

CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	The Group		The Bank	
		31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Assets					
Cash and short term funds	A6	34,572,510	33,101,084	26,343,321	26,167,402
Reverse repurchase agreements		5,246,351	8,859,789	3,995,416	8,749,399
Deposits and placements with banks and other financial institutions	A6	4,253,751	2,442,689	8,738,617	7,083,184
Financial investments at fair value through profit or loss	A7	44,984,193	36,998,952	35,542,790	27,435,118
Debt instruments at fair value through other comprehensive income	A8	28,680,074	27,580,910	20,130,360	19,224,272
Equity instruments at fair value through other comprehensive income	A9	335,136	411,057	325,246	398,276
Debt instruments at amortised cost	A10	36,567,778	36,418,127	28,078,411	28,125,801
Derivative financial instruments	A24	20,427,775	11,386,967	11,479,547	5,608,982
Loans, advances and financing	A11	305,080,076	305,082,800	190,123,455	190,045,380
Other assets	A12	11,477,864	6,782,168	8,249,331	4,210,119
Tax recoverable		224,042	61,148	216,900	-
Deferred taxation		518,181	395,212	395,947	285,590
Statutory deposits with central banks		5,093,606	8,135,977	4,014,082	5,383,124
Amounts due from holding company and ultimate holding company		1,751	7,565	1,751	7,565
Amount due from subsidiaries		-	-	34,438	52,825
Amount due from related companies		1,401,636	1,344,545	1,401,045	1,343,812
Investment in subsidiaries		-	-	6,744,201	6,527,795
Investment in joint venture		175,108	175,400	125,000	125,000
Goodwill		5,262,444	5,328,766	3,555,075	3,555,075
Intangible assets		1,218,172	1,202,439	997,903	981,766
Prepaid lease payments		374	377	-	-
Property, plant and equipment		945,452	949,994	594,346	596,222
Right-of-use assets		697,066	740,552	625,123	659,414
		507,163,340	487,406,518	351,712,305	336,566,121
Non-current assets held for sale		5,579	7,467	5,579	7,467
Total Assets		507,168,919	487,413,985	351,717,884	336,573,588
Liabilities					
Deposits from customers	A13	340,008,093	338,913,475	225,374,838	223,846,892
Investment accounts of customers	A14	4,497,066	3,448,964	-	-
Deposits and placements of banks and other financial institutions	A15	28,169,017	23,220,811	25,721,621	21,221,114
Repurchase agreements		17,187,661	11,278,509	12,454,819	7,370,367
Financial liabilities designated at fair value through profit or loss	A16	3,830,489	3,650,740	108,922	204,431
Derivative financial instruments	A24	19,271,398	11,216,631	10,366,992	5,269,597
Bills and acceptances payable		1,719,057	1,472,156	938,149	676,629
Amount due to subsidiaries		-	-	404,247	4,802
Amount due to related companies		31,114	13,955	21,353	1,341
Other liabilities	A17	13,170,347	10,497,677	10,715,357	7,857,323
Lease liabilities		710,764	753,892	637,436	671,202
Recourse obligation on loans and financing sold to Cagamas		4,547,679	4,503,184	3,031,903	2,992,795
Provision for taxation and zakat		24,214	78,109	-	13,887
Bonds, Sukuk and debentures		14,151,881	15,979,897	11,886,100	13,692,053
Other borrowings		4,541,873	5,646,154	4,556,496	5,698,858
Subordinated obligations		11,674,695	11,559,440	11,376,509	11,246,447
Total Liabilities		463,535,348	442,233,594	317,594,742	300,767,738
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		21,776,639	23,319,349	12,570,038	14,252,746
		43,100,003	44,642,713	33,893,402	35,576,110
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		303,828	307,938	-	-
Total Equity		43,633,571	45,180,391	34,123,142	35,805,850
Total Equity and Liabilities		507,168,919	487,413,985	351,717,884	336,573,588
Commitments and contingencies	A25	1,182,608,787	1,123,972,149	662,862,764	625,821,044
Net assets per ordinary share attributable to owners of the Parent (RM)		6.95	7.20	5.47	5.74

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 2019.

CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

The Group	Note	1st Quarter Ended		Three Months Ended	
		31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
		RM'000	RM'000	RM'000	RM'000
Interest income	A18	3,371,798	3,499,993	3,371,798	3,499,993
Interest income from financial assets at fair value through profit or loss	A19	180,440	205,546	180,440	205,546
Interest expense	A20	(1,768,414)	(1,988,095)	(1,768,414)	(1,988,095)
Net interest income		1,783,824	1,717,444	1,783,824	1,717,444
Income from Islamic Banking operations	A29(b)	665,041	589,558	665,041	589,558
Net non-interest income	A21	463,926	682,882	463,926	682,882
Net income		2,912,791	2,989,884	2,912,791	2,989,884
Overheads	A22	(1,609,677)	(1,574,647)	(1,609,677)	(1,574,647)
Profit before expected credit losses		1,303,114	1,415,237	1,303,114	1,415,237
Expected credit losses on loans, advances and financing	A23(a)	(711,154)	(207,884)	(711,154)	(207,884)
Expected credit losses (made)/written back for commitments and contingencies		(40,727)	61,900	(40,727)	61,900
Other expected credit losses (made)/written back	A23(b)	(99,497)	1,958	(99,497)	1,958
Share of results of joint venture		451,736	1,271,211	451,736	1,271,211
		(292)	830	(292)	830
Profit before taxation and zakat		451,444	1,272,041	451,444	1,272,041
Taxation and zakat		(105,910)	(261,889)	(105,910)	(261,889)
Profit for the financial period		345,534	1,010,152	345,534	1,010,152
Profit for the financial period attributable to:					
Owners of the Parent		336,581	1,003,939	336,581	1,003,939
Non-controlling interests		8,953	6,213	8,953	6,213
		345,534	1,010,152	345,534	1,010,152
Earnings per share attributable to ordinary equity holders of the Parent - basic (sen)	B3	5.43	16.79	5.43	16.79

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CIMB BANK BERHAD (13491-P)
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

The Group	1st Quarter Ended		Three Months Ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	345,534	1,010,152	345,534	1,010,152
Other comprehensive (expense)/income:				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefits obligations	1,889	(75)	1,889	(75)
- Currency translation difference	1,889	(75)	1,889	(75)
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(17,218)	(719)	(17,218)	(719)
- Net loss from change in fair value	(17,080)	(719)	(17,080)	(719)
- Currency translation difference	(138)	-	(138)	-
Equity instruments at fair value through other comprehensive income	(5,036)	(11,291)	(5,036)	(11,291)
- Net loss from change in fair value	(1,897)	(11,870)	(1,897)	(11,870)
- Income tax effects	(74)	(13)	(74)	(13)
- Currency translation difference	(3,065)	592	(3,065)	592
	(20,365)	(12,085)	(20,365)	(12,085)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(453,643)	134,547	(453,643)	134,547
- Net (loss)/gain from change in fair value	(414,116)	195,492	(414,116)	195,492
- Realised gain transferred to statement of income on disposal	(117,811)	(44,196)	(117,811)	(44,196)
- Changes in expected credit losses	18,353	(1,280)	18,353	(1,280)
- Income tax effects	58,394	(16,064)	58,394	(16,064)
- Currency translation difference	1,537	595	1,537	595
Net investment hedge	(234,129)	68,022	(234,129)	68,022
Cash flow hedge	(5,416)	54	(5,416)	54
- Net (loss)/gain from change in fair value	(5,079)	43	(5,079)	43
- Income tax effects	(337)	11	(337)	11
Exchange fluctuation reserve	52,838	(65,394)	52,838	(65,394)
Deferred hedging cost	14,984	12,919	14,984	12,919
	(625,366)	150,148	(625,366)	150,148
Other comprehensive (expense)/income for the financial period, net of tax	(645,731)	138,063	(645,731)	138,063
Total comprehensive (expense)/income for the financial period	(300,197)	1,148,215	(300,197)	1,148,215
Total comprehensive (expense)/income for the financial period attributable to:				
Owners of the Parent	(297,271)	1,143,548	(297,271)	1,143,548
Non-controlling interests	(2,926)	4,667	(2,926)	4,667
	(300,197)	1,148,215	(300,197)	1,148,215

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 2019.

CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

<u>The Bank</u>	Note	1st Quarter Ended		Three Months Ended	
		31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
		RM'000	RM'000	RM'000	RM'000
Interest income	A18	2,816,098	3,026,846	2,816,098	3,026,846
Interest income from financial assets at fair value through profit or loss	A19	157,821	179,132	157,821	179,132
Interest expense	A20	(1,608,802)	(1,825,175)	(1,608,802)	(1,825,175)
Net interest income		1,365,117	1,380,803	1,365,117	1,380,803
Income from Islamic Banking operations	A29(b)	49,783	36,268	49,783	36,268
Net non-interest income	A21	497,945	754,794	497,945	754,794
Net income		1,912,845	2,171,865	1,912,845	2,171,865
Overheads	A22	(1,241,770)	(1,250,102)	(1,241,770)	(1,250,102)
Profit before expected credit losses		671,075	921,763	671,075	921,763
Expected credit losses on loans, advances and financing	A23(a)	(649,836)	(141,254)	(649,836)	(141,254)
Expected credit losses (made)/written back for commitments and contingencies		(26,385)	22,194	(26,385)	22,194
Other expected credit losses (made)/written back	A23(b)	(49,240)	436	(49,240)	436
Profit before taxation		(54,386)	803,139	(54,386)	803,139
Taxation		(21,770)	(169,469)	(21,770)	(169,469)
(Loss)/Profit for the financial period		(76,156)	633,670	(76,156)	633,670
Earnings per share - basic (sen)	B3	(1.23)	10.60	(1.23)	10.60

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CIMB BANK BERHAD (13491-P)
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	Individual Quarter		Cumulative Quarters	
	1st Quarter Ended		Three Months Ended	
<u>The Bank</u>	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the financial period	(76,156)	633,670	(76,156)	633,670
Other comprehensive (expense)/income:				
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	491	(719)	491	(719)
Equity instruments at fair value through other comprehensive income	(4,490)	(11,150)	(4,490)	(11,150)
- Net loss from change in fair value	(125)	(11,939)	(125)	(11,939)
- Income tax effects	(44)	(13)	(44)	(13)
- Currency translation difference	(4,321)	802	(4,321)	802
	(3,999)	(11,869)	(3,999)	(11,869)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(430,411)	94,468	(430,411)	94,468
- Net (loss)/gain from change in fair value	(436,180)	130,594	(436,180)	130,594
- Realised gain transferred to statement of income on disposal	(62,385)	(25,420)	(62,385)	(25,420)
- Changes in expected credit losses	15,984	(1,431)	15,984	(1,431)
- Income tax effects	50,633	(9,871)	50,633	(9,871)
- Currency translation difference	1,537	596	1,537	596
Net investment hedge	(207,905)	62,864	(207,905)	62,864
Cash flow hedge	(7,164)	138	(7,164)	138
- Net (loss)/gain from change in fair value	(7,198)	181	(7,198)	181
- Income tax effects	34	(43)	34	(43)
Exchange fluctuation reserve	283,428	(90,188)	283,428	(90,188)
Deferred hedging cost	5,537	13,877	5,537	13,877
	(356,515)	81,159	(356,515)	81,159
Other comprehensive (expense)/income for the financial period, net of tax	(360,514)	69,290	(360,514)	69,290
Total comprehensive (expense)/income for the financial period	(436,670)	702,960	(436,670)	702,960

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 2019.

CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

The Group	Attributable to owners of the Parent																		
	Ordinary share capital	Redeemable Preference Shares	Statutory reserve	Exchange fluctuation reserve	Fair value reserve		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
					debt instruments at fair value through other comprehensive income	equity instruments at fair value through other comprehensive income													
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	336,581	336,581	-	8,953	345,534
Other comprehensive income/ (expenses) (net of tax)	-	-	-	65,070	(453,669)	(5,128)	-	-	(239,545)	14,984	-	(17,218)	(235)	1,889	-	(633,852)	-	(11,879)	(645,731)
- debt instruments at fair value through other comprehensive income	-	-	-	-	(453,669)	-	-	-	-	-	-	-	-	-	-	(453,669)	-	26	(453,643)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	(5,128)	-	-	-	-	-	-	-	-	-	(5,128)	-	92	(5,036)
- net investment hedge	-	-	-	-	-	-	-	-	(234,129)	-	-	-	-	-	-	(234,129)	-	-	(234,129)
- cash flow hedge	-	-	-	-	-	-	-	-	(5,416)	-	-	-	-	-	-	(5,416)	-	-	(5,416)
- currency translation difference	-	-	-	65,070	-	-	-	-	-	-	-	-	(235)	-	-	64,835	-	(11,997)	52,838
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	1,889	-	1,889	-	-	1,889
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	-	(17,218)	-	-	-	(17,218)	-	-	(17,218)
- deferred hedging cost	-	-	-	-	-	-	-	-	-	14,984	-	-	-	-	-	14,984	-	-	14,984
Total comprehensive income/ (expenses) for the financial period	-	-	-	65,070	(453,669)	(5,128)	-	-	(239,545)	14,984	-	(17,218)	(235)	1,889	336,581	(297,271)	-	(2,926)	(300,197)
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,184)	(1,184)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	13,152	-	-	13,152	-	-	13,152
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(31,487)	-	-	(31,487)	-	-	(31,487)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	(18,335)	-	(1,227,104)	(1,245,439)	-	(1,184)	(1,246,623)
Transfer to statutory reserve	-	-	2,794	-	-	-	-	-	-	-	-	-	-	-	(2,794)	-	-	-	-
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	-	(2,133,057)	-	-	-	2,133,057	-	-	-	-
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	2,318	-	-	-	-	-	-	-	-	(2,318)	-	-	-	-
At 31 March 2020	21,323,364	29,740	53,435	2,498,627	(284,154)	(10,727)	(1,085,928)	735,457	(1,403,232)	110,524	-	(14,838)	29,882	(44,044)	21,191,637	43,129,743	200,000	303,828	43,633,571

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

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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 31 MARCH 2020

The Group	Attributable to owners of the Parent																		
	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	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	Defined benefits reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total Equity RM'000
At 1 January 2019	20,088,345	29,740	50,590	2,035,684	(149,868)	15,388	(1,085,928)	735,457	(1,207,792)	47,373	1,542,976	1,959	50,432	(10,536)	18,513,392	40,657,212	200,000	270,259	41,127,471
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,003,939	1,003,939	-	6,213	1,010,152
Other comprehensive (expenses)/ income (net of tax)	-	-	-	(62,560)	133,541	(11,511)	-	-	68,076	12,919	-	(719)	(62)	(75)	-	139,609	-	(1,546)	138,063
- debt instruments at fair value through other comprehensive income	-	-	-	-	133,541	-	-	-	-	-	-	-	-	-	-	133,541	-	1,006	134,547
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	(11,511)	-	-	-	-	-	-	-	-	-	(11,511)	-	220	(11,291)
- net investment hedge	-	-	-	-	-	-	-	-	68,022	-	-	-	-	-	-	68,022	-	-	68,022
- cash flow hedge	-	-	-	-	-	-	-	-	54	-	-	-	-	-	-	54	-	-	54
- currency translation difference	-	-	-	(62,560)	-	-	-	-	-	-	-	-	(62)	-	-	(62,622)	-	(2,772)	(65,394)
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	(75)	-	(75)	-	-	(75)
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	(719)	-	-	-	(719)	-	-	-	(719)
- deferred hedging cost	-	-	-	-	-	-	-	-	-	12,919	-	-	-	-	-	12,919	-	-	12,919
Total comprehensive (expenses)/ income for the financial period	-	-	-	(62,560)	133,541	(11,511)	-	-	68,076	12,919	-	(719)	(62)	(75)	1,003,939	1,143,548	-	4,667	1,148,215
Second interim dividend for the financial year ended 31 December 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,135,854)	(1,135,854)	-	-	(1,135,854)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	13,609	-	-	13,609	-	-	13,609
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(36,301)	-	-	(36,301)	-	-	(36,301)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	(22,692)	-	(1,135,854)	(1,158,546)	-	-	(1,158,546)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	61,715	-	-	-	(61,715)	-	-	-	-
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	353	-	-	-	-	-	-	-	-	(353)	-	-	-	-
At 31 March 2019	20,088,345	29,740	50,590	1,973,124	(16,327)	4,230	(1,085,928)	735,457	(1,139,716)	60,292	1,604,691	1,240	27,678	(10,611)	18,319,409	40,642,214	200,000	274,926	41,117,140

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 2019.

