

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 195601000197 (50841-W))  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

	Note	The Group		The Company	
		31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
<b>ASSETS</b>					
Cash and short-term funds	A8	39,563,368	37,765,092	344,603	370,546
Reverse repurchase agreements		6,832,920	9,014,453	-	-
Deposits and placements with banks and other financial institutions	A8	3,562,564	4,799,169	-	-
Financial investments at fair value through profit or loss	A9	42,713,133	38,137,273	-	-
Debt instruments at fair value through other comprehensive income	A10	47,725,782	33,318,413	3,246,974	2,493,362
Equity instruments at fair value through other comprehensive income	A11	308,971	455,760	-	-
Debt instruments at amortised cost	A12	56,128,085	39,833,491	6,701,694	6,183,386
Derivative financial instruments	A26	16,008,365	11,589,897	-	-
Loans, advances and financing	A13	353,915,966	360,340,100	-	-
Other assets	A14	14,103,938	10,101,213	83,516	133,440
Tax recoverable		714,620	312,126	184,023	182,089
Deferred tax assets		1,039,057	882,623	-	-
Statutory deposits with central banks		4,411,589	11,499,998	-	-
Amount due from a subsidiary		-	-	12	12
Investment in subsidiaries		-	-	32,468,575	32,158,313
Investment in associates and joint ventures		2,496,523	2,427,761	-	-
Property, plant and equipment		2,366,359	2,343,507	4,573	5,898
Right-of-use assets		669,221	775,842	603	-
Investment properties		41,000	17,334	363	381
Prepaid lease payments		-	81,428	-	-
Goodwill		7,758,423	7,857,539	-	-
Intangible assets		1,986,610	1,685,169	-	-
		<b>602,346,494</b>	<b>573,238,188</b>	<b>43,034,936</b>	<b>41,527,427</b>
Non-current assets held for sale		8,405	7,467	-	-
<b>TOTAL ASSETS</b>		<b>602,354,899</b>	<b>573,245,655</b>	<b>43,034,936</b>	<b>41,527,427</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A15	403,050,637	392,349,467	-	-
Investment accounts of customers	A16	2,678,870	3,448,964	-	-
Deposits and placements of banks and other financial institutions	A17	31,791,245	23,666,722	-	-
Repurchase agreements/Collateralised commodity murabahah		28,146,581	14,320,131	-	-
Financial liabilities designated at fair value through profit or loss	A18	4,016,930	3,650,740	-	-
Derivative financial instruments	A26	16,340,770	11,337,869	-	-
Bills and acceptances payable		2,209,716	2,584,169	-	-
Other liabilities	A19	18,456,349	16,740,317	6,647	3,223
Lease liabilities		543,224	711,188	-	-
Recourse obligation on loans and financing sold to Cagamas		2,110,668	4,503,184	-	-
Amount due to subsidiaries		-	-	427	9,826
Provision for taxation and zakat		120,999	215,429	-	-
Deferred tax liabilities		35,881	36,578	374	377
Bonds, Sukuk and debentures	B5(i)	12,463,964	18,232,710	-	-
Other borrowings	B5(ii)	10,405,959	10,458,242	4,708,893	4,205,331
Subordinated obligations	B5(iii)	12,808,510	13,520,869	10,916,708	10,265,228
		<b>545,180,303</b>	<b>515,776,579</b>	<b>15,633,049</b>	<b>14,483,985</b>
Non-current liabilities held for sale		474	-	-	-
<b>TOTAL LIABILITIES</b>		<b>545,180,777</b>	<b>515,776,579</b>	<b>15,633,049</b>	<b>14,483,985</b>
Ordinary share capital		25,843,808	25,843,808	25,843,808	25,843,808
Reserves		30,082,439	30,393,969	1,558,122	1,199,677
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(43)	(43)	(43)
		<b>55,925,641</b>	<b>56,237,171</b>	<b>27,401,887</b>	<b>27,043,442</b>
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		1,048,481	1,031,905	-	-
<b>TOTAL EQUITY</b>		<b>57,174,122</b>	<b>57,469,076</b>	<b>27,401,887</b>	<b>27,043,442</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>602,354,899</b>	<b>573,245,655</b>	<b>43,034,936</b>	<b>41,527,427</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A27 (a)	<b>1,123,995,768</b>	<b>1,146,023,486</b>	<b>-</b>	<b>-</b>
<b>Net assets per share attributable to owners of the Parent (RM)</b>		<b>5.64</b>	<b>5.67</b>	<b>2.76</b>	<b>2.73</b>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019.

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 195601000197 (50841-W))*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	The Group			
		4th quarter ended		Twelve months ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	<b>4,009,329</b>	4,881,707	<b>17,329,613</b>	19,330,536
Interest income for financial assets at fair value through profit or loss	A20(b)	<b>122,847</b>	231,439	<b>633,176</b>	913,259
Interest expense	A21	<b>(1,516,223)</b>	(2,435,292)	<b>(7,522,748)</b>	(10,159,877)
Net interest income (before modification loss)		<b>2,615,953</b>	2,677,854	<b>10,440,041</b>	10,083,918
Modification gain/(loss)	A22	<b>3,069</b>	-	<b>(221,065)</b>	-
Net interest income (after modification loss)		<b>2,619,022</b>	2,677,854	<b>10,218,976</b>	10,083,918
Income from Islamic Banking operations	A31(c)	<b>812,018</b>	758,038	<b>2,937,513</b>	3,040,663
Net non-interest income	A23	<b>1,284,998</b>	1,086,722	<b>4,032,514</b>	4,419,485
		<b>4,716,038</b>	4,522,614	<b>17,189,003</b>	17,544,066
(Loss)/gain on disposal of subsidiary and associate		-	(177)	-	251,813
Overheads	A24	<b>4,716,038</b>	4,522,437	<b>17,189,003</b>	17,795,879
		<b>(2,328,923)</b>	(2,490,471)	<b>(8,976,794)</b>	(9,872,905)
Profit before expected credit losses		<b>2,387,115</b>	2,031,966	<b>8,212,209</b>	7,922,974
Expected credit losses on loans, advances and financing	A25(a)	<b>(1,384,440)</b>	(606,120)	<b>(5,342,209)</b>	(1,638,785)
Expected credit losses (made)/written back for commitments and contingencies		<b>(75,338)</b>	(50,315)	<b>(191,520)</b>	12,019
Other expected credit losses and impairment allowances	A25(b)	<b>(796,965)</b>	(297,285)	<b>(1,264,646)</b>	(352,018)
		<b>130,372</b>	1,078,246	<b>1,413,834</b>	5,944,190
Share of results of joint ventures		<b>37,863</b>	2,296	<b>118,834</b>	31,401
Share of results of associates		<b>(2,253)</b>	(1,540)	<b>(2,339)</b>	(751)
Profit before taxation and zakat		<b>165,982</b>	1,079,002	<b>1,530,329</b>	5,974,840
Taxation and zakat	B3	<b>29,820</b>	(312,903)	<b>(383,760)</b>	(1,519,653)
Profit for the financial period/year		<b>195,802</b>	766,099	<b>1,146,569</b>	4,455,187
Profit for the financial period/year attributable to :					
Owners of the Parent		<b>214,976</b>	848,641	<b>1,194,424</b>	4,559,656
Non-controlling interests		<b>(19,174)</b>	(82,542)	<b>(47,855)</b>	(104,469)
		<b>195,802</b>	766,099	<b>1,146,569</b>	4,455,187
Earnings per share (sen):					
- Basic	B7(a)	<b>2.17</b>	8.56	<b>12.04</b>	46.98
- Fully diluted	B7(b)	<b>N/A</b>	N/A	<b>N/A</b>	N/A

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**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 195601000197 (50841-W))*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED**  
**31 DECEMBER 2020**

	The Group			
	4th quarter ended		Twelve months ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Profit for the financial period/year	195,802	766,099	1,146,569	4,455,187
Other comprehensive income/(expense):				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation	12,495	(35,090)	14,307	(34,295)
- Actuarial gain/(loss)	5,166	(34,902)	4,936	(33,250)
- Income tax effects	248	784	248	784
- Currency translation difference	7,081	(972)	9,123	(1,829)
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(6,899)	2,292	(13,821)	421
- Net (loss)/gain from change in fair value attributable to own credit risk	(6,968)	2,292	(13,745)	421
- Currency translation difference	69	-	(76)	-
Equity instruments at fair value through other comprehensive income	22,267	(9,476)	(18,119)	(23,981)
- Net gain/(loss) from change in fair value	37,712	(10,339)	(2,498)	(22,136)
- Income tax effects	(61)	(439)	(317)	(181)
- Currency translation difference	(15,384)	1,302	(15,304)	(1,664)
	27,863	(42,274)	(17,633)	(57,855)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	291,165	(85,302)	319,431	472,424
- Net gain/(loss) from change in fair value	349,181	(3,262)	744,606	948,897
- Realised gain transferred to statement of income on disposal	(8,879)	(77,001)	(386,337)	(376,100)
- Changes in expected credit losses	(5,334)	(2,934)	38,122	1,715
- Income tax effects	(39,267)	(2,827)	(72,810)	(98,002)
- Currency translation difference	(4,536)	722	(4,150)	(4,086)
Net investment hedge	128,963	89,012	46,028	42,990
Hedging reserve - cash flow hedge	(2,235)	5,297	4,127	473
- Net (loss)/gain from change in fair value	(3,330)	6,924	4,331	492
- Income tax effects	1,095	(1,627)	(204)	(19)
Deferred hedging cost	4,267	9,366	9,489	48,167
Exchange fluctuation reserve	206,466	(141,913)	(673,752)	832,609
Share of other comprehensive income/(expense) of associates and joint ventures	7,932	1,179	(10,130)	14,447
	636,558	(122,361)	(304,807)	1,411,110
Total other comprehensive income/(expense) for the financial period/year, net of tax	664,421	(164,635)	(322,440)	1,353,255
Total comprehensive income for the financial period/year	860,223	601,464	824,129	5,808,442
Total comprehensive income for the financial period/year attributable to:				
Owners of the Parent	832,907	682,934	874,265	5,860,814
Non-controlling interests	27,316	(81,470)	(50,136)	(52,372)
	860,223	601,464	824,129	5,808,442

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**CIMB GROUP HOLDINGS BERHAD**  
 (Company Number 195601000197 (50841-W))  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	The Company			
		4th quarter ended		Twelve months ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	<b>121,561</b>	116,227	<b>453,683</b>	425,559
Interest expense	A21	<b>(165,996)</b>	(169,842)	<b>(646,904)</b>	(665,215)
Net interest expense		<b>(44,435)</b>	(53,615)	<b>(193,221)</b>	(239,656)
Net non-interest (expense)/income	A23	<b>(314)</b>	54,790	<b>1,760,419</b>	3,080,592
Overheads	A24	<b>(44,749)</b> <b>(9,066)</b>	1,175 (15,442)	<b>1,567,198</b> <b>(23,282)</b>	2,840,936 (29,675)
(Loss)/profit before expected credit losses		<b>(53,815)</b>	(14,267)	<b>1,543,916</b>	2,811,261
Other expected credit losses and impairment allowances	A25(b)	<b>(9,307)</b>	(14,223)	<b>4,287</b>	(22,186)
(Loss)/profit before taxation		<b>(63,122)</b>	(28,490)	<b>1,548,203</b>	2,789,075
Taxation	B3	<b>4,414</b>	(2,410)	<b>(1,084)</b>	(5,092)
(Loss)/profit for the financial period/year		<b>(58,708)</b>	(30,900)	<b>1,547,119</b>	2,783,983

**CIMB GROUP HOLDINGS BERHAD**  
 (Company Number 195601000197 (50841-W))  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	The Company			
	4th quarter ended		Twelve months ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the financial period/year	<b>(58,708)</b>	(30,900)	<b>1,547,119</b>	2,783,983
Other comprehensive (expense)/income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	<b>(7,323)</b>	(5,467)	<b>2,082</b>	30,297
- Net (loss)/gain from change in fair value	<b>(11,931)</b>	(7,235)	<b>1,404</b>	26,072
- Changes in expected credit losses	<b>4,608</b>	1,768	<b>678</b>	4,225
Other comprehensive (expense)/income	<b>(7,323)</b>	(5,467)	<b>2,082</b>	30,297
Total comprehensive (expense)/income for the financial period/year	<b>(66,031)</b>	(36,367)	<b>1,549,201</b>	2,814,280

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**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 195601000197 (50841-W))  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Attributable to owners of the Parent

The Group  
31 December 2020

	Attributable to owners of the Parent															
	Ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Fair value reserve 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	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve * RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non- controlling interests RM'000	Total RM'000
<b>At 1 January 2020</b>	25,843,808	130,901	137,104	1,071,570	(563)	(43)	170,758	(231,725)	(1,230,508)	75,905	2,133,166	28,136,798	56,237,171	200,000	1,031,905	57,469,076
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,194,424	1,194,424	-	(47,855)	1,146,569
Other comprehensive (expense)/income (net of tax)	-	(543)	-	(650,305)	-	-	294,535	(17,986)	54,616	(482)	6	(320,159)	-	(2,281)	(322,440)	
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	294,537	-	-	-	-	294,537	-	24,894	319,431	
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(17,986)	-	-	-	(17,986)	-	(133)	(18,119)	
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	(13,229)	-	-	(13,229)	-	(592)	(13,821)	
- net investment hedge	-	-	-	-	-	-	-	-	46,028	-	-	46,028	-	-	46,028	
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	2,473	-	-	2,473	-	1,654	4,127	
- deferred hedging cost	-	-	-	-	-	-	-	-	9,489	-	-	9,489	-	-	9,489	
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	16,344	-	-	16,344	-	(2,037)	14,307	
- currency translation difference	-	(517)	-	(639,319)	-	-	-	(7,366)	(483)	-	-	(647,685)	-	(26,067)	(673,752)	
- share of other comprehensive (expense)/ income of associates and joint ventures	-	(26)	-	(10,986)	-	-	(2)	-	877	1	6	(10,130)	-	-	(10,130)	
<b>Total comprehensive (expense)/ income for the financial year</b>	-	(543)	-	(650,305)	-	-	294,535	(17,986)	54,616	(482)	6	1,194,424	874,265	-	(50,136)	824,129
Dividend for the financial year ended 31 December 2019	-	-	-	-	-	-	-	-	-	-	-	(1,190,756)	(1,190,756)	-	-	(1,190,756)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,315)	(32,315)	
Transfer to statutory reserve	-	17,759	-	-	-	-	-	-	-	-	-	(17,759)	-	-	-	
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	(1,899,731)	-	1,899,731	-	-	-	
Transfer to capital reserve	-	-	70,315	-	-	-	-	-	-	-	-	(70,315)	-	-	-	
Contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	99,960	99,960	
Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,161)	(1,161)	
Share-based payment expense	-	-	-	-	-	-	-	-	68,648	-	-	68,648	-	-	68,648	
Shares released under employee benefit schemes	-	-	-	-	-	-	-	-	63,296	(68,459)	-	(5,163)	-	228	(4,935)	
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(58,524)	-	-	(58,524)	-	-	(58,524)	
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	1,627	-	-	-	(1,627)	-	-	-	
<b>At 31 December 2020</b>	25,843,808	148,117	207,419	421,265	(563)	(43)	465,293	(248,084)	(1,171,120)	75,612	233,441	29,950,496	55,925,641	200,000	1,048,481	57,174,122

\* In 2020, the regulatory reserve held against expected losses is reduced to 0% a Covid-19 related measure to drawdown prudential buffers as permitted by BNM. As at 31 December 2020, the regulatory reserve is maintained to meet the local regulatory requirement of the foreign branch's general provision and the Malaysian subsidiary of the Group.

