments at amortised cost		10,287,757	9,648,264
Islamic derivative financial instruments		419,719	559,340
Financing, advances and other financing/loans	A31d	98,154,617	97,342,038
Other assets		3,077,262	2,105,072
Deferred tax assets		142,273	93,895
Tax recoverable		13,507	4,252
Amount due from conventional operations		8,214,924	7,336,644
Statutory deposits with central banks		190,982	377,067
Property, plant and equipment		3,495	3,037
Right-of-use assets		5,049	5,343
Goodwill		136,000	136,000
Intangible assets		58,002	60,139
TOTAL ASSETS		149,955,687	142,980,197
LIABILITIES AND ISLAMIC BANKING			
CAPITAL FUNDS			
Deposits from customers	A31e	113,099,343	109,001,344
Investment accounts of customers	A31f	3,033,161	2,678,870
Collateralised commodity murabahah		495,349	299,236
Deposits and placements of banks and other financial institutions		2,675,094	2,395,807
Investment accounts due to designated financial institutions	A31g	4,512,450	4,751,241
Financial liabilities designated at fair value through profit or loss	A31h	150,432	71,610
Islamic derivative financial instruments		379,111	595,587
Bills and acceptances payable		17,793	18,897
Other liabilities		10,323,315	8,983,878
Lease liability		4,989	5,067
Amount due to conventional operations		2,392,475	1,970,848
Provision for taxation		3,383	4,918
Sukuk		1,385,653	1,026,028
Subordinated Sukuk		1,114,219	1,118,336
TOTAL LIABILITIES		139,586,767	132,921,667
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,696	55,696
Perpetual preference shares		420,000	420,000
Reserves		8,796,262	8,495,210
		10,271,958	9,970,906
Non-controlling interests		96,962	87,624
TOTAL ISLAMIC BANKING CAPITAL FUNDS		10,368,920	10,058,530
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		149,955,687	142,980,197
RESTRICTED AGENCY INVESTMENT ACCOUNT(*)		8,779,643	8,730,980
TOTAL ISLAMIC BANKING ASSETS		158,735,330	151,711,177

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

**A31b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2021**

	The Group			
	1st quarter ended 31 March 2021 RM'000	31 March 2020 RM'000	Three months ended 31 March 2021 RM'000	31 March 2020 RM'000
Income derived from investment of depositors' funds and others	1,133,342	1,451,948	1,133,342	1,451,948
Income derived from investment of investment account	72,216	110,099	72,216	110,099
Net income derived from investment of shareholders' funds	209,326	36,696	209,326	36,696
Expected credit losses made on financing, advances and other financing/loans	(45,336)	(84,148)	(45,336)	(84,148)
Expected credit losses written back/(made) for commitments and contingencies	9,543	(5,453)	9,543	(5,453)
Other expected credit losses and impairment allowances made	(231)	(3,913)	(231)	(3,913)
Total distributable income	1,378,860	1,505,229	1,378,860	1,505,229
Income attributable to depositors and others	(525,164)	(784,015)	(525,164)	(784,015)
Profit distributed to investment account holder	(35,038)	(78,583)	(35,038)	(78,583)
Total net income	818,658	642,631	818,658	642,631
Other operating expenses	(291,876)	(257,338)	(291,876)	(257,338)
Profit before taxation and zakat	526,782	385,293	526,782	385,293
Taxation and zakat	(77,370)	(60,853)	(77,370)	(60,853)
Profit for the financial period	449,412	324,440	449,412	324,440
Profit for the financial period attributable to:				
Owners of the Parent	439,981	318,480	439,981	318,480
Non-controlling interests	9,431	5,960	9,431	5,960
	449,412	324,440	449,412	324,440