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 31 MARCH 2020

	← Non-distributable →										Distributable				
	Ordinary share capital RM'000	Redeemable Preference Shares 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	Retained earnings RM'000	Perpetual preference shares RM'000	
The Bank															
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	-	-	-	-	-	-	-	-	-	-	-	-	(76,156)	-	(76,156)
Other comprehensive income/ (expenses) (net of tax)	-	-	283,449	(430,411)	(4,490)	-	-	(215,069)	5,537	-	491	(21)	-	-	(360,514)
- debt instruments at fair value through other comprehensive income	-	-	-	(430,411)	-	-	-	-	-	-	-	-	-	-	(430,411)
- equity instruments at fair value through other comprehensive income	-	-	-	-	(4,490)	-	-	-	-	-	-	-	-	-	(4,490)
- net investment hedge	-	-	-	-	-	-	-	(207,905)	-	-	-	-	-	-	(207,905)
- cash flow hedge	-	-	-	-	-	-	-	(7,164)	-	-	-	-	-	-	(7,164)
- currency translation difference	-	-	283,449	-	-	-	-	-	-	-	-	(21)	-	-	283,428
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	491	-	-	-	491
- deferred hedging cost	-	-	-	-	-	-	-	-	5,537	-	-	-	-	-	5,537
Total comprehensive income/ (expenses) for the financial period	-	-	283,449	(430,411)	(4,490)	-	-	(215,069)	5,537	-	491	(21)	(76,156)	-	(436,670)
Second interim dividend for the financial year ended 31 December 2019	-	-	-	-	-	-	-	-	-	-	-	-	(1,227,104)	-	(1,227,104)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	11,646	-	-	11,646
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	(30,580)	-	-	(30,580)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	(18,934)	(1,227,104)	-	(1,246,038)
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	(1,619,524)	-	-	1,619,524	-	-
At 31 March 2020	21,323,364	29,740	974,120	(316,621)	17,734	(1,047,872)	746,852	(915,529)	102,537	-	(461)	23,434	12,985,844	200,000	34,123,142

* 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 2019.

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 31 MARCH 2020

	← Non-distributable											Distributable →				
	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Exchange fluctuation reserve RM'000	Fair value reserve		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	Retained earnings RM'000	Perpetual preference shares RM'000		Total Equity RM'000
				debt instruments at fair value through other comprehensive income RM'000	equity instruments at fair value through other comprehensive income RM'000											
The Bank																
At 1 January 2019	20,088,345	29,740	758,069	(127,575)	43,915	(1,047,872)	746,852	(737,032)	46,568	1,197,301	1,959	45,100	12,380,511	200,000	33,625,881	
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	633,670	-	633,670	
Other comprehensive (expenses)/ income (net of tax)	-	-	(90,105)	94,468	(11,150)	-	-	63,002	13,877	-	(719)	(83)	-	-	69,290	
- debt instruments at fair value through other comprehensive income	-	-	-	94,468	-	-	-	-	-	-	-	-	-	-	94,468	
- equity instruments at fair value through other comprehensive income	-	-	-	-	(11,150)	-	-	-	-	-	-	-	-	-	(11,150)	
- net investment hedge	-	-	-	-	-	-	-	62,864	-	-	-	-	-	-	62,864	
- cash flow hedge	-	-	-	-	-	-	-	138	-	-	-	-	-	-	138	
- currency translation difference	-	-	(90,105)	-	-	-	-	-	-	-	-	(83)	-	-	(90,188)	
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	(719)	-	-	-	(719)	
- deferred hedging cost	-	-	-	-	-	-	-	-	13,877	-	-	-	-	-	13,877	
Total comprehensive (expenses)/ income for the financial period	-	-	(90,105)	94,468	(11,150)	-	-	63,002	13,877	-	(719)	(83)	633,670	-	702,960	
Second interim dividend for the financial year ended 31 December 2017	-	-	-	-	-	-	-	-	-	-	-	-	(1,135,854)	-	(1,135,854)	
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	12,125	-	-	12,125	
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	(32,676)	-	-	(32,676)	
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	(20,551)	(1,135,854)	-	(1,156,405)	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	21,921	-	-	(21,921)	-	-	
At 31 March 2019	20,088,345	29,740	667,964	(33,107)	32,765	(1,047,872)	746,852	(674,030)	60,445	1,219,222	1,240	24,466	11,856,406	200,000	33,172,436	

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 2019.

CIMB BANK BERHAD
Company No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	The Group		The Bank	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation and zakat	451,444	1,272,041	(54,386)	803,139
Adjustments for non-operating and non-cash items	996,060	(264,087)	861,605	(192,992)
Operating profit before changes in working capital	1,447,504	1,007,954	807,219	610,147
Net changes in operating assets	(9,029,355)	(16,032,218)	(8,914,291)	(10,155,153)
Net changes in operating liabilities	15,942,670	17,500,947	14,731,502	11,460,419
	6,913,315	1,468,729	5,817,211	1,305,266
Cash flows generated from operations	8,360,819	2,476,683	6,624,430	1,915,413
Taxation paid	(370,099)	(308,289)	(307,372)	(224,904)
Net cash flows generated from operating activities	7,990,720	2,168,394	6,317,058	1,690,509
Net cash flows (used in)/generated from investing activities	(1,291,438)	(1,009,739)	(1,055,407)	18,437
Net cash flows used in financing activities	(5,692,808)	(2,260,535)	(5,694,005)	(1,893,070)
Net decrease in cash and cash equivalents	1,006,474	(1,101,880)	(432,354)	(184,124)
Effects of exchange rate changes	464,952	(243,454)	608,273	(245,260)
Cash and cash equivalents at the beginning of financial period	33,101,084	28,593,411	26,167,402	17,428,021
Cash and cash equivalents at end of financial period	34,572,510	27,248,077	26,343,321	16,998,637

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 2019.

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

(a) The unaudited condensed interim financial statements for the financial period ended 31 March 2020 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 2019. 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 2019.

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 2019, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2020:

- Amendments to MFRS 3 “Definition of a Business”
- Amendments to MFRS 9, MFRS 139 and MFRS 7 “Interest Rate Benchmark Reform”
- Amendments to MFRS 101 and MFRS 108 “Definition of Material”

The adoption of the above new standards, amendments to published standards and interpretation are not expected to give rise to significant impact on the financial results of the Group and the Bank.

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 Novel Coronavirus (‘Covid-19’) pandemic and related lockdowns and movement restrictions have had, and will continue to have, a significant impact on global economic conditions and the environment in which we operate our business.

In response to this unprecedented situation, the governments within the jurisdictions of our key markets have responded by providing various forms of economic stimulus programs and relief packages. The respective central banks have also taken proactive steps to address economic and market disruptions.

The Group has actively participated in numerous initiatives and programmes aimed at ensuring that customers affected by the economic disruption are provided with sufficient support and to play our part in keeping markets functioning.

The Group is continuously assessing the extent of the adverse impact to the economic activity due to the outbreak of Covid-19 as the severity and duration of the global economic downturn remains 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 RM18.6 million.
- b) During the financial period, Ziya Capital Bhd ("Ziya"), an Islamic special purpose vehicle consolidated by CIMB Islamic Bank, undertook a partial redemption of its Sukuk amounting to RM21.0 million.
- c) On 30 January 2020, CIMB Islamic Bank issued RM200 million Basel-III compliant Additional Tier 1 Perpetual Preference Shares which was fully subscribed by the Bank.
- d) On 15 March 2020, the Bank has redeemed its USD600 million 5-year senior fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.
- e) On 23 March 2020, CIMB Bank PLC issued USD10 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 as a single tranche at a fixed rate of 3.45% 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.
- f) On 4 April 2020, the Bank has redeemed its HKD700 million 1-year fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.
- g) On 15 April 2020, the Bank completed the capital injection of VND264 billion into new ordinary shares of CIMB Bank (Vietnam) Limited. The new ordinary shares were issued by CIMB Bank (Vietnam) Limited at an issue price of VND1 each to CIMB Bank.
- h) On 5 May 2020, the Bank has redeemed its USD313 million 30-years callable zero coupon notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014

A4. DIVIDENDS PAID

A single tier second interim dividend of approximately 19.80 sen per share, on 6,197,495,771 ordinary shares of RM1.00 each, amounting to RM1,227 million in respect of the financial year ended 31 December 2019 which was approved by the Board of Directors on 30 January 2020, was paid on 17 March 2020.

A5. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events that had occurred between 31 March 2020 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 31 March 2020, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM60,000 and RM359,000 for the Group and RMNil and RM285,000 for the Bank. The 12-month expected credit losses charged in the income statements of the Group and the Bank during the financial period amounting to RM205,000 and RM160,000 respectively (2019: expected credit losses written back of RM577,000 and RM453,000 respectively).

A7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	2,880,437	1,460,392	2,880,437	1,460,392
Cagamas bonds	642,607	686,798	617,325	661,577
Malaysian Government treasury bills	245,353	482,267	245,353	473,685
Bank Negara Malaysia Monetary Notes	7,403,494	5,506,911	7,403,494	5,506,911
Negotiable instruments of deposit	5,957,779	5,018,451	3,463,864	2,525,681
Other Government securities	5,665,486	5,968,401	1,813,648	2,169,106
Government Investment Issues	2,260,416	1,924,283	1,775,036	662,822
Other Government treasury bills	11,640,179	6,911,836	11,640,179	6,911,836
Promissory Notes	436,192	414,063	436,192	414,063
Commercial papers	1,836,262	1,793,489	501,684	600,255
	38,968,205	30,166,891	30,777,212	21,386,328
Quoted securities:				
<u>In Malaysia</u>				
Shares	801,548	741,166	801,548	741,166
	801,548	741,166	801,548	741,166
<u>Outside Malaysia</u>				
Shares	87,464	116,414	87,464	116,414
	889,012	857,580	889,012	857,580
Unquoted securities:				
<u>In Malaysia</u>				
Shares	838,960	838,960	827,435	827,435
Corporate bond and Sukuk	1,113,607	1,558,663	981,091	1,490,899
	1,952,567	2,397,623	1,808,526	2,318,334
<u>Outside Malaysia</u>				
Corporate bond	2,886,561	3,276,255	1,780,192	2,572,273
Private equity and unit trusts funds	287,848	300,603	287,848	300,603
	3,174,409	3,576,858	2,068,040	2,872,876
	44,984,193	36,998,952	35,542,790	27,435,118

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	919,018	295,061	897,958	295,061
Cagamas bonds	370,271	302,629	232,067	226,352
Other government treasury bills	111,224	115,609	111,224	115,609
Other government securities	3,573,749	3,525,034	827,775	719,621
Negotiable instruments of deposit	320,919	321,570	320,919	321,570
Government investment issues	1,220,526	1,538,791	534,296	838,112
Commercial papers	226,901	226,453	194,505	124,614
	6,742,608	6,325,147	3,118,744	2,640,939
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	15,197,891	15,146,955	12,621,334	12,441,470
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	6,739,574	6,108,807	4,390,282	4,141,863
Unit trust fund	1	1	-	-
	6,739,575	6,108,808	4,390,282	4,141,863
	28,680,074	27,580,910	20,130,360	19,224,272

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 2020	24,428	122	21,030	45,580
Changes in expected credit losses due to transferred within stages:	-	-	-	-
Transferred to Stage 1	142	(142)	-	-
Transferred to Stage 2	(142)	142	-	-
Total charge to Income Statement:	18,086	448	(181)	18,353
New financial assets purchased	28,500	-	-	28,500
Financial assets that have been derecognised	(1,301)	-	-	(1,301)
Change in credit risk	(9,113)	448	(181)	(8,846)
Exchange fluctuation	273	-	-	273
At 31 March 2020	42,787	570	20,849	64,206

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 2019	17,882	1,924	30,306	50,112
Changes in expected credit losses due to transferred within stages:	115,127	(115,127)	-	-
Transferred to Stage 1	115,427	(115,427)	-	-
Transferred to Stage 2	(300)	300	-	-
Total charge to Income Statement:	(108,565)	113,325	(549)	4,211
New financial assets purchased	50,487	-	-	50,487
Financial assets that have been derecognised	(5,898)	-	(549)	(6,447)
Change in credit risk	(153,154)	113,325	-	(39,829)
Write-offs	-	-	(8,727)	(8,727)
Exchange fluctuation	(16)	-	-	(16)
At 31 December 2019	24,428	122	21,030	45,580

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 2020	22,650	23	21,030	43,703
Changes in expected credit losses due to transferred within stages:	(118)	118	-	-
Transferred to Stage 1	24	(24)	-	-
Transferred to Stage 2	(142)	142	-	-
Total charge to Income Statement:	15,735	430	(181)	15,984
New financial assets purchased	24,036	-	-	24,036
Financial assets that have been derecognised	(1,193)	-	-	(1,193)
Change in credit risk	(7,108)	430	(181)	(6,859)
Exchange fluctuation	274	-	-	274
At 31 March 2020	38,541	571	20,849	59,961

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
Debt instruments at fair value through other comprehensive income				
At 1 January 2019	15,474	1,923	30,306	47,703
Changes in expected credit losses due to transferred within stages:	115,176	(115,176)	-	-
Transferred to Stage 1	115,427	(115,427)	-	-
Transferred to Stage 2	(251)	251	-	-
Total charge to Income Statement:	(107,922)	113,276	(549)	4,805
New financial assets purchased	41,773	-	-	41,773
Financial assets that have been derecognised	(5,031)	-	(549)	(5,580)
Change in credit risk	(144,664)	113,276	-	(31,388)
Write-offs	-	-	(8,727)	(8,727)
Exchange fluctuation	(78)	-	-	(78)
At 31 December 2019	22,650	23	21,030	43,703

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 - Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2020	21,030	21,030
Other changes in debt instruments	(181)	(181)
At 31 March 2020	<u>20,849</u>	<u>20,849</u>

The Group and The Bank	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2019	30,306	30,306
Write-offs	(8,727)	(8,727)
Financial assets that have been derecognised	(549)	(549)
At 31 December 2019	<u>21,030</u>	<u>21,030</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A9. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Quoted securities:				
<u>Outside Malaysia</u>				
Shares	1,243	1,987	70	59
Unit trusts	4,786	6,761	-	-
	<u>6,029</u>	<u>8,748</u>	<u>70</u>	<u>59</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	252,030	252,030	251,969	251,969
Perpetual corporate bonds	-	76,432	-	76,432
	<u>252,030</u>	<u>328,462</u>	<u>251,969</u>	<u>328,401</u>
<u>Outside Malaysia</u>				
Shares	6,253	6,414	2,383	2,383
Private equity and unit trusts funds	70,824	67,433	70,824	67,433
	<u>77,077</u>	<u>73,847</u>	<u>73,207</u>	<u>69,816</u>
	<u>335,136</u>	<u>411,057</u>	<u>325,246</u>	<u>398,276</u>

A10. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Money market instruments				
Unquoted:				
Malaysian Government securities	3,552,901	3,542,926	3,452,678	3,441,621
Cagamas bonds	208,086	207,203	146,811	146,552
Other Government treasury bills	1,294,735	1,603,163	1,294,735	1,603,163
Other Government's securities	1,965,490	1,853,422	519,692	431,011
Malaysian Government Investment Issue	8,784,839	8,670,009	5,809,575	5,689,906
Khazanah bonds	312,269	312,269	312,269	312,269
Commercial papers	147,798	172,819	98,595	123,616
	<u>16,266,118</u>	<u>16,361,811</u>	<u>11,634,355</u>	<u>11,748,138</u>
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	17,510,623	17,506,204	13,721,550	13,718,774
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	2,759,738	2,500,247	2,713,488	2,621,387
	<u>20,270,361</u>	<u>20,006,451</u>	<u>16,435,038</u>	<u>16,340,161</u>
Amortisation of premium net of accretion of discount	126,632	123,298	125,088	121,075
Less : Expected credit losses	(95,333)	(73,433)	(116,070)	(83,573)
	<u>36,567,778</u>	<u>36,418,127</u>	<u>28,078,411</u>	<u>28,125,801</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 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	10,892	55,355	7,186	73,433
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 2	(158)	158	-	-
	8,295	13,559	-	21,854
Total charge to Income Statement:				
New financial assets purchased	2,527	-	-	2,527
Financial assets that have been derecognised	(48)	-	-	(48)
Change in credit risk	5,816	13,559	-	19,375
Exchange fluctuation	53	-	(7)	46
At 31 March 2020	19,082	69,072	7,179	95,333

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 2019	6,658	100,148	7,184	113,990
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 1	72,604	(72,604)	-	-
Transferred to Stage 2	72,652	(72,652)	-	-
	(48)	48	-	-
Total charge to Income Statement:				
New financial assets purchased	3,486	-	-	3,486
Financial assets that have been derecognised	(746)	-	-	(746)
Change in credit risk	(71,111)	27,811	-	(43,300)
Exchange fluctuation	1	-	12	13
At 31 December 2019	10,892	55,355	7,186	73,433

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

The Group	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	7,186	7,186
Exchange fluctuation	(7)	(7)
At 31 March 2020	7,179	7,179

The Group	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2019	7,184	7,184
Write-offs	(10)	(10)
Exchange fluctuation	12	12
At 31 December 2019	7,186	7,186

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 2020	28,218	55,355	-	83,573
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 2	(158)	158	-	-
	(158)	158	-	-
Total charge to Income Statement:	18,885	13,559	-	32,444
New financial assets purchased	2,527	-	-	2,527
Financial assets that have been derecognised	(48)	-	-	(48)
Change in credit risk	16,406	13,559	-	29,965
Exchange fluctuation	53	-	-	53
At 31 March 2020	46,998	69,072	-	116,070

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 2019	9,658	100,148	-	109,806
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 1	72,604	(72,604)	-	-
Transferred to Stage 2	72,652	(72,652)	-	-
	(48)	48	-	-
Total charge to Income Statement:	(54,044)	27,811	-	(26,233)
New financial assets purchased	17,303	-	-	17,303
Financial assets that have been derecognised	(741)	-	-	(741)
Change in credit risk	(70,606)	27,811	-	(42,795)
At 31 December 2019	28,218	55,355	-	83,573