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 195601000197 (50841-W))  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Attributable to owners of the Parent

The Group  
31 December 2019

	Ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Fair value reserve 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	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
<b>At 1 January 2019</b>	24,131,750	130,284	137,104	282,393	(563)	(43)	(288,294)	(207,686)	(1,292,581)	73,993	1,542,976	26,864,962	51,374,295	200,000	1,013,676	52,587,971
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	4,559,656	4,559,656	-	(104,469)	4,455,187
Other comprehensive income/(expense) (net of tax)	-	566	-	807,747	-	-	459,052	(24,113)	57,381	531	(6)	-	1,301,158	-	52,097	1,353,255
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	459,051	-	-	-	-	-	459,051	-	13,373	472,424
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(24,113)	-	-	-	-	(24,113)	-	132	(23,981)
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	421	-	-	-	421	-	-	421
- net investment hedge	-	-	-	-	-	-	-	-	42,990	-	-	-	42,990	-	-	42,990
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	473	-	-	-	473	-	-	473
- deferred hedging cost	-	-	-	-	-	-	-	-	48,167	-	-	-	48,167	-	-	48,167
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	(34,295)	-	-	-	(34,295)	-	-	(34,295)
- currency translation difference	-	514	-	791,923	-	-	-	-	642	938	-	-	794,017	-	38,592	832,609
- share of other comprehensive income/ (expense) of associate and joint venture	-	52	-	15,824	-	-	1	-	(1,017)	(407)	(6)	-	14,447	-	-	14,447
Total comprehensive income/(expense) for the financial year	-	566	-	807,747	-	-	459,052	(24,113)	57,381	531	(6)	4,559,656	5,860,814	-	(52,372)	5,808,442
Dividend for the financial year ended 31 December 2018	-	-	-	-	-	-	-	-	-	-	-	(1,147,735)	(1,147,735)	-	-	(1,147,735)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	(1,147,735)	(1,147,735)	-	-	(1,147,735)
Dividend for the financial year ended 31 December 2019	-	-	-	-	-	-	-	-	-	-	-	(1,361,839)	(1,361,839)	-	-	(1,361,839)
- single tier first interim dividend	-	-	-	-	-	-	-	-	-	-	-	(1,361,839)	(1,361,839)	-	-	(1,361,839)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,374)	(15,374)	
Transfer within reserve	-	-	-	(18,772)	-	-	-	-	-	-	-	18,772	-	-	-	
Transfer to statutory reserve	-	51	-	-	-	-	-	-	-	-	-	(51)	-	-	-	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	590,196	(590,196)	-	-	-	
Disposal of subsidiaries	-	-	-	202	-	-	-	-	-	-	-	-	202	-	202	
Dilution of net assets arising from accretion of equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(206,697)	(206,697)	-	(51,303)	(258,000)
Contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	142,808	142,808	
Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,530)	(5,530)	
Share-based payment expense	-	-	-	-	-	-	-	-	71,034	-	-	-	71,034	-	-	71,034
Shares released under employee benefit schemes	-	-	-	-	-	-	-	-	63,964	(69,653)	-	-	(5,689)	-	-	(5,689)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(59,272)	-	-	-	(59,272)	-	-	(59,272)
Issuance of shares through dividend reinvestment scheme	1,712,058	-	-	-	-	-	-	-	-	-	-	-	1,712,058	-	-	1,712,058
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	74	-	-	-	(74)	-	-	-	
<b>At 31 December 2019</b>	<b>25,843,808</b>	<b>130,901</b>	<b>137,104</b>	<b>1,071,570</b>	<b>(563)</b>	<b>(43)</b>	<b>170,758</b>	<b>(231,725)</b>	<b>(1,230,508)</b>	<b>75,905</b>	<b>2,133,166</b>	<b>28,136,798</b>	<b>56,237,171</b>	<b>200,000</b>	<b>1,031,905</b>	<b>57,469,076</b>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 Decemberr 2019.

**CIMB GROUP HOLDINGS BERHAD**  
 (Company Number 195601000197 (50841-W))  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR 31 DECEMBER 2020**

	← Non-distributable →			Distributable		Total RM'000
	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve - debt instruments at fair value through other comprehensive income RM'000	Retained earnings RM'000	
<b>The Company</b>						
<b>At 1 January 2020</b>	25,843,808	55,982	(43)	101,432	1,042,263	27,043,442
Profit for the financial period	-	-	-	-	1,547,119	1,547,119
Other comprehensive income (net of tax)	-	-	-	2,082	-	2,082
- Debt instruments at fair value through other comprehensive income	-	-	-	2,082	-	2,082
Total comprehensive income for the financial period	-	-	-	2,082	1,547,119	1,549,201
Dividend for the financial year ended 31 December 2019	-	-	-	-	(1,190,756)	(1,190,756)
- single tier second interim dividend	-	-	-	-	-	-
<b>At 31 December 2020</b>	25,843,808	55,982	(43)	103,514	1,398,626	27,401,887

	← Non-distributable →			Distributable		Total RM'000
	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve - debt instruments at fair value through other comprehensive income RM'000	Retained earnings RM'000	
<b>The Company</b>						
<b>At 1 January 2019</b>	24,131,750	55,982	(43)	71,135	767,854	25,026,678
Profit for the financial period	-	-	-	-	2,783,983	2,783,983
Other comprehensive income (net of tax)	-	-	-	30,297	-	30,297
- Debt instruments at fair value through other comprehensive income	-	-	-	30,297	-	30,297
Total comprehensive income for the financial period	-	-	-	30,297	2,783,983	2,814,280
Dividend for the financial year ended 31 December 2018	-	-	-	-	(1,147,735)	(1,147,735)
- single tier second interim dividend	-	-	-	-	-	-
Dividend for the financial year ended 31 December 2019	-	-	-	-	(1,361,839)	(1,361,839)
- single tier first interim dividend	-	-	-	-	-	-
Issuance of shares through dividend reinvestment scheme	1,712,058	-	-	-	-	1,712,058
<b>At 31 December 2019</b>	25,843,808	55,982	(43)	101,432	1,042,263	27,043,442

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019.*

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 195601000197 (50841-W))*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	The Group		The Company	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Profit before taxation and zakat	1,530,329	5,974,840	1,548,203	2,789,075
Adjustments for non-operating and non-cash items	5,035,166	538,841	(1,563,099)	(2,796,752)
Operating profit/(loss) before changes in working capital	6,565,495	6,513,681	(14,896)	(7,677)
Net changes in operating assets	5,195,369	(33,234,193)	174,895	143,811
Net changes in operating liabilities	33,675,937	26,838,052	(12,354)	(33,618)
	38,871,306	(6,396,141)	162,541	110,193
Cash flows generated from operations	45,436,801	117,540	147,645	102,516
Taxation paid	(1,316,147)	(1,748,167)	(3,020)	(6,325)
Net cash flows generated from/(used in) operating activities	44,120,654	(1,630,627)	144,625	96,191
Net cash flows (used in)/generated from investing activities	(28,488,562)	1,950,381	496,392	229,914
Net cash flows (used in)/generated from financing activities	(11,743,444)	1,185,450	(666,960)	(153,107)
Net increase/(decrease) in cash and cash equivalents during the financial year	3,888,648	1,505,204	(25,943)	172,998
Effects of exchange rate changes	(459,596)	730,954	-	-
Cash and short-term funds at beginning of the financial year	37,765,092	35,528,934	370,546	197,548
	41,194,144	37,765,092	344,603	370,546
Monies held in trust	(857,099)	(157,327)	-	-
<b>Cash and cash equivalents at end of the financial year</b>	<b>40,337,045</b>	<b>37,607,765</b>	<b>344,603</b>	<b>370,546</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and short-term funds	39,563,368	37,765,092	344,603	370,546
Deposits and placements with banks and other financial institutions	3,562,564	-	-	-
	43,125,932	37,765,092	344,603	370,546
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(1,931,788)	-	-	-
Monies held in trust	(857,099)	(157,327)	-	-
Cash and cash equivalents at end of financial year	40,337,045	37,607,765	344,603	370,546

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements 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 December 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 Company'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 Company 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 101 and MFRS 108 "Definition of Material"
- Revised Conceptual Framework for Financial Reporting
- Amendments to MFRS 9, MFRS 139 and MFRS 7 "Interest Rate Benchmark Reform"

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by interbank offered rate (IBOR) reform. The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness continues to be recorded in the statement of comprehensive income. The reliefs will cease to apply when the uncertainty arising from interest rate benchmark reform is no longer present.

The adoption of other amendments to published standards above did not have any impact on the current period or any prior period and is not likely to affect future periods.

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 will continuously assess the extent of the impact of the COVID-19 pandemic to the economic activities 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 Company's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

### **A2. CHANGES IN ESTIMATES**

There were no material changes to financial estimates made in respect of the current financial period that had previously been announced or disclosed other than those disclosed under the basis of preparation.

### **A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the financial period ended 31 December 2020:-

(a) On 17 June 2020, the Company announced that it will seek its shareholders' approval at its 63rd Annual General Meeting ("AGM") to be convened on a later announced date for the proposed renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up capital of the Company. Shareholders' approval was subsequently obtained at the AGM which was held on 30 June 2020.

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

- (b) During the financial year, Merdeka Kapital Berhad ("MKB"), a special purpose vehicle consolidated by CIMB Bank Berhad ("CIMB Bank"), undertook a partial redemption of the Medium Term Note amounting to RM74.4 million.
- (c) During the financial year, Ziya Capital Bhd ("Ziya"), an Islamic special purpose vehicle consolidated by CIMB Islamic Bank, undertook a partial redemption of its Sukuk amounting to RM80.0 million.
- (d) On 30 January 2020, CIMB Islamic Bank issued RM200 million Basel-III compliant Additional Tier 1 Perpetual Preference Shares which was fully subscribed by CIMB Bank.
- (e) On 15 March 2020, CIMB 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.
- (f) 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.
- (g) On 24 March 2020, CIMBGH had fully subscribed to the new issuance and allotment of ordinary shares by Touch 'n Go Sdn Bhd ("TnG"), a wholly owned subsidiary of the Group.
- (h) On 27 March 2020, CIMB Niaga issued IDR1,000,000 million bonds. The bonds are divided into 3 series. Nominal value of 1-year Series A Bond, 3-year Series B Bond, and 5-year Series C Bond amounted to IDR322,000 million, IDR287,000 million, and IDR391,000 million respectively, with fixed interest rate of 5.80%, 7.00% and 7.25% per annum respectively.
- (i) On 3 April 2020, CIMBGH exercised its option to redeem its existing RM600 million Subordinated Fixed Rate Notes on the first optional redemption date.
- (j) On 3 April 2020, CIMBGH issued RM600 million 5-year Medium Term Notes ("MTN") which will mature on 3 April 2025. The MTN was issued out of its existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value.
- (k) On 4 April 2020, CIMB 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.
- (l) On 15 April 2020, CIMB 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.
- (m) On 5 May 2020, CIMB 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.
- (n) On 8 May 2020, CIMB Thai Auto Co. , Ltd, a subsidiary of CIMB Thai Bank has redeemed its THB2 billion debenture.
- (o) On 12 June 2020, CIMBGH issued RM350 million 3-year Medium Term Notes ("MTN") which will mature on 12 June 2023. The MTN was issued out of its existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value.
- (p) On 12 June 2020, CIMBGH redeemed its RM250 million MTN issued under the existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value.
- (q) On 23 August 2020, CIMB Niaga redeemed its Series B Bond amounted to IDR376,000 million.
- (r) On 31 August 2020, CIMB Niaga redeemed its Series A Sukuk amounted to IDR635,000 million.
- (s) On 2 November 2020, CIMB Niaga redeemed its Series B Bond amounted to IDR657,000 million.
- (t) On 12 November 2020, CIMBGH issued RM2.5 billion 10 years non-callable 5 years Tier 2 Subordinated debts bearing a fixed rate coupon of 3.15% p.a., payable on a semi-annual basis. The said subordinated debt was issued out of the RM10.0 billion Tier 2 subordinated debt programme. The proceeds from the issuance were used to subscribe to the RM2.45 billion Tier 2 subordinated notes issued by CIMB Bank on the same day and the RM50 million Tier 2 Subordinated Debt issued by CIMB Bank on 23 December 2020, based on similar terms.
- (u) On 12 November 2020, CIMB Bank issued RM2.45 billion 10 years non-callable 5 years Tier 2 subordinated debt to CIMB Group bearing a fixed rate coupon of 3.15% p.a., payable on a semi-annual basis. The said subordinated debt was issued from the existing RM10 billion Tier 2 subordinated debt programme.
- (v) On 3 December 2020, CIMBGH issued RM550 million perpetual non-callable 5 years Additional Tier 1 Capital Securities and RM200 million perpetual non-callable 10 years Additional Tier 1 Capital Securities bearing a fixed rate coupon of 3.60% p.a. and 4.00% p.a. respectively, payable on a semi-annual basis. The said capital securities were issued from the existing RM10 billion AT1 Capital Securities Programme. The proceeds from the issuances were used to subscribe to AT1 Capital Securities issued by CIMB Bank, based on similar terms.

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

(w) On 3 December 2020, CIMB Bank issued RM550 million perpetual non-callable 5 years Additional Tier 1 Capital Securities and RM200 million perpetual non-callable 10 years Additional Tier 1 Capital Securities to CIMBGH bearing a fixed rate coupon of 3.60% p.a. and 4.00% p.a. respectively, payable on a semi-annual basis. The said capital securities were issued from the existing RM10 billion AT1 Capital Securities Programme.

(x) On 23 December 2020, CIMB Bank issued RM50 million 10 years non-callable 5 years Tier 2 Subordinated Debt to CIMBGH bearing a fixed rate coupon of 3.15% p.a., payable on a semi-annual basis. The said subordinated debt was issued from the existing RM10 billion Tier 2 Subordinated Debt Programme.

(y) On 23 December 2020, CIMBGH redeemed its existing RM2.0 billion Tier 2 Subordinated Debt issued from the RM10 billion Tier 2 Subordinated Debt Programme on the first optional redemption date.

(z) On 23 December 2020, CIMB Bank redeemed its existing RM2.0 billion Tier 2 Subordinated Debt issued from the RM10 billion Tier 2 Subordinated Debt Programme on the first optional redemption date.

(aa) On 23 December 2020, CIMB Bank redeemed its existing RM1.0 billion Tier 2 Subordinated Debt issued from the RM5 billion Tier 2 Subordinated Debt Programme on the first optional redemption date.

(ab) On 23 December 2020, CIMB Niaga has fully redeemed its existing IDR1,600,000 million Subordinated Notes .

(ac) On 29 December 2020, CIMB Niaga redeemed its Series A Sukuk amounted to IDR276,000 million.

### **A4. DIVIDENDS PAID**

A single-tier second interim dividend of 12.00 sen per ordinary share, on 9,922,966,350 ordinary shares amounting to RM1,190,755,962 in respect of the financial year ended 31 December 2019 was approved by the Board of Directors on 30 January 2020. The dividend was not applicable under the Dividend Reinvestment Scheme ("DRS"), and was paid on 13 April 2020.

The Directors have proposed a single-tier interim dividend of 4.81 sen per ordinary share, on 9,922,966,350 ordinary shares amounting to RM477 million in respect of the financial year ended 31 December 2020.

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

(a) On 25 September 2019, TNG Digital Sdn Bhd ("TNGD"), an indirect subsidiary of CIMBGH, entered into a Share Sale Agreement with Insas Berhad ("Insas") to acquire 100% shareholding interest of its indirect subsidiary Numoni DFS Sdn Bhd ("NUDFS"), a fintech company incorporated in Malaysia and is licensed by BNM to conduct e-Money and remittance services through its Money Service Business and e-Wallet issuer licenses. Approval from Bank Negara Malaysia in relation to the proposed acquisition was received by TNGD on 25 February 2020. On 9 June 2020, the proposed acquisition has been completed with final acquisition price of RM14 million and resulted in NUDFS being a wholly-owned subsidiary of TNGD.

(b) On 11 August 2020, CIMB Bank's Representative Office in Mumbai, India completed its closure process. The closure was approved by the Registrar of Companies of India on 5 March 2020, and by the Reserve Bank of India on 11 August 2020. CIMB Group will continue to maintain a presence in India via its joint-venture partnership with China Galaxy International Financial Holdings Pte Ltd ("CGS-CIMB").

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

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

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

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

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

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

There is no significant events that had occurred between 31 December 2020 and the date of this announcement, other than those disclosed under Status of Corporate Proposal.

