

CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Note	The Group		The Bank	
		30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Assets					
Cash and short term funds	A6	37,108,368	34,494,558	24,287,606	21,666,377
Reverse repurchase agreements		5,173,315	6,162,689	4,865,514	5,921,261
Deposits and placements with banks and other financial institutions	A6	3,811,570	1,503,252	7,934,701	6,422,764
Financial investments at fair value through profit or loss	A7	44,253,083	40,177,195	31,111,642	30,398,466
Debt instruments at fair value through other comprehensive income	A8	44,350,369	37,186,805	34,400,966	28,160,581
Equity instruments at fair value through other comprehensive income	A9	288,102	273,894	274,207	263,121
Debt instruments at amortised cost	A10	50,510,620	50,211,774	41,104,613	41,304,692
Derivative financial instruments	A25	16,252,546	15,692,018	7,352,602	8,336,566
Loans, advances and financing	A11	309,753,971	306,315,421	192,548,065	187,274,174
Other assets	A12	10,705,168	10,161,917	6,914,438	7,222,963
Tax recoverable		12,620	452,693	-	440,015
Deferred taxation		1,166,176	729,052	843,553	535,523
Statutory deposits with central banks		1,736,627	2,632,211	1,146,793	2,093,481
Amounts due from holding company and ultimate holding company		6,818	529	6,818	529
Amount due from subsidiaries		-	-	5,316	121,152
Amount due from related companies		1,954,378	1,845,245	1,947,093	1,844,964
Investment in subsidiaries		-	-	6,824,734	6,770,329
Investment in joint venture		149,750	140,158	125,000	125,000
Goodwill		3,931,869	5,292,552	3,555,075	3,555,075
Intangible assets		1,212,471	1,431,041	1,032,758	1,213,357
Property, plant and equipment		994,727	880,393	713,041	563,563
Right-of-use assets		475,017	559,876	416,034	500,970
		533,847,565	516,143,273	367,410,569	354,734,923
Non-current assets held for sale		3,734	7,112	3,734	7,112
Total Assets		533,851,299	516,150,385	367,414,303	354,742,035
Liabilities					
Deposits from customers	A13	364,915,740	348,025,875	240,500,567	223,063,703
Investment accounts of customers	A14	7,273,574	2,678,870	-	-
Deposits and placements of banks and other financial institutions	A15	30,951,830	31,128,927	26,360,251	25,270,963
Repurchase agreements		24,346,998	25,723,532	22,047,485	24,101,615
Financial liabilities designated at fair value through profit or loss	A16	2,940,851	4,016,930	110,026	62,676
Derivative financial instruments	A25	14,807,960	16,190,747	6,471,365	8,855,243
Bills and acceptances payable		1,391,296	1,593,788	623,624	852,747
Amount due to subsidiaries		-	-	498,303	419,671
Amount due to related companies		14,226	18,610	9,567	8,978
Other liabilities	A17	14,909,105	11,486,400	10,777,839	8,316,881
Lease liabilities		487,791	575,171	427,111	514,359
Recourse obligation on loans and financing sold to Cagamas		1,820,089	2,110,668	1,820,089	2,110,668
Provision for taxation and zakat		143,140	36,557	98,227	-
Bonds, Sukuk and debentures		12,788,583	10,575,578	9,935,272	9,332,966
Other borrowings		2,905,353	5,429,649	2,725,606	5,429,649
Subordinated obligations		9,454,217	11,834,303	8,995,951	11,532,621
Total Liabilities		489,150,753	471,425,605	331,401,283	319,872,740
Equity					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital		21,323,364	21,323,364	21,323,364	21,323,364
Reserves		22,861,594	22,859,835	14,459,916	13,316,191
		44,184,958	44,183,199	35,783,280	34,639,555
Perpetual preference shares		200,000	200,000	200,000	200,000
Redeemable preference shares		29,740	29,740	29,740	29,740
Non-controlling interests		285,848	311,841	-	-
Total Equity		44,700,546	44,724,780	36,013,020	34,869,295
Total Equity and Liabilities		533,851,299	516,150,385	367,414,303	354,742,035
Commitments and contingencies	A26	1,219,849,461	1,092,078,524	723,027,356	605,624,203
Net assets per ordinary share attributable to owners of the Parent (RM)		7.13	7.13	5.77	5.59

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

CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

The Group	Note	3rd Quarter Ended		Nine Months Ended	
		30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
		RM'000	RM'000	RM'000	RM'000
Interest income	A18	2,768,787	2,889,347	8,308,643	9,509,087
Interest income from financial assets at fair value through profit or loss	A19	103,585	106,141	318,477	445,912
Interest expense	A20, A31	(903,894)	(1,227,236)	(2,812,968)	(4,563,077)
Net interest income (before modification loss)		1,968,478	1,768,252	5,814,152	5,391,922
Modification loss	A21	(43,805)	(11,868)	(50,704)	(224,134)
Net interest income (after modification loss)		1,924,673	1,756,384	5,763,448	5,167,788
Income from Islamic Banking operations	A30(b)	659,322	678,787	2,129,043	1,735,166
Net non-interest income	A22	604,993	840,019	2,113,434	1,911,469
Net income		3,188,988	3,275,190	10,005,925	8,814,423
Overheads	A23, A31	(1,609,572)	(1,477,390)	(5,000,713)	(4,453,028)
Profit before expected credit losses		1,579,416	1,797,800	5,005,212	4,361,395
Expected credit losses on loans, advances and financing	A24(a)	(294,015)	(1,033,559)	(1,064,080)	(2,811,432)
Expected credit losses for commitments and contingencies		(38,818)	(47,624)	(48,325)	(123,363)
Other expected credit losses and impairment allowances	A24(b)	(11,377)	(229,364)	(120,545)	(436,728)
Impairment of goodwill	A24(c)	(1,215,197)	-	(1,215,197)	-
		20,009	487,253	2,557,065	989,872
Share of results of joint venture		(551)	2,059	9,593	(11,581)
Profit before taxation and zakat		19,458	489,312	2,566,658	978,291
Taxation and zakat		(320,442)	(206,763)	(926,456)	(151,410)
(Loss)/profit for the financial period		(300,984)	282,549	1,640,202	826,881
(Loss)/profit for the financial period attributable to:					
Owners of the Parent		(305,626)	281,463	1,629,191	817,928
Non-controlling interests		4,642	1,086	11,011	8,953
		(300,984)	282,549	1,640,202	826,881
Earnings per share attributable to ordinary equity holders of the Parent - basic (sen)	B3	(4.93)	4.54	26.29	13.20

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

CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

<u>The Group</u>	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
(Loss)/profit for the financial period	(300,984)	282,549	1,640,202	826,881
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefits obligations	1,685	2,463	3,016	1,982
- Currency translation difference	1,685	2,463	3,016	1,982
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(6,564)	(9,400)	(46,307)	(6,922)
- Net loss from change in fair value	(9,811)	(9,220)	(49,941)	(6,777)
- Currency translation difference	3,247	(180)	3,634	(145)
Equity instruments at fair value through other comprehensive income	9,694	4,377	24,749	(22,739)
- Net gain/(loss) from change in fair value	9,483	58	29,647	(22,563)
- Income tax effects	(72)	168	(3,157)	(256)
- Currency translation difference	283	4,151	(1,741)	80
	4,815	(2,560)	(18,542)	(27,679)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(153,983)	82,576	(722,974)	(47,085)
- Net (loss)/gain from change in fair value	(71,249)	233,946	(638,409)	276,545
- Realised gain transferred to statement of income on disposal	(110,103)	(130,134)	(278,551)	(321,719)
- Changes in expected credit losses	1,764	1,538	25,142	11,900
- Income tax effects	25,940	(21,835)	168,138	(14,264)
- Currency translation difference	(335)	(939)	706	453
Net investment hedge	(26,981)	145,199	(193,695)	(82,935)
Cash flow hedge	(15,590)	3,399	(15,887)	6,232
- Net (loss)/gain from change in fair value	(18,736)	3,413	(18,792)	7,531
- Income tax effects	3,146	(14)	2,905	(1,299)
Exchange fluctuation reserve	(291,313)	(636,444)	(241,397)	(199,857)
Deferred hedging cost	47,422	11,613	68,036	5,221
- Net gain from change in fair value	50,383	11,903	72,771	4,552
- Income tax effects	(2,961)	(290)	(4,735)	669
	(440,445)	(393,657)	(1,105,917)	(318,424)
Other comprehensive expense for the financial period, net of tax	(435,630)	(396,217)	(1,124,459)	(346,103)
Total comprehensive (expense)/income for the financial period	(736,614)	(113,668)	515,743	480,778
Total comprehensive (expense)/income for the financial period attributable to:				
Owners of the Parent	(726,447)	(97,948)	533,776	484,639
Non-controlling interests	(10,167)	(15,720)	(18,033)	(3,861)
	(736,614)	(113,668)	515,743	480,778

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

CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Note	3rd Quarter Ended		Nine Months Ended	
		30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
The Bank					
Interest income	A18	2,356,803	2,437,024	7,006,640	7,860,225
Interest income from financial assets at fair value through profit or loss	A19	79,538	83,836	248,438	378,547
Interest expense	A20	(807,696)	(1,087,737)	(2,495,661)	(4,083,119)
Net interest income (before modification loss)		1,628,645	1,433,123	4,759,417	4,155,653
Modification loss	A21	(28,754)	(297)	(28,754)	(82,946)
Net interest income (after modification loss)		1,599,891	1,432,826	4,730,663	4,072,707
Income from Islamic Banking operations	A30(b)	27,714	19,957	77,362	65,195
Net non-interest income	A22	788,182	959,714	2,580,288	2,227,509
Net income		2,415,787	2,412,497	7,388,313	6,365,411
Overheads	A23	(1,318,717)	(1,163,589)	(4,110,894)	(3,493,048)
Profit before expected credit losses		1,097,070	1,248,908	3,277,419	2,872,363
Expected credit losses on loans, advances and financing	A24(a)	(111,943)	(790,218)	(523,811)	(2,247,322)
Expected credit losses for commitments and contingencies		(18,602)	(54,559)	(14,790)	(99,932)
Other expected credit losses and impairment allowances	A24(b)	5,675	(192,740)	(23,838)	(310,098)
Profit before taxation		972,200	211,391	2,714,980	215,011
Taxation		(252,645)	(136,787)	(666,043)	4,761
Profit for the financial period		719,555	74,604	2,048,937	219,772
Earnings per share - basic (sen)	B3	11.61	1.20	33.06	3.55

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CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Individual Quarter		Cumulative Quarters	
	30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
<u>The Bank</u>	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	719,555	74,604	2,048,937	219,772
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk				
- Net gain/(loss) from change in fair value	1	(90)	(3)	965
Equity instruments at fair value through other comprehensive income	5,711	5,045	18,785	(23,874)
- Net gain/(loss) from change in fair value	6,500	2,550	25,556	(22,585)
- Income tax effects	-	(8)	(2,946)	(50)
- Currency translation difference	(789)	2,503	(3,825)	(1,239)
	5,712	4,955	18,782	(22,909)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(104,648)	93,248	(543,697)	(62,977)
- Net (loss)/gain from change in fair value	(38,146)	200,623	(499,001)	129,427
- Realised gain transferred to statement of income on disposal	(87,629)	(83,832)	(190,316)	(194,523)
- Changes in expected credit losses	4,028	1,081	23,552	10,592
- Income tax effects	17,434	(23,685)	121,362	(8,926)
- Currency translation difference	(335)	(939)	706	453
Net investment hedge	(22,046)	128,957	(170,428)	(76,998)
Cash flow hedge	(13,673)	3,532	(12,815)	(1,878)
- Net (loss)/gain from change in fair value	(16,542)	3,849	(15,318)	(2,537)
- Income tax effects	2,869	(317)	2,503	659
Exchange fluctuation reserve	25,160	(192,815)	271,629	94,980
Deferred hedging cost	44,300	13,052	65,064	(2,788)
- Net gain/(loss) from change in fair value	47,261	13,342	69,800	(3,457)
- Income tax effects	(2,961)	(290)	(4,736)	669
	(70,907)	45,974	(390,247)	(49,661)
Other comprehensive (expense)/income for the financial period, net of tax	(65,195)	50,929	(371,465)	(72,570)
Total comprehensive income for the financial period	654,360	125,533	1,677,472	147,202

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CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

The Group	Attributable to owners of the Parent																	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Fair value reserve debt instruments at fair value through other comprehensive income RM'000	Fair value reserve equity instruments at fair value through other comprehensive income RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Costs of hedging reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Defined benefits reserve RM'000	Retained earnings RM'000	Total RM'000			
At 1 January 2021	21,323,364	29,740	68,400	2,161,645	172,513	(15,109)	(1,085,928)	805,772	(1,115,253)	105,028	233,441	(10,849)	52,230	-	(37,367)	21,525,312	44,212,939	200,000	311,841	44,724,780
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,629,191	1,629,191	-	11,011	1,640,202
Other comprehensive income/ (expenses) (net of tax)	-	-	-	(218,630)	(718,924)	24,446	-	-	(209,012)	68,036	-	(43,913)	(189)	(89)	2,860	-	(1,095,415)	-	(29,044)	(1,124,459)
- debt instruments at fair value through other comprehensive income	-	-	-	-	(718,924)	-	-	-	-	-	-	-	-	-	-	-	(718,924)	-	(4,050)	(722,974)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	24,446	-	-	(193,695)	-	-	-	-	-	-	24,446	-	303	24,749	
- net investment hedge	-	-	-	-	-	-	-	-	(193,695)	-	-	-	-	-	-	(193,695)	-	-	(193,695)	
- cash flow hedge	-	-	-	-	-	-	-	-	(15,317)	-	-	-	-	-	-	(15,317)	-	-	(570)	
- currency translation difference	-	-	-	(218,630)	-	-	-	-	-	-	-	-	(189)	(89)	-	(218,908)	-	-	(22,489)	
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,860	-	2,860	-	156	
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	(43,913)	-	-	-	-	(43,913)	-	-	(2,394)	
- deferred hedging cost	-	-	-	-	-	-	-	-	68,036	-	-	-	-	-	-	68,036	-	-	(46,307)	
Total comprehensive income/ (expenses) for the financial period	-	-	-	(218,630)	(718,924)	24,446	-	-	(209,012)	68,036	-	(43,913)	(189)	(89)	2,860	1,629,191	533,776	-	(18,033)	515,743
First interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(531,745)	(531,745)	-	-	(531,745)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,906)	(7,906)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	30,310	15,556	-	-	45,866	-	-	45,866
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(46,138)	-	-	-	(46,138)	-	(54)	(46,192)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	(15,828)	15,556	-	(531,745)	(532,017)	-	-	(7,960)	(539,977)
Transfer to statutory reserve	-	-	4,959	-	-	-	-	-	-	-	-	-	-	-	(4,959)	-	-	-	-	-
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	(215,958)	-	-	-	-	215,958	-	-	-	-	-
At 30 September 2021	21,323,364	29,740	73,359	1,943,015	(546,411)	9,337	(1,085,928)	805,772	(1,324,265)	173,064	17,483	(54,762)	36,213	15,467	(34,507)	22,833,757	44,214,698	200,000	285,848	44,700,546

*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.

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CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

The Group	Attributable to owners of the Parent																			
	Ordinary share capital	Redeemable Preference Shares	Statutory reserve	Exchange fluctuation reserve	Fair value reserve debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Merger deficit	Capital reserve	Hedging reserve	Costs of hedging reserve	Regulatory reserve*	Own credit risk reserve	Share-based payment reserve	Defined benefits reserve	Retained earnings	Total	Perpetual preference shares	Non-controlling interests	Total Equity	
	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	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	21,323,364	29,740	50,641	2,433,557	169,515	(7,917)	(1,085,928)	735,457	(1,163,687)	95,540	2,133,057	2,380	48,452	(45,933)	19,954,215	44,672,453	200,000	307,938	45,180,391	
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	817,928	817,928	-	8,953	826,881	
Other comprehensive income/ (expenses) (net of tax)	-	-	-	(186,868)	(46,805)	(22,870)	-	-	(76,703)	5,221	-	(6,922)	(324)	1,982	-	(333,289)	-	(12,814)	(346,103)	
- debt instruments at fair value through other comprehensive income	-	-	-	-	(46,805)	-	-	-	-	-	-	-	-	-	-	(46,805)	-	(280)	(47,085)	
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	(22,870)	-	-	-	-	-	-	-	-	-	(22,870)	-	131	(22,739)	
- net investment hedge	-	-	-	-	-	-	-	(82,935)	-	-	-	-	-	-	-	(82,935)	-	-	(82,935)	
- cash flow hedge	-	-	-	-	-	-	-	6,232	-	-	-	-	-	-	-	6,232	-	-	6,232	
- currency translation difference	-	-	-	(186,868)	-	-	-	-	-	-	-	-	(324)	-	-	(187,192)	-	(12,665)	(199,857)	
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	1,982	-	1,982	-	-	1,982	
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	(6,922)	-	-	-	(6,922)	-	-	-	(6,922)	
- deferred hedging cost	-	-	-	-	-	-	-	-	5,221	-	-	-	-	-	5,221	-	-	-	5,221	
Total comprehensive income/ (expenses) for the financial period	-	-	-	(186,868)	(46,805)	(22,870)	-	-	(76,703)	5,221	-	(6,922)	(324)	1,982	817,928	484,639	-	(3,861)	480,778	
Second interim dividend for the financial year ended 31 December 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,227,104)	(1,227,104)	-	-	(1,227,104)	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,210)	(1,210)	
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	42,811	-	-	42,811	-	-	42,811	
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(37,239)	-	-	(37,239)	-	-	(37,239)	
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	5,572	-	(1,227,104)	(1,221,532)	-	(1,210)	(1,222,742)	
Transfer to statutory reserve	-	-	17,762	-	-	-	-	-	-	-	-	-	-	-	(17,762)	-	-	-	-	
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	-	(2,117,615)	-	-	-	2,117,615	-	-	-	-	
Transfer to capital reserve	-	-	-	-	-	-	-	72,726	-	-	-	-	-	-	(72,726)	-	-	-	-	
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	1,627	-	-	-	-	-	-	-	-	(1,627)	-	-	-	-	
At 30 September 2020	21,323,364	29,740	68,403	2,246,689	122,710	(29,160)	(1,085,928)	808,183	(1,240,390)	100,761	15,442	(4,542)	53,700	(43,951)	21,570,539	43,935,560	200,000	302,867	44,438,427	

* 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 of the Group and the Bank for the financial year ended 31 December 2020.

CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

The Bank	Fair value reserve					Non-distributable					Distributable					
	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Exchange fluctuation reserve RM'000	debt instruments at fair value through other comprehensive income RM'000	equity instruments at fair value through other comprehensive income RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Costs of hedging reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Retained earnings RM'000	Perpetual preference shares RM'000	Total Equity RM'000
At 1 January 2021	21,323,364	29,740	603,041	84,638	13,201	(1,047,872)	746,852	(670,437)	98,479	20,409	3	46,764	-	13,421,113	200,000	34,869,295
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	2,048,937	-	2,048,937
Other comprehensive income/ (expenses) (net of tax)	-	-	271,525	(543,697)	18,785	-	-	(183,243)	65,064	-	(3)	108	(4)	-	-	(371,465)
- debt instruments at fair value through other comprehensive income	-	-	-	(543,697)	-	-	-	-	-	-	-	-	-	-	-	(543,697)
- equity instruments at fair value through other comprehensive income	-	-	-	-	18,785	-	-	-	-	-	-	-	-	-	-	18,785
- net investment hedge	-	-	-	-	-	-	(170,428)	-	-	-	-	-	-	-	-	(170,428)
- cash flow hedge	-	-	-	-	-	-	(12,815)	-	-	-	-	-	-	-	-	(12,815)
- currency translation difference	-	-	271,525	-	-	-	-	-	-	-	-	108	(4)	-	-	271,629
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	(3)	-	-	-	-	-	(3)
- deferred hedging cost	-	-	-	-	-	-	-	65,064	-	-	-	-	-	-	-	65,064
Total comprehensive income/ (expenses) for the financial period	-	-	271,525	(543,697)	18,785	-	-	(183,243)	65,064	-	(3)	108	(4)	2,048,937	-	1,677,472
First interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	(531,745)	-	(531,745)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	27,965	12,799	-	-	40,764
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	(42,766)	-	-	-	(42,766)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	(14,801)	12,799	(531,745)	-	(533,747)
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	(2,926)	-	-	-	-	2,926	-	-
At 30 September 2021	21,323,364	29,740	874,566	(459,059)	31,986	(1,047,872)	746,852	(853,680)	163,543	17,483	-	32,071	12,795	14,941,231	200,000	36,013,020

The regulatory reserve is maintained to meet the local regulatory requirement of the foreign branch's general provision

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

CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	← Non-distributable →						Distributable →								
	Fair value reserve debt instruments at fair value through other comprehensive income	Fair value reserve equity instruments at fair value through other comprehensive income	Merger deficit	Capital reserve	Hedging reserve	Costs of hedging reserve	Regulatory reserve*	Own credit risk reserve	Share-based payment reserve	Retained earnings	Perpetual preference shares		Total Equity		
The Bank	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Exchange fluctuation reserve RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2020	21,323,364	29,740	690,671	113,790	22,224	(1,047,872)	746,852	(700,460)	97,000	1,619,524	(952)	42,389	12,669,580	200,000	35,805,850
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	219,772	-	219,772
Other comprehensive income/ (expenses) (net of tax)	-	-	95,021	(62,977)	(23,874)	-	(78,876)	(2,788)	-	965	(41)	-	-	-	(72,570)
- debt instruments at fair value through other comprehensive income	-	-	-	(62,977)	-	-	-	-	-	-	-	-	-	-	(62,977)
- equity instruments at fair value through other comprehensive income	-	-	-	-	(23,874)	-	-	-	-	-	-	-	-	-	(23,874)
- net investment hedge	-	-	-	-	-	-	(76,998)	-	-	-	-	-	-	-	(76,998)
- cash flow hedge	-	-	-	-	-	-	(1,878)	-	-	-	-	-	-	-	(1,878)
- currency translation difference	-	-	95,021	-	-	-	-	-	-	-	(41)	-	-	-	94,980
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	965	-	-	-	-	965
- deferred hedging cost	-	-	-	-	-	-	-	(2,788)	-	-	-	-	-	-	(2,788)
Total comprehensive income/ (expenses) for the financial period	-	-	95,021	(62,977)	(23,874)	-	(78,876)	(2,788)	-	965	(41)	219,772	-	-	147,202
Second interim dividend for the financial year ended 31 December 2019	-	-	-	-	-	-	-	-	-	-	-	-	(1,227,104)	-	(1,227,104)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	38,437	-	-	-	38,437
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(33,235)	-	-	-	(33,235)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	5,202	(1,227,104)	-	-	(1,221,902)
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	(1,604,082)	-	-	1,604,082	-	-	-
At 30 September 2020	21,323,364	29,740	785,692	50,813	(1,650)	(1,047,872)	746,852	(779,336)	94,212	15,442	13	47,550	13,266,330	200,000	34,731,150

* 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 of the Group and the Bank for the financial year ended 31 December 2020.

CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	The Group		The Bank	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
Profit before taxation and zakat	2,566,658	978,291	2,714,980	215,011
Adjustments for non-operating and non-cash items	1,464,255	2,093,400	(516,328)	1,338,483
Operating profit before changes in working capital	4,030,913	3,071,691	2,198,652	1,553,494
Net changes in operating assets	(11,914,909)	(5,308,051)	(8,406,511)	(1,393,401)
Net changes in operating liabilities	23,074,443	32,088,885	19,924,238	27,082,828
	11,159,534	26,780,834	11,517,727	25,689,427
Cash flows generated from operations	15,190,447	29,852,525	13,716,379	27,242,921
Taxation paid	(571,122)	(446,765)	(308,744)	(333,439)
Net cash flows generated from operating activities	14,619,325	29,405,760	13,407,635	26,909,482
Cash flows from investing activities				
Interest income received from financial investments	2,234,599	1,798,774	1,735,463	1,313,974
Net purchase of financial investments	(8,683,233)	(22,626,906)	(6,605,782)	(21,687,758)
Net purchase of property, plant and equipment	(270,391)	(356,208)	(247,659)	(354,797)
Net (purchase)/proceed from disposal of intangible assets	(287,139)	(42,568)	(256,799)	20,558
Other investing activities	190,391	99,521	42,808	(127,640)
Net cash flows used in investing activities	(6,815,773)	(21,127,387)	(5,331,969)	(20,835,663)
Cash flows from financing activities				
Dividend paid	(539,651)	(1,228,314)	(531,745)	(1,227,104)
Interest expense paid on bonds and debentures	(104,062)	(518,038)	(117,386)	(534,248)
Interest expense paid on other borrowings	(39,268)	(78,750)	(48,454)	(98,003)
Interest expense paid on subordinated obligations	(261,181)	(279,710)	(286,700)	(307,281)
Proceeds from issuance of bonds and debentures	3,236,341	14,056	906,386	-
Proceeds from issuance of other borrowings	152,841	2,138,625	-	2,138,625
Proceeds from issuance of subordinated obligations	440,000	-	-	-
Repayment of bonds and debentures	(1,011,588)	(4,944,591)	(462,359)	(4,325,015)
Repayment of other borrowings	(2,921,050)	(2,241,281)	(2,921,050)	(2,338,239)
Repayment of subordinated obligations	(2,970,000)	-	(2,500,000)	-
Other financing activities	(443,128)	40,946	(422,607)	68,122
Net cash flows used in financing activities	(4,460,746)	(7,097,057)	(6,383,915)	(6,623,143)
Net increase in cash and cash equivalents	3,342,806	1,181,316	1,691,751	(549,324)
Effects of exchange rate changes	93,865	221,927	479,133	443,468
Cash and cash equivalents at the beginning of financial period	34,406,356	33,101,084	26,771,403	26,167,402
Cash and cash equivalents at end of financial period	37,843,027	34,504,327	28,942,287	26,061,546
Cash and cash equivalents comprise:				
Cash and short-term funds	37,108,368	34,676,185	24,287,606	22,068,765
Deposits and placements with banks and other financial institutions	3,811,570	3,809,169	7,934,701	8,181,449
	40,919,938	38,485,354	32,222,307	30,250,214
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(3,076,911)	(3,981,027)	(3,280,020)	(4,188,668)
Cash and cash equivalents at end of financial period	37,843,027	34,504,327	28,942,287	26,061,546

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank 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 30 September 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 Bank'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 Bank 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 June 2020 and 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's and the Bank's financial statements.

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 financial statements have been prepared against the backdrop of the ongoing Covid-19 pandemic. The beginning of the year saw a resurgence of Covid-19 cases which led to several countries implementing lockdown measures. As a consequence, economic activity across the region was disrupted. Throughout this period, many financial institutions have provided economic stimulus and loan repayment programs and central banks have implemented fiscal measures to address market disruptions. More recently, with lower case numbers and higher vaccination rates, economies in the region are gradually opening up. However, economic headwinds have not fully abated, and with continuing uncertainties prevailing economic recovery regionally and globally is expected to be uneven.

The Group has supported its customers impacted by the economic downturn over the past year and continues to provide targeted assistance programs, as well as continuously monitor the extent of the impact of the Covid-19 pandemic as the potential disruption and speed of recovery remain uncertain.

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 Bank's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

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.

PART A - EXPLANATORY NOTES (CONTINUED)

A3 ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

- a) During the financial period, Merdeka Kapital Berhad ("MKB"), a special purpose vehicle consolidated by the Bank, undertook a partial redemption of the Medium Term Note amounting to RM55.8 million.
- b) On 27 April 2021, the Bank issued USD20 million 5-year fixed rate notes ("the Notes") under its USD5 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).
- c) On 5 May 2021, the Bank issued HKD610 million 3-year fixed rate notes ("the Notes") under its USD5 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).
- d) On 9 May 2021, the Bank has redeemed its HKD874 million 4-years senior fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.
- e) On 25 May 2021, the Bank redeemed its existing RM1 billion Additional Tier 1 Capital securities issued from the RM10 billion AT1 Capital Securities Programme on the first optional redemption date.
- f) On 12 July 2021, CIMB Thai exercised its option to early redeem the RM570 million Basel III compliant Tier 2 subordinated notes on its first call date.
- g) On 12 July 2021, CIMB Thai issued RM660 million Basel III compliant Tier 2 subordinated notes. The subordinated notes carry fixed interest rate of 3.90% per annum payable every six months. The subordinated notes will mature on 11 July 2031. CIMB Thai may exercise its right to early redeem the subordinated notes 5 years after issue date, and on each coupon payment date thereafter, subject to approval by the Bank of Thailand ("BOT").
- h) On 21 July 2021, the Bank issued USD20 million 5-year fixed rate notes ("the Notes") under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 1.35% per annum payable semi-annually, will mature on 21 July 2026 (subject to adjustment in accordance with the modified following business day convention).
- i) On 23 July 2021, Ziya Capital Bhd ("Ziya"), an Islamic special purpose vehicle consolidated by CIMB Islamic Bank, has fully redeemed its Sukuk amounting to RM186.0 million.
- j) On 27 July 2021, the Bank issued HKD640 million fixed rate notes ("the Notes") under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 1.12% per annum payable annually, will mature on 17 July 2026 (subject to adjustment in accordance with the modified following business day convention).
- k) On 4 August 2021, the Bank issued HKD128 million fixed rate notes ("the Notes") under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014 and the Notes were consolidated to form a single series with the existing HKD640 million 1.12% fixed rate notes issued on 27 July 2021. The Notes, which bear a coupon rate of 1.12% per annum payable annually, will mature on 17 July 2026 (subject to adjustment in accordance with the modified following business day convention).
- l) On 9 August 2021, the Bank redeemed its existing RM1.35 billion Tier 2 Subordinated Debt issued from the RM10 billion Tier 2 Subordinated Debt Programme on the first call date.
- m) On 9 August 2021, the Bank redeemed its existing RM150 million Tier 2 Subordinated Debt issued from the RM5 billion Tier 2 Subordinated Debt Programme on the first call date.
- n) On 3 September 2021, CIMB Bank PLC redeemed its existing USD7 million subordinated loan on its call date.
- o) On 3 September 2021, CIMB Bank PLC issued USD7 million subordinated loan which qualified as Tier 2 Capital for CIMB Bank PLC for the purpose of computation of minimum Solvency Requirements by the National Bank of Cambodia ("NBC"). The subordinated loan was issued at a fixed rate of 2.74% per annum, with a maturity of 10 years from the issue date with a call option starting at the end of year 5 and on each relevant coupon payment date thereafter. The redemption of the subordinated loan will be subject to NBC's approval.
- p) On 21 September 2021, CIMB Islamic redeemed its existing RM10 million Tier 2 Junior Sukuk issued from the RM5 billion Tier 2 Junior Sukuk Programme on the first call date.

A4. DIVIDENDS PAID

A single-tier first interim dividend of 8.58 sen per ordinary share, on 6,197,495,771 ordinary shares amounting to RM532 million in respect of the financial year ending 31 December 2021 which was approved by the Board of Directors on 26 August 2021, was paid on 20 September 2021.

A5. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There is no significant events that had occurred between 30 September 2021 and the date of this announcement other than those disclosed under issuance and repayment of debts and equity securities.

PART A - EXPLANATORY NOTES (CONTINUED)

A6. CASH AND SHORT-TERM FUNDS AND DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

As at 30 September 2021, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM102,000 and RM399,000 for the Group and RMNil and RM382,000 for the Bank. The 12-month expected credit losses written back/(made) in the income statements of the Group and the Bank during the financial period amounting to RM2,119,000 and (RM311,000) respectively (September 2020: expected credit losses made amounting to RM116,000 and RM34,000 respectively).

A7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	1,721,833	1,653,243	1,721,833	1,653,243
Cagamas bonds	948,843	862,050	883,696	854,505
Khazanah bonds	58,664	58,002	58,664	58,002
Malaysian Government treasury bills	541,965	289,567	242,622	738
Bank Negara Malaysia Monetary Notes	2,465,587	-	2,465,587	-
Negotiable instruments of deposit	3,904,068	2,650,577	1,112,709	1,454,924
Other Government securities	7,986,210	7,448,307	2,648,606	3,051,519
Government Investment Issues	1,666,873	1,113,392	848,587	716,976
Other Government treasury bills	12,077,981	12,082,414	12,077,981	12,082,414
Promissory Notes	400,456	433,546	400,456	433,546
Commercial papers	2,532,681	4,086,026	389,626	1,276,818
	<u>34,305,161</u>	<u>30,677,124</u>	<u>22,850,367</u>	<u>21,582,685</u>
Quoted securities:				
In Malaysia				
Shares	1,133,505	1,161,338	1,133,505	1,161,338
	<u>1,133,505</u>	<u>1,161,338</u>	<u>1,133,505</u>	<u>1,161,338</u>
Outside Malaysia				
Shares	372,632	138,069	372,632	138,069
	<u>1,506,137</u>	<u>1,299,407</u>	<u>1,506,137</u>	<u>1,299,407</u>
Unquoted securities:				
In Malaysia				
Shares	950,159	915,953	936,913	903,466
Corporate bond and Sukuk	3,047,298	1,969,809	2,228,470	1,633,030
	<u>3,997,457</u>	<u>2,885,762</u>	<u>3,165,383</u>	<u>2,536,496</u>
Outside Malaysia				
Corporate bond	4,259,457	5,048,629	3,404,884	4,713,605
Private equity funds	184,871	266,273	184,871	266,273
	<u>4,444,328</u>	<u>5,314,902</u>	<u>3,589,755</u>	<u>4,979,878</u>
	<u>44,253,083</u>	<u>40,177,195</u>	<u>31,111,642</u>	<u>30,398,466</u>

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	4,678,900	4,347,217	4,678,900	4,326,220
Cagamas bonds	161,693	212,655	156,497	155,505
Other government treasury bills	16,672	-	16,672	-
Other government securities	3,945,479	3,609,744	1,025,847	1,012,943
Negotiable instruments of deposit	306,652	572,682	306,652	572,682
Government investment issues	5,559,303	2,863,367	4,362,078	2,235,215
Commercial papers	24,933	41,866	24,933	17,063
	<u>14,693,632</u>	<u>11,647,531</u>	<u>10,571,579</u>	<u>8,319,628</u>
Unquoted securities:				
In Malaysia				
Corporate bond and Sukuk	21,040,606	17,893,352	17,704,125	14,996,418
Outside Malaysia				
Corporate bond and Sukuk	8,616,130	7,645,921	6,125,262	4,844,535
Unit trust fund	1	1	-	-
	<u>8,616,131</u>	<u>7,645,922</u>	<u>6,125,262</u>	<u>4,844,535</u>
	<u>44,350,369</u>	<u>37,186,805</u>	<u>34,400,966</u>	<u>28,160,581</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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

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

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	33,077	320	20,849	54,246
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 2	(369)	369	-	-
	(369)	369	-	-
Total charge to Income Statement:	22,532	2,610	-	25,142
New financial assets purchased	84,625	-	-	84,625
Financial assets that have been derecognised	(7,264)	(109)	-	(7,373)
Change in credit risk	(54,829)	2,719	-	(52,110)
Exchange fluctuation	186	1	-	187
At 30 September 2021	55,426	3,300	20,849	79,575

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 2020	24,428	122	21,030	45,580
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 1	(1)	1	-	-
Transferred to Stage 2	141	(141)	-	-
	(142)	142	-	-
Total charge to Income Statement:	8,686	197	(181)	8,702
New financial assets purchased	88,448	-	-	88,448
Financial assets that have been derecognised	(5,091)	(77)	-	(5,168)
Change in credit risk	(74,671)	274	(181)	(74,578)
Exchange fluctuation	(36)	-	-	(36)
At 31 December 2020	33,077	320	20,849	54,246

PART A - EXPLANATORY NOTES (CONTINUED)

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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 Bank	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	31,119	305	20,849	52,273
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 2	(369)	369	-	-
Total charge to Income Statement:	20,927	2,625	-	23,552
New financial assets purchased	72,164	-	-	72,164
Financial assets that have been derecognised	(6,113)	(94)	-	(6,207)
Change in credit risk	(45,124)	2,719	-	(42,405)
Exchange fluctuation	209	-	-	209
At 30 September 2021	51,886	3,299	20,849	76,034

The Bank	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	22,650	23	21,030	43,703
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 1	(118)	118	-	-
Transferred to Stage 2	24	(24)	-	-
Transferred to Stage 3	(142)	142	-	-
Total charge to Income Statement:	8,622	164	(181)	8,605
New financial assets purchased	74,006	-	-	74,006
Financial assets that have been derecognised	(4,605)	(77)	-	(4,682)
Change in credit risk	(60,779)	241	(181)	(60,719)
Exchange fluctuation	(35)	-	-	(35)
At 31 December 2020	31,119	305	20,849	52,273

PART A - EXPLANATORY NOTES (CONTINUED)

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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

The Group and The Bank	Lifetime expected credit losses	Total
	- Credit impaired (Stage 3) RM'000	RM'000
At 1 January 2021/30 September 2021	20,849	20,849

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

PART A - EXPLANATORY NOTES (CONTINUED)