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
(i) By type of financing				
<i>At amortised cost</i>				
Overdrafts	5,486,370	5,537,103	3,142,308	3,201,681
Term loans/financing				
- Housing loan/financing	98,171,720	96,849,001	62,513,894	62,048,562
- Syndicated term loan	16,277,535	15,933,611	14,019,553	13,693,862
- Other term loans/financing	114,230,428	114,880,011	65,520,375	64,856,261
- Factoring receivables	6,392	4,379	-	-
- Lease receivables	5,330	4,915	-	-
- Hire purchase receivables	21,749,103	21,841,123	6,208,466	6,622,049
Bills receivable	8,139,895	9,502,413	5,003,744	5,769,161
Trust receipts	2,938,562	1,710,194	1,540,956	872,207
Claim on customers under acceptance credit	3,245,346	3,733,729	2,344,090	2,719,169
Staff loans *	1,186,710	1,197,091	883,787	882,734
Credit card receivables	6,493,752	6,968,794	6,349,249	6,812,280
Revolving credit	31,334,177	30,570,959	25,460,554	24,869,279
Share margin financing	65,084	74,873	65,084	74,873
Gross loans, advances and financing, at amortised cost	309,330,404	308,808,196	193,052,060	192,422,118
Fair value changes arising from fair value hedges	6,633	8,428	853	(646)
	309,337,037	308,816,624	193,052,913	192,421,472
Less: Expected credit losses	(5,409,000)	(4,838,559)	(3,881,077)	(3,280,646)
Net loans, advances and financing at amortised cost	303,928,037	303,978,065	189,171,836	189,140,826
<i>At fair value through profit or loss</i>				
Term loans/financing				
- Syndicated term loan	1,152,039	1,104,735	951,619	904,554
	1,152,039	1,104,735	951,619	904,554
Total net loans, advances and financing	305,080,076	305,082,800	190,123,455	190,045,380
Total gross loans, advances and financing				
- At amortised cost	309,330,404	308,808,196	193,052,060	192,422,118
- At fair value through profit or loss	1,152,039	1,104,735	951,619	904,554
	310,482,443	309,912,931	194,003,679	193,326,672

* Loans to Directors of the Group and the Bank (including Directors of subsidiary) amounting to RM4,703,556 (2019: RM4,601,277) and RM2,822,312 (2019: RM2,706,731) 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 RM27,315,000 (2019: RM28,568,000) 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 RM2,079,277,000 (2019: RM2,082,954,000) and RM84,079,000 (2019: RM89,023,000) 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 31 March 2020, the gross exposure and expected credit losses relating to RPSIA financing are RM4,808,740,000 (2019: RM4,958,745,000) and RM74,252,000 (2019: RM93,758,000) 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	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
	RM'000	RM'000	RM'000	RM'000
Revolving credit	-	2,201,326	-	2,201,326
Other term loan	5,078,600	4,030,416	5,078,600	4,030,416
	5,078,600	6,231,742	5,078,600	6,231,742

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	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
(ii) By type of customers				
Domestic banking institutions	190,158	168,915	183,242	161,564
Domestic non-bank financial institutions				
- stockbroking companies	11,675	11,158	11,675	11,158
- others	6,012,226	4,822,091	2,537,051	1,303,725
Domestic business enterprises				
- small medium enterprises	32,460,181	32,380,841	19,738,766	20,226,726
- others	47,791,615	48,544,908	25,611,055	25,931,208
Government and statutory bodies	8,270,215	8,282,375	4,524,953	4,567,921
Individuals	172,611,570	173,633,043	100,051,479	100,782,332
Other domestic entities	1,048,749	963,491	107,568	68,734
Foreign entities	42,086,054	41,106,109	41,237,890	40,273,304
Gross loans, advances and financing	310,482,443	309,912,931	194,003,679	193,326,672
(iii) By interest rate sensitivity				
Fixed rate				
- Housing loans/ financing	2,322,348	2,276,483	953,029	970,671
- Hire purchase receivables	17,773,404	17,442,948	3,453,133	3,631,379
- Other fixed rate loans	29,176,116	28,453,142	18,568,483	17,620,994
Variable rate				
- BLR plus/BFR plus	86,601,642	87,602,743	64,840,335	66,049,905
- Cost-plus	57,046,773	57,882,163	41,426,489	41,967,530
- Other variable rates	117,562,160	116,255,452	64,762,210	63,086,193
Gross loans, advances and financing	310,482,443	309,912,931	194,003,679	193,326,672
(iv) By economic purpose				
Personal use	15,699,345	15,159,043	10,767,626	10,116,565
Credit cards	6,493,752	6,968,794	6,349,249	6,812,280
Purchase of consumer durables	93,642	92,554	52,006	54,430
Construction	12,093,811	12,495,222	7,695,505	8,115,009
Residential property (housing)	99,513,729	98,010,011	62,756,595	62,230,607
Non-residential property	29,565,989	29,203,845	22,376,355	22,221,829
Purchase of fixed assets other than land and buildings	3,213,908	3,186,898	2,510,754	2,485,539
Mergers and acquisitions	3,055,418	2,718,911	3,054,851	2,699,734
Purchase of securities	23,718,863	25,835,806	11,094,040	11,696,173
Purchase of transport vehicles	21,971,853	22,120,418	6,245,251	6,682,148
Working capital	62,379,571	61,050,188	40,125,485	38,884,900
Other purposes	32,682,562	33,071,241	20,975,962	21,327,458
Gross loans, advances and financing	310,482,443	309,912,931	194,003,679	193,326,672

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
(v) By geographical distribution				
Malaysia	221,409,212	221,176,688	141,161,907	141,404,019
Indonesia	2,335,653	2,274,003	2,335,653	2,274,003
Thailand	36,105,270	37,071,875	3,642,269	3,736,437
Singapore	30,730,105	29,341,528	30,730,105	29,341,528
United Kingdom	3,826,110	4,424,804	3,826,110	4,424,804
Hong Kong	1,612,157	1,390,239	1,612,157	1,390,239
China	3,395,838	3,734,509	3,395,838	3,734,509
Other countries	11,068,098	10,499,285	7,299,640	7,021,133
Gross loans, advances and financing	310,482,443	309,912,931	194,003,679	193,326,672
(vi) By economic sector				
Primary agriculture	8,820,615	8,566,004	5,258,384	5,059,116
Mining and quarrying	5,576,463	5,316,785	3,483,250	3,360,110
Manufacturing	17,565,767	17,357,674	10,954,479	10,560,062
Electricity, gas and water supply	4,237,231	3,980,507	2,487,742	2,267,357
Construction	10,750,944	10,695,130	8,648,287	8,638,499
Transport, storage and communications	8,707,798	8,461,136	5,059,517	4,863,725
Education, health and others	15,974,371	15,166,692	10,780,914	10,002,119
Wholesale and retail trade, and restaurants and hotels	21,297,936	20,418,594	13,859,610	13,135,043
Finance, insurance/takaful, real estate and business activities	43,771,159	45,044,037	31,152,846	32,418,061
Household	171,037,231	172,586,525	99,914,557	101,026,694
Others	2,742,928	2,319,847	2,404,093	1,995,886
	310,482,443	309,912,931	194,003,679	193,326,672
(vii) By residual contractual maturity				
Within one year	68,059,296	67,700,218	48,931,227	48,398,140
One year to less than three years	23,846,710	23,788,992	16,564,397	17,349,830
Three years to less than five years	26,624,392	25,366,445	18,097,466	16,571,459
Five years and more	191,952,045	193,057,276	110,410,589	111,007,243
Gross loans, advances and financing	310,482,443	309,912,931	194,003,679	193,326,672

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
(viii) Credit impaired loans, advances and financing by economic purpose				
Personal use	291,073	276,941	179,829	164,412
Credit cards	109,172	105,416	107,469	103,279
Purchase of consumer durables	815	1,017	656	831
Construction	1,327,985	1,344,004	1,157,571	1,159,624
Residential property (housing)	1,809,621	1,665,972	989,383	902,132
Non-residential property	388,282	395,918	291,005	293,599
Purchase of fixed assets other than land and buildings	39,433	38,603	28,514	27,274
Purchase of securities	162,541	126,078	161,870	124,858
Purchase of transport vehicles	288,044	235,976	97,879	88,699
Working capital	2,984,200	2,504,920	1,992,059	1,472,817
Merger and acquisition	50,603	50,833	50,603	50,833
Other purposes	823,784	849,129	70,354	42,635
Gross credit impaired loans, advances and financing	8,275,553	7,594,807	5,127,192	4,430,993
(ix) Credit impaired loans, advances and financing by geographical distribution				
Malaysia	4,775,151	4,524,025	3,495,494	3,270,585
Indonesia	155,458	157,368	155,458	157,368
Thailand	1,816,613	1,855,080	-	-
Singapore	1,309,987	848,895	1,309,987	848,895
United Kingdom	8,566	8,967	8,566	8,967
China	13,768	158	13,768	158
Other countries	196,010	200,314	143,919	145,020
Gross credit impaired loans, advances and financing	8,275,553	7,594,807	5,127,192	4,430,993
(x) Credit impaired loans, advances and financing by economic sector				
Primary agriculture	74,950	71,218	53,998	52,651
Mining and quarrying	852,627	826,079	851,782	825,267
Manufacturing	1,358,046	1,415,675	161,211	152,031
Electricity, gas and water supply	260,801	263,141	246,084	247,202
Construction	160,696	173,798	122,289	134,838
Transport, storage and communications	1,146,678	1,057,266	1,143,163	1,054,568
Education, health and others	167,448	164,774	101,210	95,209
Wholesale and retail trade, and restaurants and hotels	1,159,976	718,596	715,736	249,585
Finance, insurance/takaful, real estate and business activities	453,920	462,405	248,584	241,853
Household	2,633,473	2,435,398	1,476,425	1,371,436
Others	6,938	6,457	6,710	6,353
Gross credit impaired loans, advances and financing	8,275,553	7,594,807	5,127,192	4,430,993

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 credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total 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:	97,250	(152,420)	55,170	-	-
Transferred to Stage 1	195,304	(169,351)	(25,953)	-	-
Transferred to Stage 2	(97,523)	234,686	(137,163)	-	-
Transferred to Stage 3	(531)	(217,755)	218,286	-	-
Total charge to Income Statement:	(99,568)	256,560	654,591	-	811,583
New financial assets originated	188,464	27,829	33,802	-	250,095
Financial assets that have been derecognised	(86,662)	(50,304)	-	-	(136,966)
Writeback in respect of full recoveries	-	-	(43,351)	-	(43,351)
Change in credit risk	(201,370)	279,035	664,140	-	741,805
Write-offs	(36)	(194)	(229,791)	-	(230,021)
Exchange fluctuation	(3,827)	(7,986)	(12,862)	(113)	(24,788)
Other movements	(41)	1,743	11,965	-	13,667
At 31 March 2020	941,141	864,686	3,600,538	2,635	5,409,000

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	Purchased credit impaired RM'000	Total RM'000
At 1 January 2019	1,216,093	659,780	3,183,980	2,552	5,062,405
Changes in expected credit losses due to transferred within stages:	716,707	(493,019)	(223,688)	-	-
Transferred to Stage 1	1,072,666	(895,540)	(177,126)	-	-
Transferred to Stage 2	(353,463)	807,407	(453,944)	-	-
Transferred to Stage 3	(2,496)	(404,886)	407,382	-	-
Total charge to Income Statement:	(997,706)	589,343	1,280,573	-	872,210
New financial assets originated	775,618	21,191	182,121	-	978,930
Financial assets that have been derecognised	(383,028)	(143,572)	-	-	(526,600)
Writeback in respect of full recoveries	-	-	(258,181)	-	(258,181)
Change in credit risk	(1,390,296)	711,724	1,356,633	-	678,061
Write-offs	(782)	(120)	(1,181,357)	-	(1,182,259)
Exchange fluctuation	14,104	10,480	68,143	196	92,923
Other movements	(1,053)	519	(6,186)	-	(6,720)
At 31 December 2019	947,363	766,983	3,121,465	2,748	4,838,559

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 credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	641,476	445,075	2,194,095	3,280,646
Changes in expected credit losses due to transferred within stages:	68,349	(90,696)	22,347	-
Transferred to Stage 1	120,529	(106,002)	(14,527)	-
Transferred to Stage 2	(52,023)	126,476	(74,453)	-
Transferred to Stage 3	(157)	(111,170)	111,327	-
Total charge to Income Statement:	(76,341)	173,195	599,101	695,955
New financial assets originated	140,153	25,324	10,976	176,453
Financial assets that have been derecognised	(67,121)	(27,099)	-	(94,220)
Writeback in respect of full recoveries	-	-	(9,545)	(9,545)
Change in credit risk	(149,373)	174,970	597,670	623,267
Write-offs	(35)	-	(127,583)	(127,618)
Exchange fluctuation	1,929	(81)	18,182	20,030
Other movements	(41)	1,743	10,362	12,064
At 31 March 2020	635,337	529,236	2,716,504	3,881,077

The Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	759,401	443,493	2,199,617	3,402,511
Changes in expected credit losses due to transferred within stages:	469,847	(346,936)	(122,911)	-
Transferred to Stage 1	639,224	(542,606)	(96,618)	-
Transferred to Stage 2	(168,242)	462,742	(294,500)	-
Transferred to Stage 3	(1,135)	(267,072)	268,207	-
Total charge to Income Statement:	(587,332)	347,968	749,336	509,972
New financial assets originated	530,200	4,570	81,768	616,538
Financial assets that have been derecognised	(297,847)	(76,305)	-	(374,152)
Writeback in respect of full recoveries	-	-	(42,425)	(42,425)
Change in credit risk	(819,685)	419,703	709,993	310,011
Write-offs	(193)	(33)	(705,526)	(705,752)
Exchange fluctuation	(261)	64	(2,490)	(2,687)
Other movements	14	519	76,069	76,602
At 31 December 2019	641,476	445,075	2,194,095	3,280,646

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 2020	7,586,783	8,024	7,594,807
Transfer within stages	1,103,213	-	1,103,213
New financial assets originated	123,938	-	123,938
Write-offs	(229,813)	-	(229,813)
Amount fully recovered	(254,691)	-	(254,691)
Other changes in loans, advances and financing	(13,867)	(6)	(13,873)
Exchange fluctuation	(47,698)	(330)	(48,028)
At 31 March 2020	8,267,865	7,688	8,275,553

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
At 1 January 2019	6,309,599	7,553	6,317,152
Transfer within stages	2,389,807	-	2,389,807
New financial assets originated	1,117,346	-	1,117,346
Write-offs	(1,181,357)	-	(1,181,357)
Amount fully recovered	(662,858)	-	(662,858)
Other changes in loans, advances and financing	(512,511)	(108)	(512,619)
Exchange fluctuation	126,757	579	127,336
At 31 December 2019	7,586,783	8,024	7,594,807

	The Group	
	31 Mar 2020	31 Dec 2019
Ratio of credit impaired loans to total loans, advances and financing	2.67%	2.45%

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)	Total
	RM'000	RM'000
At 1 January 2020	4,430,993	4,430,993
Transfer within stages	835,192	835,192
New financial assets originated	12,855	12,855
Write-offs	(127,605)	(127,605)
Amount fully recovered	(108,468)	(108,468)
Other changes in loans, advances and financing	54,181	54,181
Exchange fluctuation	30,044	30,044
At 31 March 2020	5,127,192	5,127,192

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2019	4,134,551	4,134,551
Transfer within stages	1,274,249	1,274,249
New financial assets originated	26,877	26,877
Write-offs	(705,526)	(705,526)
Amount fully recovered	(110,425)	(110,425)
Other changes in loans, advances and financing	(182,728)	(182,728)
Exchange fluctuation	(6,005)	(6,005)
At 31 December 2019	4,430,993	4,430,993

	The Bank	
	31 Mar 2020	31 Dec 2019
Ratio of credit impaired loans to total loans, advances and financing	2.64%	2.29%

PART A - EXPLANATORY NOTES (CONTINUED)

A12. OTHER ASSETS

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Foreclosed assets	139,785	127,101	-	-
Structured financing	1,010,022	1,018,852	1,010,022	1,018,852
Collateral pledged for derivative transactions	6,414,598	3,228,228	3,352,834	1,167,366
Other debtors, deposits and prepayments	3,913,459	2,407,987	3,886,475	2,023,901
	11,477,864	6,782,168	8,249,331	4,210,119

A13. DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
(i) By type of deposit				
Demand deposits	74,878,757	72,581,628	56,930,899	54,581,956
Saving deposits	38,161,950	33,364,340	23,228,495	20,967,036
Fixed deposits	163,440,242	157,604,600	112,764,094	105,467,528
Negotiable instruments of deposit	76,691	116,121	-	-
Others	63,450,453	75,246,786	32,451,350	42,830,372
	340,008,093	338,913,475	225,374,838	223,846,892
(ii) By type of customer				
Government and statutory bodies	15,082,688	11,929,238	7,931,519	7,074,185
Business enterprises	121,353,065	119,321,210	82,927,644	83,709,897
Individuals	145,740,917	144,032,740	97,600,825	93,384,260
Others	57,831,423	63,630,287	36,914,850	39,678,550
	340,008,093	338,913,475	225,374,838	223,846,892
(iii) Maturity structure of fixed deposits and negotiable instruments of deposit				
Due within six months	128,569,016	126,983,102	91,792,179	85,570,264
Six months to less than one year	34,034,380	28,718,007	20,690,740	19,309,841
One year to less than three years	831,930	1,926,475	202,010	496,736
Three years to less than five years	81,607	93,137	79,165	90,687
	163,516,933	157,720,721	112,764,094	105,467,528

A14. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Unrestricted investment accounts	4,497,066	3,448,964	-	-

PART A - EXPLANATORY NOTES (CONTINUED)

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
	RM'000	RM'000	RM'000	RM'000
Licensed banks	21,856,448	20,275,237	22,728,703	19,959,771
Licensed finance companies	1,674,524	747,051	48,918	52,168
Licensed investment banks	996,035	284,895	960,925	58,175
Bank Negara Malaysia	6,358	5,423	6,358	5,423
Other financial institutions	3,635,652	1,908,205	1,976,717	1,145,577
	28,169,017	23,220,811	25,721,621	21,221,114

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

Due within six months	27,262,970	22,697,135	25,238,277	20,849,382
Six months to less than one year	905,655	422,569	483,344	271,032
One year to less than three years	391	101,107	-	100,700
	28,169,016	23,220,811	25,721,621	21,221,114

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

	The Group		The Bank	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
	RM'000	RM'000	RM'000	RM'000
Deposits from customers - structured investments	275,572	299,930	108,922	204,431
Debentures	202,913	1,534	-	-
Bills payable	3,352,004	3,349,276	-	-
	3,830,489	3,650,740	108,922	204,431

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 31 March 2020 were RM24,552,000 (2019: RM27,583,000) and RM25,083,000 (2019: RM24,539,000) respectively lower than the contractual amount at maturity for the structured investments, RM3,748,000 lower (2019: RM20,000 higher) than the contractual amount at maturity for the debentures and RM697,078,000 (2019: RM643,889,000) higher than the contractual amount at maturity for bills payable.