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

As at 31 December 2020, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM2,357,000 (2019: RM8,617,000) and RM78,000 (2019: RM178,000) respectively. The 12-month expected credit losses written back in the income statement during the financial year is amounting to RM6,191,000 (2019: expected credit losses made of RM3,134,000).

**A9. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	The Group	
	31 December 2020 RM'000	31 December 2019 RM'000
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government Securities	1,653,243	1,460,392
Cagamas bonds	862,050	686,798
Khazanah bonds	62,457	4,493
Malaysian Government treasury bills	289,567	482,267
Bank Negara Malaysia monetary notes	-	5,506,911
Negotiable instruments of deposit	2,650,577	5,018,451
Other Government securities	7,448,307	5,968,401
Government Investment Issues	1,113,392	1,924,283
Other Government treasury bills	12,082,414	6,911,837
Commercial papers	4,086,026	1,793,489
Promissory Notes	433,546	414,063
	<b>30,681,579</b>	<b>30,171,385</b>
<b>Quoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Shares	1,161,338	741,166
<i><u>Outside Malaysia:</u></i>		
Shares	138,069	116,414
	<b>1,299,407</b>	<b>857,580</b>
<b>Unquoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Corporate bond and Sukuk	1,956,881	1,555,599
Shares	959,488	882,496
Unit trusts	99,549	100,209
<i><u>Outside Malaysia:</u></i>		
Corporate bond	5,142,453	3,660,524
Private equity and unit trusts funds	266,273	300,603
Other Government bonds	2,307,503	608,877
	<b>10,732,147</b>	<b>7,108,308</b>
	<b>42,713,133</b>	<b>38,137,273</b>

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

	The Group		The Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
<b>Fair value</b>				
<b>Money market instruments:</b>				
<b>Unquoted</b>				
Malaysian Government Securities	4,347,217	295,061	-	-
Cagamas bonds	212,655	302,629	-	-
Negotiable instruments of deposit	572,682	321,570	-	-
Other Government securities	3,609,745	3,525,035	-	-
Government investment Issues	2,863,367	1,538,791	-	-
Other Government treasury bills	-	115,609	-	-
Commercial Papers	41,866	226,453	-	-
	<b>11,647,532</b>	<b>6,325,148</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities:</b>				
<i>In Malaysia:</i>				
Corporate bond and Sukuk	17,893,352	15,146,955	3,246,974	2,493,362
<i>Outside Malaysia:</i>				
Corporate bond and Sukuk	9,325,010	8,206,057	-	-
Bank Indonesia certificates	140,513	297,364	-	-
Other Government bonds	8,719,374	3,342,888	-	-
Unit trusts	1	1	-	-
	<b>36,078,250</b>	<b>26,993,265</b>	<b>3,246,974</b>	<b>2,493,362</b>
	<b>47,725,782</b>	<b>33,318,413</b>	<b>3,246,974</b>	<b>2,493,362</b>

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

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

	The Group			
	12-month expected credit losses	Lifetime expected credit losses - not credit impaired	Lifetime expected credit losses - Credit impaired	Total
	(Stage 1)	(Stage 2)	(Stage 3)	
	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2020</b>	<b>27,447</b>	<b>179</b>	<b>21,030</b>	<b>48,656</b>
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 1	141	(141)	-	-
Transferred to Stage 2	(142)	142	-	-
<b>Total charge to Income Statement:</b>	<b>12,808</b>	<b>25,495</b>	<b>(181)</b>	<b>38,122</b>
New financial assets purchased	93,180	-	-	93,180
Financial assets that have been derecognised	(5,701)	(77)	-	(5,778)
Change in credit risk	(74,671)	25,572	(181)	(49,280)
Exchange fluctuation	(178)	(1,452)	-	(1,630)
<b>At 31 December 2020</b>	<b>40,076</b>	<b>24,223</b>	<b>20,849</b>	<b>85,148</b>
<b>At 1 January 2019</b>	<b>23,219</b>	<b>2,002</b>	<b>30,306</b>	<b>55,527</b>
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 1	115,139	(115,139)	-	-
Transferred to Stage 2	(288)	288	-	-
<b>Total charge to Income Statement:</b>	<b>(111,050)</b>	<b>113,314</b>	<b>(549)</b>	<b>1,715</b>
New financial assets purchased	50,724	-	-	50,724
Financial assets that have been derecognised	(6,378)	-	(549)	(6,927)
Change in credit risk	(155,396)	113,314	-	(42,082)
Write-offs	-	-	(8,727)	(8,727)
Exchange fluctuation	139	2	-	141
<b>At 31 December 2019</b>	<b>27,447</b>	<b>179</b>	<b>21,030</b>	<b>48,656</b>

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

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

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

**The Company**

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	25,269	-	-	25,269
<b>Total charge to Income Statement:</b>	<b>678</b>	<b>-</b>	<b>-</b>	<b>678</b>
Change in credit risk	678	-	-	678
<b>At 31 December 2020</b>	<b>25,947</b>	<b>-</b>	<b>-</b>	<b>25,947</b>
At 1 January 2019	21,044	-	-	21,044
<b>Total charge to Income Statement:</b>	<b>4,225</b>	<b>-</b>	<b>-</b>	<b>4,225</b>
Change in credit risk	4,225	-	-	4,225
<b>At 31 December 2019</b>	<b>25,269</b>	<b>-</b>	<b>-</b>	<b>25,269</b>

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

	<b>The Group</b>	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	21,030	21,030
Other changes in debt instruments	(181)	(181)
<b>At 31 December 2020</b>	<b>20,849</b>	<b>20,849</b>
At 1 January 2019	30,306	30,306
Write-offs	(8,727)	(8,727)
Financial assets that have been derecognised	(549)	(549)
<b>At 31 December 2019</b>	<b>21,030</b>	<b>21,030</b>

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

	<b>The Group</b>	
	31 December 2020 RM'000	31 December 2019 RM'000
<b>Quoted securities</b>		
<i>In Malaysia</i>		
Shares	30,745	39,934
<i>Outside Malaysia</i>		
Shares	2,012	1,988
Unit trust	5,178	6,761
	<b>37,935</b>	<b>48,683</b>
<b>Unquoted securities</b>		
<i>In Malaysia</i>		
Shares	252,380	252,032
Property funds	187	182
Perpetual corporate bonds	-	76,432
<i>Outside Malaysia</i>		
Shares	10,010	10,998
Private equity funds and unit trusts funds	8,459	67,433
	<b>271,036</b>	<b>407,077</b>
	<b>308,971</b>	<b>455,760</b>

**A12. DEBT INSTRUMENTS AT AMORTISED COST**

	The Group		The Company	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Money market instruments:</b>				
<b>Unquoted</b>				
Malaysian Government securities	7,143,519	3,542,926	-	-
Cagamas bonds	110,960	207,203	-	-
Other Government treasury bills	2,735,065	1,603,163	-	-
Other Government securities	2,240,121	1,853,422	-	-
Malaysian Government investment issue	15,739,078	8,676,235	-	-
Khazanah bonds	401,316	312,269	-	-
Commercial papers	-	172,819	-	-
Negotiable instruments of deposit	193,005	-	-	-
	<b>28,563,064</b>	<b>16,368,037</b>	-	-
<b>Unquoted securities</b>				
<i>In Malaysia</i>				
Corporate bond and Sukuk	18,817,337	17,506,206	6,756,716	6,248,910
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	4,048,298	2,938,318	-	-
Bank Indonesia certificates	162,769	232,611	-	-
Other Government bonds	5,137,278	2,689,333	-	-
	<b>28,165,682</b>	<b>23,366,468</b>	<b>6,756,716</b>	<b>6,248,910</b>
Total	<b>56,728,746</b>	<b>39,734,505</b>	<b>6,756,716</b>	<b>6,248,910</b>
Amortisation of premium, net of accretion of discount	155,828	175,838	-	-
Less : Expected credit losses	(756,489)	(76,852)	(55,022)	(65,524)
	<b>56,128,085</b>	<b>39,833,491</b>	<b>6,701,694</b>	<b>6,183,386</b>

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

	The Group			
	12-month expected credit losses	Lifetime expected credit losses - not credit impaired	Lifetime expected credit losses - Credit impaired	Total
	(Stage 1)	(Stage 2)	(Stage 3)	
	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2020</b>	<b>9,884</b>	<b>55,355</b>	<b>11,613</b>	<b>76,852</b>
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 2	(5,430)	5,430	-	-
<b>Total charge to Income Statement:</b>	<b>17,457</b>	<b>675,137</b>	<b>-</b>	<b>692,594</b>
New financial assets purchased	6,581	-	-	6,581
Financial assets that have been derecognised	(287)	-	-	(287)
Change in credit risk	11,163	675,137	-	686,300
Exchange fluctuation	(12,815)	-	(142)	(12,957)
<b>At 31 December 2020</b>	<b>9,096</b>	<b>735,922</b>	<b>11,471</b>	<b>756,489</b>
<b>At 1 January 2019</b>	<b>9,115</b>	<b>100,148</b>	<b>11,474</b>	<b>120,737</b>
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 1	72,604	(72,604)	-	-
Transferred to Stage 2	(48)	48	-	-
<b>Total charge to Income Statement:</b>	<b>(72,362)</b>	<b>27,811</b>	<b>-</b>	<b>(44,551)</b>
New financial assets purchased	11,989	-	-	11,989
Financial assets that have been derecognised	(899)	-	-	(899)
Change in credit risk	(83,452)	27,811	-	(55,641)
Write-offs	-	-	(10)	(10)
Exchange fluctuation	527	-	149	676
<b>At 31 December 2019</b>	<b>9,884</b>	<b>55,355</b>	<b>11,613</b>	<b>76,852</b>

**A12. DEBT INSTRUMENTS AT AMORTISED COST (Continued)**

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

	<b>The Company</b>			
	<b>12-month expected credit losses (Stage 1) RM'000</b>	<b>Lifetime expected credit losses - not credit impaired (Stage 2) RM'000</b>	<b>Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2020</b>	65,524	-	-	65,524
<b>Total charge to Income Statement:</b>	<b>(10,502)</b>	-	-	<b>(10,502)</b>
Change in credit risk	(10,502)	-	-	(10,502)
<b>At 31 December 2020</b>	<b>55,022</b>	-	-	<b>55,022</b>
<b>At 1 January 2019</b>	47,563	-	-	47,563
<b>Total charge to Income Statement:</b>	<b>17,961</b>	-	-	<b>17,961</b>
New financial assets purchased	8,465	-	-	8,465
Change in credit risk	9,496	-	-	9,496
<b>At 31 December 2019</b>	<b>65,524</b>	-	-	<b>65,524</b>

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

	<b>The Group</b>	
	<b>Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2020</b>	11,613	11,613
Exchange fluctuation	(142)	(142)
<b>At 31 December 2020</b>	<b>11,471</b>	<b>11,471</b>
<b>At 1 January 2019</b>	11,474	11,474
Write-offs	(10)	(10)
Exchange fluctuation	149	149
<b>At 31 December 2019</b>	<b>11,613</b>	<b>11,613</b>



### A13. LOANS, ADVANCES AND FINANCING

#### (i) By type

	The Group	
	31 December 2020 RM'000	31 December 2019 RM'000
<b>At amortised cost</b>		
Overdrafts	4,861,624	5,616,337
Term loans/financing		
- Housing loans/financing	113,351,042	106,700,354
- Syndicated term loans	16,162,906	15,933,611
- Hire purchase receivables	24,285,568	23,619,588
- Lease receivables	182,150	221,544
- Factoring receivables	3,594	4,379
- Other term loans/financing	149,553,388	150,679,676
Bills receivable	7,062,222	9,640,557
Trust receipts	2,151,261	1,723,214
Claims on customers under acceptance credits	3,369,336	4,849,992
Staff loans *	1,559,344	1,516,800
Credit card receivables	8,402,871	9,830,984
Revolving credits	34,134,850	37,974,859
Share margin financing	54,010	74,873
Gross loans, advances and financing at amortised cost	<b>365,134,166</b>	368,386,768
Fair value changes arising from fair value hedges	6,497	8,428
	<b>365,140,663</b>	368,395,196
Less:		
- Expected credit losses	<b>(11,934,932)</b>	(9,159,831)
	<b>(11,934,932)</b>	(9,159,831)
Net loans, advances and financing at amortised cost	<b>353,205,731</b>	359,235,365
<b>At fair value through profit or loss</b>		
Term loans/financing		
- Syndicated term loan	710,235	1,104,735
	<b>710,235</b>	1,104,735
<b>Total net loans, advances and financing</b>	<b>353,915,966</b>	360,340,100
<b>Total Gross loans, advances and financing:</b>		
- At amortised cost	365,134,166	368,386,768
- At fair value through profit or loss	710,235	1,104,735
	<b>365,844,401</b>	369,491,503

\* Included in staff loans of the Group are loans to Directors amounting to RM4,041,922 (2019: RM4,785,624).

(a) Included in the Group's loans, advances and financing balances are RM26,839,000 (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 has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM392,508,000 (2019: RM2,082,954,000), using interest rate swaps.

(c) Included in the loans, advances and financing of the Group at 31 December 2020 are financing which are disclosed as "Restricted Agency Investment Account" ("RAIA") in the financial statements of CIMB Islamic amounting to RM5,030,980,000 (2019: RM6,231,742,000). RAIA arrangement is with CIMB Bank's wholly owned subsidiary, CIMB Islamic, and the contract is based on the Wakalah principle where CIMB Bank solely provide the funds, whilst the assets are managed by CIMB Islamic (as the Wakeel or agent). In the arrangement, CIMB Islamic has transferred substantially all the risk and rewards of ownership of the Investment (i.e the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and expected credit losses arising thereon, if any, are recognised and accounted for by CIMB Bank.