A9. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Quoted securities:				
<u>Outside Malaysia</u>				
Shares	2,181	2,012	89	182
Unit trusts	5,380	5,178	-	-
	<u>7,561</u>	<u>7,190</u>	<u>89</u>	<u>182</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	264,860	252,380	264,476	252,097
	<u>264,860</u>	<u>252,380</u>	<u>264,476</u>	<u>252,097</u>
<u>Outside Malaysia</u>				
Shares	8,422	5,865	2,383	2,383
Private equity funds	7,259	8,459	7,259	8,459
	<u>15,681</u>	<u>14,324</u>	<u>9,642</u>	<u>10,842</u>
	<u>288,102</u>	<u>273,894</u>	<u>274,207</u>	<u>263,121</u>

A10. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Money market instruments				
Unquoted:				
Malaysian Government securities	7,038,485	7,143,519	6,938,251	7,042,178
Cagamas bonds	237,629	110,960	176,679	58,049
Other Government treasury bills	3,254,683	2,735,065	3,254,683	2,735,065
Other Government's securities	1,962,746	2,240,121	528,439	852,695
Negotiable instruments of deposit	201,895	193,005	201,895	193,005
Malaysian Government Investment Issue	16,255,892	15,732,816	12,937,047	12,806,036
Khazanah bonds	235,345	401,316	146,298	312,269
	<u>29,186,675</u>	<u>28,556,802</u>	<u>24,183,292</u>	<u>23,999,297</u>
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	18,268,343	18,813,170	14,043,970	14,581,192
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	3,551,193	3,480,965	3,385,266	3,367,644
	<u>21,819,536</u>	<u>22,294,135</u>	<u>17,429,236</u>	<u>17,948,836</u>
Amortisation of premium net of accretion of discount	27,560	112,645	32,201	113,923
Less : Expected credit losses	(523,151)	(751,808)	(540,116)	(757,364)
	<u>50,510,620</u>	<u>50,211,774</u>	<u>41,104,613</u>	<u>41,304,692</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost:

The Group	12-month	Lifetime expected	Lifetime expected	Total
	expected credit losses (Stage 1)	credit losses - not credit impaired (Stage 2)	credit losses - Credit impaired (Stage 3)	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	8,704	735,922	7,182	751,808
Changes in expected credit losses due to transfer within stages:	135	(135)	-	-
Transferred to Stage 1	228	(228)	-	-
Transferred to Stage 2	(93)	93	-	-
Total charge to Income Statement:	2,008	66,594	-	68,602
New financial assets purchased	11,392	-	-	11,392
Financial assets that have been derecognised	(468)	-	-	(468)
Change in credit risk	(8,916)	66,594	-	57,678
Write-offs	-	-	(7,020)	(7,020)
Exchange fluctuation	32	-	(12)	20
Other movements	-	(290,259)	-	(290,259)
At 30 September 2021	10,879	512,122	150	523,151

The Group	12-month	Lifetime expected	Lifetime expected	Total
	expected credit losses (Stage 1)	credit losses - not credit impaired (Stage 2)	credit losses - Credit impaired (Stage 3)	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	10,892	55,355	7,186	73,433
Changes in expected credit losses due to transferred within stages:	(5,430)	5,430	-	-
Transferred to Stage 2	(5,430)	5,430	-	-
Total charge to Income Statement:	3,248	675,137	-	678,385
New financial assets purchased	6,513	-	-	6,513
Financial assets that have been derecognised	(110)	-	-	(110)
Change in credit risk	(3,155)	675,137	-	671,982
Exchange fluctuation	(6)	-	(4)	(10)
At 31 December 2020	8,704	735,922	7,182	751,808

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

The Group	Lifetime expected	Total
	credit losses - credit impaired (Stage 3)	
	RM'000	RM'000
At 1 January 2021	7,182	7,182
Write-offs	(7,020)	(7,020)
Exchange fluctuation	(12)	(12)
At 30 September 2021	150	150

The Group	Lifetime expected	Total
	credit losses - credit impaired (Stage 3)	
	RM'000	RM'000
At 1 January 2020	7,186	7,186
Exchange fluctuation	(4)	(4)
At 31 December 2020	7,182	7,182

PART A - EXPLANATORY NOTES (CONTINUED)

A10. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost:

The Bank	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	21,442	735,922	-	757,364
Changes in expected credit losses due to transfer within stages:	135	(135)	-	-
Transferred to Stage 1	228	(228)	-	-
Transferred to Stage 2	(93)	93	-	-
Total charge to Income Statement:	6,385	66,594	-	72,979
New financial assets purchased	10,932	-	-	10,932
Financial assets that have been derecognised	(468)	-	-	(468)
Change in credit risk	(4,079)	66,594	-	62,515
Exchange fluctuation	32	-	-	32
Other movements	-	(290,259)	-	(290,259)
At 30 September 2021	27,994	512,122	-	540,116

The Bank	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	28,218	55,355	-	83,573
Changes in expected credit losses due to transfer within stages:	(5,430)	5,430	-	-
Transferred to Stage 2	(5,430)	5,430	-	-
Total charge to Income Statement:	(1,340)	675,137	-	673,797
New financial assets purchased	5,401	-	-	5,401
Financial assets that have been derecognised	(110)	-	-	(110)
Change in credit risk	(6,631)	675,137	-	668,506
Exchange fluctuation	(6)	-	-	(6)
At 31 December 2020	21,442	735,922	-	757,364

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
(i) By type of financing				
<i>At amortised cost</i>				
Overdrafts	4,812,948	4,793,865	2,698,423	2,683,722
Term loans/financing				
- Housing loan/financing	107,601,477	103,170,776	65,643,981	63,929,056
- Syndicated term loan	17,135,419	16,162,906	14,953,974	13,989,161
- Other term loans/financing	118,274,083	119,154,672	70,753,742	68,003,307
- Factoring receivables	2,477	3,594	-	-
- Lease receivables	2,258	4,226	-	-
- Hire purchase receivables	21,154,307	22,426,652	4,405,318	5,482,892
Bills receivable	8,320,193	7,001,692	6,203,833	5,088,314
Trust receipts	2,870,133	2,139,045	1,672,073	1,024,369
Claim on customers under acceptance credit	2,599,979	2,749,158	1,890,747	1,970,144
Staff loans *	1,331,513	1,243,264	988,064	931,629
Credit card receivables	5,424,918	5,855,590	5,290,418	5,717,542
Revolving credit	28,078,769	28,187,023	23,703,844	23,273,827
Share margin financing	63,778	54,010	63,778	54,010
Gross loans, advances and financing, at amortised cost	317,672,252	312,946,473	198,268,195	192,147,973
Fair value changes arising from fair value hedges	(11,877)	6,497	(14,280)	2,661
	317,660,375	312,952,970	198,253,915	192,150,634
Less: Expected credit losses	(8,345,751)	(7,347,784)	(6,145,197)	(5,389,374)
Net loans, advances and financing at amortised cost	309,314,624	305,605,186	192,108,718	186,761,260
<i>At fair value through profit or loss</i>				
Term loans/financing				
- Syndicated term loan	439,347	710,235	439,347	512,914
	439,347	710,235	439,347	512,914
Total net loans, advances and financing	309,753,971	306,315,421	192,548,065	187,274,174
Total gross loans, advances and financing				
- At amortised cost	317,672,252	312,946,473	198,268,195	192,147,973
- At fair value through profit or loss	439,347	710,235	439,347	512,914
	318,111,599	313,656,708	198,707,542	192,660,887

* Loans to Directors of the Group and the Bank (including Directors of subsidiary) amounting to RM2,942,272 (2020: RM3,984,272) and RM620,968 (2020: RM1,902,553) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

(a) Included in the Group's and the Bank's loans, advances and financing balances are RM25,592,000 (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 and the Bank have undertaken fair value hedge on the interest rate risk of loans, advances and financing of RM1,367,076,000 (2020: RM392,508,000) and RM1,297,268,000 (2020: RM314,185,000) respectively, using interest rate swaps.

(c) As part of an arrangement with CIMB Islamic in relation to the Restricted Profit Sharing Investment Accounts ("RPSIA"), the Bank records as deposits and placements with banks and other financial institutions, its exposure in the arrangement, whereas CIMB Islamic records its exposure as loans, advances and financing. The RPSIA arrangement exposes the Bank to the risks and rewards on the financing and accordingly, the Bank accounts for expected credit losses for financing arising thereon.

As at 30 September 2021, the gross exposure and expected credit losses relating to RPSIA financing are RM4,406,108,000 (2020: RM4,703,553,000) and RM5,577,000 (2020: RM104,169,000) respectively.

(d) Included in the loans, advances and financing of the Group and the Bank are financing which are disclosed as "Restricted Agency Investment Account" in the financial statements of CIMB Islamic. These details are as follows:

	The Group		The Bank	
	30 Sept 2021	31 Dec 2020	30 Sept 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Revolving credit	701,404	-	701,404	-
Other term loan	8,094,302	5,030,980	8,094,302	5,030,980
	8,795,706	5,030,980	8,795,706	5,030,980

Restricted Agency Investment Account ("RAIA") arrangement is with the Bank's wholly owned subsidiary, CIMB Islamic, and the contract is based on the Wakalah principle where the 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 the Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
(ii) By type of customers				
Domestic banking institutions	798,786	770,458	562,573	577,915
Domestic non-bank financial institutions				
- stockbroking companies	8,004	139,043	8,004	139,043
- others	4,873,417	5,618,189	2,180,010	2,769,030
Domestic business enterprises				
- small medium enterprises	36,086,617	34,867,830	21,917,685	21,224,054
- others	45,157,594	44,656,712	26,858,321	24,561,778
Government and statutory bodies	8,368,466	8,053,764	7,667,766	4,573,434
Individuals	182,768,551	179,059,754	101,366,222	100,064,328
Other domestic entities	1,287,752	968,479	56,455	59,338
Foreign entities	38,762,412	39,522,479	38,090,506	38,691,967
Gross loans, advances and financing	<u>318,111,599</u>	<u>313,656,708</u>	<u>198,707,542</u>	<u>192,660,887</u>
(iii) By interest rate sensitivity				
Fixed rate				
- Housing loans/ financing	4,941,524	3,991,792	2,512,550	962,812
- Hire purchase receivables	18,292,653	18,849,653	2,556,762	3,064,438
- Other fixed rate loans	30,740,648	28,457,085	22,328,737	20,246,749
Variable rate				
- BLR plus/BFR plus	82,364,953	85,255,685	61,060,963	63,628,303
- Cost-plus	50,426,196	50,862,022	37,843,963	34,654,049
- Other variable rates	131,345,625	126,240,471	72,404,567	70,104,536
Gross loans, advances and financing	<u>318,111,599</u>	<u>313,656,708</u>	<u>198,707,542</u>	<u>192,660,887</u>
(iv) By economic purpose				
Personal use	16,610,425	15,830,839	12,560,320	11,142,330
Credit cards	5,424,918	5,855,590	5,290,418	5,717,542
Purchase of consumer durables	193,006	154,248	43,724	49,590
Construction	11,196,223	11,805,736	7,656,003	7,721,535
Residential property (housing)	108,914,066	104,728,059	65,551,554	64,178,867
Non-residential property	31,430,585	30,262,157	23,110,309	22,376,392
Purchase of fixed assets other than land and buildings	3,415,640	3,477,674	2,709,126	2,741,321
Mergers and acquisitions	3,136,964	2,778,796	2,784,780	2,776,203
Purchase of securities	24,138,483	24,712,110	9,948,206	10,692,353
Purchase of transport vehicles	21,137,454	22,403,167	4,448,782	5,521,668
Working capital	62,838,587	61,053,304	45,545,591	40,981,626
Other purposes	29,675,248	30,595,028	19,058,729	18,761,460
Gross loans, advances and financing	<u>318,111,599</u>	<u>313,656,708</u>	<u>198,707,542</u>	<u>192,660,887</u>

PART A - EXPLANATORY NOTES (CONTINUED)**A11. LOANS, ADVANCES AND FINANCING (CONTINUED)**

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
(v) By geographical distribution				
Malaysia	232,869,026	226,824,072	144,802,133	140,620,217
Indonesia	1,758,665	2,117,050	1,756,797	2,117,050
Thailand	30,589,574	33,875,533	3,444,907	3,136,395
Singapore	32,113,922	29,590,306	32,113,922	29,590,306
United Kingdom	4,593,207	4,876,320	4,593,207	4,876,320
Hong Kong	1,174,946	1,462,829	1,161,260	1,462,829
China	3,119,137	4,037,938	3,119,137	4,037,938
Other countries	11,893,122	10,872,660	7,716,179	6,819,832
Gross loans, advances and financing	318,111,599	313,656,708	198,707,542	192,660,887
(vi) By economic sector				
Primary agriculture	7,677,907	8,199,975	4,695,175	4,883,143
Mining and quarrying	4,420,724	3,974,683	2,959,870	2,434,412
Manufacturing	17,304,867	16,401,835	11,025,958	10,210,106
Electricity, gas and water supply	4,291,188	4,740,203	2,584,653	2,573,689
Construction	10,793,713	10,903,894	8,745,667	8,910,584
Transport, storage and communications	7,605,813	7,596,768	5,280,970	5,007,446
Education, health and others	16,129,573	15,036,434	14,000,795	10,128,616
Wholesale and retail trade, and restaurants and hotels	25,320,317	23,236,981	17,053,989	15,464,715
Finance, insurance/takaful, real estate and business activities	40,800,316	42,767,608	28,859,239	30,174,262
Household	180,855,665	177,566,369	100,924,390	100,013,820
Others	2,911,516	3,231,958	2,576,836	2,860,094
	318,111,599	313,656,708	198,707,542	192,660,887
(vii) By residual contractual maturity				
Within one year	65,965,656	63,272,732	53,619,834	47,132,386
One year to less than three years	18,760,732	24,522,535	12,889,486	17,736,568
Three years to less than five years	26,822,339	23,281,136	17,921,942	14,791,522
Five years and more	206,562,872	202,580,305	114,276,280	113,000,411
Gross loans, advances and financing	318,111,599	313,656,708	198,707,542	192,660,887

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
(viii) Credit impaired loans, advances and financing by economic purpose				
Personal use	242,504	352,323	162,812	236,015
Credit cards	97,021	116,400	95,942	114,463
Purchase of consumer durables	1,403	733	377	471
Construction	1,315,440	1,356,167	1,178,971	1,198,958
Residential property (housing)	1,529,253	2,044,032	889,151	1,133,184
Non-residential property	494,730	537,820	381,882	414,632
Purchase of fixed assets other than land and buildings	42,694	38,495	25,104	27,308
Purchase of securities	225,852	289,926	190,002	202,160
Purchase of transport vehicles	471,166	250,907	180,711	97,596
Working capital	2,339,634	2,992,964	2,007,106	2,074,836
Merger and acquisition	12,809	-	12,809	-
Other purposes	749,229	717,053	252,266	176,800
Gross credit impaired loans, advances and financing	<u>7,521,735</u>	<u>8,696,820</u>	<u>5,377,133</u>	<u>5,676,423</u>
(ix) Credit impaired loans, advances and financing by geographical distribution				
Malaysia	4,495,507	5,520,744	3,661,860	4,012,118
Indonesia	155,705	138,396	155,705	138,396
Thailand	1,225,469	1,454,498	11	-
Singapore	1,446,153	1,424,273	1,446,153	1,424,273
United Kingdom	9,970	9,618	9,970	9,618
Hong Kong	2,563	3,167	2,563	3,167
China	11,883	15,311	11,883	15,311
Other countries	174,485	130,813	88,988	73,540
Gross credit impaired loans, advances and financing	<u>7,521,735</u>	<u>8,696,820</u>	<u>5,377,133</u>	<u>5,676,423</u>
(x) Credit impaired loans, advances and financing by economic sector				
Primary agriculture	76,813	73,016	52,102	53,536
Mining and quarrying	278,825	336,045	278,825	334,706
Manufacturing	531,083	1,096,993	215,930	141,054
Electricity, gas and water supply	249,860	257,463	249,859	247,018
Construction	157,870	221,044	106,661	176,488
Transport, storage and communications	1,088,610	1,147,001	1,084,071	1,140,964
Education, health and others	187,518	202,812	109,575	109,487
Wholesale and retail trade, and restaurants and hotels	1,807,252	1,723,892	1,406,122	1,328,791
Finance, insurance/takaful, real estate and business activities	556,027	578,960	361,413	393,385
Household	2,561,976	3,045,407	1,487,940	1,737,275
Others	25,901	14,187	24,635	13,719
Gross credit impaired loans, advances and financing	<u>7,521,735</u>	<u>8,696,820</u>	<u>5,377,133</u>	<u>5,676,423</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

The Group	12-month expected	Lifetime expected	Lifetime expected	Purchased credit impaired	Total
	credit losses (Stage 1)	credit losses - not credit impaired (Stage 2)	credit losses - Credit impaired (Stage 3)		
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	1,414,924	1,780,975	4,148,626	3,259	7,347,784
Changes in expected credit losses due to transferred within stages:	874,303	(577,521)	(296,782)	-	-
Transferred to Stage 1	1,380,533	(1,282,609)	(97,924)	-	-
Transferred to Stage 2	(504,594)	1,267,629	(763,035)	-	-
Transferred to Stage 3	(1,636)	(562,541)	564,177	-	-
Total charge to Income Statement:	(835,250)	1,456,175	797,797	-	1,418,722
New financial assets originated	564,366	468,271	79,452	-	1,112,089
Financial assets that have been derecognised	(318,540)	(822,692)	-	-	(1,141,232)
Writeback in respect of full recoveries	-	-	(132,179)	-	(132,179)
Change in credit risk	(1,081,076)	1,810,596	850,524	-	1,580,044
Write-offs	(711)	(1,119)	(711,946)	-	(713,776)
Disposal of loans, advances and financing	(533)	(386)	(94,012)	-	(94,931)
Exchange fluctuation	(15,499)	(12,234)	(3,651)	(250)	(31,634)
Other movements	5,150	356,308	58,128	-	419,586
At 30 September 2021	1,442,384	3,002,198	3,898,160	3,009	8,345,751

The Group	12-month expected	Lifetime expected	Lifetime expected	Purchased credit impaired	Total
	credit losses (Stage 1)	credit losses - not credit impaired (Stage 2)	credit losses - Credit impaired (Stage 3)		
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	947,363	766,983	3,121,465	2,748	4,838,559
Changes in expected credit losses due to transferred within stages:	(404,403)	270,037	134,366	-	-
Transferred to Stage 1	719,298	(579,288)	(140,010)	-	-
Transferred to Stage 2	(1,118,315)	1,551,801	(433,486)	-	-
Transferred to Stage 3	(5,386)	(702,476)	707,862	-	-
Total charge to Income Statement:	887,793	749,496	2,603,604	574	4,241,467
New financial assets originated	621,107	69,053	114,576	-	804,736
Financial assets that have been derecognised	(437,158)	(157,603)	-	-	(594,761)
Writeback in respect of full recoveries	-	-	(176,423)	-	(176,423)
Change in credit risk	703,844	838,046	2,665,451	574	4,207,915
Write-offs	(665)	(725)	(1,312,337)	-	(1,313,727)
Disposal of loans, advances and financing	-	-	(361,487)	-	(361,487)
Exchange fluctuation	(7,643)	(4,640)	(97,339)	(63)	(109,685)
Other movements	(7,521)	(176)	60,354	-	52,657
At 31 December 2020	1,414,924	1,780,975	4,148,626	3,259	7,347,784