**A31c. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2021**

	The Group			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	449,412	324,440	449,412	324,440
Other comprehensive income/(expense):				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	31	-	31
	-	31	-	31
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(122,259)	(29,641)	(122,259)	(29,641)
- Net loss from change in fair value	(111,519)	(3,496)	(111,519)	(3,496)
- Realised gain transferred to statement of income on disposal	(27,396)	(36,703)	(27,396)	(36,703)
- Changes in expected credit losses	306	2,316	306	2,316
- Income tax effects	16,350	8,242	16,350	8,242
Exchange fluctuation reserve	7,204	(99,717)	7,204	(99,717)
Other comprehensive expense for the financial period, net of tax	(115,055)	(129,327)	(115,055)	(129,327)
Total comprehensive income for the financial period	334,357	195,113	334,357	195,113
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	325,019	196,592	325,019	196,592
Non-controlling interests	9,338	(1,479)	9,338	(1,479)
	334,357	195,113	334,357	195,113
<u>Income from Islamic operations (per page 2)</u>				
Total net income	818,658	642,631	818,658	642,631
Add: Expected credit losses made on financing, advances and other financing/loans	45,336	84,148	45,336	84,148
Add: Expected credit losses (written back)/made for commitments and contingencies	(9,543)	5,453	(9,543)	5,453
Add: Other expected credit losses and impairment allowances made	231	3,913	231	3,913
	854,682	736,145	854,682	736,145
Elimination for transaction with conventional operations	43,589	56,098	43,589	56,098
	898,271	792,243	898,271	792,243

A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS
(i) By type and Shariah contract
31 March 2021

	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	Rahnu	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	RM'000
At amortised cost													
Cash line^	-	213	696	-	1,075,431	-	-	-	-	6,864	-	-	1,083,204
Term financing													
House Financing	235,823	4,808,329	-	-	23,002,245	1,203,894	-	-	3,913,580	-	-	-	33,163,871
Syndicated Financing	-	-	39,036	-	2,034,580	-	-	531	-	-	-	-	2,074,147
Hire purchase receivables	126,572	-	-	-	-	-	11,895,227	-	-	-	-	-	12,021,799
Other term financing	742,785	1,136,846	4,927,640	-	32,344,344	43,705	-	121,947	4,411,001	-	14	-	43,728,282
Lease receivable	-	-	-	-	-	178,444	-	-	-	-	-	-	178,444
Bills receivable	419,991	-	-	250,489	-	-	-	-	-	-	-	-	670,480
Islamic Trust receipts	89,542	-	-	-	-	-	-	-	-	-	-	-	89,542
Claims on customers under acceptance credits	739,713	-	-	86,452	-	-	-	17,793	-	-	-	-	843,958
Staff financing	-	-	-	-	186,875	-	-	-	18,082	-	-	-	204,957
Revolving credits	-	-	-	-	5,043,614	-	-	9,015	-	-	-	-	5,052,629
Credit card receivables	-	-	-	-	-	-	-	-	-	253,850	-	131,598	385,448
Gross financing, advances and other financing/loans, at amortised cost	<u>2,354,426</u>	<u>5,945,388</u>	<u>4,967,372</u>	<u>336,941</u>	<u>63,687,089</u>	<u>1,426,043</u>	<u>11,895,227</u>	<u>149,286</u>	<u>8,342,663</u>	<u>260,714</u>	<u>14</u>	<u>131,598</u>	<u>99,496,761</u>
Fair value changes arising from fair value hedge													3,032
													<u>99,499,793</u>
Less: Expected credit losses													(1,345,176)
Net financing, advances and other financing/loans at amortised cost													<u>98,154,617</u>
At fair value through profit or loss													
Term financing													
Syndicated Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-
Net financing, advances and other financing/loans													<u>98,154,617</u>

^ 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.

A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

(i) By type and Shariah contract (Continued)