#### (ii) By type of customers

	The Group	
	31 December 2020 RM'000	31 December 2019 RM'000
Domestic banking institutions	804,586	235,071
Domestic non-bank financial institutions		
- stockbroking companies	139,043	11,158
- others	5,956,144	5,112,261
Domestic business enterprises		
- small medium enterprises	49,710,154	50,626,877
- others	60,886,556	67,513,024
Government and statutory bodies	8,053,764	8,282,375
Individuals	190,815,561	186,024,831
Other domestic entities	9,950,233	10,573,517
Foreign entities	39,528,360	41,112,389
Gross loans, advances and financing	<b>365,844,401</b>	369,491,503

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

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	4,027,481	2,312,496
- Hire-purchase receivables	18,852,955	17,446,300
- Other fixed rate loans	36,132,877	37,225,079
Variable rate		
- BLR plus/BFR plus	129,644,383	138,649,711
- Cost plus	50,761,558	55,089,415
- Other variable rates	126,425,147	118,768,502
Gross loans, advances and financing	<b>365,844,401</b>	<b>369,491,503</b>

**(iv) By economic purpose**

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Personal use	20,851,531	20,449,002
Credit card	8,402,871	9,830,984
Purchase of consumer durables	154,415	92,706
Construction	14,813,140	15,438,083
Residential property (Housing)	114,174,338	107,330,786
Non-residential property	30,268,939	29,210,702
Purchase of fixed assets other than land and building	12,880,836	15,644,141
Mergers and acquisitions	3,089,307	2,718,911
Purchase of securities	24,712,110	25,835,806
Purchase of transport vehicles	24,262,083	23,898,884
Working capital	81,372,027	85,646,730
Other purposes	30,862,804	33,394,768
Gross loans, advances and financing	<b>365,844,401</b>	<b>369,491,503</b>

**(v) By geographical distribution**

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Malaysia	226,808,035	220,789,619
Indonesia	53,791,508	61,368,318
Thailand	34,193,244	37,432,449
Singapore	29,661,648	29,577,312
United Kingdom	4,887,590	4,427,631
Hong Kong	1,467,910	1,418,757
China	4,065,305	3,832,132
Other countries	10,969,161	10,645,285
Gross loans, advances and financing	<b>365,844,401</b>	<b>369,491,503</b>

**(vi) By economic sector**

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Primary agriculture	12,414,462	13,121,135
Mining and quarrying	4,727,278	6,297,286
Manufacturing	26,359,046	29,015,451
Electricity, gas and water supply	5,593,468	5,998,603
Construction	13,864,622	13,582,106
Transport, storage and communications	9,630,242	10,640,872
Education, health and others	15,890,873	15,974,414
Wholesale and retail trade, and restaurants and hotels	31,938,904	30,552,748
Finance, insurance/takaful, real estate and business activities	47,144,075	51,040,767
Household	179,953,874	174,978,092
Others	18,327,557	18,290,029
Gross loans, advances and financing	<b>365,844,401</b>	<b>369,491,503</b>

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

**(vii) By residual contractual maturity**

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Within one year	84,796,499	93,505,979
One year to less than three years	31,196,200	30,859,641
Three years to less than five years	29,310,907	34,417,884
Five years and more	220,540,795	210,707,999
Gross loans, advances and financing	<b>365,844,401</b>	<b>369,491,503</b>

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

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Personal use	529,728	457,443
Credit card	141,049	147,712
Purchase of consumer durables	737	1,017
Construction	1,472,079	1,481,518
Residential property (Housing)	2,257,797	1,895,947
Non-residential property	544,050	402,209
Purchase of fixed assets other than land and building	1,170,038	1,017,105
Mergers and acquisitions	310,512	50,833
Purchase of securities	289,926	126,078
Purchase of transport vehicles	253,514	239,419
Working capital	5,231,998	4,555,951
Other purpose	825,631	968,616
Gross credit impaired loans, advances and financing	<b>13,027,059</b>	<b>11,343,848</b>

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

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Malaysia	5,586,430	4,600,622
Indonesia	4,090,533	3,475,766
Thailand	1,766,911	2,209,126
Singapore	1,424,273	848,895
United Kingdom	9,618	8,967
Hong Kong	3,167	-
China	15,311	158
Other countries	130,816	200,314
Gross credit impaired loans, advances and financing	<b>13,027,059</b>	<b>11,343,848</b>

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

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Primary agriculture	123,808	254,633
Mining and quarrying	765,199	1,263,292
Manufacturing	2,116,127	2,590,026
Electricity, gas and water supply	257,463	273,370
Construction	290,279	255,427
Transport, storage and communications	1,429,520	1,353,742
Education, health and others	210,998	181,020
Wholesale and retail trade, and restaurants and hotels	3,123,828	1,573,334
Finance, insurance/takaful, real estate and business activities	1,012,592	635,650
Household	3,252,921	2,671,744
Others	444,324	291,610
Gross credit impaired loans, advances and financing	<b>13,027,059</b>	<b>11,343,848</b>

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

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

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
<b>Loans, advances and financing at amortised cost</b>					
<b>At 1 January 2020</b>	1,905,723	1,814,592	5,436,768	2,748	9,159,831
Changes in expected credit losses due to transfer within stages:	(251,612)	(229,003)	480,615	-	-
Transferred to Stage 1	904,885	(757,647)	(147,238)	-	-
Transferred to Stage 2	(1,146,027)	1,595,287	(449,260)	-	-
Transferred to Stage 3	(10,470)	(1,066,643)	1,077,113	-	-
<b>Total charge to Income Statement:</b>	1,041,172	1,182,839	3,642,446	574	5,867,031
New financial assets originated	707,835	84,707	131,001	-	923,543
Financial assets that have been derecognised	(470,951)	(162,785)	-	-	(633,736)
Writeback in respect of full recoveries	-	-	(191,185)	-	(191,185)
Change in credit risk	804,288	1,260,917	3,702,630	574	5,768,409
Write-offs	(665)	(728)	(2,390,047)	-	(2,391,440)
Disposal of credit impaired loans	-	-	(361,487)	-	(361,487)
Exchange fluctuation	(402,521)	21,922	(40,373)	(63)	(421,035)
Other movements	(7,500)	(179)	89,711	-	82,032
<b>At 31 December 2020</b>	2,284,597	2,789,443	6,857,633	3,259	11,934,932

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

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

	<b>12-month expected credit losses (Stage 1) RM'000</b>	<b>Lifetime expected credit losses - not credit impaired (Stage 2) RM'000</b>	<b>The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Purchased credit impaired RM'000</b>	<b>Total RM'000</b>
<b>Loans, advances and financing at amortised cost</b>					
<b>At 1 January 2019</b>	2,407,561	1,218,564	5,543,688	2,552	9,172,365
Changes in expected credit losses due to transfer within stages:	685,324	(500,176)	(185,148)	-	-
Transferred to Stage 1	1,171,767	(953,247)	(218,520)	-	-
Transferred to Stage 2	(478,437)	954,464	(476,027)	-	-
Transferred to Stage 3	(8,006)	(501,393)	509,399	-	-
<b>Total charge to Income Statement:</b>	(1,161,037)	1,041,943	2,338,775	-	2,219,681
New financial assets originated	1,910,413	531,331	194,989	-	2,636,733
Financial assets that have been derecognised	(1,444,711)	(783,164)	-	-	(2,227,875)
Writeback in respect of full recoveries	-	-	(290,128)	-	(290,128)
Change in credit risk	(1,626,739)	1,293,776	2,433,914	-	2,100,951
Write-offs	(1,269)	(2,616)	(2,337,556)	-	(2,341,441)
Exchange fluctuation	(23,803)	56,358	77,514	196	110,265
Other movements	(1,053)	519	(505)	-	(1,039)
<b>At 31 December 2019</b>	<b>1,905,723</b>	<b>1,814,592</b>	<b>5,436,768</b>	<b>2,748</b>	<b>9,159,831</b>

A13. LOANS, ADVANCES AND FINANCING (Continued)

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

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

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

	The Group			
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000	
	<b>At 1 January 2019</b>	10,069,160	7,553	10,076,713
	Transfer within stages	2,498,105	-	2,498,105
New financial assets originated	1,133,204	-	1,133,204	
Write-offs	(2,337,556)	-	(2,337,556)	
Amount fully recovered	(1,150,055)	-	(1,150,055)	
Other changes in loans, advances and financing	624,877	(108)	624,769	
Exchange fluctuation	498,089	579	498,668	
<b>At 31 December 2019</b>	<b>11,335,824</b>	<b>8,024</b>	<b>11,343,848</b>	

	The Group	
	31 December 2020	31 December 2019
Ratio of credit impaired loans to total loans, advances and financing	<b>3.56%</b>	3.07%

**A14. OTHER ASSETS**

	The Group		The Company	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Due from brokers	16,498	69,261	-	-
Other debtors net of expected credit losses, deposits and prepayments	4,086,157	3,927,213	83,516	133,440
Settlement accounts	2,147,072	145,619	-	-
Treasury related receivables	1,206,091	279,434	-	-
Due from joint ventures	1,815,458	1,324,765	-	-
Structured financing	677,899	1,018,852	-	-
Foreclosed assets net of allowance for impairment losses	212,891	150,558	-	-
Collateral pledged for derivative transactions	3,916,392	3,086,528	-	-
Deferred consideration	25,480	98,983	-	-
	<b>14,103,938</b>	<b>10,101,213</b>	<b>83,516</b>	<b>133,440</b>

**A15. DEPOSITS FROM CUSTOMERS**

	The Group	
	31 December 2020 RM'000	31 December 2019 RM'000
<u>By type of deposit</u>		
Demand deposits	102,464,353	86,750,438
Savings deposits	66,289,180	50,899,104
Fixed deposits	156,085,535	180,046,303
Negotiable instruments of deposit	199,022	116,121
Others	78,012,547	74,537,501
	<b>403,050,637</b>	<b>392,349,467</b>
<u>By type of customer</u>		
Government and statutory bodies	13,374,541	11,939,258
Business enterprises	128,933,199	131,117,482
Individuals	182,755,722	183,864,980
Others	77,987,175	65,427,747
	<b>403,050,637</b>	<b>392,349,467</b>

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

Due within six months	130,126,679	147,756,119
Six months to less than one year	25,689,520	30,201,941
One year to less than three years	380,773	2,111,227
Three years to less than five years	87,585	93,137
	<b>156,284,557</b>	<b>180,162,424</b>

**A16. INVESTMENT ACCOUNTS OF CUSTOMERS**

	The Group	
	31 December 2020 RM'000	31 December 2019 RM'000
Unrestricted investment accounts	2,678,870	3,448,964

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

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Licensed banks	25,865,604	20,678,566
Licensed finance companies	2,138,885	747,051
Licensed investment banks	23,761	237,091
Bank Negara Malaysia	671,953	5,423
Other financial institutions	3,091,042	1,998,591
	<b>31,791,245</b>	<b>23,666,722</b>

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

Due within six months	29,166,993	23,133,281
Six months to less than one year	1,806,872	432,333
One year to less than three years	-	101,108
Three years to less than five years	155,517	-
Five years and more	661,863	-
	<b>31,791,245</b>	<b>23,666,722</b>

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

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Deposits from customers - structured investments	134,285	299,930
Debentures	1,072,150	1,534
Bills payables	2,810,495	3,349,276
	<b>4,016,930</b>	<b>3,650,740</b>

The Group has issued structured investments, bills payable and debentures, and has designated them at fair value in accordance with MFRS 9. The Group has the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of financial liabilities designated at fair value of the Group at 31 December 2020 were RM479,000 higher (2019: RM27,583,000 lower) than the contractual amount at maturity for the structured investments, RM1,611,000 (2019: RM20,000) higher than the contractual amount at maturity for the debentures and RM520,836,000 (2019: RM643,889,000) higher than the contractual amount at maturity for the bills payable.

#### A19. OTHER LIABILITIES

	The Group		The Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Due to brokers	9,856	61,062	-	-
Expenditure payable	2,305,158	2,606,502	5,829	2,405
Provision for legal claims	52,069	65,840	-	-
Sundry creditors	1,266,006	1,301,273	818	818
Treasury related payables	2,957,041	1,403,078	-	-
Structured deposits	5,920,785	6,366,281	-	-
Post employment benefit obligations	492,882	491,269	-	-
Credit card expenditure payable	158,023	277,591	-	-
Collateral received for derivative transactions	2,888,876	2,272,687	-	-
Expected credit losses for loan commitments and financial guarantee contracts	(a) 668,621	498,392	-	-
Prepayment	694,863	622,579	-	-
Others	1,042,169	773,763	-	-
	<b>18,456,349</b>	<b>16,740,317</b>	<b>6,647</b>	<b>3,223</b>



**A19. OTHER LIABILITIES** (Continued)

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

The Group

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
<b>At 1 January 2020</b>	<b>304,686</b>	<b>43,046</b>	<b>150,660</b>	<b>498,392</b>
Changes in expected credit losses due to transfer within stages:	<b>19,652</b>	<b>(23,675)</b>	<b>4,023</b>	<b>-</b>
Transferred to Stage 1	<b>131,745</b>	<b>(84,651)</b>	<b>(47,094)</b>	<b>-</b>
Transferred to Stage 2	<b>(76,584)</b>	<b>93,955</b>	<b>(17,371)</b>	<b>-</b>
Transferred to Stage 3	<b>(35,509)</b>	<b>(32,979)</b>	<b>68,488</b>	<b>-</b>
<b>Total charge to Income Statement:</b>	<b>65,140</b>	<b>113,048</b>	<b>13,332</b>	<b>191,520</b>
New exposures	<b>302,168</b>	<b>41,662</b>	<b>40,124</b>	<b>383,954</b>
Exposures derecognised or matured	<b>(188,462)</b>	<b>(34,426)</b>	<b>(42,326)</b>	<b>(265,214)</b>
Change in credit risk	<b>(48,566)</b>	<b>105,812</b>	<b>15,534</b>	<b>72,780</b>
Exchange fluctuation	<b>(24,234)</b>	<b>7,776</b>	<b>(1,899)</b>	<b>(18,357)</b>
Other movements	<b>(862)</b>	<b>(2,217)</b>	<b>145</b>	<b>(2,934)</b>
<b>At 31 December 2020</b>	<b>364,382</b>	<b>137,978</b>	<b>166,261</b>	<b>668,621</b>

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
<b>At 1 January 2019</b>	<b>333,672</b>	<b>58,862</b>	<b>109,803</b>	<b>502,337</b>
Changes in expected credit losses due to transfer within stages:	<b>100,843</b>	<b>(93,492)</b>	<b>(7,351)</b>	<b>-</b>
Transferred to Stage 1	<b>127,298</b>	<b>(110,156)</b>	<b>(17,142)</b>	<b>-</b>
Transferred to Stage 2	<b>(18,790)</b>	<b>32,344</b>	<b>(13,554)</b>	<b>-</b>
Transferred to Stage 3	<b>(7,665)</b>	<b>(15,680)</b>	<b>23,345</b>	<b>-</b>
<b>Total charge to Income Statement:</b>	<b>(126,232)</b>	<b>76,991</b>	<b>37,222</b>	<b>(12,019)</b>
New exposures	<b>333,698</b>	<b>6,071</b>	<b>4,699</b>	<b>344,468</b>
Exposures derecognised or matured	<b>(116,895)</b>	<b>(15,525)</b>	<b>(27,609)</b>	<b>(160,029)</b>
Change in credit risk	<b>(343,035)</b>	<b>86,445</b>	<b>60,132</b>	<b>(196,458)</b>
Exchange fluctuation	<b>1,806</b>	<b>485</b>	<b>5,802</b>	<b>8,093</b>
Other movements	<b>(5,403)</b>	<b>200</b>	<b>5,184</b>	<b>(19)</b>
<b>At 31 December 2019</b>	<b>304,686</b>	<b>43,046</b>	<b>150,660</b>	<b>498,392</b>

As At 31 December 2020, the gross exposures of loan commitments and financial guarantee contracts that are credit impaired is RM294,844,000 (2019: RM228,338,000) .