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

The Bank	12-month expected	Lifetime expected credit	Lifetime expected	Total
	credit losses	losses - not credit	credit losses	
	(Stage 1)	impaired	- Credit impaired	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	857,601	1,200,071	3,331,702	5,389,374
Changes in expected credit losses due to transferred within stages:	518,643	(295,025)	(223,618)	-
Transferred to Stage 1	824,534	(767,398)	(57,136)	-
Transferred to Stage 2	(305,074)	792,692	(487,618)	-
Transferred to Stage 3	(817)	(320,319)	321,136	-
Total charge to Income Statement:	(487,752)	895,758	315,320	723,326
New financial assets originated	481,363	459,444	13,092	953,899
Financial assets that have been derecognised	(271,422)	(762,067)	-	(1,033,489)
Writeback in respect of full recoveries	-	-	(46,424)	(46,424)
Change in credit risk	(697,693)	1,198,381	348,652	849,340
Write-offs	(702)	(928)	(432,189)	(433,819)
Exchange fluctuation	2,826	8,027	48,414	59,267
Other movements	614	356,186	50,249	407,049
At 30 September 2021	891,230	2,164,089	3,089,878	6,145,197

The Bank	12-month expected	Lifetime expected credit	Lifetime expected	Total
	credit losses	losses - not credit	credit losses	
	(Stage 1)	impaired	- Credit impaired	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	641,476	445,075	2,194,095	3,280,646
Changes in expected credit losses due to transferred within stages:	(364,075)	291,638	72,437	-
Transferred to Stage 1	432,839	(351,941)	(80,898)	-
Transferred to Stage 2	(793,793)	1,037,224	(243,431)	-
Transferred to Stage 3	(3,121)	(393,645)	396,766	-
Total charge to Income Statement:	587,100	463,735	1,922,233	2,973,068
New financial assets originated	491,609	54,277	38,512	584,398
Financial assets that have been derecognised	(368,061)	(91,750)	-	(459,811)
Writeback in respect of full recoveries	-	-	(79,688)	(79,688)
Change in credit risk	463,552	501,208	1,963,409	2,928,169
Write-offs	(323)	(62)	(833,006)	(833,391)
Exchange fluctuation	(3,897)	(207)	(79,906)	(84,010)
Other movements	(2,680)	(108)	55,849	53,061
At 31 December 2020	857,601	1,200,071	3,331,702	5,389,374

Total ECL movements in 2020 is also affected by the changes in forward-looking economic inputs, increased weighting of a downside economic scenario and increased overlay provisions from estimated impacts of COVID-19 pandemic. For the period ended 30 September 2021, the overlays and post-model adjustments have been applied to determine a sufficient overall level of ECL. These overlays and post-model adjustments were taken to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact to delinquencies and defaults arising from the escalation of credit risk on certain segments of the targeted repayment assistance loans.

PART A - EXPLANATORY NOTES (CONTINUED)

A11. 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	8,689,004	7,816
Transfer within stages	347,424	-	347,424
New financial assets originated	232,643	-	232,643
Write-offs	(713,039)	-	(713,039)
Amount fully recovered	(593,794)	-	(593,794)
Other changes in loans, advances and financing	(167,377)	(48)	(167,425)
Disposal of loans, advances and financing	(217,511)	-	(217,511)
Exchange fluctuation	(62,785)	(598)	(63,383)
At 30 September 2021	7,514,565	7,170	7,521,735

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
	At 1 January 2020	7,586,783	8,024
Transfer within stages	3,699,649	-	3,699,649
New financial assets originated	424,061	-	424,061
Write-offs	(1,312,834)	-	(1,312,834)
Amount fully recovered	(614,493)	-	(614,493)
Other changes in loans, advances and financing	(608,597)	(28)	(608,625)
Disposal of loans, advances and financing	(431,602)	-	(431,602)
Exchange fluctuation	(53,963)	(180)	(54,143)
At 31 December 2020	8,689,004	7,816	8,696,820

	The Group	
	30 Sept 2021	31 Dec 2020
Ratio of credit impaired loans to total loans, advances and financing	2.36%	2.77%

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

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

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	5,676,423	5,676,423
Transfer within stages	349,443	349,443
New financial assets originated	27,919	27,919
Write-offs	(433,282)	(433,282)
Amount fully recovered	(233,871)	(233,871)
Other changes in loans, advances and financing	(47,846)	(47,846)
Exchange fluctuation	38,347	38,347
At 30 September 2021	<u>5,377,133</u>	<u>5,377,133</u>

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	4,430,993	4,430,993
Transfer within stages	2,579,124	2,579,124
New financial assets originated	50,098	50,098
Write-offs	(833,502)	(833,502)
Amount fully recovered	(178,568)	(178,568)
Other changes in loans, advances and financing	(360,413)	(360,413)
Exchange fluctuation	(11,309)	(11,309)
At 31 December 2020	<u>5,676,423</u>	<u>5,676,423</u>

	The Bank	
	30 Sept 2021	31 Dec 2020
Ratio of credit impaired loans to total loans, advances and financing	<u>2.71%</u>	<u>2.95%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A12. OTHER ASSETS

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Foreclosed assets net of allowance for impairment losses	123,573	121,661	-	-
Due from brokers	9,284	16,498	9,284	16,498
Structured financing	604,297	677,899	604,297	677,899
Collateral pledged for derivative transactions	4,361,846	3,981,007	1,243,301	1,988,055
Treasury related receivables	2,196,313	829,539	1,869,642	405,336
Settlement accounts	485,461	2,147,072	453,112	2,095,969
Other debtors, deposits and prepayments	2,924,394	2,388,241	2,734,802	2,039,206
	10,705,168	10,161,917	6,914,438	7,222,963

A13. DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
(i) By type of deposit				
Demand deposits	89,679,162	86,757,800	70,665,375	68,948,088
Saving deposits	51,944,065	46,866,540	32,981,794	29,717,515
Fixed deposits	136,631,408	135,425,861	95,642,958	91,146,585
Negotiable instruments of deposit	66,294	199,022	-	-
Others	86,594,811	78,776,652	41,210,440	33,251,515
	364,915,740	348,025,875	240,500,567	223,063,703

(ii) By type of customer

Government and statutory bodies	14,143,519	13,329,478	8,580,104	8,570,863
Business enterprises	142,328,517	115,599,752	98,216,908	76,901,308
Individuals	133,917,798	143,519,356	88,190,374	94,605,412
Others	74,525,906	75,577,289	45,513,181	42,986,120
	364,915,740	348,025,875	240,500,567	223,063,703

(iii) Maturity structure of fixed deposits and negotiable instruments of deposit

Due within six months	107,382,368	110,180,039	75,433,358	76,918,510
Six months to less than one year	28,057,530	24,976,486	19,340,107	14,086,196
One year to less than three years	1,142,877	380,773	759,077	57,883
Three years to less than five years	114,927	87,585	110,416	83,996
	136,697,702	135,624,883	95,642,958	91,146,585

A14. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Unrestricted investment accounts	7,273,574	2,678,870	-	-

PART A - EXPLANATORY NOTES (CONTINUED)

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	30 Sept 2021	31 Dec 2020	30 Sept 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Licensed banks	24,681,623	25,035,189	23,444,085	22,329,434
Licensed finance companies	2,018,324	2,138,885	95,049	183,117
Licensed investment banks	455,938	216,880	108,765	215,830
Bank Negara Malaysia	1,048,031	671,953	1,043,031	666,953
Other financial institutions	2,747,914	3,066,020	1,669,321	1,875,629
	30,951,830	31,128,927	26,360,251	25,270,963

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

Due within six months	27,280,295	28,580,095	22,880,614	23,051,626
Six months to less than one year	1,195,020	1,731,452	1,284,730	1,557,882
One year to less than three years	1,282,368	-	1,157,752	-
Three years to less than five years	156,992	155,517	-	-
Five years and more	1,037,155	661,863	1,037,155	661,455
	30,951,830	31,128,927	26,360,251	25,270,963

A16. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	30 Sept 2021	31 Dec 2020	30 Sept 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Deposits from customers - structured investments	741,267	134,285	110,026	62,676
Debentures	1,898	1,072,150	-	-
Bills payable	2,197,686	2,810,495	-	-
	2,940,851	4,016,930	110,026	62,676

The Group and the Bank have issued structured investments, bills payable and debentures, and have designated them at fair value in accordance with MFRS9. The Group and the Bank have the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group and the Bank on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of financial liabilities designated at fair value of the Group and the Bank at 30 September 2021 were RM25,431,000 lower (2020: RM479,000 higher) and RM2,146,000 lower (2020: RM1,128,000 higher) respectively than the contractual amount at maturity for the structured investments, RM37,000 (2020: RM1,611,000) higher than the contractual amount at maturity for the debentures and RM379,801,000 (2020: RM520,836,000) higher than the contractual amount at maturity for bills payable.

A17. OTHER LIABILITIES

	The Group		The Bank	
	30 Sept 2021	31 Dec 2020	30 Sept 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	40,442	9,856	40,442	9,856
Accrued employee benefits	25,658	24,601	25,386	24,208
Post employment benefit obligations	263,498	277,911	37,439	34,996
Sundry creditors	715,477	479,765	393,947	364,861
Expenditure payable	1,508,598	1,185,311	1,350,166	994,856
Expected credit losses for loan commitments and financial guarantee contracts	A17(a) 612,463	561,087	395,737	370,148
Provision for legal claims	56,011	51,980	36,687	37,125
Credit card expenditure payable	116,482	98,219	108,753	90,795
Collateral received for derivative transactions	3,267,257	2,888,876	1,105,320	1,363,736
Structured deposits	3,483,276	2,765,102	3,451,568	2,726,654
Treasury related payables	3,328,435	2,428,523	3,007,268	1,924,888
Others	1,491,508	715,169	825,126	374,758
	14,909,105	11,486,400	10,777,839	8,316,881

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OTHER LIABILITIES (CONTINUED)

(a) Expected credit losses movement of 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	279,950	120,942	160,195	561,087
Changes in expected credit losses due to transferred within stages:	100,378	(83,519)	(16,859)	-
Transferred to Stage 1	137,790	(123,060)	(14,730)	-
Transferred to Stage 2	(37,193)	61,665	(24,472)	-
Transferred to Stage 3	(219)	(22,124)	22,343	-
Total charge to Income Statement:	(54,937)	101,850	1,412	48,325
New exposures	147,455	3,239	2,837	153,531
Exposures derecognised or matured	(97,083)	(14,839)	(622)	(112,544)
Change in credit risk	(105,309)	113,450	(803)	7,338
Exchange fluctuation	(464)	9	(7,016)	(7,471)
Other movements	906	9,531	85	10,522
At 30 September 2021	325,833	148,813	137,817	612,463

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 2020	210,691	38,848	124,352	373,891
Changes in expected credit losses due to transferred within stages:	19,821	(23,948)	4,127	-
Transferred to Stage 1	128,218	(81,132)	(47,086)	-
Transferred to Stage 2	(72,891)	90,075	(17,184)	-
Transferred to Stage 3	(35,506)	(32,891)	68,397	-
Total charge to Income Statement:	50,141	108,311	33,194	191,646
New exposures	191,780	6,800	39,896	238,476
Exposures derecognised or matured	(112,818)	(15,788)	(29,667)	(158,273)
Change in credit risk	(28,821)	117,299	22,965	111,443
Exchange fluctuation	160	(52)	(1,623)	(1,515)
Other movements	(863)	(2,217)	145	(2,935)
At 31 December 2020	279,950	120,942	160,195	561,087

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OTHER LIABILITIES (CONTINUED)

(a) Expected credit losses movement of loan commitments and financial guarantee contracts are as follows: (Continued)

The Bank	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	210,701	97,031	62,416	370,148
Changes in expected credit losses due to transferred within stages:	75,469	(63,663)	(11,806)	-
Transferred to Stage 1	108,480	(97,627)	(10,853)	-
Transferred to Stage 2	(32,917)	52,984	(20,067)	-
Transferred to Stage 3	(94)	(19,020)	19,114	-
Total charge to Income Statement:	(47,596)	64,185	(1,799)	14,790
New exposures	91,668	2,902	2,033	96,603
Exposures derecognised or matured	(69,883)	(8,724)	-	(78,607)
Change in credit risk	(69,381)	70,007	(3,832)	(3,206)
Exchange fluctuation	807	56	-	863
Other movements	379	9,484	73	9,936
At 30 September 2021	239,760	107,093	48,884	395,737

The Bank	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	166,711	30,989	48,206	245,906
Changes in expected credit losses due to transferred within stages:	5,408	(5,879)	471	-
Transferred to Stage 1	70,501	(59,887)	(10,614)	-
Transferred to Stage 2	(64,901)	80,089	(15,188)	-
Transferred to Stage 3	(192)	(26,081)	26,273	-
Total charge to Income Statement:	38,567	73,537	13,413	125,517
New exposures	116,833	4,211	39,795	160,839
Exposures derecognised or matured	(78,736)	(10,726)	(28,209)	(117,671)
Change in credit risk	470	80,052	1,827	82,349
Exchange fluctuation	35	(2)	57	90
Other movements	(20)	(1,614)	269	(1,365)
At 31 December 2020	210,701	97,031	62,416	370,148

As at 30 September 2021, the gross carrying amount of loan commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM262,157,000 (2020: RM286,497,000) and RM183,485,000 (2020: RM193,087,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A18. INTEREST INCOME

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
The Group				
Loans and advances				
- interest income	2,084,333	2,355,667	6,281,083	7,507,664
- unwinding income [^]	25,977	(114,292)	69,656	56,070
Money at call and deposits with financial institutions	55,428	76,275	181,341	340,366
Reverse repurchase agreements	7,174	22,378	31,447	87,966
Debt instruments at fair value through other comprehensive income	297,009	216,728	844,500	617,920
Debt instruments at amortised cost	349,647	363,961	1,046,847	934,192
Equity instruments at fair value through other comprehensive income	-	-	-	1,266
Others	8,388	6,588	24,096	21,843
	<u>2,827,956</u>	<u>2,927,305</u>	<u>8,478,970</u>	<u>9,567,287</u>
Net accretion of discount less amortisation of premium	(59,169)	(37,958)	(170,327)	(58,200)
	<u>2,768,787</u>	<u>2,889,347</u>	<u>8,308,643</u>	<u>9,509,087</u>
The Bank				
Loans and advances				
- interest income	1,665,936	1,779,523	4,947,020	5,809,884
- unwinding income [^]	19,234	(6,240)	58,821	54,473
Money at call and deposits with financial institutions	75,399	101,510	246,542	422,493
Reverse repurchase agreements	6,797	22,166	30,653	86,462
Debt instruments at fair value through other comprehensive income	271,778	190,213	766,019	543,468
Debt instruments at amortised cost	359,030	375,025	1,078,599	967,040
Equity instruments at fair value through other comprehensive income	-	-	-	1,266
Others	8,387	6,588	24,095	21,843
	<u>2,406,561</u>	<u>2,468,785</u>	<u>7,151,749</u>	<u>7,906,929</u>
Net accretion of discount less amortisation of premium	(49,758)	(31,761)	(145,109)	(46,704)
	<u>2,356,803</u>	<u>2,437,024</u>	<u>7,006,640</u>	<u>7,860,225</u>

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

A19. INTEREST INCOME FOR FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
The Group				
Loans and advances at fair value through profit or loss	3,819	7,720	11,485	25,468
Financial assets at fair value through profit or loss	112,531	122,956	342,105	362,587
	<u>116,350</u>	<u>130,676</u>	<u>353,590</u>	<u>388,055</u>
Net accretion of discount less amortisation of premium	(12,765)	(24,535)	(35,113)	57,857
	<u>103,585</u>	<u>106,141</u>	<u>318,477</u>	<u>445,912</u>
The Bank				
Loans and advances at fair value through profit or loss	3,819	7,720	11,485	25,468
Financial assets at fair value through profit or loss	83,222	90,958	253,917	268,530
	<u>87,041</u>	<u>98,678</u>	<u>265,402</u>	<u>293,998</u>
Net accretion of discount less amortisation of premium	(7,503)	(14,842)	(16,964)	84,549
	<u>79,538</u>	<u>83,836</u>	<u>248,438</u>	<u>378,547</u>

PART A - EXPLANATORY NOTES (CONTINUED)**A20. INTEREST EXPENSE**

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
The Group				
Deposits and placements of banks and other financial institutions	43,354	53,489	126,783	251,970
Deposits from other customers	602,436	890,030	1,872,725	3,255,139
Repurchase agreements	73,742	51,726	212,971	173,441
Financial liabilities designated at fair value through profit or loss	5,927	9,177	20,681	33,988
Negotiable certificates of deposits	1,773	912	7,009	13,194
Recourse obligation on loan and financing sold to Cagamas	11,171	18,056	36,217	70,351
Bonds, Sukuk and debentures	50,303	56,560	149,668	270,911
Subordinated obligations	93,156	114,444	305,959	367,518
Other borrowings	9,088	14,837	40,961	63,025
Structured deposits	6,919	9,807	20,786	35,408
Lease liabilities	4,137	5,631	13,473	18,687
Others	1,888	2,567	5,735	9,445
	903,894	1,227,236	2,812,968	4,563,077
The Bank				
Deposits and placements of banks and other financial institutions	37,707	43,160	111,672	214,930
Deposits from other customers	528,929	780,800	1,625,326	2,891,442
Repurchase agreements	70,938	49,988	204,165	158,258
Financial liabilities designated at fair value through profit or loss	168	72	564	2,083
Negotiable certificates of deposits	1,589	741	6,453	12,453
Recourse obligation on loan and financing sold to Cagamas	11,171	18,056	36,217	70,351
Bonds and debentures	43,986	46,067	130,676	236,192
Subordinated obligations	91,441	112,667	301,112	362,339
Other borrowings	11,170	21,164	46,589	82,443
Structured deposits	6,919	9,807	20,786	35,408
Lease liabilities	3,669	5,198	12,075	17,168
Others	9	17	26	52
	807,696	1,087,737	2,495,661	4,083,119

A21. 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.