31 December 2020

	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	Rahnu	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
At amortised cost													
Cash line^	-	268	842	-	1,036,202	-	-	-	-	8,907	-	-	1,046,219
Term financing													
House Financing	305,332	4,937,835	-	-	21,574,218	1,227,897	-	-	3,654,536	-	-	-	31,699,818
Syndicated Financing	-	-	39,111	-	2,120,688	-	-	532	-	-	-	-	2,160,331
Hire purchase receivables	80,859	-	-	-	-	-	11,380,856	-	-	-	-	-	11,461,715
Other term financing	760,403	1,168,761	5,004,003	-	32,905,287	44,811	-	98,217	4,479,920	-	12	-	44,461,414
Lease receivable	-	-	-	-	-	177,923	-	-	-	-	-	-	177,923
Bills receivable	334,959	-	-	167,450	-	-	-	-	-	-	-	-	502,409
Islamic Trust receipts	98,889	-	-	-	-	-	-	-	-	-	-	-	98,889
Claims on customers under acceptance credits	691,903	-	-	84,911	-	-	-	18,897	-	-	-	-	795,711
Staff financing	-	-	-	-	171,716	-	-	-	16,979	-	-	-	188,695
Revolving credits	-	-	-	-	5,475,377	-	-	16,681	-	-	-	-	5,492,058
Credit card receivables	-	-	-	-	-	-	-	-	-	245,962	-	134,389	380,351
Gross financing, advances and other financing/loans, at amortised cost	2,272,345	6,106,864	5,043,956	252,361	63,283,488	1,450,631	11,380,856	134,327	8,151,435	254,869	12	134,389	98,465,533
Fair value changes arising from fair value hedge													3,835
													98,469,368
Less: Expected credit losses													(1,324,651)
Net financing, advances and other financing/loans at amortised cost													97,144,717
At fair value through profit or loss													
Term financing													
Syndicated financing	-	-	-	-	197,321	-	-	-	-	-	-	-	197,321
Net financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	197,321	-	-	-	-	-	-	-	197,321
Net financing, advances and other financing/loans													97,342,038

^ 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.

A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**(i) By type and Shariah contract (Continued)**

	The Group	
	31 March 2021	31 December 2020
	RM'000	RM'000
Gross financing, advances and other financing/loans		
- At amortised cost	99,496,761	98,465,533
- At fair value through profit or loss	-	197,321
	99,496,761	98,662,854

(a) During the financial period, the Group has undertaken fair value hedges on RM76,834,000 (2020: RM78,322,000) 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 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 arising thereon.

As at 31 March 2021, the gross exposure and expected credit losses relating to RPSIA financing are RM4,455,923,000 (2020: RM4,703,553,000) and RM109,356,000 (2020: RM104,169,000) respectively, which are recognised in the Financial Statements of CIMB Bank Berhad.

c) Movement of Qard financing

	The Group	
	31 March 2021	31 December 2020
	RM'000	RM'000
At 1 January	254,869	238,702
New disbursement	57,820	118,983
Repayment	(51,812)	(95,314)
Exchange fluctuation	(163)	(7,502)
At 31 March/31 December	260,714	254,869
Sources of Qard fund:		
Depositors' fund	260,259	254,363
Shareholders' fund	455	506
	260,714	254,869
Uses of Qard fund:		
Personal use	256,511	246,431
Business use	4,203	8,438
	260,714	254,869

(ii) By geographical distribution

	The Group	
	31 March 2021	31 December 2020
	RM'000	RM'000
Malaysia	86,859,040	85,919,565
Indonesia	9,378,591	9,237,388
Singapore	2,394,027	2,767,216
China	1,329	36,292
Other countries	863,774	702,393
Gross financing, advances and other financing/loans	99,496,761	98,662,854

A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**(iii) By economic sector**

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Primary agriculture	3,592,380	3,640,343
Mining and quarrying	579,192	786,130
Manufacturing	4,179,090	4,057,554
Electricity, gas and water supply	892,077	1,065,903
Construction	2,598,917	2,584,782
Transport, storage and communications	2,412,400	2,445,342
Education, health and others	4,274,633	4,227,834
Wholesale and retail trade, and restaurants and hotels	4,556,067	4,405,309
Finance, insurance/takaful, real estate and business activities	11,660,651	12,165,188
Household	60,027,682	58,743,551
Others	4,723,672	4,540,918
	99,496,761	98,662,854

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

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Malaysia	1,240,405	1,506,615
Indonesia	119,664	109,584
Singapore	1,210	5,141
Gross impaired financing, advances and other financing/loans	1,361,279	1,621,340