A17. OTHER LIABILITIES

	The Group		The Bank	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	95,922	61,062	95,922	61,062
Accrued employee benefits	17,213	27,720	16,918	27,204
Post employment benefit obligations	346,176	291,830	97,787	36,584
Sundry creditors	3,620,190	2,083,359	3,866,961	1,757,216
Expenditure payable	1,098,062	1,520,984	885,120	1,146,766
Expected credit losses for loan commitments and financial guarantee contracts	A17(a) 411,637	373,891	272,622	245,906
Provision for legal claims	61,227	65,560	41,017	41,022
Credit card expenditure payable	118,810	124,369	111,901	117,557
Collateral received for derivative transactions	3,256,272	2,272,687	1,534,217	1,012,607
Structured deposits	3,478,450	3,169,052	3,432,963	3,122,527
Others	666,388	507,163	359,929	288,872
	13,170,347	10,497,677	10,715,357	7,857,323

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
Loans, advances and financing to customers at amortised cost				
At 1 January 2020	210,691	38,848	124,352	373,891
Changes in expected credit losses due to transferred within stages:	25,049	(28,134)	3,085	-
Transferred to Stage 1	63,772	(28,187)	(35,585)	-
Transferred to Stage 2	(4,084)	8,212	(4,128)	-
Transferred to Stage 3	(34,639)	(8,159)	42,798	-
Total charge to Income Statement:	(839)	36,089	5,477	40,727
New exposures	63,048	2,073	83	65,204
Exposures derecognised or matured	(28,920)	(5,058)	(343)	(34,321)
Change in credit risk	(34,967)	39,074	5,737	9,844
Exchange fluctuation	(28)	(52)	(3,109)	(3,189)
Other movements	1,189	(481)	(500)	208
At 31 March 2020	236,062	46,270	129,305	411,637

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 2019	304,736	57,189	104,142	466,067
Changes in expected credit losses due to transferred within stages:	107,756	(99,618)	(8,138)	-
Transferred to Stage 1	126,385	(109,279)	(17,106)	-
Transferred to Stage 2	(10,995)	24,477	(13,482)	-
Transferred to Stage 3	(7,634)	(14,816)	22,450	-
Total charge to Income Statement:	(196,729)	80,617	17,696	(98,416)
New exposures	255,689	4,315	2,337	262,341
Exposures derecognised or matured	(55,930)	(8,026)	(20,000)	(83,956)
Change in credit risk	(396,488)	84,328	35,359	(276,801)
Exchange fluctuation	331	460	5,468	6,259
Other movements	(5,403)	200	5,184	(19)
At 31 December 2019	210,691	38,848	124,352	373,891

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 2020	166,711	30,989	48,206	245,906
Changes in expected credit losses due to transferred within stages:	23,481	(25,750)	2,269	-
Transferred to Stage 1	26,852	(25,653)	(1,199)	-
Transferred to Stage 2	(3,358)	6,476	(3,118)	-
Transferred to Stage 3	(13)	(6,573)	6,586	-
Total charge to Income Statement:	(4,393)	30,213	565	26,385
New exposures	38,431	1,846	28	40,305
Exposures derecognised or matured	(19,683)	(4,607)	-	(24,290)
Change in credit risk	(23,141)	32,974	537	10,370
Exchange fluctuation	138	(14)	-	124
Other movements	509	85	(387)	207
At 31 March 2020	186,446	35,523	50,653	272,622

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 2019	220,004	50,311	29,313	299,628
Changes in expected credit losses due to transferred within stages:	74,187	(73,585)	(602)	-
Transferred to Stage 1	90,892	(82,252)	(8,640)	-
Transferred to Stage 2	(9,236)	20,541	(11,305)	-
Transferred to Stage 3	(7,469)	(11,874)	19,343	-
Total charge to Income Statement:	(127,471)	54,341	19,495	(53,635)
New exposures	173,485	81	23	173,589
Exposures derecognised or matured	(33,862)	(6,242)	298	(39,806)
Change in credit risk	(267,094)	60,502	19,174	(187,418)
Exchange fluctuation	(9)	5	-	(4)
Other movements	-	(83)	-	(83)
At 31 December 2019	166,711	30,989	48,206	245,906

As at 31 March 2020, the gross carrying amount of loan commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM211,068,000 (2019: RM199,630,000) and RM130,918,000 (2019: RM119,427,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A18. INTEREST INCOME

	1st Quarter Ended		Three Months Ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
The Group				
Loans and advances				
- interest income	2,697,723	2,751,047	2,697,723	2,751,047
- unwinding income [^]	27,678	24,404	27,678	24,404
Money at call and deposits with financial institutions	142,127	157,981	142,127	157,981
Reverse repurchase agreements	40,302	77,004	40,302	77,004
Debt instruments at fair value through other comprehensive income	203,267	211,523	203,267	211,523
Debt instruments at amortised cost	262,540	268,596	262,540	268,596
Equity instruments at fair value through other comprehensive income	1,266	2,860	1,266	2,860
	3,374,903	3,493,415	3,374,903	3,493,415
Net accretion of discount less amortisation of premium	(3,105)	6,578	(3,105)	6,578
	3,371,798	3,499,993	3,371,798	3,499,993
The Bank				
Loans and advances				
- interest income	2,129,986	2,249,764	2,129,986	2,249,764
- unwinding income [^]	19,442	20,090	19,442	20,090
Money at call and deposits with financial institutions	173,463	226,542	173,463	226,542
Reverse repurchase agreements	39,689	76,183	39,689	76,183
Debt instruments at fair value through other comprehensive income	180,632	180,477	180,632	180,477
Debt instruments at amortised cost	273,520	265,713	273,520	265,713
Equity instruments at fair value through other comprehensive income	1,266	2,860	1,266	2,860
	2,817,998	3,021,629	2,817,998	3,021,629
Net accretion of discount less amortisation of premium	(1,900)	5,217	(1,900)	5,217
	2,816,098	3,026,846	2,816,098	3,026,846

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

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

	1st Quarter Ended		Three Months Ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
The Group				
Loans and advances at fair value through profit or loss	9,547	1,495	9,547	1,495
Financial assets at fair value through profit or loss	112,042	160,126	112,042	160,126
Reverse repurchase agreements at fair value through profit or loss	-	3,430	-	3,430
	121,589	165,051	121,589	165,051
Net accretion of discount less amortisation of premium	58,851	40,495	58,851	40,495
	180,440	205,546	180,440	205,546
The Bank				
Loans and advances at fair value through profit or loss	9,547	1,495	9,547	1,495
Financial assets at fair value through profit or loss	82,379	131,510	82,379	131,510
Reverse repurchase agreements at fair value through profit or loss	-	3,430	-	3,430
	91,926	136,435	91,926	136,435
Net accretion of discount less amortisation of premium	65,895	42,697	65,895	42,697
	157,821	179,132	157,821	179,132

PART A - EXPLANATORY NOTES (CONTINUED)

A20. INTEREST EXPENSE

	1st Quarter Ended		Three Months Ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
The Group				
Deposits and placements of banks and other financial institutions	100,442	127,112	100,442	127,112
Deposits from other customers	1,240,877	1,361,124	1,240,877	1,361,124
Repurchase agreements	57,376	80,734	57,376	80,734
Financial liabilities designated at fair value through profit or loss	13,033	32,380	13,033	32,380
Negotiable certificates of deposits	11,174	22,792	11,174	22,792
Recourse obligation on loan and financing sold to Cagamas	27,778	34,725	27,778	34,725
Bonds, Sukuk and debentures	133,674	108,929	133,674	108,929
Subordinated obligations	130,713	135,712	130,713	135,712
Other borrowings	28,740	44,112	28,740	44,112
Structured deposits	13,535	29,255	13,535	29,255
Lease liabilities	7,181	7,267	7,181	7,267
Others	3,891	3,953	3,891	3,953
	1,768,414	1,988,095	1,768,414	1,988,095
The Bank				
Deposits and placements of banks and other financial institutions	87,109	116,866	87,109	116,866
Deposits from other customers	1,127,913	1,263,525	1,127,913	1,263,525
Repurchase agreements	48,024	60,734	48,024	60,734
Financial liabilities designated at fair value through profit or loss	1,448	12,782	1,448	12,782
Negotiable certificates of deposits	10,861	22,016	10,861	22,016
Recourse obligation on loan and financing sold to Cagamas	27,778	34,725	27,778	34,725
Bonds and debentures	121,124	100,360	121,124	100,360
Subordinated obligations	128,988	126,948	128,988	126,948
Other borrowings	35,383	51,390	35,383	51,390
Structured deposits	13,535	29,255	13,535	29,255
Lease liabilities	6,622	6,557	6,622	6,557
Others	17	17	17	17
	1,608,802	1,825,175	1,608,802	1,825,175

PART A - EXPLANATORY NOTES (CONTINUED)

A21. NET NON-INTEREST INCOME

	1st Quarter Ended		Three Months Ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
The Group				
Net fee and commission income				
Commissions	171,854	141,907	171,854	141,907
Fee on loans and advances	108,094	121,355	108,094	121,355
Service charges and fees	129,072	136,357	129,072	136,357
Guarantee fees	19,540	15,011	19,540	15,011
Other fee income	51,066	54,422	51,066	54,422
Fee and commission income	479,626	469,052	479,626	469,052
Fee and commission expense	(126,300)	(130,939)	(126,300)	(130,939)
Net fee and commission income	353,326	338,113	353,326	338,113
Gross dividend income from:				
Financial investments at fair value through profit or loss	9,215	2,995	9,215	2,995
Equity instruments at fair value through other comprehensive income	8	166	8	166
	9,223	3,161	9,223	3,161
Net (loss)/gain arising from financial investments at fair value through profit or loss				
- realised	(28,900)	(299,116)	(28,900)	(299,116)
- unrealised	(609,493)	430,384	(609,493)	430,384
	(638,393)	131,268	(638,393)	131,268
Net gain/(loss) arising from derivative financial instrument				
- realised	222,790	118,973	222,790	118,973
- unrealised	948,880	(47,449)	948,880	(47,449)
	1,171,670	71,524	1,171,670	71,524
Net gain arising from loans, advances and financing at fair value through profit or loss				
- unrealised	356	1,071	356	1,071
	356	1,071	356	1,071
Net loss arising from financial liabilities designated at fair value through profit or loss				
- realised	(5,367)	(11,968)	(5,367)	(11,968)
- unrealised	(83,648)	(81,889)	(83,648)	(81,889)
	(89,015)	(93,857)	(89,015)	(93,857)
Net (loss)/gain arising from hedging activities				
	(19,911)	6,374	(19,911)	6,374
Net gain from sale of investment in debt instruments at fair value through other comprehensive income				
	81,875	30,898	81,875	30,898
Other non-interest income				
Foreign exchange (loss)/gain	(417,065)	185,237	(417,065)	185,237
Rental income	3,642	2,920	3,642	2,920
Gain on disposal of property, plant and equipment/ assets held for sale	3,917	4,814	3,917	4,814
Loss on disposal of foreclosed assets	(1,765)	(29,586)	(1,765)	(29,586)
Gain on disposal of loans, advances and financing	-	22,286	-	22,286
Others	6,066	8,659	6,066	8,659
	(405,205)	194,330	(405,205)	194,330
	463,926	682,882	463,926	682,882

PART A - EXPLANATORY NOTES (CONTINUED)

A21. NET NON-INTEREST INCOME (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
The Bank				
Net fee and commission income				
Commissions	129,569	105,749	129,569	105,749
Fee on loans and advances	104,625	116,190	104,625	116,190
Service charges and fees	333,369	282,101	333,369	282,101
Guarantee fees	16,264	11,812	16,264	11,812
Other fee income	39,108	36,685	39,108	36,685
Fee and commission income	622,935	552,537	622,935	552,537
Fee and commission expense	(113,691)	(119,946)	(113,691)	(119,946)
Net fee and commission income	509,244	432,591	509,244	432,591
Gross dividend income from:				
Financial investments at fair value through profit or loss	9,215	2,995	9,215	2,995
Subsidiary	21,722	-	21,722	-
	30,937	2,995	30,937	2,995
Net (loss)/gain arising from financial investments at fair value through profit or loss				
- realised	(46,322)	(337,161)	(46,322)	(337,161)
- unrealised	(458,969)	437,736	(458,969)	437,736
	(505,291)	100,575	(505,291)	100,575
Net gain/(loss) arising from derivative financial instrument				
- realised	174,730	336,385	174,730	336,385
- unrealised	1,004,636	(334,526)	1,004,636	(334,526)
	1,179,366	1,859	1,179,366	1,859
Net gain arising from loans, advances and financing at fair value through profit or loss				
- unrealised	356	1,071	356	1,071
	356	1,071	356	1,071
Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss				
- realised	4,141	745	4,141	745
- unrealised	(6,210)	(5,515)	(6,210)	(5,515)
	(2,069)	(4,770)	(2,069)	(4,770)
Net (loss)/gain arising from hedging activities				
	(18,736)	7,026	(18,736)	7,026
Net gain from sale of investment in debt instruments at fair value through other comprehensive income				
	62,385	25,420	62,385	25,420
Other non-interest income				
Foreign exchange (loss)/gain	(770,857)	175,170	(770,857)	175,170
Rental income	3,262	2,979	3,262	2,979
Gain on disposal of property, plant and equipment/assets held for sale	3,905	4,244	3,905	4,244
Others	5,443	5,634	5,443	5,634
	(758,247)	188,027	(758,247)	188,027
	497,945	754,794	497,945	754,794

PART A - EXPLANATORY NOTES (CONTINUED)

A22. OVERHEADS

	1st Quarter Ended		Three Months Ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonuses	778,379	766,372	778,379	766,372
- Pension costs (defined contribution plan)	80,850	79,860	80,850	79,860
- Pension costs (defined benefit plan)	6,469	5,752	6,469	5,752
- Overtime	4,538	3,636	4,538	3,636
- Staff incentives and other staff payments	51,748	42,489	51,748	42,489
- Medical expenses	21,773	23,675	21,773	23,675
- Others	22,764	19,949	22,764	19,949
	966,521	941,733	966,521	941,733
Establishment costs				
- Depreciation of property, plant and equipment	38,765	41,058	38,765	41,058
- Amortisation of prepaid lease payments	3	3	3	3
- Depreciation of right-of-use assets	48,430	48,879	48,430	48,879
- Rental	20,793	20,790	20,793	20,790
- Amortisation of intangible assets	60,506	51,717	60,506	51,717
- Repair and maintenance	104,771	100,753	104,771	100,753
- Outsourced services	20,981	22,228	20,981	22,228
- Security expenses	22,024	23,819	22,024	23,819
- Others	30,780	41,227	30,780	41,227
	347,053	350,474	347,053	350,474
Marketing expenses				
- Advertisement	25,092	24,213	25,092	24,213
- Others	12,952	12,742	12,952	12,742
	38,044	36,955	38,044	36,955
Administration and general expenses				
- Communication	5,936	6,657	5,936	6,657
- Consultancy and professional fees	28,471	22,275	28,471	22,275
- Legal expenses	2,252	5,744	2,252	5,744
- Stationery	6,428	7,410	6,428	7,410
- Postages	12,766	10,705	12,766	10,705
- Administrative travelling and vehicle expenses	5,044	7,672	5,044	7,672
- Incidental expenses on banking operations	11,620	12,161	11,620	12,161
- Insurance	53,143	48,301	53,143	48,301
- Others	132,399	124,560	132,399	124,560
	258,059	245,485	258,059	245,485
	1,609,677	1,574,647	1,609,677	1,574,647

PART A - EXPLANATORY NOTES (CONTINUED)