PART A - EXPLANATORY NOTES (CONTINUED)

A22. NET NON-INTEREST INCOME

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
The Group				
Net fee and commission income				
Commissions	177,312	179,541	629,613	474,406
Fee on loans and advances	99,481	93,282	266,636	272,227
Service charges and fees	126,629	109,065	346,863	337,279
Guarantee fees	15,704	17,569	50,956	52,170
Other fee income	34,198	16,543	115,619	107,208
Fee and commission income	453,324	416,000	1,409,687	1,243,290
Fee and commission expense	(107,476)	(103,059)	(300,000)	(328,672)
Net fee and commission income	345,848	312,941	1,109,687	914,618
Gross dividend income from:				
Financial investments at fair value through profit or loss	14,758	23,784	47,290	50,056
Equity instruments at fair value through other comprehensive income	179	1,449	2,310	2,311
	14,937	25,233	49,600	52,367
Net (loss)/gain arising from financial investments at fair value through profit or loss				
- realised	(59,004)	(93,184)	(276,682)	(319,763)
- unrealised	(127,251)	396,804	(680,251)	332,682
	(186,255)	303,620	(956,933)	12,919
Net gain/(loss) arising from derivative financial instrument				
- realised	774,364	408,739	1,419,106	404,886
- unrealised	30,858	(977,793)	1,513,630	182,814
	805,222	(569,054)	2,932,736	587,700
Net gain arising from loans, advances and financing at fair value through profit or loss				
- unrealised	1,635	373	2,282	939
	1,635	373	2,282	939
Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss				
- realised	(3,550)	(98,622)	(114,671)	(88,262)
- unrealised	27,620	117,075	183,342	(17,757)
	24,070	18,453	68,671	(106,019)
Net gain/(loss) arising from hedging activities	3,364	(3,912)	5,240	(21,226)
Net gain from sale of investment in debt instruments at fair value through other comprehensive income	100,751	90,374	232,808	227,738
Net gain from redemption of debt instruments at amortised cost	-	-	7,020	-
Other non-interest income				
Foreign exchange (loss)/gain	(521,588)	637,249	(1,380,763)	165,544
Rental income	5,948	6,663	9,671	13,439
Gain on disposal of property, plant and equipment/ assets held for sale	3,686	7,656	9,752	18,941
Gain on disposal of foreclosed assets	2,527	5,631	4,544	4,767
Loss on disposal of loans, advances and financing	(1,483)	-	(1,483)	-
Others	6,331	4,792	20,602	39,742
	(504,579)	661,991	(1,337,677)	242,433
	604,993	840,019	2,113,434	1,911,469

PART A - EXPLANATORY NOTES (CONTINUED)

A22. NET NON-INTEREST INCOME (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
The Bank				
Net fee and commission income				
Commissions	124,872	149,229	461,870	368,976
Fee on loans and advances	95,351	89,816	256,458	261,298
Service charges and fees	412,274	296,219	1,132,926	946,350
Guarantee fees	13,253	14,634	44,298	43,038
Other fee income	30,600	3,161	107,724	68,939
Fee and commission income	676,350	553,059	2,003,276	1,688,601
Fee and commission expense	(105,671)	(89,755)	(294,801)	(289,787)
Net fee and commission income	570,679	463,304	1,708,475	1,398,814
Gross dividend income from:				
Financial investments at fair value through profit or loss	14,736	23,761	47,200	49,966
Equity instruments at fair value through other comprehensive income	-	1,200	1,000	1,200
Subsidiary	3,360	-	25,123	22,199
Joint venture	-	25,000	-	25,000
	18,096	49,961	73,323	98,365
Net (loss)/gain arising from financial investments at fair value through profit or loss				
- realised	(84,137)	(100,672)	(216,059)	(330,645)
- unrealised	(55,292)	434,466	(383,008)	449,846
	(139,429)	333,794	(599,067)	119,201
Net gain/(loss) arising from derivative financial instrument				
- realised	938,357	72,455	1,508,744	296,718
- unrealised	(206,450)	(736,220)	1,015,389	(70,071)
	731,907	(663,765)	2,524,133	226,647
Net gain arising from loans, advances and financing at fair value through profit or loss				
- unrealised	1,635	373	2,282	939
	1,635	373	2,282	939
Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss				
- realised	(106)	(97)	(643)	29,252
- unrealised	1,357	(63)	3,278	(31,349)
	1,251	(160)	2,635	(2,097)
Net gain/(loss) arising from hedging activities				
	3,240	(3,914)	4,385	(21,787)
Net gain from sale of investment in debt instruments at fair value through other comprehensive income				
	87,629	79,640	190,316	188,075
Net gain from redemption of debt instruments at amortised cost				
	-	-	7,020	-
Other non-interest income				
Foreign exchange (loss)/gain	(498,968)	689,235	(1,364,027)	163,340
Rental income	5,263	6,713	8,593	13,516
Gain on disposal of property, plant and equipment/ assets held for sale	3,300	617	8,523	6,816
Loss on disposal of loans, advances and financing	(622)	-	(622)	-
Others	4,201	3,916	14,319	35,680
	(486,826)	700,481	(1,333,214)	219,352
	788,182	959,714	2,580,288	2,227,509

PART A - EXPLANATORY NOTES (CONTINUED)**A23. OVERHEADS**

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonuses	746,310	731,562	2,305,411	2,222,693
- Pension cost	89,997	85,086	271,414	261,238
- Share-based expense ¹	11,639	-	15,556	-
- Overtime	1,915	2,280	6,412	8,877
- Staff incentives and other staff payments	55,186	55,669	239,985	151,938
- Medical expenses	15,435	14,353	50,070	54,036
- Others	9,515	27,513	61,977	72,757
	929,997	916,463	2,950,825	2,771,539
Establishment costs				
- Depreciation of property, plant and equipment	32,106	39,442	108,415	117,906
- Depreciation of right-of-use assets	48,627	51,297	145,883	148,871
- Rental	20,187	15,589	64,843	53,658
- Amortisation of intangible assets	155,162	75,530	441,249	203,651
- Repair and maintenance	107,059	88,869	339,066	289,916
- Outsourced services	17,166	33,681	55,254	84,030
- Security expenses	20,862	22,771	65,502	67,242
- Intangible assets written off	11,968	-	99,791	-
- Others	31,479	30,034	88,335	87,284
	444,616	357,213	1,408,338	1,052,558
Marketing expenses				
- Advertisement	23,302	4,353	50,124	33,781
- Others	8,243	4,722	15,668	21,159
	31,545	9,075	65,792	54,940
Administration and general expenses				
- Communication	16,247	16,997	50,481	62,663
- Consultancy and professional fees	15,305	24,600	53,473	75,552
- Legal expenses	12,249	4,375	39,804	11,350
- Stationery	5,558	5,295	16,025	17,423
- Postages	5,417	9,292	19,683	34,607
- Administrative travelling and vehicle expenses	3,085	2,568	10,317	10,666
- Incidental expenses on banking operations	9,098	8,569	30,036	31,380
- Insurance	17,783	866	52,981	31,620
- Others	118,672	122,077	302,958	298,730
	203,414	194,639	575,758	573,991
	1,609,572	1,477,390	5,000,713	4,453,028

PART A - EXPLANATORY NOTES (CONTINUED)

A23. OVERHEADS (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
The Bank				
Personnel costs				
- Salaries, allowances and bonuses	601,133	575,753	1,853,583	1,731,234
- Pension cost	77,892	72,306	232,129	221,668
- Share-based expense ¹	9,581	-	12,799	-
- Overtime	992	1,431	3,438	4,924
- Staff incentives and other staff payments	41,890	45,620	204,039	122,390
- Medical expenses	14,246	13,298	46,044	50,073
- Others	5,848	19,721	47,747	47,550
	<u>751,582</u>	<u>728,129</u>	<u>2,399,779</u>	<u>2,177,839</u>
Establishment costs				
- Depreciation of property, plant and equipment	21,583	27,758	76,021	83,241
- Depreciation of right-of-use assets	41,584	44,409	124,420	127,279
- Rental	14,791	10,251	41,500	35,539
- Amortisation of intangible assets	134,905	60,920	377,460	158,356
- Repair and maintenance	96,749	80,248	305,007	261,658
- Outsourced services	15,752	20,360	40,987	59,356
- Security expenses	19,756	21,452	62,248	63,148
- Intangible assets written off	-	-	87,823	-
- Others	27,906	25,279	75,992	72,513
	<u>373,026</u>	<u>290,677</u>	<u>1,191,458</u>	<u>861,090</u>
Marketing expenses				
- Advertisement	18,336	771	39,644	22,736
- Others	8,010	2,047	14,862	12,942
	<u>26,346</u>	<u>2,818</u>	<u>54,506</u>	<u>35,678</u>
Administration and general expenses				
- Communication	14,833	15,610	46,377	57,953
- Consultancy and professional fees	11,262	11,953	43,873	31,827
- Legal expenses	3,725	(1,061)	9,946	(1,527)
- Stationery	3,557	4,030	11,408	11,606
- Postages	4,099	7,077	15,199	26,687
- Administrative travelling and vehicle expenses	1,359	1,203	4,557	5,747
- Incidental expenses on banking operations	4,033	5,971	14,783	20,223
- Insurance	14,084	973	41,955	27,217
- Others	110,811	96,209	277,053	238,708
	<u>167,763</u>	<u>141,965</u>	<u>465,151</u>	<u>418,441</u>
	<u>1,318,717</u>	<u>1,163,589</u>	<u>4,110,894</u>	<u>3,493,048</u>

¹ The long term incentive plan ("LTIP") was implemented by CIMB Group Holdings in June 2021. The LTIP awards ordinary shares and share options of CIMB Group to eligible employees of the Group and the Bank. The eligibility of participation in the LTIP shall be at the discretion of the LTIP Committee of CIMB Group Holdings Berhad, and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions

PART A - EXPLANATORY NOTES (CONTINUED)

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

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	379,610	1,134,788	1,418,722	3,094,128
Credit impaired:				
- recovered	(86,936)	(105,696)	(360,979)	(292,034)
- written off	1,341	4,467	6,337	9,338
	<u>294,015</u>	<u>1,033,559</u>	<u>1,064,080</u>	<u>2,811,432</u>
The Bank				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	151,890	830,037	723,326	2,362,146
Credit impaired:				
- recovered	(41,258)	(43,492)	(204,937)	(122,406)
- written off	1,311	3,673	5,422	7,582
	<u>111,943</u>	<u>790,218</u>	<u>523,811</u>	<u>2,247,322</u>

A24(b). OTHER EXPECTED CREDIT LOSSES AND IMPAIRMENT ALLOWANCES

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses and impairment allowances made/ (written back):				
- Debt instrument at fair value through other comprehensive income	1,764	1,538	25,142	11,900
- Debt instrument at amortised cost	16,685	194,399	68,602	297,511
- Money at call and deposits and placements with banks and other financial institutions	324	(175)	(2,060)	116
- Other assets	3,509	33,602	28,861	127,201
- Intangible assets	(10,905)	-	-	-
	<u>11,377</u>	<u>229,364</u>	<u>120,545</u>	<u>436,728</u>
The Bank				
Expected credit losses and impairment allowances made/ (written back):				
- Debt instrument at fair value through other comprehensive income	4,028	1,081	23,552	10,592
- Debt instrument at amortised cost	20,058	190,613	72,979	294,182
- Money at call and deposits and placements with banks and other financial institutions	339	(129)	311	34
- Other assets	(30,100)	1,175	(73,004)	5,290
	<u>(5,675)</u>	<u>192,740</u>	<u>23,838</u>	<u>310,098</u>

A24(c). IMPAIRMENT OF GOODWILL

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. As at 30 September 2021, a goodwill impairment indicator was triggered as the operation and earnings of CIMB Thai ("the CGU"), a subsidiary of CIMB Bank continue to be affected by the prolonged impact of the Covid-19 pandemic in Thailand. In addition, the CGU has also implemented a more focused strategy by reshaping its portfolio and has performed a review of its underperforming businesses. Annual impairment test was performed by comparing the estimated recoverable amount of CIMB Thai CGU goodwill, determined by a Value In Use ("VIU") calculation, with its carrying amount. Cash flow projections were revised to reflect the change in strategy and current macroeconomic conditions whereas the discount rate increased to reflect the heightened country risk when determining the VIU. With the revisions in these assumptions and/or inputs, the impairment test resulted in a goodwill impairment of RM1,215 million. No asset other than goodwill was impaired.

The assumptions used in performing the annual impairment test have been updated to reflect budgeted earnings in 2022-2025 and a delay in the return to the pre-crisis levels of earnings and profitability.

The recoverable amount of CIMB Thai was based on its VIU, calculated based on financial budgets and business plans prepared by management that was updated to reflect the most recent developments as at the interim reporting date. In view of the uncertainty in the economic outlook as a result of Covid-19, the VIU estimated as at 30 September 2021 was based on the discounted cash flow ("DCF") method with multiple cash flow projections taking into consideration assumed probabilities of different future events and/or scenarios. In the annual impairment testing, management has considered using 3 scenarios to reflect a representative sample of possible outcomes, namely the best case scenario, base case scenario and worst case scenario. The best case scenario reflects the budgeted earnings without any hair cut to the cash flow projections, base case scenario with 10% hair-cut and worst case scenario with 20% hair-cut.

The goodwill impairment charge to the Group's Statements of Income is a non-cash item. The impairment charge will not have an impact to regulatory capital ratios and future earnings.