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

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Primary agriculture	20,070	19,796
Mining and quarrying	4,847	13,408
Manufacturing	677,459	696,192
Electricity, gas and water supply	1	1
Construction	11,962	16,505
Transport, storage and communications	13,572	18,104
Education, health and others	5,984	3,567
Wholesale and retail trade, and restaurants and hotels	149,415	108,977
Finance, insurance/takaful, real estate and business activities	50,080	39,048
Household	377,880	640,650
Others	50,009	65,092
	1,361,279	1,621,340

A31d. 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			
	12-month expected	Lifetime expected	Lifetime expected	Total
	credit losses	credit losses - not	credit losses - Credit	
	(Stage 1)	credit impaired	impaired	
RM'000	(Stage 2)	(Stage 3)		
	RM'000	RM'000	RM'000	RM'000
Financing, advances and other financing/loans at amortised cost				
At 1 January 2021	489,055	436,159	399,437	1,324,651
Changes in expected credit losses due to transfer within stages:	98,402	(41,208)	(57,194)	-
Transferred to stage 1	132,366	(123,328)	(9,038)	-
Transferred to stage 2	(32,186)	118,726	(86,540)	-
Transferred to stage 3	(1,778)	(36,606)	38,384	-
Total charge to Income Statement:	(102,423)	128,160	39,386	65,123
New financial assets originated	18,827	1,386	18,688	38,901
Financial assets that have been derecognised	(12,089)	(10,799)	-	(22,888)
Writeback in respect of full recoveries	-	-	(21,877)	(21,877)
Change in credit risk	(109,161)	137,573	42,575	70,987
Write-offs	-	(4)	(49,485)	(49,489)
Exchange fluctuation	470	1	591	1,062
Other movements	-	21	3,808	3,829
At 31 March 2021	485,504	523,129	336,543	1,345,176

	The Group			
	12-month expected	Lifetime expected	Lifetime expected	Total
	credit losses	credit losses - not	credit losses - Credit	
	(Stage 1)	credit impaired	impaired	
RM'000	(Stage 2)	(Stage 3)		
	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	375,216	165,049	229,484	769,749
Changes in expected credit losses due to transfer within stages:	(189,430)	155,754	33,676	-
Transferred to stage 1	112,240	(88,597)	(23,643)	-
Transferred to stage 2	(289,378)	398,048	(108,670)	-
Transferred to stage 3	(12,292)	(153,697)	165,989	-
Total charge to Income Statement:	306,596	112,210	446,094	864,900
New financial assets originated	101,351	6,474	62,084	169,909
Financial assets that have been derecognised	(67,909)	(48,931)	-	(116,840)
Writeback in respect of full recoveries	-	-	(61,450)	(61,450)
Change in credit risk	273,154	154,667	445,460	873,281
Write-offs	(221)	(70)	(315,317)	(315,608)
Exchange fluctuation	(3,292)	3,288	1,020	1,016
Other movements	186	(72)	4,480	4,594
At 31 December 2020	489,055	436,159	399,437	1,324,651

A31d. 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
At 1 January 2021	1,621,340	1,621,340
Transfer within stages	(105,735)	(105,735)
New financial assets originated	78,622	78,622
Write-offs	(49,485)	(49,485)
Amount fully recovered	(123,973)	(123,973)
Other changes in financing, advances and other financing/loans	(60,089)	(60,089)
Exchange fluctuation	599	599
At 31 March 2021	1,361,279	1,361,279
	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	1,522,220	1,522,220
Transfer within stages	552,146	552,146
New financial assets originated	360,117	360,117
Write-offs	(315,317)	(315,317)
Amount fully recovered	(406,962)	(406,962)
Other changes in financing, advances and other financing/loans	(123,400)	(123,400)
Exchange fluctuation	32,536	32,536
At 31 December 2020	1,621,340	1,621,340
	The Group	
	31 March 2021	31 December 2020
Ratio of credit impaired financing to total financing, advances and other financing	1.37%	1.64%