**A20(a). INTEREST INCOME**

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Loans, advances and financing				
- Interest income	3,067,440	3,911,873	13,767,115	15,499,247
- Unwinding income <sup>^</sup>	37,745	117,476	176,920	252,928
Money at call and deposit placements with financial institutions	88,737	182,506	481,955	754,126
Reverse repurchase agreements	39,775	52,606	160,883	292,258
Debt instruments at fair value through other comprehensive income	397,552	275,321	1,329,165	1,093,862
Debt instruments at amortised cost	445,940	336,205	1,583,690	1,387,466
Equity instruments at fair value through other comprehensive income	-	2,892	1,266	11,556
Others	62	105	1,198	30,041
	<b>4,077,251</b>	<b>4,878,984</b>	<b>17,502,192</b>	<b>19,321,484</b>
Accretion of discounts, net of amortisation of premiums	(67,922)	2,723	(172,579)	9,052
	<b>4,009,329</b>	<b>4,881,707</b>	<b>17,329,613</b>	<b>19,330,536</b>

**The Company**

Money at call and deposit placements with financial institutions	1,645	6,078	7,245	18,272
Debt instruments at fair value through other comprehensive income	35,984	33,775	136,576	134,000
Debt instruments at amortised cost	83,931	76,374	309,861	273,287
	<b>121,561</b>	<b>116,227</b>	<b>453,683</b>	<b>425,559</b>

<sup>^</sup> Included in unwinding income is interest income earned on credit impaired financial assets

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

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Financial investments at fair value through profit or loss	155,598	157,194	594,848	677,055
Reverse repurchase agreements at fair value through profit or loss	-	-	-	4,540
Loan, advances and financing at fair value through profit or loss	6,009	10,633	31,477	43,888
	<b>161,607</b>	<b>167,827</b>	<b>626,325</b>	<b>725,483</b>
Accretion of discounts, net of amortisation of premiums	(38,760)	63,612	6,851	187,776
	<b>122,847</b>	<b>231,439</b>	<b>633,176</b>	<b>913,259</b>

**A21. INTEREST EXPENSE**

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Deposits and placements of banks and other financial institutions	40,470	116,150	295,846	523,270
Deposits from customers	1,061,266	1,701,860	5,287,950	6,971,933
Repurchase agreements	63,717	87,030	269,217	397,446
Bonds, sukuk and debentures	74,709	137,776	429,450	559,027
Subordinated obligations	147,839	156,565	600,323	675,251
Financial liabilities designated at fair value through profit or loss	8,548	17,808	42,536	107,578
Negotiable certificates of deposits	928	24,207	14,122	105,433
Other borrowings	53,749	86,819	252,051	355,051
Recourse obligation on loan and financing sold to Cagamas	13,614	28,841	83,965	123,557
Structured deposits	42,955	64,410	206,861	291,459
Lease liabilities	4,767	7,639	25,989	30,893
Others	3,661	6,187	14,438	18,979
	<b>1,516,223</b>	<b>2,435,292</b>	<b>7,522,748</b>	<b>10,159,877</b>
<b>The Company</b>				
Subordinated obligations	132,278	126,783	504,799	519,062
Other borrowings	33,718	43,059	142,105	146,153
	<b>165,996</b>	<b>169,842</b>	<b>646,904</b>	<b>665,215</b>

## A22. MODIFICATION LOSS

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

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

## A23. NET NON-INTEREST INCOME

	4th quarter ended		Twelve months ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
<b>The Group</b>				
(a) Net fee income and commission income:				
Commissions	285,938	291,730	1,060,030	1,159,958
Fee on loans, advances and financing	72,152	191,787	373,249	660,936
Service charges and fees	121,168	167,673	543,457	654,424
Corporate advisory and arrangement fees	9,595	4,642	23,301	19,555
Guarantee fees	19,409	22,678	71,579	73,171
Other fee income	69,471	73,633	202,636	292,368
Placement fees	2,944	3,365	12,107	12,730
Underwriting commission	21,590	28,430	85,142	97,141
Fee and commission income	602,267	783,938	2,371,501	2,970,283
Fee and commission expense	(128,461)	(197,910)	(622,689)	(752,008)
Net fee and commission income	473,806	586,028	1,748,812	2,218,275
(b) Gross dividend income from:				
<i>In Malaysia</i>				
- Financial investments at fair value through profit or loss	16,881	12,459	66,937	63,038
- Equity instruments at fair value through other comprehensive income	27	-	1,259	3,757
<i>Outside Malaysia</i>				
- Equity instruments at fair value through other comprehensive income	296	271	1,376	1,125
	17,204	12,730	69,572	67,920
(c) Net gain/(loss) arising from financial investments at fair value through profit or loss	332,486	(73,843)	475,365	858,426
- realised	537,194	9,874	351,298	205,303
- unrealised	(204,708)	(83,717)	124,067	653,123
(d) Net (loss)/gain arising from derivative financial instruments	(680,598)	(68,472)	(88)	590,334
- realised	(315,522)	(505,216)	151,812	963,205
- unrealised	(365,076)	436,744	(151,900)	(372,871)
(e) Net gain/(loss) arising from financial liability designated at fair value through profit or loss	13,595	6,556	(92,424)	(315,248)
- realised	(68,912)	18,150	(157,174)	51,885
- unrealised	82,507	(11,594)	64,750	(367,133)
(f) Net gain/(loss) arising from hedging activities	1,389	(34,749)	(18,803)	(31,870)
(g) Net gain from sale of investment in debt instruments at fair value through other comprehensive income	5,914	63,488	285,502	283,011
(h) Net gain/(loss) arising from loans, advances and financing at fair value through profit or loss:	501	650	1,440	(1,626)
gain/(loss)	501	650	1,440	(1,626)
(i) Income from assets management and securities services	4,937	4,105	15,995	16,564
(j) Brokerage income	1,006	561	3,104	54,355
(k) Other non-interest income:				
Foreign exchange gain	979,825	519,526	1,271,804	394,575
Rental income	6,066	8,879	33,416	36,019
Gain on disposal of property, plant and equipment/ assets held for sale	3,773	752	21,526	19,274
Gain on disposal of loans, advances and financing	64,143	41,311	64,143	178,151
Gain on disposal of foreclosed assets	2,781	1,885	7,635	6,195
Other non-operating income	58,170	17,315	145,515	45,130
	1,114,758	589,668	1,544,039	679,344
	1,284,998	1,086,722	4,032,514	4,419,485

**A23. NET NON-INTEREST INCOME (CONTINUED)**

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>The Company</b>				
(a) Gross dividend income from:				
<u>In Malaysia</u>				
- Subsidiaries	35	54,000	1,760,139	3,079,584
(b) Other non-interest income:				
Foreign exchange (loss)/gain	(426)	5	(115)	(7)
Rental income	77	77	307	307
Gain on disposal of property, plant and equipment	-	708	-	708
Other non-operating income	-	-	88	-
	(349)	790	280	1,008
	(314)	54,790	1,760,419	3,080,592

**A24. OVERHEADS**

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Personnel costs				
- Salaries, allowances and bonus	911,680	1,071,369	4,033,536	4,309,096
- Pension cost	110,040	103,331	448,180	449,342
- Transformation initiative expense	-	16,952	-	365,806
- Overtime	3,571	7,040	18,547	28,335
- Staff incentives and other staff payments	119,484	90,498	317,388	281,857
- Medical expenses	21,621	31,344	86,039	118,510
- Others	52,382	28,097	240,380	211,728
	1,218,778	1,348,631	5,144,070	5,764,674
Establishment costs				
- Depreciation of property, plant and equipment	71,685	75,175	277,925	288,971
- Depreciation of right-of-use assets	55,504	64,084	247,172	238,960
- Amortisation of intangible assets	106,279	77,794	367,427	306,332
- Amortisation of prepaid lease payments	-	2,590	-	10,268
- Rental	40,103	43,813	149,470	169,270
- Repair and maintenance	189,785	142,332	623,333	542,191
- Outsourced services	7,440	23,747	81,927	83,111
- Security expenses	19,862	25,667	104,147	108,095
- Others	70,506	70,732	222,071	261,236
	561,164	525,934	2,073,472	2,008,434
Marketing expenses				
- Advertisement	44,693	136,259	177,944	363,784
- Others	7,695	17,100	36,105	60,151
	52,388	153,359	214,049	423,935
Administration and general expenses				
- Legal and professional fees	138,475	113,872	332,399	311,481
- Stationery	7,892	12,662	31,183	50,542
- Communication	42,119	34,193	163,231	145,302
- Incidental expenses on banking operations	13,167	12,852	44,519	48,570
- Insurance	62,134	80,607	247,673	317,899
- Others	232,806	208,361	726,198	802,068
	496,593	462,547	1,545,203	1,675,862
	2,328,923	2,490,471	8,976,794	9,872,905

**A24. OVERHEADS (CONTINUED)**

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>The Company</b>				
Personnel costs				
- Staff incentives and other staff payments	-	-	-	3
- Others	2	-	2	-
	2	-	2	3
Establishment costs				
- Depreciation of property, plant and equipment	481	158	601	3,415
- Depreciation of investment properties	4	5	18	18
- Depreciation of right-of-use assets	(328)	-	11	-
- Repair and maintenance	84	-	84	313
- Others	6	(22)	54	98
	247	141	768	3,844
Marketing expenses				
- Others	-	106	-	116
	-	106	-	116
Administration and general expenses				
- Legal and professional fees	3,596	9,032	6,669	15,051
- Communication	-	-	2	19
- Insurance	818	840	3,788	2,831
- Others	4,403	5,323	12,053	7,811
	8,817	15,195	22,512	25,712
	9,066	15,442	23,282	29,675

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

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Expected credit losses on loans, advances and financing at amortised cost	1,534,391	762,767	5,867,031	2,219,681
Credit impaired loans, advances and financing:				
- recovered	(154,483)	(159,371)	(538,813)	(592,101)
- written off	4,532	2,724	13,991	11,205
	1,384,440	606,120	5,342,209	1,638,785

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

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Other expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	(5,334)	(2,934)	38,122	1,715
- Debt instrument at amortised cost	400,114	(11,942)	692,594	(44,551)
- Money at call and deposits and placements with banks and other financial institutions	218	1,102	(6,191)	3,134
- Other assets	383,338	39,873	521,492	120,534
- Intangible assets	18,629	271,186	18,629	271,186
	796,965	297,285	1,264,646	352,018
<b>The Company</b>				
Other expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	4,608	1,768	678	4,225
- Debt instrument at amortised cost	(838)	12,455	(10,502)	17,961
- Investment in a subsidiary	5,537	-	5,537	-
	9,307	14,223	(4,287)	22,186

## A26. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

**A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)**

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

**A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)**

At 31 December 2019	The Group		
	Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>			
<u>Foreign exchange derivatives</u>			
Currency forward	<b>40,445,081</b>	<b>354,824</b>	<b>(696,350)</b>
- Less than 1 year	36,666,004	261,005	(496,778)
- 1 year to 3 years	2,712,791	82,223	(135,881)
- More than 3 years	1,066,286	11,596	(63,691)
Currency swaps	<b>296,071,579</b>	<b>1,945,889</b>	<b>(2,023,141)</b>
- Less than 1 year	293,865,873	1,854,836	(2,008,037)
- 1 year to 3 years	1,688,758	83,946	(14,352)
- More than 3 years	516,948	7,107	(752)
Currency spot	<b>3,617,282</b>	<b>4,590</b>	<b>(3,106)</b>
- Less than 1 year	3,617,282	4,590	(3,106)
Currency options	<b>18,947,292</b>	<b>446,272</b>	<b>(467,103)</b>
- Less than 1 year	14,127,004	269,414	(307,265)
- 1 year to 3 years	2,552,870	100,977	(115,430)
- More than 3 years	2,267,418	75,881	(44,408)
Cross currency interest rate swaps	<b>91,965,111</b>	<b>3,526,740</b>	<b>(3,031,420)</b>
- Less than 1 year	26,457,607	810,788	(467,973)
- 1 year to 3 years	27,623,201	1,041,868	(988,254)
- More than 3 years	37,884,303	1,674,084	(1,575,193)
	<b>451,046,345</b>	<b>6,278,315</b>	<b>(6,221,120)</b>
<u>Interest rate derivative</u>			
Interest rate swaps	<b>507,812,812</b>	<b>4,287,289</b>	<b>(3,617,370)</b>
- Less than 1 year	196,238,964	349,197	(386,615)
- 1 year to 3 years	173,707,204	865,040	(792,835)
- More than 3 years	137,866,644	3,073,052	(2,437,920)
Interest rate futures	<b>12,345,172</b>	<b>17,595</b>	<b>(9,983)</b>
- Less than 1 year	9,717,090	15,279	(9,464)
- 1 year to 3 years	2,628,082	2,316	(519)
Interest rate options	<b>7,198</b>	-	<b>(10)</b>
- 1 year to 3 years	7,198	-	(10)
	<b>520,165,182</b>	<b>4,304,884</b>	<b>(3,627,363)</b>
<u>Equity related derivatives</u>			
Equity futures	<b>21,104</b>	<b>1</b>	<b>(147)</b>
- Less than 1 year	21,104	1	(147)
Index futures	<b>34,142</b>	<b>129</b>	<b>(171)</b>
- Less than 1 year	34,142	129	(171)
Equity options	<b>4,664,459</b>	<b>88,659</b>	<b>(64,297)</b>
- Less than 1 year	3,704,855	69,240	(56,141)
- 1 year to 3 years	953,175	19,387	(8,156)
- More than 3 years	6,429	32	-
Equity swaps	<b>60,005</b>	<b>134</b>	<b>(120)</b>
- Less than 1 year	6,112	21	-
- More than 3 years	53,893	113	(120)
	<b>4,779,710</b>	<b>88,923</b>	<b>(64,735)</b>



**A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)**

At 31 December 2019	The Group		
	Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>			
<u>Commodity related derivatives</u>			
Commodity swaps	<b>3,212,256</b>	<b>324,152</b>	<b>(151,105)</b>
- Less than 1 year	2,892,771	279,017	(100,212)
- 1 year to 3 years	319,485	45,135	(50,893)
Commodity futures	<b>1,390,973</b>	<b>43,226</b>	<b>(23,950)</b>
- Less than 1 year	1,390,973	43,226	(23,950)
Commodity options	<b>2,423,695</b>	<b>50,808</b>	<b>(53,910)</b>
- Less than 1 year	2,423,695	50,808	(53,910)
	<b>7,026,924</b>	<b>418,186</b>	<b>(228,965)</b>
<u>Credit related contract</u>			
Credit default swaps	<b>3,751,313</b>	<b>50,456</b>	<b>(55,761)</b>
- Less than 1 year	87,011	195	(178)
- 1 year to 3 years	396,462	4,876	(56)
- More than 3 years	3,267,840	45,385	(55,527)
Total return swaps	<b>333,250</b>	<b>1,018</b>	<b>(1,893)</b>
- Less than 1 year	306,975	1,015	-
- 1 year to 3 years	5,525	3	(408)
- More than 3 years	20,750	-	(1,485)
	<b>4,084,563</b>	<b>51,474</b>	<b>(57,654)</b>
<b>Bond contract</b>			
Bond forward	<b>2,742,108</b>	<b>1,113</b>	<b>(515,868)</b>
- Less than 1 year	782,049	-	(134,232)
- 1 year to 3 years	1,527,055	-	(329,249)
- More than 3 years	433,004	1,113	(52,387)
<u>Hedging derivatives</u>			
Interest rate swaps	<b>26,102,207</b>	<b>279,002</b>	<b>(333,165)</b>
- Less than 1 year	4,360,240	11,792	(20,727)
- 1 year to 3 years	11,259,469	127,976	(49,691)
- More than 3 years	10,482,498	139,234	(262,747)
Currency swaps	<b>5,679,660</b>	<b>120,957</b>	<b>(50,498)</b>
- Less than 1 year	5,679,660	120,957	(50,498)
Cross currency interest rate swaps	<b>4,719,976</b>	<b>47,043</b>	<b>(238,501)</b>
- 1 year to 3 years	1,901,011	10,686	(112,513)
- More than 3 years	2,818,965	36,357	(125,988)
	<b>36,501,843</b>	<b>447,002</b>	<b>(622,164)</b>
Total derivative assets/(liabilities)	<b>1,026,346,675</b>	<b>11,589,897</b>	<b>(11,337,869)</b>

## A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

### **Market Risk**

Market risk is defined as any fluctuation in the value arising from changes in value of market risk factors such as interest rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. The Group's risk management department monitors and manages market risk exposure via stress testing of the Group's Value-at-Risk (VaR) model, in addition to reviewing and analysing its treasury trading strategy, positions and activities vis-à-vis changes in the financial market, monitoring limit usage, assessing limit adequacy, and verifying transaction prices.

### **Credit Risk**

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 December 2020, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM16,008,365,000 (2019: RM11,589,897,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

### **Liquidity Risk**

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

### **Cash requirements of the derivatives**

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 December 2020, the Group has posted cash collateral of RM3,916,392,000 (2019: RM3,086,528,000) on their derivative contracts.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group are disclosed in the audited annual financial statements for the financial year ended 31 December 2019 and the Risk Management section of the 2019 Annual Report.