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 30 September 2021	The Group			The Bank		
	Principal RM'000	Fair values		Principal RM'000	Fair values	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	46,132,252	627,486	(499,711)	31,280,112	260,868	(204,918)
- less than one year	42,958,761	595,473	(333,139)	29,322,716	235,219	(121,461)
- one year to three years	2,257,997	21,191	(92,046)	1,326,562	14,819	(25,768)
- more than three years	915,494	10,822	(74,526)	630,834	10,830	(57,689)
Currency swaps	515,259,274	7,757,465	(6,770,756)	367,647,711	3,272,353	(2,997,859)
- less than one year	511,176,296	7,687,409	(6,739,284)	364,077,463	3,239,482	(2,979,323)
- one year to three years	3,956,200	68,612	(30,329)	3,453,259	32,016	(17,393)
- more than three years	126,778	1,444	(1,143)	116,989	855	(1,143)
Currency spots	4,733,214	8,910	(4,683)	3,389,525	3,876	(2,417)
- less than one year	4,733,214	8,910	(4,683)	3,389,525	3,876	(2,417)
Currency options	6,651,838	100,003	(120,627)	6,525,687	97,672	(120,303)
- less than one year	3,078,720	33,320	(45,114)	2,952,569	30,989	(44,790)
- one year to three years	2,389,966	39,182	(39,604)	2,389,966	39,182	(39,604)
- more than three years	1,183,152	27,501	(35,909)	1,183,152	27,501	(35,909)
Cross currency interest rate swaps	94,920,358	2,570,425	(3,050,777)	36,713,026	927,447	(724,290)
- less than one year	27,698,242	505,037	(1,089,192)	13,983,679	270,277	(277,160)
- one year to three years	29,794,583	953,400	(746,717)	10,537,877	391,180	(199,983)
- more than three years	37,427,533	1,111,988	(1,214,868)	12,191,470	265,990	(247,147)
	667,696,936	11,064,289	(10,446,554)	445,556,061	4,562,216	(4,049,787)
<u>Interest rate derivatives</u>						
Interest rate swaps	385,677,568	3,642,269	(3,180,184)	146,921,632	1,493,777	(1,419,304)
- less than one year	141,988,021	292,760	(285,261)	57,175,434	178,349	(167,866)
- one year to three years	123,159,875	951,516	(1,002,390)	48,457,100	521,217	(554,436)
- more than three years	120,529,672	2,397,993	(1,892,533)	41,289,098	794,211	(697,002)
Interest rate futures	4,212,210	25,830	(2,871)	4,212,210	25,830	(2,871)
- less than one year	3,081,517	25,609	(2,871)	3,081,517	25,609	(2,871)
- one year to three years	1,130,693	221	-	1,130,693	221	-
Interest rate options	421,670	-	-	421,670	-	-
- one year to three years	421,670	-	-	421,670	-	-
	390,311,448	3,668,099	(3,183,055)	151,555,512	1,519,607	(1,422,175)
<u>Equity related derivatives</u>						
Equity swaps	367,588	33,149	(19,933)	367,588	33,149	(19,933)
- less than one year	40,387	11,366	-	40,387	11,366	-
- one year to three years	156,713	20,762	(128)	156,713	20,762	(128)
- more than three years	170,488	1,021	(19,805)	170,488	1,021	(19,805)
Equity options	3,289,207	241,177	(96,455)	2,961,560	237,212	(92,356)
- less than one year	3,101,684	234,380	(87,583)	2,868,222	232,489	(85,558)
- one year to three years	97,267	4,752	(6,827)	93,338	4,723	(6,798)
- more than three years	90,256	2,045	(2,045)	-	-	-
Index futures	84,209	559	(802)	84,209	559	(802)
- less than one year	84,209	559	(802)	84,209	559	(802)
	3,741,004	274,885	(117,190)	3,413,357	270,920	(113,091)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 30 September 2021	The Group			The Bank		
	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	1,315,806	105,002	(119,803)	1,316,041	104,724	(119,826)
- less than one year	1,295,320	104,998	(118,528)	1,295,555	104,720	(118,551)
- one year to three years	20,486	4	(1,275)	20,486	4	(1,275)
Commodity futures	498,408	12,531	(41,590)	498,408	12,531	(41,590)
- less than one year	498,408	12,531	(41,590)	498,408	12,531	(41,590)
Commodity options	1,862,666	397,123	(357,972)	1,862,666	397,123	(357,972)
- less than one year	1,862,666	397,123	(357,972)	1,862,666	397,123	(357,972)
	3,676,880	514,656	(519,365)	3,677,115	514,378	(519,388)
<u>Credit related derivatives</u>						
Credit default swaps	3,164,526	41,365	(29,131)	3,161,002	41,354	(29,525)
- less than one year	255,999	1,176	(17)	255,453	1,175	(17)
- one year to three years	134,306	2,012	(419)	134,306	2,012	(419)
- more than three years	2,774,221	38,177	(28,695)	2,771,243	38,167	(29,089)
Total return swaps	26,025	-	(1,377)	26,025	-	(1,377)
- less than one year	5,525	-	(152)	5,525	-	(152)
- more than three years	20,500	-	(1,225)	20,500	-	(1,225)
	3,190,551	41,365	(30,508)	3,187,027	41,354	(30,902)
<u>Bond contract</u>						
Bond forward	2,979,954	137,070	(155,236)	30,000	-	(3,928)
- less than one year	1,252,164	24,207	(112,815)	-	-	-
- one year to three years	1,324,990	74,555	(38,493)	-	-	-
- more than three years	402,800	38,308	(3,928)	30,000	-	(3,928)
<u>Hedging derivatives</u>						
Currency swaps	4,313,909	46,516	(19,319)	4,097,979	46,516	(18,402)
- less than one year	4,313,909	46,516	(19,319)	4,097,979	46,516	(18,402)
Cross currency interest rate swaps	3,399,690	105,662	(30,749)	848,612	3,211	(7,440)
- less than one year	84,028	7,788	-	-	-	-
- one year to three years	1,451,944	68,265	(2,971)	435,599	3,211	(1,074)
- more than three years	1,863,718	29,609	(27,778)	413,013	-	(6,366)
Interest rate swaps	24,288,923	400,004	(305,984)	23,477,440	394,400	(306,252)
- less than one year	5,720,568	49,145	(18,638)	5,592,424	49,149	(18,507)
- one year to three years	6,658,598	142,234	(58,390)	6,261,531	137,377	(58,316)
- more than three years	11,909,757	208,625	(228,956)	11,623,485	207,874	(229,429)
	32,002,522	552,182	(356,052)	28,424,031	444,127	(332,094)
Total derivatives assets/(liabilities)	1,103,599,295	16,252,546	(14,807,960)	635,843,103	7,352,602	(6,471,365)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 December 2020	The Group			The Bank		
	Principal RM'000	Fair values		Principal RM'000	Fair values	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	39,272,269	302,979	(951,865)	27,912,605	166,369	(761,307)
- less than one year	35,295,232	233,114	(820,279)	25,246,051	144,252	(641,814)
- one year to three years	2,804,083	56,829	(70,533)	1,730,940	13,109	(58,114)
- more than three years	1,172,954	13,036	(61,053)	935,614	9,008	(61,379)
Currency swaps	335,851,537	4,117,776	(4,397,664)	201,463,176	2,418,155	(2,590,440)
- less than one year	332,589,463	4,085,146	(4,334,392)	199,157,255	2,398,536	(2,534,019)
- one year to three years	2,968,016	32,483	(56,313)	2,129,573	19,472	(51,137)
- more than three years	294,058	147	(6,959)	176,348	147	(5,284)
Currency spots	1,909,262	2,453	(3,046)	1,674,195	2,316	(3,055)
- less than one year	1,909,262	2,453	(3,046)	1,674,195	2,316	(3,055)
Currency options	8,562,836	195,463	(223,178)	8,334,367	193,769	(221,454)
- less than one year	5,509,114	99,608	(109,502)	5,280,645	97,914	(107,778)
- one year to three years	1,165,890	44,818	(67,085)	1,165,890	44,818	(67,085)
- more than three years	1,887,832	51,037	(46,591)	1,887,832	51,037	(46,591)
Cross currency interest rate swaps	89,399,319	3,440,355	(3,009,654)	36,876,607	1,511,505	(1,061,821)
- less than one year	23,619,309	872,434	(662,423)	11,311,850	389,754	(213,722)
- one year to three years	27,728,931	1,004,521	(976,491)	12,641,338	432,307	(486,354)
- more than three years	38,051,079	1,563,400	(1,370,740)	12,923,419	689,444	(361,745)
	474,995,223	8,059,026	(8,585,407)	276,260,950	4,292,114	(4,638,077)
<u>Interest rate derivatives</u>						
Interest rate swaps	456,041,628	6,292,186	(5,844,554)	200,382,398	2,766,992	(2,915,651)
- less than one year	184,576,537	599,994	(622,752)	80,518,464	359,744	(394,035)
- one year to three years	126,535,270	1,481,484	(1,459,352)	64,983,551	862,980	(827,106)
- more than three years	144,929,821	4,210,708	(3,762,450)	54,880,383	1,544,268	(1,694,510)
Interest rate futures	4,570,064	2,287	(9,244)	4,570,064	2,287	(9,244)
- less than one year	4,570,064	2,287	(9,244)	4,570,064	2,287	(9,244)
Interest rate options	7,085	-	(67)	7,085	-	(67)
- less than one year	7,085	-	(67)	7,085	-	(67)
	460,618,777	6,294,473	(5,853,865)	204,959,547	2,769,279	(2,924,962)
<u>Equity related derivatives</u>						
Equity swaps	223,354	3,995	(27,065)	223,354	3,995	(27,065)
- one year to three years	60,033	3,991	(2,964)	60,033	3,991	(2,964)
- more than three years	163,321	4	(24,101)	163,321	4	(24,101)
Equity options	2,749,143	171,471	(133,985)	2,179,007	161,282	(123,724)
- less than one year	2,396,904	163,002	(129,811)	1,967,772	155,078	(121,815)
- one year to three years	265,695	6,618	(2,323)	211,235	6,204	(1,909)
- more than three years	86,544	1,851	(1,851)	-	-	-
Equity futures	30,563	215	-	30,563	215	-
- less than one year	30,563	215	-	30,563	215	-
Index futures	11,286	-	(285)	11,286	-	(285)
- less than one year	11,286	-	(285)	11,286	-	(285)
	3,014,346	175,681	(161,335)	2,444,210	165,492	(151,074)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 December 2020	The Group			The Bank		
	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	865,341	106,541	(87,016)	868,183	107,848	(88,323)
- less than one year	796,502	97,197	(74,962)	797,923	97,197	(76,269)
- one year to three years	68,839	9,344	(12,054)	70,260	10,651	(12,054)
Commodity futures	241,897	9,896	(18,472)	241,897	9,896	(18,472)
- less than one year	241,897	9,896	(18,472)	241,897	9,896	(18,472)
Commodity options	5,710,668	395,693	(384,511)	5,707,845	394,172	(383,204)
- less than one year	5,707,845	394,172	(383,204)	5,707,845	394,172	(383,204)
- one year to three years	2,823	1,521	(1,307)	-	-	-
	6,817,906	512,130	(489,999)	6,817,925	511,916	(489,999)
<u>Credit related derivatives</u>						
Credit default swaps	2,584,541	40,193	(40,167)	2,581,804	40,188	(44,037)
- less than one year	60,270	280	-	60,270	280	-
- one year to three years	297,064	3,115	(525)	296,640	3,117	(525)
- more than three years	2,227,207	36,798	(39,642)	2,224,894	36,791	(43,512)
Total return swaps	125,845	8,212	(10,454)	125,845	8,212	(10,454)
- less than one year	105,095	8,212	(8,430)	105,095	8,212	(8,430)
- more than three years	20,750	-	(2,024)	20,750	-	(2,024)
	2,710,386	48,405	(50,621)	2,707,649	48,400	(54,491)
<u>Bond Forward</u>						
	3,164,544	9,606	(397,770)	30,000	-	(5,156)
- Up to 1 year	1,164,037	61	(164,155)	-	-	-
- More than 1 year to 3 years	1,381,984	7,208	(203,226)	-	-	-
- More than 3 years	618,523	2,337	(30,389)	30,000	-	(5,156)
<u>Hedging derivatives</u>						
Currency forward	7,133	-	(230)	7,133	-	(230)
- less than one year	7,133	-	(230)	7,133	-	(230)
Currency swaps	2,322,131	78,907	(45,156)	2,185,519	74,818	(45,156)
- less than one year	2,322,131	78,907	(45,156)	2,185,519	74,818	(45,156)
Cross currency interest rate swaps	1,497,779	46,756	(56,218)	556,670	15,835	-
- less than one year	451,459	6,837	-	453,007	9,998	-
- one year to three years	119,800	617	(2,070)	-	-	-
- more than three years	926,520	39,302	(54,148)	103,663	5,837	-
Interest rate swaps	21,245,820	467,034	(550,146)	20,691,682	458,712	(546,098)
- less than one year	3,684,922	51,583	(6,920)	3,684,922	51,583	(6,921)
- one year to three years	8,231,586	180,680	(93,549)	7,755,456	172,358	(93,429)
- more than three years	9,329,312	234,771	(449,677)	9,251,304	234,771	(445,748)
	25,072,863	592,697	(651,750)	23,441,004	549,365	(591,484)
Total derivatives assets/(liabilities)	976,394,045	15,692,018	(16,190,747)	516,661,285	8,336,566	(8,855,243)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risks, 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 fulfill their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2021, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM16,252,546,000 and RM7,352,602,000 respectively (31 December 2020: RM15,692,018,000 and RM8,336,566,000 respectively). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 September 2021, the Group and the Bank has posted cash collateral of RM4,361,846,000 and RM1,243,301,000 respectively (31 December 2020: RM3,981,007,000 and RM1,988,055,000 respectively) on their derivative contracts.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group and the Bank are disclosed in the audited financial statements for the financial year ended 31 December 2020.

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES

The Group	30 Sept 2021	31 Dec 2020
	Principal	Principal
	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	3,529,096	3,484,361
Transaction-related contingent items	5,772,346	6,389,614
Short-term self-liquidating trade-related contingencies	3,206,897	2,763,854
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	69,343,170	68,777,231
- maturity exceeding one year	32,957,333	31,691,945
Miscellaneous commitments and contingencies	1,441,324	2,577,474
Total credit-related commitments and contingencies	116,250,166	115,684,479
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	594,043,170	401,703,103
- one year to five years	61,735,709	59,559,819
- more than five years	19,631,656	17,559,344
	675,410,535	478,822,266
Interest rate related contracts :		
- less than one year	150,790,106	192,838,608
- one year to five years	204,921,942	228,713,844
- more than five years	58,888,323	60,312,145
	414,600,371	481,864,597
Equity related contracts:		
- less than one year	3,226,280	2,438,753
- one year to five years	424,468	476,829
- more than five years	90,256	98,764
	3,741,004	3,014,346
Credit related contracts:		
- less than one year	261,524	165,365
- one year to five years	1,566,314	1,867,323
- more than five years	1,362,713	677,698
	3,190,551	2,710,386
Commodity related contracts:		
- less than one year	3,656,394	6,746,244
- one year to five years	20,486	71,662
	3,676,880	6,817,906
Bond contracts:		
- less than one year	1,252,164	1,164,037
- one year to five years	1,697,790	1,970,507
- more than five years	30,000	30,000
	2,979,954	3,164,544
Total treasury-related commitments and contingencies	1,103,599,295	976,394,045
	1,219,849,461	1,092,078,524

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES (CONTINUED)

	30 Sept 2021	31 Dec 2020
	Principal	Principal
	RM'000	RM'000
The Bank		
Credit-related		
Direct credit substitutes	3,262,302	3,186,118
Transaction-related contingent items	3,846,061	4,282,333
Short-term self-liquidating trade-related contingencies	2,030,682	1,748,327
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	53,679,608	53,822,332
- maturity exceeding one year	22,941,356	23,406,900
Miscellaneous commitments and contingencies	1,424,244	2,516,908
Total credit-related commitments and contingencies	87,184,253	88,962,918
Treasury-related		
Foreign exchange related contracts :		
- less than one year	417,823,931	245,315,655
- one year to five years	28,263,553	29,240,297
- more than five years	4,415,168	4,454,320
	450,502,652	279,010,272
Interest rate related contracts :		
- less than one year	65,849,375	88,780,535
- one year to five years	84,541,782	111,171,256
- more than five years	24,641,795	25,699,438
	175,032,952	225,651,229
Equity related contracts:		
- less than one year	2,992,818	2,009,621
- one year to five years	420,539	422,369
- more than five years	-	12,220
	3,413,357	2,444,210
Credit related contracts:		
- less than one year	260,978	165,365
- one year to five years	1,565,030	1,866,262
- more than five years	1,361,019	676,022
	3,187,027	2,707,649
Commodity related contracts:		
- less than one year	3,656,629	6,747,665
- one year to five years	20,486	70,260
	3,677,115	6,817,925
Bond contracts:		
- more than five years	30,000	30,000
	30,000	30,000
Total treasury-related commitments and contingencies	635,843,103	516,661,285
	723,027,356	605,624,203

Included under irrevocable commitments to extend credit are the amount related to the Restricted Agency Investment Account (refer to Note A11(d) for more details) as follows:

	The Group		The Bank	
	30 Sept 2021	31 Dec 2020	30 Sept 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Irrevocable commitments to extend credit :				
- maturity not exceeding one year	3,000,000	3,700,000	3,000,000	3,700,000
	3,000,000	3,700,000	3,000,000	3,700,000

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY

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.

The risk-weighted assets of the 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 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.

The capital adequacy ratios of CIMB Thai Bank is based on 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 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.

30 September 2021 - Basel III

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

	The Group	The Bank*
Common equity tier 1 ratio	14.110%	13.098%
Tier 1 ratio	14.993%	14.164%
Total capital ratio	18.247%	17.131%

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

	The Group	The Bank*
	RM'000	RM'000
Credit risk ⁽¹⁾	227,856,596	151,596,527
Market risk	17,872,608	11,887,773
Large exposure risk requirements	899,036	899,036
Operational risk	23,151,061	16,825,588
Total risk-weighted assets	269,779,301	181,208,924

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

	The Group	The Bank*
	RM'000	RM'000
Under Restricted Agency Investment Account arrangement	960,607	960,607
	960,607	960,607

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

30 September 2021 - Basel III (Continued)

(c) Components of Common Equity Tier 1, Additional Tier 1 and Tier 2 capital are as follows:

	The Group RM'000	The Bank* RM'000
Common Equity Tier 1 capital		
Ordinary share capital	21,323,364	21,323,364
Other reserves	22,861,595	13,811,282
Qualifying non-controlling interests	154,646	-
Common Equity Tier 1 capital before regulatory adjustments	<u>44,339,605</u>	<u>35,134,646</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,931,869)	(3,555,075)
Intangible assets	(1,210,929)	(1,032,758)
Deferred tax assets	(1,167,718)	(843,553)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(5,950,020)
Regulatory reserve	(17,483)	(17,483)
Others	54,600	(161)
Common Equity Tier 1 capital after regulatory adjustments	<u>38,066,206</u>	<u>23,735,596</u>
Additional Tier 1 capital		
Perpetual preference shares	200,000	200,000
Perpetual subordinated capital securities	2,150,000	2,150,000
Qualifying capital instruments held by third parties	31,609	-
	<u>2,381,609</u>	<u>2,350,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(420,000)
Additional Tier I capital after regulatory adjustments	<u>2,381,609</u>	<u>1,930,000</u>
Total Tier 1 capital	<u>40,447,815</u>	<u>25,665,596</u>
Tier 2 capital		
Subordinated notes	6,700,000	6,700,000
Redeemable preference shares	29,740	29,740
Qualifying capital instruments held by third parties	260,831	-
Surplus eligible provisions over expected loss	979,364	739,383
General provisions ^	807,867	354,576
Tier 2 capital before regulatory adjustments	<u>8,777,802</u>	<u>7,823,699</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,446,824)
Total Tier 2 capital	<u>8,777,802</u>	<u>5,376,875</u>
Total capital	<u>49,225,617</u>	<u>31,042,471</u>

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

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	13.781%	14.525%	N/A	N/A
Tier 1 ratio	14.526%	14.525%	N/A	N/A
Total capital ratio	<u>17.258%</u>	<u>20.285%</u>	<u>18.129%</u>	<u>88.293%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2020 - Basel III

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

	The Group	The Bank*
Common equity tier 1 ratio	13.607%	13.126%
Tier 1 ratio	14.860%	14.760%
Total capital ratio	<u>18.571%</u>	<u>18.564%</u>

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

	The Group RM'000	The Bank* RM'000
Credit risk ⁽¹⁾	227,839,226	149,876,677
Market risk	17,651,716	11,576,625
Large exposure risk requirements	910,107	910,107
Operational risk	22,510,308	16,115,259
Total risk-weighted assets	<u>268,911,357</u>	<u>178,478,668</u>

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

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

(c) Components of Common Equity Tier 1, Additional Tier 1 and Tier 2 capital are as follows:

	The Group RM'000	The Bank* RM'000
Common Equity Tier 1 capital		
Ordinary share capital	21,323,364	21,323,364
Other reserves	22,859,835	13,370,829
Qualifying non-controlling interests	161,568	-
Common Equity Tier 1 capital before regulatory adjustments	<u>44,344,767</u>	<u>34,694,193</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(5,292,552)	(3,555,075)
Intangible assets	(1,243,398)	(1,028,113)
Deferred tax assets	(916,696)	(720,767)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(5,895,613)
Regulatory reserve	(233,441)	(20,409)
Others	(68,664)	(47,776)
Common Equity Tier 1 capital after regulatory adjustments	<u>36,590,016</u>	<u>23,426,440</u>
Additional Tier 1 capital		
Perpetual preference shares	200,000	200,000
Perpetual subordinated capital securities	3,150,000	3,150,000
Qualifying capital instruments held by third parties	33,546	-
Additional Tier 1 capital before and after regulatory adjustments	<u>3,383,546</u>	<u>3,350,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(12,921)	(432,921)
Additional Tier 1 capital after regulatory adjustments	<u>3,370,625</u>	<u>2,917,079</u>
Total Tier 1 capital	<u>39,960,641</u>	<u>26,343,519</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

<u>31 December 2020 - Basel III (Continued)</u>	The Group RM'000	The Bank* RM'000
Tier 2 capital		
Subordinated notes	8,200,000	8,200,000
Redeemable preference shares	29,740	29,740
Qualifying capital instruments held by third parties	168,828	-
Surplus eligible provisions over expected loss	775,538	742,520
General provisions ^	803,653	326,541
Tier 2 capital before regulatory adjustments	<u>9,977,759</u>	<u>9,298,801</u>
Less: Regulatory adjustments		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,509,099)
Total Tier 2 capital	<u>9,977,759</u>	<u>6,789,702</u>
Total capital	<u>49,938,400</u>	<u>33,133,221</u>

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

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	13.307%	14.938%	N/A	N/A
Tier 1 ratio	14.100%	14.938%	N/A	N/A
Total capital ratio	<u>16.760%</u>	<u>20.749%</u>	<u>17.491%</u>	<u>73.436%</u>

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

^ Total capital of the Group and the Bank has excluded general provisions/portfolio impairment allowance from Tier 2 capital of RM377 million (2020: RM480 million) and RM178 million (2020: RM244 million) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT

Definition of segments

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

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

Business segment reporting

Definition of segments:

The Group has four major operation divisions that form 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.

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.