A31e. DEPOSITS FROM CUSTOMERS**(i) By type of deposits**

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Savings deposit	9,955,900	9,216,096
Wadiah	783,243	790,534
Mudharabah	2,208,160	2,205,036
Commodity Murabahah (via Tawarruq arrangement) *	6,964,497	6,220,526
Demand deposit	19,328,731	18,028,514
Wadiah	877,006	806,762
Qard	13,920,329	12,869,163
Mudharabah	373,728	243,136
Commodity Murabahah (via Tawarruq arrangement) *	4,157,668	4,109,453
Term deposit	79,459,774	77,113,432
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	48,472,981	47,172,109
Fixed Return Income Account-i (via Tawarruq arrangement)*	30,638,322	29,841,761
Negotiable Islamic Debt Certificate (NIDC)		
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	348,471	99,562
Fixed Deposit-i	4,218,429	4,507,457
Wadiah	123	123
Mudharabah	4,218,306	4,507,334
Specific investment account	98,869	98,672
Mudharabah	98,869	98,672
Others	37,640	37,173
Qard	37,640	37,173
	113,099,343	109,001,344

*included Qard contract of RM302,389,000 (2020: RM3,148,712,000)

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

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Due within six months	71,548,609	71,877,553
Six months to less than one year	12,050,627	9,680,257
One year to less than three years	150,940	135,060
Three years to less than five years	3,743	3,589
Five years and more	23,153	23,102
	83,777,072	81,719,561

A31e. DEPOSITS FROM CUSTOMERS (Continued)**(iii) By type of customer**

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Government and statutory bodies	6,274,556	4,756,182
Business enterprises	36,610,152	36,596,864
Individuals	36,455,082	34,512,758
Others	33,759,553	33,135,540
	113,099,343	109,001,344

A31f. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Unrestricted investment accounts (Mudharabah)		
- without maturity		
Special Mudharabah Investment Account	873,234	831,454
- with maturity		
Term Investment Account-i	2,015,493	1,847,416
Restricted investment accounts (Mudharabah)		
- with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	144,434	-
	3,033,161	2,678,870

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

A31g. INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Restricted investment accounts		
Mudharabah	4,512,450	4,751,241
By type of counterparty		
Licensed banks	4,512,450	4,751,241

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

A31h. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Deposits from customers - structured investments	150,432	71,610

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 2021 was RM8,522,000 (2020: RM650,000) 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

(i) CIMB Group 1Q21 Y-o-Y Performance

	31 March 2021 RM'mil	The Group Three months ended 31 March 2020 RM'mil	Variance RM'mil	%
Key Profit or Loss Items:				
Operating income	4,801 *	4,143	658	15.9
Profit before taxation and zakat	1,742 *	714	1,028	144.0
Net profit for the financial year attributable to Owners of the Parent	1,301 *	508	793	156.1

* Excludes non-cash accounting gain of RM1.16 billion from the deemed divestment of TNG Digital

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) announced a core¹ profit before tax (“PBT”) of RM1.74 billion for the first quarter ended 31 March 2021 (“1Q21”), an increase of 144.0% from RM714 million in the first quarter ended 31 March 2020 (“1Q20”). The Group’s core pre-provisioning operating profit (“PPOP”) strengthened by 35.0% to RM2.46 billion from RM1.83 billion year-on-year (“YoY”) whilst core net profit grew by 156.1% to RM1.30 billion from RM508 million. The performance translates to a core annualised return on average equity (“ROE”) of 9.3%.

1Q21 core operating income grew to RM4.80 billion, up 15.9% from RM4.14 billion in 1Q20 with performance improving across all segments. Of this, net interest income (“NII”) grew by 8.0% to RM3.47 billion, largely driven by improved net interest margins (“NIM”) in Malaysia and Indonesia. Core non-interest income (“NOII”) strengthened by 43.2% to RM1.33 billion, driven by stronger wealth management and trading income.

Despite a marginal 0.9% increase in operating expenses, the Group’s cost-to-income ratio (“CIR”) improved to 48.7% in 1Q21, from 52.2% in FY20, as CIMB continued to undertake stringent cost optimisation measures. Consequently, together with lower total provisions which decreased by 33.0% YoY to RM756 million mainly due to recoveries in legacy accounts and the absence of large impairments, CIMB saw significantly improved underlying profitability.