A22. OVERHEADS (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
The Bank				
Personnel costs				
- Salaries, allowances and bonuses	604,523	598,100	604,523	598,100
- Pension costs (defined contribution plan)	73,668	73,321	73,668	73,321
- Overtime	2,461	2,270	2,461	2,270
- Staff incentives and other staff payments	42,126	38,895	42,126	38,895
- Medical expenses	20,032	22,316	20,032	22,316
- Others	13,705	10,565	13,705	10,565
	756,515	745,467	756,515	745,467
Establishment costs				
- Depreciation of property, plant and equipment	27,452	29,687	27,452	29,687
- Depreciation of right-of-use assets	41,073	41,743	41,073	41,743
- Rental	13,287	13,110	13,287	13,110
- Amortisation of intangible assets	48,243	43,624	48,243	43,624
- Repair and maintenance	95,366	92,291	95,366	92,291
- Outsourced services	15,914	18,135	15,914	18,135
- Security expenses	20,568	22,374	20,568	22,374
- Others	26,461	32,031	26,461	32,031
	288,364	292,995	288,364	292,995
Marketing expenses				
- Advertisement	22,076	18,063	22,076	18,063
- Others	8,869	9,209	8,869	9,209
	30,945	27,272	30,945	27,272
Administration and general expenses				
- Communication	4,343	5,162	4,343	5,162
- Consultancy and professional fees	10,071	16,246	10,071	16,246
- Legal expenses	339	3,061	339	3,061
- Stationery	3,847	5,423	3,847	5,423
- Postages	9,682	8,999	9,682	8,999
- Administrative travelling and vehicle expenses	2,883	5,368	2,883	5,368
- Incidental expenses on banking operations	7,434	7,928	7,434	7,928
- Insurance	12,939	10,382	12,939	10,382
- Others	114,408	121,799	114,408	121,799
	165,946	184,368	165,946	184,368
	1,241,770	1,250,102	1,241,770	1,250,102

PART A - EXPLANATORY NOTES (CONTINUED)

A23(a). EXPECTED CREDIT LOSSES ON LOANS, ADVANCES AND FINANCING

	1st Quarter Ended		Three Months Ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	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	811,583	302,159	811,583	302,159
Credit impaired:				
- recovered	(103,447)	(97,332)	(103,447)	(97,332)
- written off	3,018	3,057	3,018	3,057
	<u>711,154</u>	<u>207,884</u>	<u>711,154</u>	<u>207,884</u>
The Bank				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	695,955	182,546	695,955	182,546
Credit impaired:				
- recovered	(48,554)	(43,781)	(48,554)	(43,781)
- written off	2,435	2,489	2,435	2,489
	<u>649,836</u>	<u>141,254</u>	<u>649,836</u>	<u>141,254</u>

A23(b). OTHER EXPECTED CREDIT LOSSES

	1st Quarter Ended		Three Months Ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses made/(written back) on:				
- Debt instrument at fair value through other comprehensive income	18,353	(1,280)	18,353	(1,280)
- Debt instrument at amortised cost	21,854	1,358	21,854	1,358
- Money at call and deposits and placements with banks and other financial institutions	205	(577)	205	(577)
- Other assets	59,085	(1,459)	59,085	(1,459)
	<u>99,497</u>	<u>(1,958)</u>	<u>99,497</u>	<u>(1,958)</u>
The Bank				
Expected credit losses made/(written back) on:				
- Debt instrument at fair value through other comprehensive income	15,984	(1,431)	15,984	(1,431)
- Debt instrument at amortised cost	32,444	1,066	32,444	1,066
- Money at call and deposits and placements with banks and other financial institutions	160	(453)	160	(453)
- Other assets	652	382	652	382
	<u>49,240</u>	<u>(436)</u>	<u>49,240</u>	<u>(436)</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A24. 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.

	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
At 31 March 2020						
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	43,968,191	1,040,787	(715,309)	32,145,794	769,715	(476,938)
- less than one year	40,281,791	942,565	(491,892)	29,855,525	711,062	(331,384)
- one year to three years	2,655,049	84,986	(130,482)	1,650,023	45,417	(74,406)
- more than three years	1,031,351	13,236	(92,935)	640,246	13,236	(71,148)
Currency swaps	330,461,756	6,029,349	(6,389,904)	179,928,667	2,589,336	(2,623,315)
- less than one year	327,730,642	5,895,555	(6,370,067)	178,274,567	2,510,251	(2,621,856)
- one year to three years	2,295,114	121,166	(15,083)	1,339,130	66,457	(1,240)
- more than three years	436,000	12,628	(4,754)	314,970	12,628	(219)
Currency spots	4,872,676	12,945	(9,449)	4,072,962	12,646	(8,242)
- less than one year	4,872,676	12,945	(9,449)	4,072,962	12,646	(8,242)
Currency options	17,607,690	649,183	(681,518)	17,273,616	644,067	(677,277)
- less than one year	13,920,775	375,828	(351,140)	13,586,701	370,712	(346,899)
- one year to three years	1,807,640	189,072	(223,270)	1,807,640	189,072	(223,270)
- more than three years	1,879,275	84,283	(107,108)	1,879,275	84,283	(107,108)
Cross currency interest rate swaps	101,622,785	3,107,845	(2,548,551)	42,880,036	1,823,782	(1,283,446)
- less than one year	30,443,324	891,158	(542,151)	13,185,985	665,953	(455,000)
- one year to three years	32,185,216	919,108	(863,449)	18,149,939	495,048	(537,241)
- more than three years	38,994,245	1,297,579	(1,142,951)	11,544,112	662,781	(291,205)
	498,533,098	10,840,109	(10,344,731)	276,301,075	5,839,546	(5,069,218)
<u>Interest rate derivatives</u>						
Interest rate swaps	499,137,221	6,881,730	(6,273,163)	236,341,621	2,982,627	(3,111,141)
- less than one year	200,429,491	583,360	(573,113)	83,112,121	289,012	(254,329)
- one year to three years	159,273,027	1,471,915	(1,474,671)	95,067,395	974,003	(1,012,215)
- more than three years	139,434,703	4,826,455	(4,225,379)	58,162,105	1,719,612	(1,844,597)
Interest rate futures	12,887,232	7,666	(41,560)	12,887,232	7,666	(41,560)
- less than one year	10,481,275	7,205	(38,370)	10,481,275	7,205	(38,370)
- one year to three years	2,405,957	461	(3,190)	2,405,957	461	(3,190)
Interest rate options	7,521	-	(96)	7,521	-	(96)
- one year to three years	7,521	-	(96)	7,521	-	(96)
	512,031,974	6,889,396	(6,314,819)	249,236,374	2,990,293	(3,152,797)
<u>Equity related derivatives</u>						
Equity swaps	64,772	394	(321)	64,772	394	(321)
- less than one year	4,585	-	(154)	4,585	-	(154)
- more than three years	60,187	394	(167)	60,187	394	(167)
Equity options	5,259,546	405,363	(72,942)	2,995,270	400,675	(67,283)
- less than one year	4,547,526	364,628	(71,298)	2,604,811	361,599	(67,181)
- one year to three years	681,929	40,537	(1,563)	390,459	39,076	(102)
- more than three years	30,091	198	(81)	-	-	-
Equity futures	33,087	104	(479)	33,087	104	(479)
- less than one year	33,087	104	(479)	33,087	104	(479)
	5,357,405	405,861	(73,742)	3,093,129	401,173	(68,083)

PART A - EXPLANATORY NOTES (CONTINUED)

A24. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 March 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	3,012,148	1,322,503	(832,859)	3,012,148	1,322,503	(832,859)
- less than one year	2,821,003	1,059,232	(680,979)	2,821,003	1,059,232	(680,979)
- one year to three years	191,145	263,271	(151,880)	191,145	263,271	(151,880)
Commodity futures	930,900	10,905	(278,092)	930,900	10,905	(278,092)
- less than one year	930,900	10,905	(278,092)	930,900	10,905	(278,092)
Commodity options	2,700,173	68,861	(57,207)	2,700,173	68,861	(57,207)
- less than one year	2,700,173	68,861	(57,207)	2,700,173	68,861	(57,207)
	6,643,221	1,402,269	(1,168,158)	6,643,221	1,402,269	(1,168,158)
<u>Credit related derivatives</u>						
Credit default swaps	3,445,192	30,696	(45,324)	3,449,224	30,655	(44,205)
- less than one year	91,076	44	(41)	91,076	44	(41)
- one year to three years	412,846	4,541	(46)	413,928	4,542	(46)
- more than three years	2,941,270	26,111	(45,237)	2,944,220	26,069	(44,118)
Total return swaps	281,515	9,927	(11,419)	281,515	9,927	(11,419)
- less than one year	147,830	2,312	(2,312)	147,830	2,312	(2,312)
- one year to three years	112,935	7,615	(8,010)	112,935	7,615	(8,010)
- more than three years	20,750	-	(1,097)	20,750	-	(1,097)
	3,726,707	40,623	(56,743)	3,730,739	40,582	(55,624)
<u>Bond contract</u>						
Bond forward	2,580,432	29,074	(345,652)	90,000	-	(10,635)
- less than one year	506,506	593	(67,403)	-	-	-
- one year to three years	1,641,870	9,897	(246,282)	-	-	-
- more than three years	432,056	18,584	(31,967)	90,000	-	(10,635)
<u>Hedging derivatives</u>						
Currency swaps	5,899,767	80,995	(168,284)	5,899,767	80,995	(168,284)
- less than one year	5,899,767	80,995	(168,284)	5,899,767	80,995	(168,284)
Cross currency interest rate swaps	4,844,562	63,512	(125,076)	597,274	19,873	-
- one year to three years	2,779,206	30,427	(101,575)	486,050	14,216	-
- more than three years	2,065,356	33,085	(23,501)	111,224	5,657	-
Interest rate swaps	26,966,309	675,936	(674,193)	28,639,184	704,816	(674,193)
- less than one year	4,949,364	37,761	(37,581)	6,849,364	71,231	(37,581)
- one year to three years	10,802,428	280,997	(81,393)	10,480,106	271,598	(81,393)
- more than three years	11,214,517	357,178	(555,219)	11,309,714	361,987	(555,219)
Total derivatives assets/(liabilities)	1,066,583,475	20,427,775	(19,271,398)	574,230,763	11,479,547	(10,366,992)

PART A - EXPLANATORY NOTES (CONTINUED)

A24. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 December 2019	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>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	39,018,845	348,269	(684,703)	30,245,868	195,736	(614,369)
- less than one year	35,239,769	254,450	(485,131)	27,912,515	174,761	(428,131)
- one year to three years	2,712,790	82,223	(135,881)	1,700,821	19,128	(116,136)
- more than three years	1,066,286	11,596	(63,691)	632,532	1,847	(70,102)
Currency swaps	292,657,060	1,927,418	(2,007,512)	165,810,593	1,077,505	(1,078,895)
- less than one year	290,451,355	1,836,365	(1,992,408)	164,447,698	1,041,809	(1,069,246)
- one year to three years	1,688,757	83,946	(14,352)	954,778	28,626	(8,897)
- more than three years	516,948	7,107	(752)	408,117	7,070	(752)
Currency spots	3,417,895	4,332	(2,970)	2,684,138	4,131	(2,225)
- less than one year	3,417,895	4,332	(2,970)	2,684,138	4,131	(2,225)
Currency options	17,819,848	412,660	(424,977)	17,463,038	410,902	(423,662)
- less than one year	13,710,539	268,586	(254,895)	13,353,729	266,828	(253,580)
- one year to three years	2,269,582	96,544	(125,674)	2,269,582	96,544	(125,674)
- more than three years	1,839,727	47,530	(44,408)	1,839,727	47,530	(44,408)
Cross currency interest rate swaps	91,451,479	3,448,056	(3,002,446)	38,853,054	1,420,417	(931,353)
- less than one year	25,760,122	797,401	(460,327)	11,988,913	478,206	(238,722)
- one year to three years	28,258,578	983,624	(982,381)	14,621,639	409,866	(367,451)
- more than three years	37,432,779	1,667,031	(1,559,738)	12,242,502	532,345	(325,180)
	444,365,127	6,140,735	(6,122,608)	255,056,691	3,108,691	(3,050,504)
<u>Interest rate derivatives</u>						
Interest rate swaps	503,891,887	4,216,078	(3,615,577)	229,222,861	1,515,762	(1,490,672)
- less than one year	195,341,918	344,543	(386,465)	77,288,830	133,650	(122,877)
- one year to three years	172,117,862	842,081	(791,868)	97,224,189	498,545	(452,393)
- more than three years	136,432,107	3,029,454	(2,437,244)	54,709,842	883,567	(915,402)
Interest rate futures	10,603,515	15,513	(9,737)	10,603,515	15,513	(9,737)
- less than one year	8,282,784	13,640	(9,277)	8,282,784	13,640	(9,277)
- one year to three years	2,320,731	1,873	(460)	2,320,731	1,873	(460)
Interest rate options	7,198	-	(10)	7,198	-	(10)
- one year to three years	7,198	-	(10)	7,198	-	(10)
	514,502,600	4,231,591	(3,625,324)	239,833,574	1,531,275	(1,500,419)
<u>Equity related derivatives</u>						
Equity swaps	60,005	134	(120)	60,005	134	(120)
- less than one year	6,112	21	-	6,112	21	-
- more than three years	53,893	113	(120)	53,893	113	(120)
Equity options	4,664,459	88,659	(64,297)	2,587,390	75,317	(49,890)
- less than one year	3,704,854	69,240	(56,141)	1,922,892	58,612	(44,416)
- one year to three years	953,176	19,387	(8,156)	664,498	16,705	(5,474)
- more than three years	6,429	32	-	-	-	-
Equity futures	21,104	1	(147)	21,104	1	(147)
- less than one year	21,104	1	(147)	21,104	1	(147)
Index futures	34,142	129	(171)	34,142	129	(171)
- less than one year	34,142	129	(171)	34,142	129	(171)
	4,779,710	88,923	(64,735)	2,702,641	75,581	(50,328)

PART A - EXPLANATORY NOTES (CONTINUED)

A24. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 December 2019	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>Commodity related derivatives</u>						
Commodity swaps	3,212,256	324,152	(151,105)	3,212,256	324,152	(151,105)
- less than one year	2,892,771	279,017	(100,212)	2,892,771	279,017	(100,212)
- one year to three years	319,485	45,135	(50,893)	319,485	45,135	(50,893)
Commodity futures	1,390,973	43,226	(23,950)	1,390,973	43,226	(23,950)
- less than one year	1,390,973	43,226	(23,950)	1,390,973	43,226	(23,950)
Commodity options	2,423,695	50,808	(53,910)	2,423,462	50,809	(53,911)
- less than one year	2,423,695	50,808	(53,910)	2,423,462	50,809	(53,911)
	7,026,924	418,186	(228,965)	7,026,691	418,187	(228,966)
<u>Credit related derivatives</u>						
Credit default swaps	3,751,313	50,456	(55,761)	3,738,148	50,421	(62,170)
- less than one year	87,011	195	(178)	87,011	195	(178)
- one year to three years	396,462	4,876	(56)	392,928	4,876	(56)
- more than three years	3,267,840	45,385	(55,527)	3,258,209	45,350	(61,936)
Total return swaps	591,490	8,961	(9,836)	591,490	8,961	(9,836)
- less than one year	456,805	2,766	(1,751)	456,805	2,766	(1,751)
- one year to three years	113,935	6,195	(6,600)	113,935	6,195	(6,600)
- more than three years	20,750	-	(1,485)	20,750	-	(1,485)
	4,342,803	59,417	(65,597)	4,329,638	59,382	(72,006)
<u>Bond Forward</u>	2,742,108	1,113	(515,868)	90,000	-	(11,539)
- Up to 1 year	782,049	-	(134,232)	-	-	-
- More than 1 year to 3 years	1,527,055	-	(329,249)	-	-	-
- More than 3 years	433,004	1,113	(52,387)	90,000	-	(11,539)
<u>Hedging derivatives</u>						
Currency swaps	5,679,660	120,957	(50,498)	5,679,660	120,957	(50,498)
- less than one year	5,679,660	120,957	(50,498)	5,679,660	120,957	(50,498)
Cross currency interest rate swaps	4,719,976	47,043	(238,501)	564,487	2,964	(802)
- one year to three years	1,901,011	10,686	(112,513)	459,368	2,964	-
- more than three years	2,818,965	36,357	(125,988)	105,119	-	(802)
Interest rate swaps	25,406,069	279,002	(304,535)	27,063,856	291,945	(304,535)
- less than one year	4,360,240	11,792	(20,727)	6,260,240	28,907	(20,727)
- one year to three years	10,891,172	127,976	(35,593)	10,555,028	122,337	(35,593)
- more than three years	10,154,657	139,234	(248,215)	10,248,588	140,701	(248,215)
Total derivatives assets/(liabilities)	1,013,564,977	11,386,967	(11,216,631)	542,347,238	5,608,982	(5,269,597)

PART A - EXPLANATORY NOTES (CONTINUED)

A24. 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 31 March 2020, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM20,427,775,000 and RM11,479,547,000 respectively (31 December 2019: RM11,386,967,000 and RM5,608,982,000 respectively). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 March 2020, the Group and the Bank has posted cash collateral of RM6,414,598,000 and RM3,352,834,000 respectively (31 December 2019: RM3,228,228,000 and RM1,167,366,000 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 annual financial statements for the financial year ended 31 December 2019.