## A27. COMMITMENTS AND CONTINGENCIES

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

	31 December 2020 Principal Amount RM'000	31 December 2019 Principal Amount RM'000
<b>The Group</b>		
<u>Credit-related</u>		
Direct credit substitutes	7,054,851	6,834,852
Certain transaction-related contingent items	7,557,071	8,540,770
Short-term self-liquidating trade-related contingencies	2,763,854	5,590,237
Irrevocable commitments to extend credit		
- maturity not exceeding one year	72,322,919	61,502,883
- maturity exceeding one year	31,691,945	34,992,846
Miscellaneous commitments and contingencies	2,578,701	2,215,223
Total credit-related commitments and contingencies	<b>123,969,341</b>	119,676,811
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	407,139,051	380,413,430
- one year to five years	63,857,426	61,238,807
- more than five years	17,559,345	19,793,744
	<b>488,555,822</b>	461,445,981
<u>Interest rate related contracts</u>		
- less than one year	199,666,500	210,316,293
- one year to five years	233,544,980	275,796,670
- more than five years	62,651,513	60,154,426
	<b>495,862,993</b>	546,267,389
<u>Equity related contracts</u>		
- less than one year	2,438,753	3,766,213
- one year to five years	476,829	953,175
- more than five years	98,764	60,322
	<b>3,014,346</b>	4,779,710
<u>Credit related contracts</u>		
- less than one year	65,795	393,986
- one year to five years	1,867,323	2,660,214
- more than five years	677,698	1,030,363
	<b>2,610,816</b>	4,084,563
<u>Commodity related contracts</u>		
- less than one year	6,746,243	6,707,438
- one year to five years	71,663	319,486
	<b>6,817,906</b>	7,026,924
<u>Bond contracts</u>		
- less than one year	1,164,037	782,049
- one year to five years	1,970,507	1,870,059
- more than five years	30,000	90,000
	<b>3,164,544</b>	2,742,108
Total treasury-related commitments and contingencies	<b>1,000,026,427</b>	1,026,346,675
	<b>1,123,995,768</b>	1,146,023,486

Included under irrevocable commitments to extend credit are the amount related to the Restricted Agency Investment Account, as follows:

Irrevocable commitments to extend credit :

- maturity not exceeding one year

**3,700,000**

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- (b) The Company has on 24 February 2017 filed a notice of appeal (Form Q) according to Section 99 (1) of the Income Tax Act, 1967 against the Notices of Assessment (Notices) for the years of assessment 2009 to 2012 dated 8 February 2017 from Inland Revenue Board ("IRB"), and obtained a stand over of taxes from IRB on 13 April 2017. The Company has subsequently made full payment of taxes as requested by IRB vide their letter dated 18 December 2018 revoking their earlier approval for the stand over of taxes. However, no provision has been made in the financial statements for any potential contingent liabilities up to the reporting date, based on independent legal advice. The Company has won the case at the Special Commissioners of Income Tax on 8 July 2020 and IRB has subsequently filed an appeal to the High Court.

## A28. CAPITAL ADEQUACY

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

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia (“BNM”) Capital Adequacy Framework (“CAF”) (Capital Components)/Capital Adequacy Framework for Islamic Banks (“CAFIB”) (Capital Components), of which the latest revision was issued on 9 December 2020. The revised guidelines took effect on 9 December 2020 for all banking institutions and financial holding companies and sets up the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

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

The risk-weighted assets of the Bank Group and the Bank are computed in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets), of which the latest revision was issued on 3 May 2019.

The Internal Ratings Based (“IRB”) Approach adopted by CIMB Bank and CIMB Islamic Bank is applied for the major credit exposures with retail exposures on Advanced IRB approach and non-retail exposures on Foundation IRB approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on the Basic Indicator Approach. As for CIMB Investment Bank Group, the Standardised Approach is applied for Credit Risk and Market Risk while Operational Risk is based on the Basic Indicator Approach.

The capital adequacy ratios of CIMB Thai Bank is based on the Bank of Thailand (BOT) Notification No. SorNorSor. 12/2555 Re: Regulations on Supervision of Capital for Commercial Banks, dated 8 November 2012. Credit Risk and Market Risk are based on Standardised Approach while Operational Risk is based on Basic Indicator Approach.

The capital adequacy ratios of Bank CIMB Niaga is based on Otoritas Jasa Keuangan (OJK)’s requirements. The approach for Credit Risk and Market Risk is based on the Standardised Approach while Operational Risk is based on the Basic Indicator Approach.

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

The capital adequacy ratio of CIMB Bank (Vietnam) Ltd. is calculated and managed according to local regulations as per the requirement of State Bank of Vietnam (SBV) in Circular 41/2016/TT-NHNN (dated 30 December 2016), which requires banks and branches of foreign banks to maintain the minimum CAR at 8% which covers credit, market and operational risk. Prior to 2020, the capital adequacy ratio of CIMB Bank (Vietnam) Ltd. was calculated and managed according to local regulations as per the requirement of (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.

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

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

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

The Group implemented a Dividend Reinvestment Scheme ("DRS") for the single-tier interim dividend in respect of the financial year ended 31 December 2020, which would increase the capital adequacy ratios of the Group above those stated above.

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

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

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

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

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

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

**A28. CAPITAL ADEQUACY (Continued)**

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

	<b>The Group RM'000</b>
<b>Tier II capital</b>	
Subordinated notes	6,700,000
Qualifying capital instruments held by third parties	912,962
Surplus eligible provisions over expected loss	683,264
General provisions <sup>√</sup>	<u>1,348,071</u>
Tier II capital before regulatory adjustments	<u>9,644,297</u>
<u>Less: Regulatory adjustments</u>	
Investments in own Tier II capital instruments	<u>-</u>
<b>Total Tier II capital</b>	<u><u>9,644,297</u></u>
<b>Total capital</b>	<u><u>56,378,481</u></u>

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

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

\* Includes the proposed single-tier second interim dividend of RM1,191 million in respect of the financial year ended 31 December 2019 which was paid on 13 April 2020.

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

<sup>√</sup> Total Capital of CIMB Group as at 31 December 2020 has excluded general provisions restricted from Tier II capital of RM581 million.

**A28. CAPITAL ADEQUACY (Continued)****31 December 2019**

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

	<b>The Group</b>
<b>Before deducting proposed dividend</b>	
Common equity tier 1 ratio	13.254%
Tier 1 ratio	14.364%
Total capital ratio	<u>17.126%</u>
<b>After deducting proposed dividend</b>	
Common equity tier 1 ratio	12.878%
Tier 1 ratio	13.988%
Total capital ratio	<u>16.750%</u>

The Group's second interim dividend in respect of the financial year ended 31 December 2019 will not be made applicable under the Dividend Reinvestment Scheme ("DRS").

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

	<b>The Group</b> <b>RM'000</b>
Credit risk <sup>(1)</sup>	264,587,009
Market risk	19,573,008
Large exposure risk requirements	866,895
Operational risk	<u>31,614,069</u>
Total risk-weighted assets	<u>316,640,981</u>

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

	<b>The Group</b> <b>RM'000</b>
Under Restricted Agency Investment Account arrangement	<u>343,110</u>

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

	<b>The Group</b> <b>RM'000</b>
<b>Common Equity Tier I capital</b>	
Ordinary share capital	25,843,808
Other reserves	30,393,360
Qualifying non-controlling interests	500,647
Less: Proposed dividends	<u>(1,190,756)</u>
Common Equity Tier I capital before regulatory adjustments	55,547,059
<u>Less: Regulatory adjustments</u>	
Goodwill	(7,857,539)
Intangible assets	(1,685,169)
Deferred tax assets	(846,045)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(2,245,817)
Regulatory reserve	(2,133,166)
Others	(1,787)
Common Equity Tier I capital after regulatory adjustments	<u>40,777,536</u>
<b>Additional Tier I capital</b>	
Perpetual subordinated capital securities	3,400,000
Qualifying capital instruments held by third parties	<u>117,575</u>
	3,517,575
<u>Less: Regulatory adjustments</u>	
Investments in own Additional Tier 1 capital instruments	<u>(2,100)</u>
Additional Tier I capital after regulatory adjustments	<u>3,515,475</u>
<b>Total Tier I capital</b>	<u>44,293,011</u>

**A28. CAPITAL ADEQUACY (Continued)**

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

	<b>The Group RM'000</b>
<b>Tier II capital</b>	
Subordinated notes	6,200,000
Qualifying capital instruments held by third parties	1,001,965
Surplus eligible provisions over expected loss	202,020
General provisions <sup>√</sup>	<u>1,341,694</u>
Tier II capital before regulatory adjustments	8,745,679
<u>Less: Regulatory adjustments</u>	
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-
<b>Total Tier II capital</b>	<u>8,745,679</u>
<b>Total capital</b>	<u>53,038,690</u>

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

	<b>CIMB Bank Group</b>	<b>CIMB Bank **</b>	<b>CIMB Islamic Bank</b>	<b>CIMB Investment Bank Group</b>	<b>CIMB Thai Bank</b>	<b>Bank CIMB Niaga</b>	<b>CIMB Bank PLC</b>	<b>CIMB Bank (Vietnam) Ltd</b>
<b><u>Before deducting proposed dividend</u></b>								
Common equity tier 1 ratio	13.964%	13.753%	13.351%	69.095%	12.378%	19.644%	N/A	N/A
Tier 1 ratio	14.994%	15.158%	13.777%	69.095%	12.378%	19.644%	N/A	N/A
Total capital ratio	<u>18.885%</u>	<u>19.446%</u>	<u>16.979%</u>	<u>69.095%</u>	<u>17.417%</u>	<u>20.918%</u>	<u>17.596%</u>	<u>87.875%</u>
<b><u>After deducting proposed dividend</u></b>								
Common equity tier 1 ratio	13.483%	13.028%	13.351%	61.549%	12.378%	19.644%	N/A	N/A
Tier 1 ratio	14.514%	14.433%	13.777%	61.549%	12.378%	19.644%	N/A	N/A
Total capital ratio	<u>18.405%</u>	<u>18.720%</u>	<u>16.979%</u>	<u>61.549%</u>	<u>17.417%</u>	<u>20.918%</u>	<u>17.596%</u>	<u>87.875%</u>

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

<sup>√</sup> Total Capital of CIMB Group as at 31 December 2019 has excluded general provisions restricted from Tier II capital of RM502 million.



## A29. SEGMENTAL REPORT

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

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

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

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

### Business segment reporting

#### Definition of segments:

As a result of an internal reorganisation, there is a change in business segment reporting. The Group has four major operation divisions that forms the basis on which the Group reports its segment information.

#### ***Consumer Banking***

Consumer Banking provides everyday banking solutions to individual customers covering both conventional and Islamic financial products and services such as residential property loans, non-residential property loans, secured personal loans, motor vehicle financing, credit cards, unsecured personal financing, wealth management, bancassurance, remittance and foreign exchange, deposits and internet banking services.

#### **Commercial Banking**

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

#### ***Wholesale Banking***

Wholesale Banking comprises Investment Banking, Corporate Banking, Treasury and Markets, Transaction Banking, Equities and Private Banking.

Investment Banking includes end-to-end client coverage and advisory services. Client coverage focuses on marketing and delivering solutions to corporate and financial institutional clients whereas advisory offers financial advisory services to corporations on issuance of equity and equity-linked products, debt restructuring, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking offers a broad spectrum of both conventional and Islamic funding solutions ranging from trade, working capital lines and capital expenditure to leveraging, merger and acquisition, leveraged and project financing. Corporate Banking's client managers partner with product specialists within the Group to provide a holistic funding solution, from cash management, trade finance, foreign exchange, custody and corporate loans, to derivatives, structured products and debt capital market.

Treasury focuses on treasury activities and services which include foreign exchange, money market, derivatives and trading of capital market instruments. It includes the Group's equity derivatives which develops and issues new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues.

Transaction Banking comprises Trade Finance and Cash Management which provide various trade facilities and cash management solutions.

**A29. SEGMENTAL REPORT** (Continued)

***Wholesale Banking*** (Continued)

Equities provides broking services to corporate, institutional and retail clients.

Private Banking offers a full suite of wealth management solutions to high net worth individuals with access to a complete range of private banking services, extending from investment to securities financing to trust services.

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

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

**A29. SEGMENTAL REPORT (Continued)**

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
<b>31 December 2020</b>					
Net interest income - after modification loss					
- external income	4,436,510	2,144,767	2,701,781	935,918	10,218,976
- inter-segment income/(expense)	309,699	50,763	86,492	(446,954)	-
	4,746,209	2,195,530	2,788,273	488,964	10,218,976
Income from Islamic Banking operations	1,172,724	630,752	727,978	406,059	2,937,513
Net non-interest income	1,503,055	464,474	1,381,074	683,911	4,032,514
Net income	7,421,988	3,290,756	4,897,325	1,578,934	17,189,003
Overheads	(4,288,579)	(1,718,050)	(2,022,732)	(947,433)	(8,976,794)
of which:					
- Depreciation of property, plant and equipment	(116,947)	(5,024)	(14,651)	(141,303)	(277,925)
- Amortisation of intangible assets	(88,077)	(3,579)	(33,025)	(242,746)	(367,427)
Profit before expected credit losses	3,133,409	1,572,706	2,874,593	631,501	8,212,209
Expected credit losses made on loans, advances and financing	(2,224,244)	(1,605,210)	(1,489,574)	(23,181)	(5,342,209)
Expected credit losses (made)/written back for commitments and contingencies	(123,479)	5,657	(72,122)	(1,576)	(191,520)
Other expected credit losses and impairment allowances made	(144,325)	(7,021)	(1,025,217)	(88,083)	(1,264,646)
Segment results	641,361	(33,868)	287,680	518,661	1,413,834
Share of results of joint ventures	(10,242)	-	64,496	64,580	118,834
Share of results of associates	-	-	-	(2,339)	(2,339)
Profit/(loss) before taxation and zakat	631,119	(33,868)	352,176	580,902	1,530,329
% of profit/(loss) before taxation and zakat	41.2	(2.2)	23.0	38.0	100.0
Taxation and zakat					(383,760)
<b>Profit for the financial year</b>					<b>1,146,569</b>

**A29. SEGMENTAL REPORT (Continued)**

	<b>Consumer Banking RM'000</b>	<b>Commercial Banking RM'000</b>	<b>Wholesale Banking RM'000</b>	<b>CIMB Digital Assets &amp; Group Funding RM'000</b>	<b>Total RM'000</b>
<b>31 December 2019</b>					
Net interest income					
- external income	4,740,242	2,525,579	2,511,401	306,696	10,083,918
- inter-segment (expense)/income	(173,857)	(305,952)	(48,128)	527,937	-
	4,566,385	2,219,627	2,463,273	834,633	10,083,918
Income from Islamic Banking operations	1,114,326	571,279	739,207	615,851	3,040,663
Net non-interest income	1,756,835	620,154	1,700,549	341,947	4,419,485
Gain on disposal of subsidiary and associate	-	-	-	251,813	251,813
Net income	7,437,546	3,411,060	4,903,029	2,044,244	17,795,879
Overheads	(4,495,225)	(1,797,182)	(2,289,514)	(1,290,984)	(9,872,905)
of which:					
- Depreciation of property, plant and equipment	(127,478)	(5,080)	(15,919)	(140,494)	(288,971)
- Amortisation of prepaid lease payments	-	(49)	-	(10,219)	(10,268)
- Amortisation of intangible assets	(68,526)	(2,494)	(26,272)	(209,040)	(306,332)
Profit before expected credit losses	2,942,321	1,613,878	2,613,515	753,260	7,922,974
Expected credit losse (made)/written back on loans, advances and financing	(881,971)	(29,199)	(728,915)	1,300	(1,638,785)
Expected credit losses (made)/written back for commitments and contingencies	(44,529)	24,822	31,586	140	12,019
Other expected credit losses and impairment allowances (made)/written back	(137,769)	10,783	39,974	(265,006)	(352,018)
Segment results	1,878,052	1,620,284	1,956,160	489,694	5,944,190
Share of results of joint ventures	3,536	-	(20,707)	48,572	31,401
Share of results of associates	-	-	-	(751)	(751)
Profit before taxation and zakat	1,881,588	1,620,284	1,935,453	537,515	5,974,840
% of profit before taxation and zakat	31.5	27.1	32.4	9.0	100.0
Taxation and zakat					(1,519,653)
<b>Profit for the financial year</b>					<b>4,455,187</b>

A29. SEGMENTAL REPORT (Continued)

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

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
<b>31 December 2019</b>					
<b>Group</b>					
Segment assets	184,739,646	64,198,919	240,391,766	67,798,402	557,128,733
Investment in associates and joint ventures	175,400	-	1,300,096	952,265	2,427,761
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>559,556,494</b>
Unallocated assets	-	-	-	-	13,689,161
<b>Total assets</b>	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
Segment liabilities	171,502,959	65,865,217	224,949,122	35,509,855	497,827,153
Unallocated liabilities	-	-	-	-	17,949,426
<b>Total liabilities</b>	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
<b>Other segment items</b>					
Capital expenditure	392,612	13,562	72,158	478,886	957,218
Investment in joint ventures	175,400	-	1,300,096	906,509	2,382,005
Investment in associates	-	-	-	45,756	45,756

### **A30. FAIR VALUE ESTIMATION**

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

#### Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

#### Valuation Model Review and Approval

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

**A30. FAIR VALUE ESTIMATION (Continued)**

- (i). The following table represents the Group's and the Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 December 2020 and

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

<b>The Group</b>	<b>Fair Value</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Financial investments at fair value through profit or loss				
- Money market instruments	-	29,713,786	457,599	30,171,385
- Quoted securities	857,580	-	-	857,580
- Unquoted securities	-	5,968,745	1,139,563	7,108,308
Debt instruments at fair value through other comprehensive income				
- Money market instruments	-	6,325,148	-	6,325,148
- Unquoted securities	-	26,993,264	1	26,993,265
Equity instruments at fair value through other comprehensive income				
- Quoted securities	48,683	-	-	48,683
- Unquoted securities	-	76,435	330,642	407,077
Derivative financial instruments				
- Trading derivatives	58,959	11,014,817	69,119	11,142,895
- Hedging derivatives	-	447,002	-	447,002
Loans, advances and financing at fair value through profit or loss				
-	-	1,104,735	-	1,104,735
<b>Total</b>	<b>965,222</b>	<b>81,643,932</b>	<b>1,996,924</b>	<b>84,606,078</b>
<b>Financial liabilities</b>				
Derivative financial instruments				
- Trading derivatives	122,146	10,578,007	15,552	10,715,705
- Hedging derivatives	-	622,164	-	622,164
Financial liabilities designated at fair value through profit or loss				
-	-	3,650,740	-	3,650,740
<b>Total</b>	<b>122,146</b>	<b>14,850,911</b>	<b>15,552</b>	<b>14,988,609</b>

**A30. FAIR VALUE ESTIMATION** (Continued)

- (i). The following table represents the Group's and Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 December 2020 and 31 December 2019

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

The Company 31 December 2019	Carrying amount RM'000	Level 1 RM'000	Fair Value		Total RM'000
			Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Debt instruments at fair value through other comprehensive income					
- Unquoted securities	2,493,362	-	2,493,362	-	2,493,362
<b>Total</b>	<b>2,493,362</b>	<b>-</b>	<b>2,493,362</b>	<b>-</b>	<b>2,493,362</b>



**A30. FAIR VALUE ESTIMATION (Continued)**

(ii). The following represents the movement in Level 3 instruments for the financial year ended 31 December 2020 and 31 December 2019 for the Group.