Loan growth remained muted due to a combination of the soft economic environment and shift in the Group’s portfolio mix, with gross loans growing marginally by 0.7%. However, deposits increased by 3.3% and CASA continued to grow strongly with a 19.8% YoY growth, with CASA ratio strengthening to 42.3% as at Mar-21 from 41.3% as at Dec-20. The Group remains well-capitalised as its CET1 ratio stood at 12.9%[^] as at Mar-21, from 13.3% as at Dec-20 due to risk-weighted assets (“RWA”) optimisation initiatives.

Overall, CIMB recorded strong reported net profit of RM2.46 billion, including a one-off revaluation gain of RM1.16 billion from the deconsolidation of TNG Digital, a business jointly founded by CIMB’s wholly-owned subsidiary Touch ‘n Go (“TNG”) and Ant Group. This is the result of a successfully sourced third-party investment in TNG Digital, which operates the Touch ‘n Go eWallet, Malaysia’s largest e-wallet company. Including this revaluation gain, the Group registered a reported operating income of RM5.96 billion, PPOP of RM3.62 billion and PBT of RM2.90 billion.

The revaluation gain from the deconsolidation arose pursuant to TNG Digital successfully receiving its first third-party investment of approximately RM200 million from a limited partnership fund managed by a US-based private equity firm which invests in online and mobile payment ecosystem companies globally. This investment is part of an ongoing fund raising exercise undertaken by TNG Digital to accelerate its growth and expansion plans. TNG Digital’s fund raising initiatives will continue through 2021. The Group expects TNG to still remain the single largest shareholder of TNG Digital when the exercise fully completes.

The strong performance seen in the first quarter is an early indicator of recovery, underpinned by the resilience of the Group’s underlying business. CIMB Group is pleased to see positive momentum across all businesses, with especially strong YoY income growth in wholesale banking and consumer banking businesses. Digital businesses also registered healthy growth, as CIMB Philippines reached 3.5 million customers, while TNG Digital achieved 15.5 million registered users.

Cost optimisation initiatives also continue to bear fruit, as the Group was able to further lower its CIR to 48.7%. While it may be too early to tell given the pandemic’s resurgence causing ongoing risk to economic recovery, the positive start to FY21 signals that CIMB Group is moving in the right direction on Forward23+ strategic plan.

¹ Core figures exclude a one-off revaluation gain of RM1.16 billion from the deconsolidation of TNG Digital. This is the result of a successfully sourced third-party investment in TNG Digital.

[^] Includes unaudited profits, FY2020 Interim Dividend and actual corresponding Dividend Reinvestment Scheme (“DRS”) (76.8% take-up rate)

B1. GROUP PERFORMANCE REVIEW (CONTINUED)

(i) CIMB Group 1Q21 Y-o-Y Performance (Continued)

CIMB Group's total gross loans increased by 0.7% to RM366.6 billion YoY while total deposits grew by 3.3% to RM412.2 billion. The Group's loan-to-deposit ("LDR") ratio stood at 88.9% as at Mar-21, a marginal decrease from 89.0% in the preceding quarter. However, CASA continued to grow strongly with 19.8% YoY growth, with CASA ratio strengthening to 42.3% as at Mar-21 from 41.3% as at Dec-20.

Total provisions decreased by 33.0% YoY to RM756 million, mainly due to recoveries in legacy accounts in Singapore and the absence of large impairments. Of this, loan impairments accounted for RM716 million, a 26% decrease YoY.

The Group's allowance coverage rose to 101.9% as at 1Q21 compared to 75.9% in 1Q20, while the gross impaired loans ("GIL") ratio stood at 3.4% as at Mar-21, a slight improvement from 3.6% at Dec-20. Annualised loan loss charge stood at 0.78%, in line with the credit cost guidance of 80-90 bps for 2021.

The Group remains well-capitalised against shocks with a CET1 ratio of 12.9%^ and total capital ratio of 17.1%^ as at Mar-21. The Group's liquidity coverage ratio ("LCR") remains comfortably above 100% for all banking entities within the Group. Capital management and conservation remains a core priority in view of the ongoing uncertainty and risks posed by the pandemic.