PART A - EXPLANATORY NOTES (CONTINUED)

A25. COMMITMENTS AND CONTINGENCIES

	31 Mar 2020	31 Dec 2019
	Principal	Principal
	RM'000	RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	3,580,607	3,422,131
Transaction-related contingent items	7,342,409	7,238,472
Short-term self-liquidating trade-related contingencies	4,528,098	5,590,237
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	61,852,015	56,990,496
- maturity exceeding one year	34,533,112	34,992,846
Miscellaneous commitments and contingencies	4,189,071	2,172,990
Total credit-related commitments and contingencies	116,025,312	110,407,172
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	423,148,975	374,259,340
- one year to five years	67,107,386	60,711,682
- more than five years	19,021,066	19,793,741
	509,277,427	454,764,763
Interest rate related contracts :		
- less than one year	215,860,130	207,984,942
- one year to five years	260,282,729	273,531,678
- more than five years	62,855,424	58,392,049
	538,998,283	539,908,669
Equity related contracts:		
- less than one year	4,585,198	3,766,212
- one year to five years	722,063	953,175
- more than five years	50,144	60,323
	5,357,405	4,779,710
Credit related contracts:		
- less than one year	238,906	543,816
- one year to five years	937,234	2,768,624
- more than five years	2,550,567	1,030,363
	3,726,707	4,342,803
Commodity related contracts:		
- less than one year	6,452,076	6,707,439
- one year to five years	191,145	319,485
	6,643,221	7,026,924
Bond contracts:		
- less than one year	506,506	782,049
- one year to five years	1,983,926	1,870,059
- more than five years	90,000	90,000
	2,580,432	2,742,108
Total treasury-related commitments and contingencies	1,066,583,475	1,013,564,977
	1,182,608,787	1,123,972,149

PART A - EXPLANATORY NOTES (CONTINUED)

A25. COMMITMENTS AND CONTINGENCIES (CONTINUED)

	31 Mar 2020	31 Dec 2019
	Principal	Principal
	RM'000	RM'000
The Bank		
<u>Credit-related</u>		
Direct credit substitutes	3,301,247	3,170,612
Transaction-related contingent items	4,692,183	4,694,814
Short-term self-liquidating trade-related contingencies	3,495,369	4,733,002
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	49,508,155	44,659,567
- maturity exceeding one year	26,200,716	25,734,846
Miscellaneous commitments and contingencies	1,434,331	480,965
Total credit-related commitments and contingencies	88,632,001	83,473,806
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	244,875,507	226,066,653
- one year to five years	32,898,701	29,867,035
- more than five years	5,023,908	5,367,150
	282,798,116	261,300,838
Interest rate related contracts :		
- less than one year	100,442,760	91,831,854
- one year to five years	148,499,203	149,127,331
- more than five years	28,933,595	25,938,245
	277,875,558	266,897,430
Equity related contracts:		
- less than one year	2,642,483	1,984,250
- one year to five years	430,593	664,498
- more than five years	20,053	53,893
	3,093,129	2,702,641
Credit related contracts:		
- less than one year	238,906	543,816
- one year to five years	938,316	2,765,090
- more than five years	2,553,517	1,020,732
	3,730,739	4,329,638
Commodity related contracts:		
- less than one year	6,452,076	6,707,206
- one year to five years	191,145	319,485
	6,643,221	7,026,691
Bond contracts:		
- more than five years	90,000	90,000
	90,000	90,000
Total treasury-related commitments and contingencies	574,230,763	542,347,238
	662,862,764	625,821,044

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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Irrevocable commitments to extend credit :				
- maturity not exceeding one year	2,200,000	-	2,200,000	-
	2,200,000	-	2,200,000	-

PART A - EXPLANATORY NOTES (CONTINUED)

A26. 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 5 February 2020. The revised guidelines took effect on 1 January 2018 and 1 January 2019 for all banking institutions and financial holding companies respectively. The revised guideline sets out the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

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

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

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

31 March 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	12.234%	11.976%
Tier 1 ratio	13.221%	13.203%
Total capital ratio	<u>16.675%</u>	<u>16.766%</u>

(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⁾	227,472,762	151,210,207
Market risk	16,390,075	9,822,868
Large exposure risk requirements	787,102	787,102
Operational risk	22,156,953	15,667,930
Total risk-weighted assets	<u>266,806,892</u>	<u>177,488,107</u>

(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	218,791	218,791
	<u>218,791</u>	<u>218,791</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A26. CAPITAL ADEQUACY (CONTINUED)

31 March 2020 - Basel III (Continued)

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

	The Group RM'000	The Bank* RM'000
Common Equity Tier I capital		
Ordinary share capital	21,323,364	21,323,364
Other reserves	19,312,112	11,109,928
Qualifying non-controlling interests	173,166	-
Common Equity Tier I capital before regulatory adjustments	<u>40,808,642</u>	<u>32,433,292</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(5,262,444)	(3,555,075)
Intangible assets	(1,183,227)	(966,144)
Deferred tax assets	(553,126)	(427,881)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(5,869,485)
Regulatory reserve	-	-
Shortfall eligible provisions over expected loss	(1,185,504)	(361,212)
Others	17,350	2,972
Common Equity Tier I capital after regulatory adjustments	<u>32,641,691</u>	<u>21,256,467</u>
Additional Tier I capital		
Perpetual preference shares	200,000	200,000
Perpetual subordinated capital securities	2,400,000	2,400,000
Qualifying capital instruments held by third parties	36,287	-
	<u>2,636,287</u>	<u>2,600,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(3,202)	(423,202)
Additional Tier I capital after regulatory adjustments	<u>2,633,085</u>	<u>2,176,798</u>
Total Tier I capital	<u>35,274,776</u>	<u>23,433,265</u>
Tier II capital		
Subordinated notes	8,700,000	8,700,000
Redeemable preference shares	29,740	29,740
Qualifying capital instruments held by third parties	188,432	-
Surplus eligible provisions over expected loss	-	-
General provisions ^	297,884	118,285
Tier II capital before regulatory adjustments	<u>9,216,056</u>	<u>8,848,025</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,267)	(2,524,174)
Total Tier II capital	<u>9,214,789</u>	<u>6,323,851</u>
Total capital	<u>44,489,565</u>	<u>29,757,116</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	12.247%	11.547%	N/A	N/A
Tier 1 ratio	13.132%	11.547%	N/A	N/A
Total capital ratio	<u>15.937%</u>	<u>16.811%</u>	<u>18.044%</u>	<u>65.964%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A26. CAPITAL ADEQUACY (CONTINUED)

31 December 2019 - Basel III

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

	The Group	The Bank*
Before deducting proposed dividend		
Common equity tier I ratio	13.964%	13.753%
Tier I ratio	14.994%	15.158%
Total capital ratio	<u>18.885%</u>	<u>19.446%</u>
After deducting proposed dividend		
Common equity tier I ratio	13.483%	13.028%
Tier I ratio	14.514%	14.433%
Total capital ratio	<u>18.405%</u>	<u>18.720%</u>

CIMB Group Holdings Berhad ("CIMB Group"), the ultimate holding company of the Bank, successfully completed its thirteenth Dividend Reinvestment Scheme ("DRS") for the second interim dividend in respect of the financial year ended 31 December 2018. Pursuant to the DRS, CIMB Group reinvested cash dividend surplus of RM665 million into the Bank via rights issue which was completed on 10 May 2019.

CIMB Group successfully completed its fourteenth DRS for the first interim dividend in respect of the financial year ended 31 December 2019. Pursuant to the DRS, CIMB Group reinvested cash dividend surplus of RM570 million into the Bank via rights issue which was completed on 13 December 2019.

CIMB Group's second interim dividend in respect of the financial year ended 31 December 2019 will not be made applicable under the DRS.

(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⁾	213,867,489	140,703,641
Market risk	18,425,825	11,790,372
Large exposure risk requirements	866,895	866,895
Operational risk	22,213,549	15,820,712
Total risk-weighted assets	<u>255,373,758</u>	<u>169,181,620</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	343,110	343,110
	<u>343,110</u>	<u>343,110</u>

(c) Components of Common Equity Tier I, Additional Tier I and Tier II 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	23,319,349	14,313,488
Qualifying non-controlling interests	166,801	-
Less: Proposed dividends	(1,227,104)	(1,227,104)
Common Equity Tier 1 capital before regulatory adjustments	<u>43,582,410</u>	<u>34,409,748</u>
Less: Regulatory adjustments		
Goodwill	(5,328,766)	(3,555,075)
Intangible assets	(1,166,642)	(949,261)
Deferred tax assets	(431,009)	(318,317)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(5,853,079)
Regulatory reserve	(2,133,057)	(1,619,524)
Others	(90,667)	(74,283)
Common Equity Tier I capital after regulatory adjustments	<u>34,432,269</u>	<u>22,040,209</u>
Additional Tier I capital		
Perpetual preference shares	200,000	200,000
Innovative Tier I Capital	1,000,000	1,000,000
Perpetual subordinated capital securities	1,400,000	1,400,000
Qualifying capital instruments held by third parties	34,557	-
Additional Tier I capital before and after regulatory adjustments	<u>2,634,557</u>	<u>2,600,000</u>
Less: Regulatory adjustments		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(3,047)	(223,047)
Additional Tier I capital after regulatory adjustments	<u>2,631,510</u>	<u>2,376,953</u>
Total Tier I capital	<u>37,063,779</u>	<u>24,417,162</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A26. CAPITAL ADEQUACY (CONTINUED)

31 December 2019 - Basel III (Continued)

	The Group RM'000	The Bank* RM'000
Tier II capital		
Subordinated notes	8,700,000	8,700,000
Redeemable preference shares	29,740	29,740
Surplus eligible provisions over expected loss	315,136	704,187
Qualifying capital instruments held by third parties	186,954	-
General provisions [^]	705,490	291,739
Tier II capital before regulatory adjustments	<u>9,937,320</u>	<u>9,725,666</u>
Less: Regulatory adjustments		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,471,441)
Total Tier II capital	<u>9,937,320</u>	<u>7,254,225</u>
Total capital	<u>47,001,099</u>	<u>31,671,387</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 I ratio	13.351%	12.378%	N/A	N/A
Tier I ratio	13.777%	12.378%	N/A	N/A
Total capital ratio	<u>16.979%</u>	<u>17.417%</u>	<u>17.596%</u>	<u>87.875%</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 II capital of RM366 million (2019: RM384 million) and RM176 million (2019: RM167 million) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A27. 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.

Group Ventures & Partnerships and Funding

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

PART A - EXPLANATORY NOTES (CONTINUED)

A27. SEGMENTAL REPORT (CONTINUED)

The Group
31 March 2020

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Ventures & Partnerships and Funding RM'000	Total RM'000
Net interest income/(expense)					
- external income	1,031,525	235,086	308,187	209,026	1,783,824
- inter-segment	(95,426)	101,377	174,671	(180,622)	-
	<u>936,099</u>	<u>336,463</u>	<u>482,858</u>	<u>28,404</u>	<u>1,783,824</u>
Income from Islamic Banking operations	259,129	134,683	131,640	139,589	665,041
Net non-interest income	<u>277,100</u>	<u>107,027</u>	<u>(16,231)</u>	<u>96,030</u>	<u>463,926</u>
Net income	<u>1,472,328</u>	<u>578,173</u>	<u>598,267</u>	<u>264,023</u>	<u>2,912,791</u>
Overheads	(813,339)	(290,134)	(435,139)	(71,065)	(1,609,677)
of which:					
Depreciation of property, plant and equipment	(18,794)	(749)	(2,825)	(16,397)	(38,765)
Amortisation of prepaid lease payments	-	-	-	(3)	(3)
Amortisation of intangible assets	<u>(18,597)</u>	<u>(405)</u>	<u>(6,037)</u>	<u>(35,467)</u>	<u>(60,506)</u>
Profit before expected credit losses	<u>658,989</u>	<u>288,039</u>	<u>163,128</u>	<u>192,958</u>	<u>1,303,114</u>
Expected credit losses on loans, advances and financing	(165,601)	(464,579)	(77,369)	(3,605)	(711,154)
Expected credit losses written back/(made) for commitments and contingencies	753	(11,023)	(30,450)	(7)	(40,727)
Other expected credit losses made	-	(932)	(83,369)	(15,196)	(99,497)
Segment results	<u>494,141</u>	<u>(188,495)</u>	<u>(28,060)</u>	<u>174,150</u>	<u>451,736</u>
Share of results of joint venture	(292)	-	-	-	(292)
Taxation					<u>(105,910)</u>
Profit for the financial period					<u>345,534</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. SEGMENTAL REPORT (CONTINUED)

The Group
31 March 2019

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Ventures & Partnerships and Funding RM'000	Total RM'000
Net interest income/(expense)					
- external income	1,033,757	268,347	244,198	171,142	1,717,444
- inter-segment	(158,988)	86,956	198,359	(126,327)	-
	874,769	355,303	442,557	44,815	1,717,444
Income from Islamic Banking operations	212,296	121,706	139,287	116,269	589,558
Net non-interest income	265,333	98,912	287,408	31,229	682,882
Net income	1,352,398	575,921	869,252	192,313	2,989,884
Overheads	(793,332)	(295,967)	(431,971)	(53,377)	(1,574,647)
of which:					
Depreciation of property, plant and equipment	(20,855)	(646)	(2,625)	(16,932)	(41,058)
Amortisation of prepaid lease payments	-	-	-	(3)	(3)
Amortisation of intangible assets	(13,218)	(412)	(6,594)	(31,493)	(51,717)
Profit before expected credit losses on loans,	559,066	279,954	437,281	138,936	1,415,237
Expected credit losses on loans, advances and financing	(78,438)	(57,787)	(71,450)	(209)	(207,884)
Expected credit losses written back for commitments and contingencies	19,582	4,890	37,418	10	61,900
Other expected credit losses written back/(made)	2,145	(15)	(4,110)	3,938	1,958
Segment results	502,355	227,042	399,139	142,675	1,271,211
Share of results of joint venture	830	-	-	-	830
Taxation					(261,889)
Profit for the financial period					1,010,152

PART A - EXPLANATORY NOTES (CONTINUED)

A27. SEGMENTAL REPORT (CONTINUED)

The Group
31 March 2020

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Ventures & Partnerships and Funding RM'000	Total RM'000
Segment assets	167,956,128	44,741,355	221,072,197	56,909,126	490,678,806
Unallocated assets					16,490,113
Total assets					507,168,919
Segment liabilities	145,007,970	53,378,053	225,982,163	25,124,809	449,492,995
Unallocated liabilities					14,042,353
Total liabilities					463,535,348
Other segment items					
Capital expenditure	79,788	3,022	13,532	78,745	175,087
Investment in joint venture	175,108	-	-	-	175,108

The Group
31 December 2019

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Ventures & Partnerships and Funding RM'000	Total RM'000
Segment assets	169,537,031	44,596,239	205,508,373	56,280,877	475,922,520
Unallocated assets					11,491,465
Total assets					487,413,985
Segment liabilities	144,033,251	52,552,230	207,819,257	25,230,622	429,635,360
Unallocated liabilities					12,598,234
Total liabilities					442,233,594
Other segment items					
Capital expenditure	267,690	8,998	53,167	305,571	635,426
Investment in joint venture	175,400	-	-	-	175,400

PART A-EXPLANATORY NOTES (CONTINUED)

A28. 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)

A28. 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	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
	RM'000	RM'000	RM'000	RM'000	RM'000
31 Mar 2020					
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss					
-Money market instruments	38,968,205	-	38,532,013	436,192	38,968,205
-Quoted securities	889,012	889,012	-	-	889,012
-Unquoted securities	5,126,976	-	4,000,168	1,126,808	5,126,976
Debt instruments at fair value through other comprehensive income					
-Money market instruments	6,742,608	-	6,742,608	-	6,742,608
-Unquoted securities	21,937,466	-	21,937,465	1	21,937,466
Equity instruments at fair value through other comprehensive income					
-Quoted securities	6,029	6,029	-	-	6,029
-Unquoted securities	329,107	-	-	329,107	329,107
Derivative financial instruments					
-Trading derivatives	19,607,332	18,786	19,172,018	416,528	19,607,332
-Hedging derivatives	820,443	-	820,443	-	820,443
Loans, advances and financing at fair value through profit or loss	1,152,039	-	1,152,039	-	1,152,039
Non-recurring fair value measurements					
Non-financial assets					
Non-current assets held for sale	5,579	-	5,579	-	5,579
Total	95,584,796	913,827	92,362,333	2,308,636	95,584,796
Recurring fair value measurements					
Financial liabilities					
Derivative financial instruments					
- Trading derivatives	18,303,845	415,845	17,830,779	57,221	18,303,845
- Hedging derivatives	967,553	-	967,553	-	967,553
Financial liabilities designated at fair values through profit or loss	3,830,489	-	3,830,489	-	3,830,489
Total	23,101,887	415,845	22,628,821	57,221	23,101,887