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT (CONTINUED)

The Group
30 September 2021

	Consumer Banking	Commercial Banking	Wholesale Banking	CIMB Digital Assets & Group Funding	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense) - after modification loss					
- external income	2,889,628	665,418	1,306,643	901,759	5,763,448
- inter-segment	(157,571)	374,055	348,617	(565,101)	-
	<u>2,732,057</u>	<u>1,039,473</u>	<u>1,655,260</u>	<u>336,658</u>	<u>5,763,448</u>
Income from Islamic Banking operations	977,458	461,135	350,548	339,902	2,129,043
Net non-interest income	<u>888,910</u>	<u>293,687</u>	<u>774,065</u>	<u>156,772</u>	<u>2,113,434</u>
Net income	4,598,425	1,794,295	2,779,873	833,332	10,005,925
Overheads	(2,339,915)	(821,103)	(1,172,970)	(666,725)	(5,000,713)
of which:					
Depreciation of property, plant and equipment	(47,244)	(2,066)	(9,543)	(49,562)	(108,415)
Amortisation of intangible assets	(63,833)	(3,448)	(31,979)	(341,989)	(441,249)
Profit before expected credit losses	<u>2,258,510</u>	<u>973,192</u>	<u>1,606,903</u>	<u>166,607</u>	<u>5,005,212</u>
Expected credit losses on loans, advances and financing	(577,895)	(271,323)	(179,139)	(35,723)	(1,064,080)
Expected credit losses for commitments and contingencies	(43,670)	(4,160)	(141)	(354)	(48,325)
Other expected credit losses and impairment allowances	(94,621)	(2,885)	(11,921)	(11,118)	(120,545)
Impairment of goodwill	<u>(397,339)</u>	<u>(259,652)</u>	<u>(462,737)</u>	<u>(95,469)</u>	<u>(1,215,197)</u>
Segment results	1,144,985	435,172	952,965	23,943	2,557,065
Share of results of joint venture	9,593	-	-	-	9,593
Taxation					<u>(926,456)</u>
Profit for the financial period					<u>1,640,202</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT (CONTINUED)

The Group
30 September 2020

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Net interest income/(expense) - after modification loss					
- external income	2,776,093	673,682	980,508	737,505	5,167,788
- inter-segment	(109,205)	324,653	515,196	(730,644)	-
	<u>2,666,888</u>	<u>998,335</u>	<u>1,495,704</u>	<u>6,861</u>	<u>5,167,788</u>
Income from Islamic Banking operations	639,500	401,201	438,525	255,940	1,735,166
Net non-interest income	<u>747,198</u>	<u>295,911</u>	<u>349,113</u>	<u>519,247</u>	<u>1,911,469</u>
Net income	4,053,586	1,695,447	2,283,342	782,048	8,814,423
Overheads	(2,269,692)	(837,230)	(1,165,272)	(180,834)	(4,453,028)
of which:					
Depreciation of property, plant and equipment	(56,078)	(2,285)	(8,595)	(50,948)	(117,906)
Amortisation of intangible assets	<u>(53,358)</u>	<u>(3,437)</u>	<u>(22,009)</u>	<u>(124,847)</u>	<u>(203,651)</u>
Profit before expected credit losses	1,783,894	858,217	1,118,070	601,214	4,361,395
Expected credit losses on loans, advances and financing	(1,015,766)	(919,821)	(863,564)	(12,281)	(2,811,432)
Expected credit losses for commitments and contingencies	(54,779)	(5,960)	(62,585)	(39)	(123,363)
Other expected credit losses and impairment allowances (made)/written back	<u>(118,076)</u>	<u>394</u>	<u>(310,985)</u>	<u>(8,061)</u>	<u>(436,728)</u>
Segment results	595,273	(67,170)	(119,064)	580,833	989,872
Share of results of joint venture	(11,581)	-	-	-	(11,581)
Taxation					<u>(151,410)</u>
Profit for the financial period					<u>826,881</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT (CONTINUED)

**The Group
30 September 2021**

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Segment assets	175,057,499	44,458,133	229,051,658	68,765,524	517,332,814
Unallocated assets					16,518,485
Total assets					533,851,299
Segment liabilities	135,265,762	60,176,815	248,540,666	28,686,793	472,670,036
Unallocated liabilities					16,480,717
Total liabilities					489,150,753
Other segment items					
Capital expenditure	182,128	8,299	46,496	330,948	567,871
Investment in joint venture	149,750	-	-	-	149,750

**The Group
31 December 2020**

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Segment assets	173,017,158	45,979,352	208,239,459	73,308,551	500,544,520
Unallocated assets					15,605,865
Total assets					516,150,385
Segment liabilities	144,498,478	57,214,155	231,734,655	25,818,713	459,266,001
Unallocated liabilities					12,159,604
Total liabilities					471,425,605
Other segment items					
Capital expenditure	315,787	12,358	56,262	342,868	727,275
Investment in joint venture	140,158	-	-	-	140,158

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

Valuation Model Review and Approval

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

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

(i) The following table represents assets and liabilities measured at fair value and classified by level with the following fair value hierarchy:

The Group	Fair Value 30 Sept 2021			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	33,904,705	400,456	34,305,161
-Quoted securities	1,506,137	-	-	1,506,137
-Unquoted securities	-	7,306,755	1,135,030	8,441,785
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	14,693,632	-	14,693,632
-Unquoted securities	-	29,656,736	1	29,656,737
Equity instruments at fair value through other comprehensive income				
-Quoted securities	7,561	-	-	7,561
-Unquoted securities	-	-	280,541	280,541
Derivative financial instruments				
-Trading derivatives	42,484	15,421,025	236,855	15,700,364
-Hedging derivatives	-	552,182	-	552,182
Loans, advances and financing at fair value through profit or loss	-	439,347	-	439,347
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	3,734	-	3,734
Total	1,556,182	101,978,116	2,052,883	105,587,181
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	456,341	13,956,622	38,945	14,451,908
- Hedging derivatives	-	356,052	-	356,052
Financial liabilities designated at fair values through profit or loss	-	2,940,851	-	2,940,851
Total	456,341	17,253,525	38,945	17,748,811

The Group	Fair Value 31 Dec 2020			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	30,243,578	433,546	30,677,124
-Quoted securities	1,299,407	-	-	1,299,407
-Unquoted securities	-	7,018,438	1,182,226	8,200,664
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	11,647,531	-	11,647,531
-Unquoted securities	-	25,539,273	1	25,539,274
Equity instruments at fair value through other comprehensive income				
-Quoted securities	7,190	-	-	7,190
-Unquoted securities	-	-	266,704	266,704
Derivative financial instruments				
-Trading derivatives	12,399	14,929,621	157,301	15,099,321
-Hedging derivatives	-	592,697	-	592,697
Loans, advances and financing at fair value through profit or loss	-	710,235	-	710,235
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	7,112	-	7,112
Total	1,318,996	90,688,485	2,039,778	94,047,259
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	522,577	15,008,107	8,313	15,538,997
- Hedging derivatives	-	651,750	-	651,750
Financial liabilities designated at fair values through profit or loss	-	4,016,930	-	4,016,930
Total	522,577	19,676,787	8,313	20,207,677

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

(i) The following table represents assets and liabilities measured at fair value and classified by level with the following fair value hierarchy (Continued):

The Bank	The Bank Fair Value 30 Sept 2021			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	22,449,911	400,456	22,850,367
-Quoted securities	1,506,137	-	-	1,506,137
-Unquoted securities	-	5,633,354	1,121,784	6,755,138
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	10,571,579	-	10,571,579
-Unquoted securities	-	23,829,387	-	23,829,387
Equity instruments at fair value through other comprehensive income				
-Quoted securities	89	-	-	89
-Unquoted securities	-	-	274,118	274,118
Derivative financial instruments				
-Trading derivatives	42,484	6,629,136	236,855	6,908,475
-Hedging derivatives	-	444,127	-	444,127
Loans, advances and financing at fair value through profit or loss	-	439,347	-	439,347
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets/disposal groups held for sale	-	3,734	-	3,734
Total	1,548,710	70,000,575	2,033,213	73,582,498
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
-Trading derivatives	456,341	5,624,121	58,809	6,139,271
-Hedging derivatives	-	332,094	-	332,094
Financial liabilities designated at fair values through profit or loss	-	110,026	-	110,026
Total	456,341	6,066,241	58,809	6,581,391

The Bank	Fair Value 31 Dec 2020			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	21,149,139	433,546	21,582,685
-Quoted securities	1,299,407	-	-	1,299,407
-Unquoted securities	-	6,346,635	1,169,739	7,516,374
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	8,319,628	-	8,319,628
-Unquoted securities	-	19,840,953	-	19,840,953
Equity instruments at fair value through other comprehensive income				
-Quoted securities	182	-	-	182
-Unquoted securities	-	-	262,939	262,939
Derivative financial instruments				
-Trading derivatives	12,399	7,617,501	157,301	7,787,201
-Hedging derivatives	-	549,365	-	549,365
Loans, advances and financing at fair value through profit or loss	-	512,914	-	512,914
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	7,112	-	7,112
Total	1,311,988	64,343,247	2,023,525	67,678,760
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
-Trading derivatives	522,577	7,701,101	40,081	8,263,759
-Hedging derivatives	-	591,484	-	591,484
Financial liabilities designated at fair values through profit or loss	-	62,676	-	62,676
Total	522,577	8,355,261	40,081	8,917,919

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the changes in Level 3 instruments for the financial period/year ended 30 September 2021 and 31 December 2020 for the Group and the Bank: (Continued)

	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		Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group							
2020							
At 1 January	1,553,626	1	325,877	69,119	1,948,623	(15,552)	(15,552)
Total gains/(losses) recognised in statement of income	78,234	-	-	84,930	163,164	4,306	4,306
Total gains recognised in other comprehensive income	-	-	(11,431)	-	(11,431)	-	-
Purchases	2,159	-	297	6,531	8,987	(9,834)	(9,834)
Sales and redemptions	(54,030)	-	(562)	-	(54,592)	-	-
Settlements	-	-	-	(3,276)	(3,276)	12,765	12,765
Transfers out of Level 3	46,660	-	(46,660)	-	-	-	-
Exchange fluctuation	(10,877)	-	(817)	(3)	(11,697)	2	2
At 31 December	1,615,772	1	266,704	157,301	2,039,778	(8,313)	(8,313)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2020 under:							
- net non-interest income	78,234	-	-	84,930	163,164	4,306	4,306
Total losses recognised in other comprehensive income for financial year ended 31 December 2020 under "revaluation reserves"	-	-	(11,431)	-	(11,431)	-	-
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)

	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		Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Bank							
2020							
At 1 January	1,542,101	-	321,785	69,119	1,933,005	(42,346)	(42,346)
Total gains/(losses) recognised in statement of income	77,272	-	-	84,930	162,202	(668)	(668)
Total losses recognised in other comprehensive income	-	-	(11,192)	-	(11,192)	-	-
Purchases	2,159	-	297	6,531	8,987	(9,834)	(9,834)
Sales and redemptions	(54,030)	-	(562)	-	(54,592)	-	-
Settlements	-	-	-	(3,276)	(3,276)	12,765	12,765
Transfers out of Level 3	46,660	-	(46,660)	-	-	-	-
Exchange fluctuation	(10,877)	-	(729)	(3)	(11,609)	2	2
At 31 December	1,603,285	-	262,939	157,301	2,023,525	(40,081)	(40,081)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2020 under:							
- net non-interest income	77,272	-	-	84,930	162,202	(668)	(668)
Total losses recognised in other comprehensive income for financial year ended 31 December 2020 under "revaluation reserves"	-	-	(11,192)	-	(11,192)	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2020 under "net non-interest income"	78,767	-	-	450,820	529,587	(70,548)	(70,548)

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING

A30a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	Note	The Group		The Bank	
		30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Assets					
Cash and short-term funds		13,952,052	13,087,528	1,735,483	1,394,038
Deposits and placements with banks and other financial institutions		1,187,264	934,006	837,550	883,960
Financial assets at fair value through profit or loss		6,968,348	5,144,152	32,330	109,723
Debt instruments at fair value through other comprehensive income		4,812,147	3,894,868	236,408	223,969
Debt instruments at amortised cost		8,930,375	8,538,782	38,678	37,128
Islamic derivative financial instruments		324,297	559,340	2,956	36,493
Financing, advances and other financing/loans	A30c	89,467,252	88,394,295	2,954,450	3,517,809
Other assets		1,428,282	991,814	587,482	579,309
Deferred taxation		167,727	95,304	-	-
Tax recoverable		1,761	4,252	-	-
Amount due from conventional operations		1,774,029	1,589,545	-	-
Amount due from related companies		7,211,270	5,727,719	7,211,156	5,727,552
Goodwill		136,000	136,000	-	-
Intangible assets		28,967	56,711	372	598
Property, plant and equipment		1,092	1,352	7	4
Right-of-use assets		1,875	2,396	128	176
Total assets		136,392,738	129,158,064	13,637,000	12,510,759
Liabilities					
Deposits from customers	A30d	101,179,816	100,448,763	4,452,413	4,145,853
Investment accounts of customers	A30e	7,273,573	2,678,870	-	-
Deposits and placements of banks and other financial institutions		2,868,529	2,369,478	830,413	454,440
Collateralised commodity murabahah		331,433	299,236	-	-
Investment accounts due to designated financial institutions	A30f	4,449,939	4,751,241	-	-
Financial liabilities designated at fair value through profit or loss	A30g	631,241	71,610	-	-
Islamic derivative financial instruments		326,780	595,587	2,472	37,740
Amount due to related company		610,534	669,544	511,712	566,207
Other liabilities		8,289,046	7,222,239	7,184,151	6,744,347
Lease liabilities		2,021	2,524	108	159
Provision for taxation		21,730	1,239	-	-
Sukuk		-	186,155	-	-
Subordinated Sukuk		1,103,999	1,118,336	-	-
Total liabilities		127,088,641	120,414,822	12,981,269	11,948,746
Equity					
Ordinary share capital		1,000,000	1,000,000	-	-
Perpetual preference shares		420,000	420,000	-	-
Reserves		7,884,097	7,323,242	655,731	562,013
Total equity		9,304,097	8,743,242	655,731	562,013
Total equity and liabilities		136,392,738	129,158,064	13,637,000	12,510,759
Restricted Agency Investment Account(*)		11,795,706	8,730,980	-	-
Total Islamic Banking Assets		148,188,444	137,889,044	13,637,000	12,510,759

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30(b) UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

Note	The Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
	RM'000	RM'000	RM'000	RM'000
	892,940	963,369	2,767,588	3,119,977
	106,856	83,733	257,789	292,759
	153,025	109,791	467,448	242,674
A22	(73,191)	(459)	(73,191)	(185,804)
	(113,688)	(272,343)	(241,721)	(432,909)
	(19,221)	(1,588)	(33,668)	(19,549)
	2,798	(527)	(1,237)	(1,232)
	949,519	881,976	3,143,008	3,015,916
	(397,877)	(475,512)	(1,260,536)	(1,689,945)
	(56,727)	(41,268)	(136,307)	(182,046)
	494,915	365,196	1,746,165	1,143,925
	(321,049)	(214,417)	(888,357)	(699,105)
	173,866	150,779	857,808	444,820
	(44,223)	(55,032)	(182,625)	(112,930)
	129,643	95,747	675,183	331,890

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	The Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	129,643	95,747	675,183	331,890
Other comprehensive (expense)/income:				
<i>Items that will not be reclassified to profit or loss</i>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(2)	-	(2)	31
	(2)	-	(2)	31
<i>Items that may be reclassified to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(20,696)	6,870	(108,934)	15,843
- Net (loss)/gain from change in fair value	(14,014)	48,436	(96,741)	114,968
- Realised gain transferred to statement of income on disposal	(9,353)	(39,760)	(45,744)	(93,981)
- Changes in expected credit losses	(2,643)	433	1,274	1,182
- Income tax effects	5,314	(2,239)	32,277	(6,326)
Exchange fluctuation reserve	(4,362)	(2,734)	5,139	682
	(25,058)	4,136	(103,795)	16,525
Other comprehensive (expense)/income for the financial period, net of tax	(25,060)	4,136	(103,797)	16,556
Total comprehensive income for the period	104,583	99,883	571,386	348,446
Total net income	494,915	365,196	1,746,165	1,143,925
Add:				
Expected credit losses made on financing, advances and other financing/loans	113,688	272,343	241,721	432,909
Expected credit losses made for commitments and contingencies	19,221	1,588	33,668	19,549
Other expected credit losses and impairment allowances (written-back)/made	(2,798)	527	1,237	1,232
	625,026	639,654	2,022,791	1,597,615
Elimination for transactions with conventional operations	34,296	39,133	106,252	137,551
Income from Islamic operations (per page 2)	659,322	678,787	2,129,043	1,735,166

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A30(b) UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	The Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
Income derived from investment of depositors' funds and others	19,439	(2,019)	58,731	150,268
Net income derived from investment of shareholders' funds	9,548	31,824	24,160	(38,817)
Expected credit losses (made)/written back on financing, advances and other financing/loans	(424)	(117,089)	18,142	(122,821)
Expected credit losses for commitments and contingencies	(51)	(170)	(37)	(393)
Other expected credit losses and impairment allowances written-back/(made)	207	23	(20)	38
Total distributable income	28,719	(87,431)	100,976	(11,725)
Income attributable to depositors and others	(1,297)	(10,000)	(5,840)	(47,178)
Total net income	27,422	(97,431)	95,136	(58,903)
Other operating expenses	(772)	(860)	(2,568)	(2,290)
Profit/(loss) for the financial period	26,650	(98,291)	92,568	(61,193)

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	The Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
Profit/(loss) for the financial period	26,650	(98,291)	92,568	(61,193)
Other comprehensive income/(expense):				
<i>Items that may be reclassified to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(1,432)	(661)	(7,995)	(5,458)
- Net (loss)/gain from change in fair value	(1,224)	3,537	(7,998)	1,075
- Realised gain transferred to statement of income on disposal	-	(4,192)	-	(6,449)
- Changes in expected credit losses	(208)	(6)	3	(84)
Exchange fluctuation reserve	(3,531)	(5,702)	9,140	2,163
Other comprehensive (expense)/income for the financial period, net of tax	(4,963)	(6,363)	1,145	(3,295)
Total comprehensive income/(expense) for the period	21,687	(104,654)	93,713	(64,488)
Total net income/(expense)	27,422	(97,431)	95,136	(58,903)
Add:				
Expected credit losses made/(written back) on financing, advances and other financing/loans	424	117,089	(18,142)	122,821
Expected credit losses made for commitments and contingencies	51	170	37	393
Other expected credit losses and impairment allowances (written-back)/made	(207)	(23)	20	(38)
Elimination for transactions with conventional operations	27,690	19,805	77,051	64,273
Income from Islamic operations (per page 4)	24	152	311	922
	27,714	19,957	77,362	65,195

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS

i) By type and Shariah contract

The Group
At 30 September 2021

	Sale-based contracts				Lease-based contracts		Equity-based	Loan contract	Other	Total	
	Murabahah	Bai' Bithaman Ajil	Bai' al-'inah	Bai' al-Dayn	Tawarruq	Muntahiah Bi al-Ijarah Tamlik *	Al-Ijarah Thumma al-Bai #	Mudharabah	Qard		Ujarah
At amortised cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line^	-	431	625	-	1,117,123	-	-	-	4,485	-	1,122,664
Term financing											
- House financing	-	4,611,964	-	-	25,432,551	1,169,626	-	-	-	-	31,214,141
- Syndicated financing	-	-	29,768	-	2,296,942	-	-	499	-	-	2,327,209
- Hire purchase receivables	-	-	-	-	-	-	12,272,404	-	-	-	12,272,404
- Other term financing	647,787	1,063,186	1,712,165	-	33,504,952	40,837	-	-	-	-	36,968,927
Bills receivable	523,755	-	-	555,944	-	-	-	-	-	-	1,079,699
Islamic trust receipts	30,067	-	-	-	-	-	-	-	-	-	30,067
Claims on customers under acceptance credits	637,058	-	-	67,776	-	-	-	-	-	-	704,834
Staff financing	-	-	-	-	206,015	-	-	-	-	-	206,015
Revolving credits	-	-	-	-	4,632,526	-	-	-	-	-	4,632,526
Credit card receivables	-	-	-	-	-	-	-	-	-	130,911	130,911
Gross financing, advances and other financing/loans, at amortised cost	1,838,667	5,675,581	1,742,558	623,720	67,190,109	1,210,463	12,272,404	499	4,485	130,911	90,689,397
Fair value changes arising from fair value hedge	-	-	-	-	-	-	-	-	-	-	2,403
											90,691,800
Less: Expected credit losses											(1,224,548)
Net financing, advances and other financing/loans, at amortised cost											89,467,252
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											89,467,252

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

i) By type and Shariah contract (Continued)

The Group
At 31 December 2020

	Sale-based contracts					Lease-based contracts		Equity-based	Loan contract	Other	Total
	Murabahah	Bai' Bithaman Ajil	Bai' al-'inah	Bai' al-Dayn	Tawarruq	Muntabah Bi al-Ijarah Tamlik *	Al-Ijarah Thumma al-Bai #	Mudharabah	Qard	Ujarah	
At amortised cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line^	-	268	842	-	1,036,202	-	-	-	8,907	-	1,046,219
Term financing											
- House financing	-	4,937,835	-	-	21,574,218	1,227,897	-	-	-	-	27,739,950
- Syndicated financing	-	-	39,111	-	2,120,688	-	-	532	-	-	2,160,331
- Hire purchase receivables	-	-	-	-	-	-	11,380,856	-	-	-	11,380,856
- Other term financing	628,005	1,168,761	5,004,003	-	32,905,287	44,811	-	-	-	-	39,750,867
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	-	-	-	-	-	-	776,814
Staff financing	-	-	-	-	171,716	-	-	-	-	-	171,716
Revolving credits	-	-	-	-	5,475,377	-	-	-	-	-	5,475,377
Credit card receivables	-	-	-	-	-	-	-	-	-	134,389	134,389
Gross financing, advances and other financing/loans, at amortised cost	1,753,756	6,106,864	5,043,956	252,361	63,283,488	1,272,708	11,380,856	532	8,907	134,389	89,237,817
Fair value changes arising from fair value hedge											3,835
											89,241,652
Less: Expected credit losses											(1,044,678)
Net financing, advances and other financing/loans, at amortised cost											88,196,974
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											88,394,295

^ Includes current account in excess

* CIMB Islamic is the beneficial owner of the asset. 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.