Group Consumer Banking 1Q21 operating income grew by 10.1% YoY whilst PBT grew by 21.1%. NII increased by 6.2% from loan growth and improved NIM, while NOII increased by 22.2% due to strong wealth management performance. Consumer loans grew by 4.4% YoY, while deposits declined by 3.4%.

Group Commercial Banking 1Q21 operating income grew by 2.6% YoY whilst PBT increased by 309.3% largely due to lower expected credit loss ("ECL") from the absence of large provisions and writeback from legacy accounts. NII grew by 4.3% driven by improved NIM, while NOII saw a 4.5% contraction. Commercial loans declined by 3.0% YoY, while deposits grew by 10.6%.

Group Wholesale Banking 1Q21 operating income grew by 43.2% YoY whilst PBT grew by 323.8%, largely due to strong NOII growth of 209.4% underpinned by increased treasury and markets and investment banking activities. NII increased by 10.6% YoY. Wholesale loans declined by 2.9% YoY, while deposits grew by 8.2%.

CIMB Digital Assets & Group Funding 1Q21 core operating income increased by 5.7% YoY excluding the one-off revaluation gain of RM1.16 billion from the deconsolidation of TNG Digital, whilst core PBT increased by 6.0%. NII grew by 18.9%, outpacing a 17.5% decline in core NOII. The Group's digital businesses continue to grow strongly with CIMB Philippines reaching 3.5 million customers as at Mar-21, up 63.6% YoY, and a deposit book of RM982 million, up 466.0% YoY. TNG Digital's momentum continues to be strong, achieving 15.5 million registered users as at Mar-21, up 49.7% YoY, and 324,000 total merchants, up 10.6% from Dec-20.

[^] Includes unaudited profits, FY2020 Interim Dividend and actual corresponding Dividend Reinvestment Scheme ("DRS") (76.8% take-up rate)

(ii) CIMB Group 1Q21 vs. 4Q20 Performance

	The Group Quarter ended			
	31 March 2021 RM'mil	31 December 2020 RM'mil	Variance RM'mil %	
Key Profit or Loss Items:				
Operating income	4,801 *	4,716	85	1.8
Profit before taxation and zakat	1,742 *	166	1,576	949.4
Net profit for the financial period attributable to Owners of the Parent	1,301 *	215	1,086	505.1

* Excludes non-cash accounting gain of RM1.16 billion from the deemed divestment of TNG Digital

1Q21 operating income grew by 1.8% Quarter on Quarter ("QoQ") to RM4.8 billion on a BAU basis from RM4.7 billion in 4Q20. This was driven by 3.5% growth in NII from improved NIM, while NOII was 2.3% lower QoQ attributable to stronger 4Q20 trading income. Consumer Banking posted sharp turnaround and recorded a PBT of RM615 million, compared to loss before tax of RM128 million in 4Q20 on the back of NIM improvement and stronger wealth management fees. Commercial Banking posted a 551.1% QoQ increase in PBT of RM293 million, compared to RM45 million in 4Q20, attributed to stronger topline performance and lower provisions. Wholesale Banking PBT expanded by 165.1% QoQ from lower provisions and stronger Treasury & Markets and Corporate banking operations. As a result, the Group's 1Q21 net profit was 505.1% higher QoQ.

CIMB Islamic

CIMB Islamic 1Q21 operating income grew by 16.8% YoY whilst PBT grew by 38.1%. Net financing income ("NFI") grew by 24.4% on the back of improved NIM and lower funding costs. However, non-financing income ("NOFI") declined by 12.4% YoY due to lower FX gains. Islamic financing grew by 6.7% YoY, while deposits grew by 14.2%.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Group expects a meaningful recovery for the full year 2021 although remains cautious in view of potential economic disruptions from resurgence of the Covid-19 pandemic. Against this backdrop, the Group will continue to manage asset quality through enhanced credit risk management across segments and geographies and remains committed to support its impacted customers.