The Group	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
	RM'000	RM'000	RM'000	RM'000	RM'000
31 Dec 2019					
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss					
-Money market instruments	30,166,891	-	29,752,828	414,063	30,166,891
-Quoted securities	857,580	857,580	-	-	857,580
-Unquoted securities	5,974,481	-	4,834,918	1,139,563	5,974,481
Debt instruments at fair value through other comprehensive income					
-Money market instruments	6,325,147	-	6,325,147	-	6,325,147
-Unquoted securities	21,255,763	-	21,255,762	1	21,255,763
Equity instruments at fair value through other comprehensive income					
-Quoted securities	8,748	8,748	-	-	8,748
-Unquoted securities	402,309	-	76,432	325,877	402,309
Derivative financial instruments					
-Trading derivatives	10,939,965	58,959	10,811,887	69,119	10,939,965
-Hedging derivatives	447,002	-	447,002	-	447,002
Loans, advances and financing at fair value through profit or loss	1,104,735	-	1,104,735	-	1,104,735
Non-recurring fair value measurements					
Non-financial assets					
Non-current assets held for sale	7,467	-	7,467	-	7,467
Total	77,490,088	925,287	74,616,178	1,948,623	77,490,088
Recurring fair value measurements					
Financial liabilities					
Derivative financial instruments					
- Trading derivatives	10,623,097	122,146	10,485,399	15,552	10,623,097
- Hedging derivatives	593,534	-	593,534	-	593,534
Financial liabilities designated at fair values through profit or loss	3,650,740	-	3,650,740	-	3,650,740
Total	14,867,371	122,146	14,729,673	15,552	14,867,371

PART A-EXPLANATORY NOTES (CONTINUED)

A28. 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	Carrying amount	The Bank Fair Value			Total
		Level 1	Level 2	Level 3	
	RM'000	RM'000	RM'000	RM'000	RM'000
31 Mar 2020					
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss					
-Money market instruments	30,777,212	-	30,341,020	436,192	30,777,212
-Quoted securities	889,012	889,012	-	-	889,012
-Unquoted securities	3,876,566	-	2,761,283	1,115,283	3,876,566
Debt instruments at fair value through other comprehensive income					
-Money market instruments	3,118,744	-	3,118,744	-	3,118,744
-Unquoted securities	17,011,616	-	17,011,616	-	17,011,616
Equity instruments at fair value through other comprehensive income					
-Quoted securities	70	70	-	-	70
-Unquoted securities	325,176	-	-	325,176	325,176
Derivative financial instruments					
-Trading derivatives	10,673,863	18,786	10,238,549	416,528	10,673,863
-Hedging derivatives	805,684	-	805,684	-	805,684
Loans, advances and financing at fair value through profit or loss	951,619	-	951,619	-	951,619
Non-recurring fair value measurements					
Non-financial assets					
Non-current assets/disposal groups held for sale	5,579	-	5,579	-	5,579
Total	68,435,141	907,868	65,234,094	2,293,179	68,435,141
Recurring fair value measurements					
Financial liabilities					
Derivative financial instruments					
-Trading derivatives	9,524,515	415,845	9,029,976	78,694	9,524,515
-Hedging derivatives	842,477	-	842,477	-	842,477
Financial liabilities designated at fair values through profit or loss	108,922	-	108,922	-	108,922
Total	10,475,914	415,845	9,981,375	78,694	10,475,914

The Bank	Carrying amount	Fair Value			Total
		prices	inputs	unobservable	
	RM'000	Level 1	Level 2	Level 3	RM'000
		RM'000	RM'000	RM'000	
31 Dec 2019					
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss					
-Money market instruments	21,386,328	-	20,972,265	414,063	21,386,328
-Quoted securities	857,580	857,580	-	-	857,580
-Unquoted securities	5,191,210	-	4,063,172	1,128,038	5,191,210
Debt instruments at fair value through other comprehensive income					
-Money market instruments	2,640,939	-	2,640,939	-	2,640,939
-Unquoted securities	16,583,333	-	16,583,333	-	16,583,333
Equity instruments at fair value through other comprehensive income					
-Quoted securities	59	59	-	-	59
-Unquoted securities	398,217	-	76,432	321,785	398,217
Derivative financial instruments					
-Trading derivatives	5,193,116	58,959	5,065,038	69,119	5,193,116
-Hedging derivatives	415,866	-	415,866	-	415,866
Loans, advances and financing at fair value through profit or loss	904,554	-	904,554	-	904,554
Non-recurring fair value measurements					
Non-financial assets					
Non-current assets held for sale	7,467	-	7,467	-	7,467
Total	53,578,669	916,598	50,729,066	1,933,005	53,578,669
Recurring fair value measurements					
Financial liabilities					
Derivative financial instruments					
-Trading derivatives	4,913,762	122,146	4,749,270	42,346	4,913,762
-Hedging derivatives	355,835	-	355,835	-	355,835
Financial liabilities designated at fair values through profit or loss	204,431	-	204,431	-	204,431
Total	5,474,028	122,146	5,309,536	42,346	5,474,028

PART A-EXPLANATORY NOTES (CONTINUED)

A28. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the changes in Level 3 instruments for the financial period/year ended 31 March 2020 and 31 December 2019 for the Group and the Bank:

	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 (losses)/gains recognised in statement of income	(10,781)	-	-	340,288	329,507	(45,818)	(45,818)
Total loss recognised in other comprehensive income	-	-	(291)	-	(291)	-	-
Purchases	748	-	295	8,774	9,817	(470)	(470)
Sales and redemptions	(17,898)	-	(206)	-	(18,104)	-	-
Settlements	-	-	-	(1,791)	(1,791)	4,755	4,755
Exchange fluctuation	37,305	-	3,432	138	40,875	(136)	(136)
At 31 March	1,563,000	1	329,107	416,528	2,308,636	(57,221)	(57,221)
Total (losses)/gains recognised in statement of income for financial period ended 31 March 2020 under:							
- net non-interest income	(10,781)	-	-	340,288	329,507	(45,818)	(45,818)
Total loss recognised in other comprehensive income for financial year ended 31 March 2020 under "revaluation reserves"	-	-	(291)	-	(291)	-	-
Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 31 March 2020 under "net non-interest income"	(10,263)	-	-	359,571	349,308	(54,884)	(54,884)

	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 (losses)/gains recognised in statement of income	(10,781)	-	-	340,288	329,507	(40,497)	(40,497)
Total loss recognised in other comprehensive income	-	-	(295)	-	(295)	-	-
Purchases	748	-	295	8,774	9,817	(470)	(470)
Sales and redemptions	(17,898)	-	(206)	-	(18,104)	-	-
Settlements	-	-	-	(1,791)	(1,791)	4,755	4,755
Exchange fluctuation	37,305	-	3,597	138	41,040	(136)	(136)
At 31 March	1,551,475	-	325,176	416,528	2,293,179	(78,694)	(78,694)
Total (losses)/gains recognised in statement of income for financial period ended 31 March 2020 under:							
- net non-interest income	(10,781)	-	-	340,288	329,507	(40,497)	(40,497)
Total loss recognised in other comprehensive income for financial year ended 31 March 2020 under "revaluation reserves"	-	-	(295)	-	(295)	-	-
Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 31 March 2020 under "net non-interest income"	(10,263)	-	-	359,571	349,308	(49,563)	(49,563)

PART A-EXPLANATORY NOTES (CONTINUED)

A28. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the changes in Level 3 instruments for the financial period/year ended 31 March 2020 and 31 December 2019 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							
2019							
At 1 January	1,628,670	1	358,935	216,281	2,203,887	(109,144)	(109,144)
Total gains/(losses) recognised in statement of income	50,346	-	-	(91,564)	(41,218)	20,671	20,671
Total gains recognised in other comprehensive income	-	-	(25,006)	-	(25,006)	-	-
Purchases	3,951	-	174	2,337	6,462	(118)	(118)
Sales and redemptions	(121,697)	-	(7,825)	-	(129,522)	-	-
Settlements	-	-	-	(57,980)	(57,980)	73,068	73,068
Exchange fluctuation	(7,644)	-	(401)	45	(8,000)	(29)	(29)
At 31 December	1,553,626	1	325,877	69,119	1,948,623	(15,552)	(15,552)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2019 under:							
- net non-interest income	50,346	-	-	(91,564)	(41,218)	20,671	20,671
Total loss recognised in other comprehensive income for financial year ended 31 December 2019 under "revaluation reserves"	-	-	(25,006)	-	(25,006)	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2019 under "net non-interest income"	47,980	-	-	61,099	109,079	(8,023)	(8,023)
	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							
2019							
At 1 January	1,616,405	-	354,507	216,281	2,187,193	(117,520)	(117,520)
Total gains/(losses) recognised in statement of income	51,086	-	-	(91,564)	(40,478)	2,253	2,253
Total loss recognised in other comprehensive income	-	-	(24,451)	-	(24,451)	-	-
Purchases	3,951	-	174	2,337	6,462	(118)	(118)
Sales and redemptions	(121,697)	-	(7,755)	-	(129,452)	-	-
Settlements	-	-	-	(57,980)	(57,980)	73,068	73,068
Exchange fluctuation	(7,644)	-	(690)	45	(8,289)	(29)	(29)
At 31 December	1,542,101	-	321,785	69,119	1,933,005	(42,346)	(42,346)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2019 under:							
- net non-interest income	51,086	-	-	(91,564)	(40,478)	2,253	2,253
Total loss recognised in other comprehensive income for financial year ended 31 December 2019 under "revaluation reserves"	-	-	(24,451)	-	(24,451)	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2019 under "net non-interest income"	48,721	-	-	61,099	109,820	(26,441)	(26,441)

PART A - EXPLANATORY NOTES (CONTINUED)

A29. OPERATIONS OF ISLAMIC BANKING

A29a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	The Group		The Bank	
		31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Assets					
Cash and short-term funds		8,395,920	8,167,435	1,378,510	1,610,786
Deposits and placements with banks and other financial institutions		1,084,889	1,514,401	1,034,817	1,514,401
Financial assets at fair value through profit or loss		4,583,845	5,158,036	112,176	109,004
Debt instruments at fair value through other comprehensive income		3,802,033	3,947,368	315,412	331,023
Debt instruments at amortised cost		8,114,318	8,082,695	40,117	-
Islamic derivative financial instruments		672,530	497,609	6,295	24,123
Financing, advances and other financing/loans	A29c	83,575,976	83,484,187	4,136,297	4,469,933
Other assets		1,442,904	847,416	602,376	539,914
Deferred taxation		39,544	22,151	-	-
Amount due from conventional operations		1,670,661	1,278,436	-	-
Amount due from related companies		4,081,713	4,848,722	4,081,126	4,847,939
Statutory deposits with Bank Negara Malaysia		251,972	2,058,109	-	-
Goodwill		136,000	136,000	-	-
Intangible assets		63,070	64,727	681	220
Property, plant and equipment		3,424	3,540	13	21
Right-of-use assets		2,590	2,775	-	-
Total assets		117,921,389	120,113,607	11,707,820	13,447,364
Liabilities					
Deposits from customers	A29d	89,085,293	89,861,131	4,795,000	4,628,803
Investment accounts of customers	A29e	4,497,066	3,448,964	-	-
Deposits and placements of banks and other financial institutions		1,248,094	2,542,405	1,017,846	1,436,936
Investment accounts due to designated financial institutions	A29f	4,849,779	5,021,974	-	-
Financial liabilities designated at fair value through profit or loss	A29g	166,650	95,499	-	-
Islamic derivative financial instruments		683,470	504,605	4,941	14,920
Other liabilities		5,078,303	6,785,643	4,449,170	6,115,930
Lease liability		2,749	2,854	-	-
Recourse obligation on loans and financing sold to Cagamas		1,515,776	1,510,390	-	-
Sukuk		245,204	266,222	-	-
Amount due to related company		881,608	736,637	770,821	628,967
Deferred tax liabilities		-	38,859	-	-
Provision for taxation		5,919	46,747	-	-
Subordinated Sukuk		1,114,178	1,118,255	-	-
Total liabilities		109,374,089	111,980,185	11,037,778	12,825,556
Equity					
Ordinary share capital		1,000,000	1,000,000	-	-
Perpetual preference shares		420,000	220,000	-	-
Reserves		7,127,300	6,913,422	670,042	621,808
Total equity		8,547,300	8,133,422	670,042	621,808
Total equity and liabilities		117,921,389	120,113,607	11,707,820	13,447,364
Restricted Agency Investment Account(*)		7,278,600	6,231,742	-	-
Total Islamic Banking Assets		125,199,989	126,345,349	11,707,820	13,447,364

* 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)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A29(b) UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	The Group			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Income derived from investment of depositors' funds and others	1,211,550	1,072,622	1,211,550	1,072,622
Income derived from investment of investment accounts	110,099	110,949	110,099	110,949
Net income derived from investment of shareholders' funds	13,533	109,178	13,533	109,178
Expected credit losses made on financing, advances and other financing/loans	(60,717)	(39,071)	(60,717)	(39,071)
Expected credit losses (made)/written back for commitments and contingencies	(4,839)	23,981	(4,839)	23,981
Other expected credit losses made	(2,459)	(45)	(2,459)	(45)
Total distributable income	1,267,167	1,277,614	1,267,167	1,277,614
Income attributable to depositors and others	(646,342)	(705,413)	(646,342)	(705,413)
Profit distributed to investment account holder	(78,583)	(84,697)	(78,583)	(84,697)
Total net income	542,242	487,504	542,242	487,504
Other operating expenses	(237,815)	(201,646)	(237,815)	(201,646)
Profit before taxation and zakat	304,427	285,858	304,427	285,858
Taxation and zakat	(60,497)	(58,088)	(60,497)	(58,088)
Profit for the financial period	243,930	227,770	243,930	227,770

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	The Group			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Profit for the financial period	243,930	227,770	243,930	227,770
Other comprehensive (expense)/income:				
<i>Items that may be reclassified to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(29,009)	29,220	(29,009)	29,220
- Net gain from change in fair value	(3,128)	48,502	(3,128)	48,502
- Realised gain transferred to statement of income on disposal	(36,439)	(13,298)	(36,439)	(13,298)
- Changes in expected credit losses	2,316	208	2,316	208
- Income tax effects	8,242	(6,192)	8,242	(6,192)
Exchange fluctuation reserve	(523)	(2,260)	(523)	(2,260)
	(29,532)	26,960	(29,532)	26,960
Other comprehensive (expense)/income for the financial period, net of tax	(29,532)	26,960	(29,532)	26,960
Total comprehensive income for the period	214,398	254,730	214,398	254,730
Total net income	542,242	487,504	542,242	487,504
Add:				
Expected credit losses made on financing, advances and other financing/loans and contingencies	60,717	39,071	60,717	39,071
	4,839	(23,981)	4,839	(23,981)
Other expected credit losses made	2,459	45	2,459	45
	610,257	502,639	610,257	502,639
Elimination for transactions with conventional operations	54,784	86,919	54,784	86,919
Income from Islamic operations (per page 2)	665,041	589,558	665,041	589,558

PART A - EXPLANATORY NOTES (CONTINUED)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A29(b) UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	The Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	171,566	48,338	171,566	48,338
Net (loss)/income derived from investment of shareholders' funds	(101,412)	11,467	(101,412)	11,467
Expected credit losses written back on financing, advances and other financing/loans	76	4,798	76	4,798
Expected credit losses made for commitments and contingencies	-	(173)	-	(173)
Other expected credit losses (made)/written back	(5)	356	(5)	356
Total distributable income	70,225	64,786	70,225	64,786
Income attributable to depositors and others	(20,820)	(25,971)	(20,820)	(25,971)
Total net income	49,405	38,815	49,405	38,815
Other operating expenses	(548)	(927)	(548)	(927)
Profit for the financial period	48,857	37,888	48,857	37,888

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	The Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	48,857	37,888	48,857	37,888
Other comprehensive (expense)/income:				
<i>Items that may be reclassified to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(5,266)	2,847	(5,266)	2,847
- Net (loss)/gain from change in fair value	(4,722)	3,036	(4,722)	3,036
- Realised gain transferred to statement of income on disposal	(503)	-	(503)	-
- Changes in expected credit losses	(41)	(189)	(41)	(189)
Exchange fluctuation reserve	4,633	(3,582)	4,633	(3,582)
Other comprehensive expense for the financial period, net of tax	(633)	(735)	(633)	(735)
Total comprehensive income for the period	48,224	37,153	48,224	37,153
Total net income	49,405	38,815	49,405	38,815
Add:				
Expected credit losses written back on financing, advances and other financing/loans	(76)	(4,798)	(76)	(4,798)
Expected credit losses made for commitments and contingencies	-	173	-	173
Other expected credit losses made/(written back)	5	(356)	5	(356)
	49,334	33,834	49,334	33,834
Elimination for transactions with conventional operations	449	2,434	449	2,434
Income from Islamic operations (per page 4)	49,783	36,268	49,783	36,268