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

i) By type and Shariah contract (Continued)

The Bank
At 30 September 2021

At amortised cost	Sale-based contracts			Equity-based contracts	Total
	Murabahah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Mudharabah RM'000	
Cash line [^]	-	-	56	-	56
Term financing					
- Syndicated financing	-	-	145,265	499	145,764
- Other term financing	647,787	-	1,218,265	-	1,866,052
Bills receivable	-	548,221	-	-	548,221
Islamic trust receipts	2,499	-	-	-	2,499
Revolving credits	-	-	408,683	-	408,683
Gross financing, advances and other financing/loans	650,286	548,221	1,772,269	499	2,971,275
Fair value changes arising from fair value hedges					-
					2,971,275
Less: Expected credit losses					(16,825)
Net financing, advances and other financing/loans					2,954,450

The Bank
At 31 December 2020

At amortised cost	Sale-based contracts			Equity-based contracts	Total
	Murabahah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Mudharabah RM'000	
Cash line [^]	-	-	4	-	4
Term financing					
- Syndicated financing	-	-	38,293	532	38,825
- Other term financing	628,005	-	1,874,365	-	2,502,370
Bills receivable	-	136,407	-	-	136,407
Islamic trust receipts	2,397	-	-	-	2,397
Revolving credits	-	-	871,937	-	871,937
Gross financing, advances and other financing/loans, at amortised cost	630,402	136,407	2,784,599	532	3,551,940
Fair value changes arising from fair value hedge					-
					3,551,940
Less: Expected credit losses					(34,131)
Net financing, advances and other financing/loans					3,517,809

[^] Includes current account in excess

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Gross financing, advances and other financing/loans				
- At amortised cost	90,689,397	89,237,817	2,971,275	3,551,940
- At fair value through profit or loss	-	197,321	-	-
	90,689,397	89,435,138	2,971,275	3,551,940

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

a) During the financial period, the Group has undertaken fair value hedges on the profit rate risk of RM69,809,000 (2020: RM78,322,000) financing using Islamic profit rate swaps.

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

As at 30 September 2021, the gross exposure and expected credit losses relating to RPSIA financing are RM4,406,108,000 (2020: RM4,703,553,000) and RM5,577,000 (2020: RM104,169,000) respectively.

c) Movement of Qard financing

	The Group	
	30 Sept 2021	31 Dec 2020
	RM'000	RM'000
As at 1 January	8,907	5,910
New disbursement	2,896	5,072
Repayment	(7,318)	(2,075)
As at 30 September/31 December	<u>4,485</u>	<u>8,907</u>
Sources of Qard fund:		
Depositors' fund	4,195	8,401
Shareholders' fund	290	506
	<u>4,485</u>	<u>8,907</u>
Uses of Qard fund:		
Personal use	281	469
Business purpose	4,204	8,438
	<u>4,485</u>	<u>8,907</u>

PART A - EXPLANATORY NOTES (CONTINUED)**A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)****A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)****ii) By geographical distribution**

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Malaysia	87,725,657	85,919,565	7,535	36,368
Indonesia	2,391	9,671	2,391	9,671
Singapore	1,763,836	2,767,216	1,763,836	2,767,216
Other countries	1,197,513	738,686	1,197,513	738,685
	90,689,397	89,435,138	2,971,275	3,551,940

iii) By economic sector

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Primary agriculture	2,990,098	3,147,401	75,120	21,100
Mining and quarrying	754,192	785,092	116,140	130,242
Manufacturing	3,420,495	3,171,483	65,225	62,049
Electricity, gas and water supply	83,541	283,688	-	-
Construction	1,788,398	1,750,613	104,551	102,937
Transport, storage and communications	2,093,376	2,363,046	21,447	27,840
Education, health and others	1,519,142	4,207,790	-	-
Wholesale and retail trade, and restaurants and hotels	4,400,465	3,766,595	621,062	218,914
Finance, insurance/takaful, real estate and business activities	10,509,460	11,493,700	1,732,957	2,805,352
Household	62,985,900	58,302,573	172,583	101,614
Others	144,330	163,157	62,190	81,892
	90,689,397	89,435,138	2,971,275	3,551,940

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

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Malaysia	823,517	1,506,614	7,899	9,373
Indonesia	2,391	9,671	2,391	9,671
Singapore	6,064	5,141	6,064	5,141
	831,972	1,521,426	16,354	24,185

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

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Primary agriculture	20,109	19,370	-	-
Mining and quarrying	4,890	13,408	4,890	12,068
Manufacturing	32,352	694,216	-	-
Electricity, gas and water supply	1	1	-	-
Construction	24,294	16,505	-	-
Transport, storage and communications	6,771	15,911	4,896	12,117
Education, health and others	6,209	3,567	-	-
Wholesale and retail trade, and restaurants and hotels	105,549	92,310	4,754	-
Finance, insurance/takaful, real estate and business activities	51,331	39,048	-	-
Household	580,461	627,088	1,814	-
Others	5	2	-	-
	831,972	1,521,426	16,354	24,185

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

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

Expected credit losses movement of financing, advances and other financing/loans at amortised cost:

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	299,267	381,996	363,415	1,044,678
Changes in expected credit losses due to transferred within stages:	317,020	(196,663)	(120,357)	-
Transferred to Stage 1	436,806	(413,108)	(23,698)	-
Transferred to Stage 2	(119,664)	349,170	(229,506)	-
Transferred to Stage 3	(122)	(132,725)	132,847	-
Total charge to Income Statement:	(327,291)	466,669	142,371	281,749
New financial assets originated	51,098	1,758	40,185	93,041
Financial assets that have been derecognised	(30,652)	(19,651)	-	(50,303)
Writeback in respect of full recoveries	-	-	(62,811)	(62,811)
Change in credit risk	(347,737)	484,562	164,997	301,822
Write-offs	-	(4)	(110,623)	(110,627)
Exchange fluctuation	181	110	674	965
Other movements	(94)	121	7,756	7,783
At 30 September 2021	289,083	652,229	283,236	1,224,548

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 2020	146,590	132,074	213,399	492,063
Changes in expected credit losses due to transferred within stages:	(126,797)	115,144	11,653	-
Transferred to Stage 1	105,759	(82,281)	(23,478)	-
Transferred to Stage 2	(231,781)	339,942	(108,161)	-
Transferred to Stage 3	(775)	(142,517)	143,292	-
Total charge to Income Statement:	279,275	134,991	368,234	782,500
New financial assets originated	81,920	5,137	61,547	148,604
Financial assets that have been derecognised	(51,255)	(19,046)	-	(70,301)
Writeback in respect of full recoveries	-	-	(60,469)	(60,469)
Change in credit risk	248,610	148,900	367,156	764,666
Write-offs	(221)	(70)	(228,362)	(228,653)
Exchange fluctuation	234	(71)	(5,991)	(5,828)
Other movements	186	(72)	4,482	4,596
At 31 December 2020	299,267	381,996	363,415	1,044,678

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

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

Expected credit losses movement of financing, advances and other financing/loans at amortised cost:

The Bank	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	9,723	151	24,257	34,131
Total charge to Income Statement:	(5,043)	58	(13,157)	(18,142)
Change in credit risk	(5,043)	58	(13,157)	(18,142)
Exchange fluctuation	160	2	674	836
At 30 September 2021	4,840	211	11,774	16,825

The Bank	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	12,027	21	45,367	57,415
Total charge to Income Statement:	(2,513)	130	123,328	120,945
Financial assets that have been derecognised	-	(22)	-	(22)
Change in credit risk	(2,513)	152	123,328	120,967
Write-offs	-	-	(138,447)	(138,447)
Exchange fluctuation	209	-	(5,991)	(5,782)
At 31 December 2020	9,723	151	24,257	34,131

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

Gross carrying amount movement of financing, advances and other financing/loans 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	1,521,426	1,521,426
Transfer within stages	(419,763)	(419,763)
New financial assets originated	175,884	175,884
Write-offs	(110,623)	(110,623)
Amount fully recovered	(296,020)	(296,020)
Other changes in financing, advances and other financing/loans	(39,280)	(39,280)
Exchange fluctuation	348	348
At 30 September 2021	831,972	831,972

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	1,425,983	1,425,983
Transfer within stages	498,434	498,434
New financial assets originated	358,118	358,118
Write-offs	(228,362)	(228,362)
Amount fully recovered	(403,090)	(403,090)
Other changes in financing, advances and other financing/loans	(126,970)	(126,970)
Exchange fluctuation	(2,687)	(2,687)
At 31 December 2020	1,521,426	1,521,426

	The Group	
	30 Sept 2021	31 Dec 2020
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	0.92%	1.70%

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

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

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	24,185	24,185
Transfer within stages	6,567	6,567
Amount recovered	(5,187)	(5,187)
Other changes in financing, advances and other financing/loans	(9,559)	(9,559)
Exchange fluctuation	348	348
At 30 September 2021	<u>16,354</u>	<u>16,354</u>

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	183,886	183,886
Transfer within stages	5,125	5,125
Write-offs	(138,447)	(138,447)
Amount recovered	(11,208)	(11,208)
Other changes in financing, advances and other financing/loans	(12,484)	(12,484)
Exchange fluctuation	(2,687)	(2,687)
At 31 December 2020	<u>24,185</u>	<u>24,185</u>

	The Bank	
	30 Sept 2021	31 Dec 2020
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	<u>0.55%</u>	<u>0.68%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30d DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
(i) By type of deposits				
Savings deposit				
Commodity Murabahah (via Tawarruq arrangement)*	7,502,043	6,220,526	759,945	1,025,205
Demand deposit				
Wadiah	34,983	221	34,983	221
Qard	14,101,987	12,869,163	15,332	10,135
Commodity Murabahah (via Tawarruq arrangement)*	5,273,009	4,109,453	3,091,787	1,844,629
Term deposit				
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	46,783,286	47,172,109	379,045	452,034
Fixed Return Income Account-i (via Tawarruq arrangement)*	27,343,492	29,841,761	171,198	813,506
Negotiable Islamic Debt Certificate (NIDC)				
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	-	99,562	-	-
Fixed Deposit-i				
Wadiah	123	123	123	123
Specific investment account				
Mudharabah	99,632	98,672	-	-
Others - Qard	41,261	37,173	-	-
	101,179,816	100,448,763	4,452,413	4,145,853

*Included Qard contract of the Group and of the Bank of RM461,287,000 and RMNil (2020: RM3,148,712,000 and RM2,719,178,000) respectively

(ii) By maturity structures of term deposits and investment account

	The Group		The Bank	
	30 Sept 2021 RM'000	31 Dec 2020 RM'000	30 Sept 2021 RM'000	31 Dec 2020 RM'000
Due within six months	64,754,389	67,554,284	482,182	1,134,300
Six months to less than one year	9,340,654	9,496,264	67,199	130,716
One year to less than three years	113,286	134,988	985	647
Three years to less than five years	4,510	3,589	-	-
Five years and more	13,694	23,102	-	-
	74,226,533	77,212,227	550,366	1,265,663

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30d DEPOSITS FROM CUSTOMERS (CONTINUED)

(iii) By type of customer

	The Group		The Bank	
	30 Sept 2021	31 Dec 2020	30 Sept 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	5,551,067	4,756,182	281	236
Business enterprises	36,251,173	31,630,913	3,201,187	1,891,856
Individuals	30,501,701	30,926,126	982,743	1,871,058
Others	28,875,875	33,135,542	268,202	382,703
	101,179,816	100,448,763	4,452,413	4,145,853

A30e INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	30 Sept 2021	31 Dec 2020	30 Sept 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts (Mudharabah)				
-without maturity				
Special Mudharabah Investment Account	860,805	831,454	-	-
-with maturity				
Term Investment Account-i	5,950,850	1,847,416	-	-
Unrestricted investment accounts (Wakalah)				
-without maturity				
Daily Investment Account-i	1,043	-	-	-
Restricted investment accounts (Mudharabah)				
-with maturity				
Restricted Profit Sharing Investment Account (RPSIA)	460,875	-	-	-
	7,273,573	2,678,870	-	-

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

A30f INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group		The Bank	
	30 Sept 2021	31 Dec 2020	30 Sept 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Restricted investment accounts				
Mudharabah	4,449,939	4,751,241	-	-
By type of counterparty				
Licensed banks	4,449,939	4,751,241	-	-

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

A30g FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	30 Sept 2021	31 Dec 2020	30 Sept 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Deposits from customers - structured investments	631,241	71,610	-	-

The Group has issued structured investments, and has designated them at fair value in accordance with MFRS9. 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 30 September 2021 is RM23,284,000 (31 December 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 A - EXPLANATORY NOTES (CONTINUED)

A31. CHANGE IN COMPARATIVES

Certain comparatives were restated to adjust the interest expense and overheads due to changes in the interpretation on insurance premium paid on deposits. There was no impact to the financial performance for the financial period ended 30 September 2020.

The Group	Note	3rd quarter ended			Nine months ended		
		30 September 2020 RM'000	Reclassification RM'000	30 September 2020 (Restated) RM'000	30 September 2020 RM'000	Reclassification RM'000	30 September 2020 (Restated) RM'000
Interest expense	A20	1,207,040	20,196	1,227,236	4,502,292	60,785	4,563,077
Overheads	A23	1,497,586	(20,196)	1,477,390	4,513,813	(60,785)	4,453,028

PART B

B1. GROUP PERFORMANCE REVIEW

The Group registered a pre-tax profit of RM2,566.7 million for the nine months period ended 30 September 2021, an increase of 162.4% as compared to the pre-tax profit of RM978.3 million reported in the previous corresponding period. The Group's net profit (attributable to the owners of the Parent) increased by 99.2% to RM1,629.2 million, equivalent to net earnings per share (sen) of 26.29.

The Group's year-on-year increase in earnings was mainly contributed by higher net interest income, net non-interest income and income from Islamic Banking operations by RM595.7 million, RM202.0 million and RM393.9 million respectively, and lower expected credit losses for all the financial instruments. This was however offset by impairment of goodwill for CIMB Thai during the period of RM1.2 billion and higher overheads by 547.7 million.

The Group reported a post-tax loss of RM301.0 million for the third quarter ended 30 September 2021 ("3Q21") as compared to a post-tax profit of RM282.5 million for the third quarter ended 30 September 2020 ("3Q20"). The post-tax loss reported was driven by impairment of goodwill for CIMB Thai of RM1.2 billion in 3Q21, coupled with the lower operating income by 2.6% to RM3.19 billion from RM3.27 billion in 3Q20 which was driven by higher modification loss in 3Q2021. The goodwill impairment charge is a non-cash item, will have no impact to regulatory capital ratios and does not affect future earnings.

The Group's gross loans, advances and financing grew by 1.4% to RM318.1 billion while deposits from customers increased by 4.9% to RM364.9 billion, as compared to 31 December 2020.

The Group's Common Equity Tier 1, Tier 1 Ratios and Total Capital Ratio as at 30 September 2021 stood at 14.110%, 14.993% and 18.247% respectively.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Bank is adopting a cautiously optimistic view on business expansion as economies in the region gradually reopen, with anticipated lower number of Covid-19 cases and higher vaccination rates. The Bank will continue to focus on assisting impacted customers with the various loan relief programs while also focusing on credit risk management strategies and managing asset quality across segments and geographies. Efforts will continue with our Forward23+ strategies of CASA growth, RAROC optimization, growing Preferred Banking & Wealth Management while prudently managing costs with a digital led focus on the areas of operations, payments, sales enablement and acquisition. Loan growth is expected to remain muted and provisions to be under control for the rest of the year. Overall, the Bank expects to record improved financial performance for 2021.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

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

	The Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
Net profit for the financial period after non-controlling interests (RM'000)	(305,626)	281,463	1,629,191	817,928
Weighted average number of ordinary shares in issue ('000)	6,197,496	6,197,496	6,197,496	6,197,496
Basic earnings per share (expressed in sen per share)	(4.93)	4.54	26.29	13.20

	The Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
Net profit for the financial period (RM'000)	719,555	74,604	2,048,937	219,772
Weighted average number of ordinary shares in issue ('000)	6,197,496	6,197,496	6,197,496	6,197,496
Basic earnings per share (expressed in sen per share)	11.61	1.20	33.06	3.55

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 September 2021 and 30 September 2020.