Execution of the Forward23+ Strategic Plan initiatives continues to be a key focus including RAROC optimisation, CASA accumulation and non-interest income growth, while prudently managing costs. The Group will maintain its focus in rolling out its digital strategies particularly in the areas of operational digitalisation, payments, sales enablement and acquisition, whilst continuing to spearhead the sustainability agenda. Loan growth will likely be gradual in line with the Group's cautious stance, while capital market activity is expected to improve in tandem with the economic recovery. Accordingly, with the anticipated lower provisions and the consequent impact of the initiatives undertaken, the Group expects better financial performance in 2021.

B3. TAXATION AND ZAKAT

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Major components of tax expense and zakat:				
Current tax expense	676,873	284,342	676,873	284,342
Deferred tax income	(283,539)	(57,518)	(283,539)	(57,518)
Under/(over) provision in prior years	29,516	(11,616)	29,516	(11,616)
	422,850	215,208	422,850	215,208
Reconciliation				
Profit before taxation and zakat	2,897,739	713,964	2,897,739	713,964
Less: Share of results of joint venture	(35,198)	(18,455)	(35,198)	(18,455)
Share of results of associates	(28)	386	(28)	386
	2,862,513	695,895	2,862,513	695,895
Tax at statutory income tax rate of 24%	687,003	167,015	687,003	167,015
Effect of different tax rates in other countries and change in tax rates	(8,299)	(5,530)	(8,299)	(5,530)
Due to expenses not deductible for tax purposes and income not subject to income tax	(285,370)	65,339	(285,370)	65,339
Under/(over) provision in prior years	29,516	(11,616)	29,516	(11,616)
Tax expenses	422,850	215,208	422,850	215,208
The Company				
Major components of tax expense:				
Current tax expense	191	1,743	191	1,743
	191	1,743	191	1,743
Reconciliation				
Profit before taxation	7,195	1,190,700	7,195	1,190,700
Tax at statutory income tax rate of 24%	1,727	285,768	1,727	285,768
Due to expenses not deductible for tax purposes and income not subject to income tax	(1,536)	(284,025)	(1,536)	(284,025)
Tax expenses	191	1,743	191	1,743

B4. 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.

B5. BORROWINGS AND DEBT SECURITIES

	The Group	
	31 March	31 December
	2021	2020
	RM'000	RM'000
(i) Bonds, sukuk and debentures		
Unsecured		
One year or less (short term)		
- USD	2,167,009	-
- IDR	346,707	345,341
- THB	315,882	162,732
- HKD	476,857	465,990
More than one year (medium/long term)		
- USD	739,469	2,836,798
- RM	3,932,408	3,998,506
- HKD	2,943,054	2,851,481
- IDR	1,542,341	1,543,047
- THB	141,499	260,069
	12,605,226	12,463,964

B5. BORROWINGS AND DEBT SECURITIES (Continued)

	The Group		The Company	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
(ii) Other borrowing				
Unsecured				
One year or less (short term)				
- USD	2,912,597	2,814,183	-	-
- IDR	119,619	16,392	-	-
- KHR	301,154	-	-	-
More than one year (medium/long term)				
- RM	4,723,904	4,708,892	4,723,904	4,708,893
- USD	2,704,901	2,615,467	-	-
- IDR	204,305	251,025	-	-
	10,966,480	10,405,959	4,723,904	4,708,893
(iii) Subordinated obligations				
Unsecured				
One year or less (short term)				
- RM	4,388,923	4,379,755	1,426,570	1,406,844
More than one year (medium/long term)				
- RM	8,388,662	8,364,035	9,563,804	9,509,864
- IDR	64,799	64,720	-	-
	12,842,384	12,808,510	10,990,374	10,916,708

B6. 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.

B7. 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 31 March 2021 RM'000	31 March 2020 RM'000	Three months ended 31 March 2021 RM'000	31 March 2020 RM'000
Net profit for the financial period after non-controlling interests	2,457,233	507,925	2,457,233	507,925
Weighted average number of ordinary shares in issue ('000)	9,922,966	9,922,966	9,922,966	9,922,966
Basic earnings per share (expressed in sen per share)	24.76	5.12	24.76	5.12

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.