PART A - EXPLANATORY NOTES (CONTINUED)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A29c FINANCING, ADVANCES AND OTHER FINANCING/LOANS

i) By type and Shariah contract

The Group
At 31 March 2020

	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-Tamlik *	Al-Ijarah Thumma al-Bai #	Mudharabah	Qard		Ujrah
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^	-	2,095	560	-	1,204,219	-	-	-	27,142	-	1,234,016
Term financing											
- House financing	-	5,114,066	-	-	17,771,817	1,256,188	-	-	-	-	24,142,071
- Syndicated financing	411,938	-	51,812	-	2,234,102	-	-	627	-	-	2,698,479
- Hire purchase receivables	-	-	-	-	-	-	9,431,213	-	-	-	9,431,213
- Other term financing	765,821	1,219,480	5,115,996	-	30,466,504	45,935	-	-	-	-	37,613,736
Bills receivable	549,746	-	-	799,064	-	-	-	-	21	-	1,348,831
Islamic trust receipts	116,409	-	-	-	-	-	-	-	-	-	116,409
Claims on customers under acceptance credits	785,913	-	-	86,060	-	-	-	-	-	-	871,973
Staff financing	-	-	-	-	154,112	-	-	-	-	-	154,112
Revolving credits	-	-	-	-	6,156,803	-	-	-	-	-	6,156,803
Credit card receivables	-	-	-	-	-	-	-	-	-	140,703	140,703
Gross financing, advances and other financing/loans, at amortised cost	2,629,827	6,335,641	5,168,368	885,124	57,987,557	1,302,123	9,431,213	627	27,163	140,703	83,908,346
Fair value changes arising from fair value hedge											5,780
											83,914,126
Less: Expected credit losses											(538,570)
Net financing, advances and other financing/loans, at amortised cost											83,375,556
At fair value through profit or loss											
Term financing											
- Syndicated financing	-	-	-	-	200,420	-	-	-	-	-	200,420
Net financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	200,420	-	-	-	-	-	200,420
Net financing, advances and other financing/loans											83,575,976

PART A - EXPLANATORY NOTES (CONTINUED)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A29c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

i) By type and Shariah contract (Continued)

**The Group
At 31 December 2019**

	Sale-based contracts				Lease-based contracts		Equity-based	Loan contract	Other	Total RM'000	
	Murabahah RM'000	Bai' Bithaman Ajil RM'000	Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Ijarah Muntahiah Bi al- Tamluk * RM'000	Al-Ijarah Thumma al-Bai # RM'000	Mudharabah RM'000	Qard RM'000		Ujrah RM'000
At amortised cost											
Cash line^	-	1,844	318	-	1,231,242	-	-	-	5,910	-	1,239,314
Term financing											
- House financing	-	5,236,376	-	-	16,450,891	1,276,449	-	-	-	-	22,963,716
- Syndicated financing	390,788	-	51,777	-	2,217,586	-	-	612	-	-	2,660,763
- Hire purchase receivables	-	-	-	-	-	-	9,036,064	-	-	-	9,036,064
- Other term financing	799,718	1,265,890	5,144,668	-	31,591,037	49,203	-	-	-	-	38,850,516
Bills receivable	462,648	-	-	1,193,936	-	-	-	-	-	-	1,656,584
Islamic trust receipts	98,328	-	-	-	-	-	-	-	-	-	98,328
Claims on customers under acceptance credits	875,222	-	-	109,039	-	-	-	-	-	-	984,261
Staff financing	-	-	-	-	147,832	-	-	-	-	-	147,832
Revolving credits	-	-	-	-	5,980,587	-	-	-	-	-	5,980,587
Credit card receivables	-	-	-	-	-	-	-	-	-	149,029	149,029
Gross financing, advances and other financing/loans, at amortised cost	2,626,704	6,504,110	5,196,763	1,302,975	57,619,175	1,325,652	9,036,064	612	5,910	149,029	83,766,994
Fair value changes arising from fair value hedge											9,075
											83,776,069
Less: Expected credit losses											(492,063)
Net financing, advances and other financing/loans, at amortised cost											83,284,006
At fair value through profit or loss											
Term financing											
- Syndicated financing	-	-	-	-	200,181	-	-	-	-	-	200,181
Net financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	200,181	-	-	-	-	-	200,181
Net financing, advances and other financing/loans											83,484,187

^ 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)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A29c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

i) By type and Shariah contract (Continued)

The Bank
At 31 March 2020

At amortised cost	Sale-based contracts			Equity-based contracts	Total RM'000
	Murabahah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Mudharabah RM'000	
Cash line [^]	-	-	15	-	15
Term financing					
- Syndicated financing	411,938	-	69,874	627	482,439
- Other term financing	765,821	-	1,555,251	-	2,321,072
Bills receivable	-	783,887	-	-	783,887
Islamic trust receipts	2,573	-	-	-	2,573
Revolving credits	-	-	606,337	-	606,337
Gross financing, advances and other financing/loans	1,180,332	783,887	2,231,477	627	4,196,323
Fair value changes arising from fair value hedges					-
					4,196,323
Less: Expected credit losses					(60,026)
Net financing, advances and other financing/loans					4,136,297

The Bank
At 31 December 2019

At amortised cost	Sale-based contracts			Equity-based contracts	Total RM'000
	Murabahah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Mudharabah RM'000	
Cash line [^]	-	-	32	-	32
Term financing					
- Syndicated financing	390,788	-	70,226	612	461,626
- Other term financing	799,718	-	1,500,287	-	2,300,005
Bills receivable	-	1,166,979	-	-	1,166,979
Islamic trust receipts	2,591	-	-	-	2,591
Revolving credits	-	-	596,115	-	596,115
Gross financing, advances and other financing/loans, at amortised cost	1,193,097	1,166,979	2,166,660	612	4,527,348
Fair value changes arising from fair value hedge					-
					4,527,348
Less: Expected credit losses					(57,415)
Net financing, advances and other financing/loans					4,469,933

[^] Includes current account in excess

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Gross financing, advances and other financing/loans				
- At amortised cost	83,908,346	83,766,994	4,196,323	4,527,348
- At fair value through profit or loss	200,420	200,181	-	-
	84,108,766	83,967,175	4,196,323	4,527,348

PART A - EXPLANATORY NOTES (CONTINUED)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A29c 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 RM1,995,198,000 (2019: RM1,993,931,000) 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 31 March 2020, the gross exposure and expected credit losses relating to RPSIA financing are RM4,808,740,000 (2019: RM4,958,745,000) and RM74,252,000 (2019: RM93,758,000) respectively.

c) Movement of Qard financing

	The Group	
	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
As at 1 January	5,910	1,455
New disbursement	25,531	4,732
Repayment	(4,278)	(277)
As at 31 March/31 December	27,163	5,910
Sources of Qard fund:		
Depositors' fund	25,361	5,566
Shareholders' fund	1,802	344
	27,163	5,910
Uses of Qard fund:		
Personal use	144	280
Business purpose	27,019	5,630
	27,163	5,910

PART A - EXPLANATORY NOTES (CONTINUED)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A29c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

ii) By geographical distribution

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Malaysia	79,924,402	79,452,004	11,959	12,177
Indonesia	15,555	21,107	15,555	21,107
Singapore	2,681,480	2,719,276	2,681,480	2,719,276
Other countries	1,487,329	1,774,788	1,487,329	1,774,788
	84,108,766	83,967,175	4,196,323	4,527,348

iii) By economic sector

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Primary agriculture	3,411,958	3,326,375	58,294	46,262
Mining and quarrying	1,795,171	1,671,621	757,709	717,508
Manufacturing	2,988,725	2,911,262	37,367	36,938
Electricity, gas and water supply	106,522	106,863	-	-
Construction	1,891,745	1,806,305	83,928	78,895
Transport, storage and communications	3,224,708	3,336,711	20,488	20,733
Education, health and others	4,511,300	4,478,235	-	-
Wholesale and retail trade, and restaurants and hotels	4,059,180	4,038,938	591,076	742,177
Finance, insurance/takaful, real estate and business activities	10,939,536	11,216,532	2,531,960	2,790,677
Household	51,004,459	50,889,622	21,958	-
Others	175,462	184,711	93,543	94,158
	84,108,766	83,967,175	4,196,323	4,527,348

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

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Malaysia	1,280,523	1,254,274	11,960	12,177
Indonesia	15,555	19,924	15,555	19,924
Singapore	68,486	60,296	68,486	60,296
Other countries	87,174	91,489	87,174	91,489
	1,451,738	1,425,983	183,175	183,886

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

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Primary agriculture	20,805	18,391	-	-
Mining and quarrying	168,395	168,796	167,599	167,984
Manufacturing	722,763	747,254	-	-
Construction	12,942	9,705	-	-
Transport, storage and communications	16,696	16,764	15,576	15,902
Education, health and others	3,805	4,576	-	-
Wholesale and retail trade, and restaurants and hotels	57,947	49,806	-	-
Finance, insurance/takaful, real estate and business activities	42,689	47,080	-	-
Household	405,694	363,609	-	-
Others	2	2	-	-
	1,451,738	1,425,983	183,175	183,886

PART A - EXPLANATORY NOTES (CONTINUED)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A29c. 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 2020	146,592	132,074	213,397	492,063
Changes in expected credit losses due to transferred within stages:	22,375	(24,728)	2,353	-
Transferred to Stage 1	36,047	(33,405)	(2,642)	-
Transferred to Stage 2	(13,576)	46,865	(33,289)	-
Transferred to Stage 3	(96)	(38,188)	38,284	-
Total charge to Income Statement:	(18,160)	58,671	30,705	71,216
New financial assets originated	29,449	61	12,510	42,020
Financial assets that have been derecognised	(14,819)	(3,625)	-	(18,444)
Writeback in respect of full recoveries	-	-	(16,197)	(16,197)
Change in credit risk	(32,790)	62,235	34,392	63,837
Write-offs	-	-	(29,099)	(29,099)
Exchange fluctuation	410	2	2,420	2,832
Other movements	-	-	1,558	1,558
At 31 March 2020	151,217	166,019	221,334	538,570

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 2019	190,817	113,763	263,692	568,272
Changes in expected credit losses due to transferred within stages:	183,922	(128,927)	(54,995)	-
Transferred to Stage 1	228,124	(204,504)	(23,620)	-
Transferred to Stage 2	(43,897)	153,736	(109,839)	-
Transferred to Stage 3	(305)	(78,159)	78,464	-
Total charge to Income Statement:	(227,054)	147,235	150,134	70,315
New financial assets originated	93,670	112	40,261	134,043
Financial assets that have been derecognised	(54,651)	(9,565)	-	(64,216)
Writeback in respect of full recoveries	-	-	(116,886)	(116,886)
Change in credit risk	(266,073)	156,688	226,759	117,374
Write-offs	-	-	(164,632)	(164,632)
Exchange fluctuation	(37)	3	(536)	(570)
Other movements	(1,056)	-	19,734	18,678
At 31 December 2019	146,592	132,074	213,397	492,063

PART A - EXPLANATORY NOTES (CONTINUED)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A29c. 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 2020	12,027	21	45,367	57,415
Total charge to Income Statement:	97	(21)	(152)	(76)
Financial assets that have been derecognised	-	(21)	-	(21)
Change in credit risk	97	-	(152)	(55)
Exchange fluctuation	268	-	2,419	2,687
At 31 March 2020	12,392	-	47,634	60,026

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 2019	7,534	1,503	64,643	73,680
Total charge to Income Statement:	4,530	(1,485)	15,521	18,566
New financial assets originated	2,416	-	-	2,416
Financial assets that have been derecognised	(2,097)	-	-	(2,097)
Change in credit risk	4,211	(1,485)	15,521	18,247
Write-offs	-	-	(34,261)	(34,261)
Exchange fluctuation	(37)	3	(536)	(570)
At 31 December 2019	12,027	21	45,367	57,415

PART A - EXPLANATORY NOTES (CONTINUED)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A29c 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 2020	1,425,983	1,425,983
Transfer within stages	104,126	104,126
New financial assets originated	100,653	100,653
Write-offs	(29,099)	(29,099)
Amount fully recovered	(140,407)	(140,407)
Other changes in financing, advances and other financing/loans	(17,218)	(17,218)
Exchange fluctuation	7,700	7,700
At 31 March 2020	<u>1,451,738</u>	<u>1,451,738</u>

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2019	687,058	687,058
Transfer within stages	393,513	393,513
New financial assets originated	935,198	935,198
Write-offs	(164,632)	(164,632)
Amount fully recovered	(372,237)	(372,237)
Other changes in financing, advances and other financing/loans	(51,397)	(51,397)
Exchange fluctuation	(1,520)	(1,520)
At 31 December 2019	<u>1,425,983</u>	<u>1,425,983</u>

	The Group	
	31 Mar 2020	31 Dec 2019
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	<u>1.73%</u>	<u>1.70%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A29c 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 2020	183,886	183,886
Transfer within stages	5,046	5,046
Amount recovered	(11,154)	(11,154)
Other changes in financing, advances and other financing/loans	(2,305)	(2,305)
Exchange fluctuation	7,702	7,702
At 31 March 2020	183,175	183,175

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2019	249,345	249,345
Write-offs	(34,261)	(34,261)
Other changes in financing, advances and other financing/loans	(29,678)	(29,678)
Exchange fluctuation	(1,520)	(1,520)
At 31 December 2019	183,886	183,886

	The Bank	
	31 Mar 2020	31 Dec 2019
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	4.37%	4.06%

PART A - EXPLANATORY NOTES (CONTINUED)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A29d. DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
(i) By type of deposits				
Savings deposit				
Commodity Murabahah (via Tawarruq arrangement)*	4,983,037	4,265,350	520,608	438,750
Demand deposit				
Wadiah	2	6	2	6
Qard	13,606,993	14,237,532	14,147	8,062
Commodity Murabahah (via Tawarruq arrangement)*	2,747,962	2,919,061	852,112	1,059,451
Term deposit				
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	33,935,199	34,825,285	1,424,365	1,587,275
Fixed Return Income Account-i (via Tawarruq arrangement)*	33,683,817	33,484,445	1,983,644	1,535,259
Fixed Deposit-i				
Wadiah	122	-	122	-
Specific investment account				
Mudharabah	98,935	101,368	-	-
Others - Qard	29,226	28,084	-	-
	89,085,293	89,861,131	4,795,000	4,628,803

*Included Qard contract of the Group and of the Bank of RM239,841,000 and RMnil respectively (2019: RM1,657,518,000 and RM1,088,859,000)

(ii) By maturity structures of term deposits

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Due within six months	56,313,436	59,621,063	2,265,802	2,317,819
Six months to less than one year	11,246,704	8,599,624	1,136,962	780,166
One year to less than three years	56,556	86,593	5,367	24,549
Three years to less than five years	78,377	78,735	-	-
Five years and more	23,000	25,083	-	-
	67,718,073	68,411,098	3,408,131	3,122,534

PART A - EXPLANATORY NOTES (CONTINUED)

A29. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A29d. DEPOSITS FROM CUSTOMERS (CONTINUED)

(iii) By type of customer

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Government and statutory bodies	7,149,380	4,577,868	258	242
Business enterprises	29,163,549	29,426,694	2,086,282	2,235,436
Individuals	31,019,469	31,577,639	2,341,797	1,882,123
Others	21,752,895	24,278,930	366,663	511,002
	89,085,293	89,861,131	4,795,000	4,628,803

A29e. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Unrestricted investment accounts (Mudharabah)				
-without maturity				
Special Mudharabah Investment Account	727,415	694,396	-	-
-with maturity				
Term Investment Account-i	3,769,651	2,754,568	-	-
	4,497,066	3,448,964	-	-

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

A29f. INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Restricted investment accounts				
Mudharabah	4,849,779	5,021,974	-	-
By type of counterparty				
Licensed banks	4,849,779	5,021,974	-	-

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

A29g. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	31 Mar 2020 RM'000	31 Dec 2019 RM'000	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Deposits from customers - structured investments	166,650	95,499	-	-

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 31 March 2020 was RM531,000 (31 December 2019: RM3,044,000 lower) higher than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

PART B

B1. GROUP PERFORMANCE REVIEW

The Group registered a pre-tax profit of RM451.4 million for the three months period ended 31 March 2020, a decrease of RM820.6 million or 64.5% as compared to the pre-tax profit of RM1,272.0 million reported in the previous corresponding period. The Group's net profit (attributable to the owners of the Parent) decreased by 66.5% to RM336.6 million, equivalent to net earnings per share (sen) of 5.43.

The Group's year-on-year decrease in earnings was mainly contributed by lower net non-interest income by RM219.0 million or 32.1%, higher overheads by 2.2% and higher expected credit losses for all the financial instruments. This was offset by higher net interest income and Income from Islamic Banking operations by 3.9% and 12.8% respectively.

The Group's gross loans, advances and financing grew by 0.2% to RM310.5 billion while deposits from customers increased by 0.3% to RM340.0 billion, as compared to 31 December 2019.

The Group's Common Equity Tier 1, Tier 1 Ratios and Total Capital Ratio as at 31 March 2020 stood at 12.234%, 13.221% and 16.675% respectively.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Bank's outlook for 2020 will be adversely impacted by the global Novel Coronavirus ('Covid-19') pandemic as well as the significant economic disruption brought about by the lockdowns and movement restrictions. The Bank will focus on engaging customers in vulnerable segments, managing asset quality and enhancing risk management for the remaining 9 months of the year. Loan growth and capital market activity is expected to decelerate in line with weaker economic activity across all operating jurisdictions. The challenging operating conditions are also expected to translate to an increase in loan provisions for most businesses.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

The Group and Bank basic EPS is calculated by dividing the net (loss)/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			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests (RM '000)	336,581	1,003,939	336,581	1,003,939
Weighted average number of ordinary shares in issue ('000)	6,197,496	5,978,179	6,197,496	5,978,179
Basic earnings per share (expressed in sen per share)	5.43	16.79	5.43	16.79

	The Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit for the financial period (RM '000)	(76,156)	633,670	(76,156)	633,670
Weighted average number of ordinary shares in issue ('000)	6,197,496	5,978,179	6,197,496	5,978,179
Basic earnings per share (expressed in sen per share)	(1.23)	10.60	(1.23)	10.60

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 31 March 2020 and 31 March 2019.