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

**A30. FAIR VALUE ESTIMATION** (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial year ended 31 December 2020 and 31 December 2019 for the Group.

	Financial Assets				Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Derivative financial instruments Trading derivatives		Derivative financial instruments Trading derivatives	Total
	Money market instruments and unquoted securities	Unquoted securities					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2019</b>							
<b>At 1 January</b>	1,672,205	1	359,182	216,280	2,247,668	(109,144)	(109,144)
Total gains/(losses) recognised in Statement of Income	50,346	-	-	(91,564)	(41,218)	20,671	20,671
Total losses recognised in Other Comprehensive Income	-	-	(25,280)	-	(25,280)	-	-
Purchases	3,951	-	4,874	2,337	11,162	(118)	(118)
Sales and redemptions	(121,697)	-	(7,910)	-	(129,607)	-	-
Settlements	-	-	-	(57,980)	(57,980)	73,068	73,068
Exchange fluctuation	(7,643)	-	(224)	46	(7,821)	(29)	(29)
<b>At 31 December</b>	<b>1,597,162</b>	<b>1</b>	<b>330,642</b>	<b>69,119</b>	<b>1,996,924</b>	<b>(15,552)</b>	<b>(15,552)</b>
Total gains/(losses) recognised in Statement of Income for the financial year ended 31 December 2019 under:							
- net non-interest income	50,346	-	-	(91,564)	(41,218)	20,671	20,671
Total losses recognised in Other Comprehensive Income for the financial year ended 31 December 2019 under "revaluation reserves"	-	-	(25,280)	-	(25,280)	-	-
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)

**A30. FAIR VALUE ESTIMATION (Continued)**

The following represents the Group's and the Company's non-financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 December 2020 and 31 December 2019.

Investment properties (Recurring)

The investment properties of the Group are valued annually at fair value based on market values determined by independent qualified valuers. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size.

Non-current assets held for sales (Non-recurring)

In accordance with MFRS 5, the non-current assets held for sales were stated at the lower of carrying amount and fair value less cost to sell. As at 31 December 2020, the property plant and equipment held for sale of the Group that were stated at fair value less cost to sell was RM7,112,000 (2019: RM7,467,000). This is a non-recurring fair value which has been measured using observable inputs under sales comparison approach performed by independent valuers. Sales prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. Therefore, it is within level 2 of the fair value hierarchy.

### A31. OPERATIONS OF ISLAMIC BANKING

#### A31a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

		The Group	
		31 December 2020	31 December 2019
	Note	RM'000	RM'000
<b>ASSETS</b>			
Cash and short-term funds		13,176,836	8,415,481
Deposits and placements with banks and other financial institutions		2,364,137	2,652,505
Financial investments at fair value through profit or loss		5,144,152	5,158,036
Debt instruments at fair value through other comprehensive income		4,623,981	4,508,828
Debt instruments at amortised cost		9,648,264	8,594,615
Islamic derivative financial instruments		559,340	497,609
Financing, advances and other financing/loans	A31d	97,342,038	93,049,318
Other assets		2,105,072	1,759,967
Deferred tax assets		93,895	22,238
Tax recoverable		4,252	8,547
Amount due from conventional operations		7,336,644	6,146,418
Statutory deposits with central banks		377,067	2,506,166
Property, plant and equipment		3,037	5,003
Right-of-use assets		5,343	3,986
Goodwill		136,000	136,000
Intangible assets		60,139	66,698
<b>TOTAL ASSETS</b>		<b>142,980,197</b>	<b>133,531,415</b>
<b>LIABILITIES AND ISLAMIC BANKING</b>			
<b>CAPITAL FUNDS</b>			
Deposits from customers	A31e	109,001,344	99,505,430
Investment accounts of customers	A31f	2,678,870	3,448,964
Collateralised commodity murabahah		299,236	-
Deposits and placements of banks and other financial institutions		2,395,807	2,572,666
Investment accounts due to designated financial institutions	A31g	4,751,241	5,021,974
Financial liabilities designated at fair value through profit or loss	A31h	71,610	95,499
Islamic derivative financial instruments		595,587	504,605
Bills and acceptances payable		18,897	36,331
Other liabilities		8,983,878	6,851,238
Lease liability		5,067	3,619
Recourse obligation on loans and financing sold to Cagamas		-	1,510,390
Amount due to conventional operations		1,970,848	2,620,453
Provision for taxation		4,918	55,749
Sukuk		1,026,028	1,025,994
Subordinated Sukuk		1,118,336	1,118,255
<b>TOTAL LIABILITIES</b>		<b>132,921,667</b>	<b>124,371,167</b>
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,696	55,696
Perpetual preference shares		420,000	220,000
Reserves		8,495,210	7,821,684
		9,970,906	9,097,380
Non-controlling interests		87,624	62,868
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>10,058,530</b>	<b>9,160,248</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>142,980,197</b>	<b>133,531,415</b>
<b>RESTRICTED AGENCY INVESTMENT ACCOUNT(*)</b>		<b>8,730,980</b>	<b>6,231,742</b>
<b>TOTAL ISLAMIC BANKING ASSETS</b>		<b>151,711,177</b>	<b>139,763,157</b>

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

**A31b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2020**

	The Group			
	4th quarter ended 31 December 2020 RM'000	31 December 2019 RM'000	Twelve months ended 31 December 2020 RM'000	31 December 2019 RM'000
Income derived from investment of depositors' funds and others	<b>1,129,487</b>	1,300,622	<b>4,936,466</b>	5,233,556
Income derived from investment of investment account	<b>67,347</b>	104,441	<b>360,106</b>	415,670
Net income derived from investment of shareholders' funds	<b>162,841</b>	166,989	<b>475,208</b>	573,836
Modification loss ^^	-	-	<b>(185,804)</b>	-
Expected credit losses made on financing, advances and other financing/loans	<b>(317,752)</b>	(36,095)	<b>(809,110)</b>	(71,303)
Expected credit losses (made)/written back for commitments and contingencies	<b>(25,234)</b>	(16,159)	<b>(46,123)</b>	21,941
Other expected credit losses and impairment allowances	<b>1,570</b>	118	<b>411</b>	812
Total distributable income	<b>1,018,259</b>	1,519,916	<b>4,731,154</b>	6,174,512
Income attributable to depositors and others	<b>(549,123)</b>	(805,547)	<b>(2,610,329)</b>	(3,209,765)
Profit distributed to investment account holder	<b>(37,305)</b>	(74,762)	<b>(219,351)</b>	(307,968)
Total net income	<b>431,831</b>	639,607	<b>1,901,474</b>	2,656,779
Other operating expenses	<b>(236,287)</b>	(405,062)	<b>(992,433)</b>	(1,038,936)
Profit before taxation and zakat	<b>195,544</b>	234,545	<b>909,041</b>	1,617,843
Taxation and zakat	<b>(18,334)</b>	(85,701)	<b>(132,651)</b>	(342,498)
Profit for the financial period/year	<b>177,210</b>	148,844	<b>776,390</b>	1,275,345
Profit for the financial period/year attributable to:				
Owners of the Parent	<b>169,840</b>	144,562	<b>749,281</b>	1,251,490
Non-controlling interests	<b>7,370</b>	4,282	<b>27,109</b>	23,855
	<b>177,210</b>	148,844	<b>776,390</b>	1,275,345

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

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

**A31c. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2020**

	<b>The Group</b>			
	<b>4th quarter ended</b>		<b>Twelve months ended</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the financial period	<b>177,210</b>	148,844	<b>776,390</b>	1,275,345
Other comprehensive income/(expense):				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	<b>1</b>	1	<b>31</b>	(31)
	<b>1</b>	1	<b>31</b>	(31)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	<b>(11,123)</b>	(12,745)	<b>8,388</b>	38,784
- Net gain from change in fair value	<b>(10,957)</b>	(2,491)	<b>107,940</b>	138,742
- Realised gain transferred to statement of income on disposal	<b>(2,637)</b>	(12,244)	<b>(96,879)</b>	(91,680)
- Changes in expected credit losses	<b>(1,200)</b>	4	<b>(18)</b>	362
- Income tax effects	<b>3,671</b>	1,986	<b>(2,655)</b>	(8,640)
Exchange fluctuation reserve	<b>29,807</b>	2,373	<b>(26,522)</b>	21,254
Other comprehensive income/(expense) for the financial period/year, net of tax	<b>18,685</b>	(10,371)	<b>(18,103)</b>	60,007
Total comprehensive income for the financial period/year	<b>195,895</b>	138,473	<b>758,287</b>	1,335,352
Total comprehensive income for the financial period/year attributable to:				
Owners of the Parent	<b>186,602</b>	134,263	<b>733,531</b>	1,310,024
Non-controlling interests	<b>9,293</b>	4,210	<b>24,756</b>	25,328
	<b>195,895</b>	138,473	<b>758,287</b>	1,335,352
<u>Income from Islamic operations (per page 2)</u>				
Total net income	<b>431,831</b>	639,607	<b>1,901,474</b>	2,656,779
Add: Expected credit losses made on financing, advances and other financing/loans	<b>317,752</b>	36,095	<b>809,110</b>	71,303
Add: Expected credit losses made/(written back) for commitments and contingencies	<b>25,234</b>	16,159	<b>46,123</b>	(21,941)
Add: Other expected credit losses and impairment allowances	<b>(1,570)</b>	(118)	<b>(411)</b>	(812)
	<b>773,247</b>	691,743	<b>2,756,296</b>	2,705,329
Elimination for transaction with conventional operations	<b>38,771</b>	66,295	<b>181,217</b>	335,334
	<b>812,018</b>	758,038	<b>2,937,513</b>	3,040,663

**A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS**
**(i) By type and Shariah contract**
**31 December 2020**

	The Group												Total
	Sale-based contracts					Lease-based contracts		Profit sharing contracts		Loan contract	Others		
	Murabahah	Bai' Bithaman Ajil	Bai' al-'Inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai' #	Mudharabah	Musharakah	Qard	Rahnu	Ujrah	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>													
Cash line^	-	268	842	-	1,036,202	-	-	-	-	8,907	-	-	1,046,219
Term financing													
House Financing	305,332	4,937,835	-	-	21,574,218	1,227,897	-	-	3,654,536	-	-	-	31,699,818
Syndicated Financing	-	-	39,111	-	2,120,688	-	-	532	-	-	-	-	2,160,331
Hire purchase receivables	80,859	-	-	-	-	-	11,380,856	-	-	-	-	-	11,461,715
Other term financing	760,403	1,168,761	5,004,003	-	32,905,287	44,811	-	98,217	4,479,920	-	12	-	44,461,414
Lease receivable	-	-	-	-	-	177,923	-	-	-	-	-	-	177,923
Bills receivable	334,959	-	-	167,450	-	-	-	-	-	-	-	-	502,409
Islamic Trust receipts	98,889	-	-	-	-	-	-	-	-	-	-	-	98,889
Claims on customers under acceptance credits	691,903	-	-	84,911	-	-	-	18,897	-	-	-	-	795,711
Staff financing	-	-	-	-	171,716	-	-	-	16,979	-	-	-	188,695
Revolving credits	-	-	-	-	5,475,377	-	-	16,681	-	-	-	-	5,492,058
Credit card receivables	-	-	-	-	-	-	-	-	-	245,962	-	134,389	380,351
Gross financing, advances and other financing/loans, at amortised cost	<u>2,272,345</u>	<u>6,106,864</u>	<u>5,043,956</u>	<u>252,361</u>	<u>63,283,488</u>	<u>1,450,631</u>	<u>11,380,856</u>	<u>134,327</u>	<u>8,151,435</u>	<u>254,869</u>	<u>12</u>	<u>134,389</u>	<u>98,465,533</u>
Fair value changes arising from fair value hedge													3,835
													<u>98,469,368</u>
Less: Expected credit losses													<u>(1,324,651)</u>
Net financing, advances and other financing/loans at amortised cost													<u>97,144,717</u>
<b>At fair value through profit or loss</b>													
Term financing													
Syndicated Financing	-	-	-	-	197,321	-	-	-	-	-	-	-	197,321
Net financing, advances and other financing/loans, at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,321</u>
<b>Net financing, advances and other financing/loans</b>													<u>97,342,038</u>

^ Includes current account in excess

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

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

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

(i) By type and Shariah contract (Continued)

31 December 2019

	The Group												Total
	Sale-based contracts					Lease-based contracts		Profit sharing contracts		Loan contract	Others		
	Murabahah	Bai' Bithaman Ajil	Bai' al-'Inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai' #	Mudharabah	Musharakah	Qard	Rahnu	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	RM'000	RM'000
Cash line^	-	1,844	318	-	1,231,242	-	-	-	1	5,910	-	-	1,239,315
Term financing													
House Financing	309,045	5,236,376	-	-	16,450,891	1,276,449	-	-	3,081,673	-	-	-	26,354,434
Syndicated Financing	390,788	-	51,777	-	2,217,586	-	-	612	-	-	-	-	2,660,763
Hire purchase receivables	130,138	-	-	-	-	-	9,036,064	-	-	-	-	-	9,166,202
Other term financing	1,110,068	1,265,890	5,144,668	-	31,591,037	49,203	-	119,812	5,373,690	-	-	-	44,654,368
Lease receivable	-	-	-	-	-	216,575	-	-	-	-	-	-	216,575
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	-	-	-	36,331	-	-	-	-	1,020,592
Staff financing	-	-	-	-	147,832	-	-	-	11,079	-	-	-	158,911
Revolving credits	-	-	-	-	5,980,587	-	-	21,331	-	-	-	-	6,001,918
Credit card receivables	-	-	-	-	-	-	-	-	-	232,792	-	149,029	381,821
Gross financing, advances and other financing/loans, at amortised cost	3,376,237	6,504,110	5,196,763	1,302,975	57,619,175	1,542,227	9,036,064	178,086	8,466,443	238,702	-	149,029	93,609,811
Fair value changes arising from fair value hedge													9,075
													93,618,886
Less: Expected credit losses													(769,749)
Net financing, advances and other financing/loans at amortised cost													92,849,137
<b>At fair value through profit or loss</b>													
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
<b>Net financing, advances and other financing/loans</b>													<b>93,049,318</b>

^ Includes current account in excess

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

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



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

	<b>The Group</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Gross financing, advances and other financing/loans		
- At amortised cost	<b>98,465,533</b>	93,609,811
- At fair value through profit or loss	<b>197,321</b>	200,181
	<b>98,662,854</b>	93,809,992

(a) During the financial year, the Group has undertaken fair value hedges on RM78,008,000 (2019: RM1,993,931,000) financing using profit rate swaps.

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

As at 31 December 2020, the gross exposure and expected credit losses relating to RPSIA financing are RM4,703,553,000 (2019: RM4,956,226,000) and RM104,169,000 (2019: RM91,238,000) respectively, which are recognised in the Financial Statements of CIMB Bank Berhad.

**c) Movement of Qard financing**

	<b>The Group</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	<b>238,702</b>	185,083
New disbursement	<b>118,983</b>	122,051
Repayment	<b>(95,314)</b>	(74,645)
Exchange fluctuation	<b>(7,502)</b>	6,213
At 31 December	<b>254,869</b>	238,702
Sources of Qard fund:		
Depositors' fund	<b>254,363</b>	238,358
Shareholders' fund	<b>506</b>	344
	<b>254,869</b>	238,702
Uses of Qard fund:		
Personal use	<b>246,431</b>	233,072
Business use	<b>8,438</b>	5,630
	<b>254,869</b>	238,702

**(ii) By geographical distribution**

	<b>The Group</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	<b>85,919,565</b>	79,452,003
Indonesia	<b>9,237,388</b>	9,863,925
Singapore	<b>2,767,216</b>	2,719,276
China	<b>36,292</b>	663,873
Other countries	<b>702,393</b>	1,110,915
Gross financing, advances and other financing/loans	<b>98,662,854</b>	93,809,992

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

	<b>The Group</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	3,640,343	3,937,616
Mining and quarrying	786,130	1,675,978
Manufacturing	4,057,554	3,995,625
Electricity, gas and water supply	1,065,903	1,478,551
Construction	2,584,782	2,480,818
Transport, storage and communications	2,445,342	3,447,094
Education, health and others	4,227,834	4,504,328
Wholesale and retail trade, and restaurants and hotels	4,405,309	4,784,083
Finance, insurance/takaful, real estate and business activities	12,165,188	12,037,316
Household	58,743,551	51,308,988
Others	4,540,918	4,159,595
	<b>98,662,854</b>	<b>93,809,992</b>

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

	<b>The Group</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	1,506,615	1,254,274
Indonesia	109,584	116,160
Singapore	5,141	60,296
Other countries	-	91,490
Gross impaired financing, advances and other financing/loans	<b>1,621,340</b>	<b>1,522,220</b>

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

	<b>The Group</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	19,796	37,012
Mining and quarrying	13,408	168,796
Manufacturing	696,192	747,255
Electricity, gas and water supply	1	-
Construction	16,505	9,705
Transport, storage and communications	18,104	19,706
Education, health and others	3,567	4,576
Wholesale and retail trade, and restaurants and hotels	108,977	62,902
Finance, insurance/takaful, real estate and business activities	39,048	47,080
Household	640,650	366,235
Others	65,092	58,953
	<b>1,621,340</b>	<b>1,522,220</b>

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

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

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

	The Group			
	12-month expected	Lifetime expected	Lifetime expected	Total
	credit losses	credit losses - not	credit losses - Credit	
	(Stage 1)	credit impaired	impaired	
RM'000	(Stage 2)	(Stage 3)		
	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2019</b>	332,545	170,509	300,321	803,375
Changes in expected credit losses due to transfer within stages:	185,637	(138,705)	(46,932)	-
Transferred to stage 1	233,064	(208,341)	(24,723)	-
Transferred to stage 2	(46,316)	159,715	(113,399)	-
Transferred to stage 3	(1,111)	(90,079)	91,190	-
<b>Total charge to Income Statement:</b>	<b>(165,039)</b>	<b>149,068</b>	<b>154,200</b>	<b>138,229</b>
New financial assets originated	299,709	571	40,537	340,817
Financial assets that have been derecognised	(174,102)	(21,768)	-	(195,870)
Writeback in respect of full recoveries	-	-	(122,633)	(122,633)
Change in credit risk	(290,646)	170,265	236,296	115,915
Write-offs	-	-	(202,073)	(202,073)
Exchange fluctuation	23,128	(15,823)	4,234	11,539
Other movements	(1,055)	-	19,734	18,679
<b>At 31 December 2019</b>	<b>375,216</b>	<b>165,049</b>	<b>229,484</b>	<b>769,749</b>

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

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

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

	<b>The Group</b>	
	<b>Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2020</b>	1,522,220	1,522,220
Transfer within stages	552,146	552,146
New financial assets originated	360,117	360,117
Write-offs	(315,317)	(315,317)
Amount fully recovered	(406,962)	(406,962)
Other changes in financing, advances and other financing/loans	(123,400)	(123,400)
Exchange fluctuation	32,536	32,536
<b>At 31 December 2020</b>	<b>1,621,340</b>	<b>1,621,340</b>
	<b>The Group</b>	
	<b>Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2019</b>	760,599	760,599
Transfer within stages	436,712	436,712
New financial assets originated	935,851	935,851
Write-offs	(202,073)	(202,073)
Amount fully recovered	(385,419)	(385,419)
Other changes in financing, advances and other financing/loans	(32,326)	(32,326)
Exchange fluctuation	8,876	8,876
<b>At 31 December 2019</b>	<b>1,522,220</b>	<b>1,522,220</b>
	<b>The Group</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
Ratio of credit impaired financing to total financing, advances and other financing	<b>1.64%</b>	1.62%

### A31e. DEPOSITS FROM CUSTOMERS

#### (i) By type of deposits

	The Group	
	31 December 2020 RM'000	31 December 2019 RM'000
Savings deposit	9,216,096	6,443,594
Wadiah	790,534	778,815
Mudharabah	2,205,036	1,399,429
Commodity Murabahah (via Tawarruq arrangement) *	6,220,526	4,265,350
Demand deposit	18,028,514	17,987,989
Wadiah	806,762	702,456
Qard	12,869,163	14,237,532
Mudharabah	243,136	128,940
Commodity Murabahah (via Tawarruq arrangement) *	4,109,453	2,919,061
Term deposit	77,113,432	68,309,729
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	47,172,109	34,825,284
Fixed Return Income Account-i (via Tawarruq arrangement)*	29,841,761	33,484,445
Negotiable Islamic Debt Certificate (NIDC)		
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	99,562	-
Fixed Deposit-i	4,507,457	6,634,666
Wadiah	123	-
Mudharabah	4,507,334	6,634,666
Specific investment account	98,672	101,368
Mudharabah	98,672	101,368
Others	37,173	28,084
Qard	37,173	28,084
	<b>109,001,344</b>	<b>99,505,430</b>

\*included Qard contract of RM3,148,712,000 (2019: RM1,657,518,000)

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

	The Group	
	31 December 2020 RM'000	31 December 2019 RM'000
Due within six months	71,877,553	65,520,389
Six months to less than one year	9,680,257	9,213,033
One year to less than three years	135,060	208,523
Three years to less than five years	3,589	78,735
Five years and more	23,102	25,083
	<b>81,719,561</b>	<b>75,045,763</b>

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

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Government and statutory bodies	4,756,182	4,577,868
Business enterprises	36,596,864	35,328,906
Individuals	34,512,758	35,319,728
Others	33,135,540	24,278,928
	<b>109,001,344</b>	<b>99,505,430</b>

**A31f. INVESTMENT ACCOUNTS OF CUSTOMERS**

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Unrestricted investment accounts (Mudharabah)		
- without maturity		
Special Mudharabah Investment Account	831,454	694,396
- with maturity		
Term Investment Account-i	1,847,416	2,754,568
	<b>2,678,870</b>	<b>3,448,964</b>

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

**A31g. INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS**

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Restricted investment accounts		
Mudharabah	4,751,241	5,021,974
By type of counterparty		
Licensed banks	4,751,241	5,021,974

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

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

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Deposits from customers - structured investments	71,610	95,499

The Group has issued structured investments, and have designated them at fair value in accordance with MFRS 9. The Group has the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of the financial liabilities designated at fair value of the Group as at 31 December 2020 was RM650,000 (2019: RM3,044,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

**A32. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES**

	<b>The Group</b>	
	<b>31 December 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Outstanding credit exposures with connected parties	<b>9,952,583</b>	11,521,577
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	<b>2.0%</b>	2.5%
Percentage of outstanding credit exposures to connected parties which is impaired or in default	<b>0.0%</b>	0.0%

## Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

### B1. GROUP PERFORMANCE REVIEW

#### (i) CIMB Group 4Q20 Y-o-Y Performance

	31 December 2020 RM'mil	The Group Twelve months ended 31 December 2019 RM'mil	Variance RM'mil	%
<b>Key Profit or Loss Items:</b>				
Operating income	17,189	17,796	(607)	(3.4)
Profit before taxation and zakat	1,530	6,618 *	(5,088)	(76.9)
Net profit for the financial year attributable to Owners of the Parent	1,194	5,014 *	(3,820)	(76.2)

\* Excludes one-off transformational costs of RM643 million (before taxation), RM454 million (net of taxation and non-controlling interests)

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) announced a profit before tax (“PBT”) of RM1.53 billion and a net profit of RM1.19 billion for the financial year ended 31 December 2020 (“FY20”). Despite the year-on-year (“YoY”) decline in PBT and net profit, the Group’s underlying business proved resilient. FY20 pre-provisioning operating profit (“PPOP”) declined only marginally by 1% to RM8.21 billion, while operating income remained stable with a slight decrease of 3.4% to RM17.19 billion. Aggressive cost reduction targets were also exceeded with a 5.5% or RM524 million decrease in operating expenses leading to an improved cost-to-income ratio (“CIR”) of 52.2%, down 1.2% YoY. Topline resilience, cost discipline and proactive measures to protect asset quality enabled the Group to strengthen its financial position and ensure it remains well-capitalised against shocks, leading to its highest CET1 ratio of 13.3%. CASA also grew strongly by 22.6% in FY20, bringing the CASA ratio to 41.3% as at December 2020 from 34.4% in the previous year

The Group’s FY20 performance translated to an annualised return on average equity (“ROE”) of 2.1% and earnings per share (“EPS”) of 12.0 sen. It declared a proposed annual dividend of 4.81 sen per share, amounting to a total payout of RM477 million and a payout ratio of 40% in line with its dividend policy.

FY20 Performance was largely impacted by the COVID-19 pandemic, resulting in elevated loan provisions arising from accounting adjustments incorporating macroeconomic factors and management overlays, as well as specific provisions made against COVID-19 related and legacy accounts. Against this backdrop, net-interest income (“NII”) grew marginally to RM12.73 billion YoY despite a 14 bps decrease in net interest margin (“NIM”) to 2.32% in FY20 due to the impact of lower interest rates and modification loss. As for non-interest income (“NOII”), stronger treasury and markets, wealth management, and investment banking activity in the second half of the year partially offset weakness in the first half, resulting in NOII of RM4.46 billion.

For the fourth quarter ended 31 December 2020 (“4Q20”), the Group reported sequential operating income growth of 5.6% quarter-on-quarter (“QoQ”) to RM4.72 billion compared to the third quarter ended 30 September 2020 (“3Q20”). This was underpinned by a 3.8% increase in NII and 10.3% NOII growth.

2020 was defined by the acute disruption of COVID-19 on public health and the global economy, impacting individuals, businesses and governments alike. Pandemic-driven lockdowns and movement controls led to economic weakness and sharp GDP contractions across the Group's core markets, resulting in revenue and profitability pressure across business. The challenging operating environment required CIMB Group to take a hard look at all areas of its business and recalibrate its strategy, leading to the introduction of Forward23+ mid-term strategy in early 4Q20. As part of the Group's plan to mitigate the challenging environment and strengthen its balance sheet, the most immediate priority was cost management, and in this regard CIMB Group successfully surpassed its FY20 cost reduction target of 5% through rigorous cost optimisation measures.

For 4Q20, the Group is also encouraged to see quarterly topline improvement in the Group’s NII and NOII in its core markets. The strong quarterly operating income was driven by Group Consumer Banking’s improved wealth management performance and deposit growth, while Group Wholesale Banking also made a significant contribution due to improved treasury and markets, and investment banking activities.

Given the resilience of its underlying business and improved capital position, CIMB Group is pleased to declare a proposed annual dividend of 4.81 sen per share, based on a dividend payout ratio of 40% in line with its dividend policy. As a financial intermediary, the Group is conscious of its responsibility to preserve capital buffers whilst providing returns to shareholders. CIMB Group will continue to manage capital prudently as it seeks to strike the optimal balance between the current and future needs of business and stakeholders.



## B1. GROUP PERFORMANCE REVIEW (CONTINUED)

### (i) CIMB Group 4Q20 Y-o-Y Performance (Continued)

FY20 gross loans registered a slight decline of 1.0% YoY as the Group took steps to de-risk its balance sheet and strengthen its financial position. Total deposits grew by 2.3% primarily due to 22.6% growth in CASA, and the CASA ratio continued to strengthen to 41.3% as at Dec-20 compared to 34.4% as at Dec-19. The Group's Loan-To-Deposit ("LDR") ratio stood at 89.0% (cf. 92.0%)

The Group saw elevated loan provisions arising from accounting adjustments incorporating macroeconomic factors and management overlays, as well as specific provisions made against COVID-19 related and legacy accounts. Gross Impaired Loans ("GIL") ratio stood at 3.6% as at Dec-20, with an allowance coverage of 91.6%. The Group's loan loss charge ("LLC") for FY20 came in at 1.46%.

The Group remains well-capitalised with its highest CET1 ratio of 13.3%, including the reinstatement of regulatory reserve from retained earnings, and a total capital ratio of 17.6% as at Dec-20. Liquidity management continues to be a priority, with liquidity coverage ratio ("LCR") remaining comfortably above 100% for all banking entities within the Group.

Group Consumer Banking FY20 operating income remained relatively flat YoY, with NII growth of 3.7% offsetting a decline in NOII. Consumer CASA registered strong growth, increasing by 30.2% YoY. On a quarterly basis, 4Q20 saw sequential growth, as NII grew by 1.0% QoQ due to improved loan growth and NIM, while NOII grew by 28.7% in line with stronger wealth management performance and the sale of non-performing loans ("NPLs") in Malaysia.

Group Commercial Banking FY20 operating income remained stable with a slight decrease of 3.5% YoY, as a 1.9% increase in NII partially offset the decline in NOII. Deposits grew by 8.1% YoY, driven by a 19.0% increase in CASA. In 4Q20, operating income registered 4.1% growth QoQ underpinned by better NIM, while tighter cost controls led to a 10.0% improvement in PPOP.

Group Wholesale Banking FY20 operating income was flat, as the YoY NII growth of 10.6% offset weaker NOII performance. However, 4Q20 performance was encouraging with operating income registering 9.1% growth QoQ. The improved performance was due to a 1.8% increase in NII, in addition to a 24.1% increase in NOII from stronger fees and Treasury & Markets revenue.

CIMB Digital Assets & Group Funding Key digital businesses continue to record growth with CIMB Philippines reaching 3.1 million customers and TNG Digital reaching 15.2 million registered users and 293,000 merchants. Principal Asset Management recorded 5.1% growth in assets under management ("AUM") to RM92.6 billion despite the impact of the pandemic. FY20 operating income and PBT saw a decline however, from the impact of the OPR cuts on NII during the year and absence of the gain from sale of the Malaysia equities business in 2019.

### (ii) CIMB Group 4Q20 vs. 4Q19 Performance

	The Group 4th quarter ended			
	31 December 2020 RM'mil	31 December 2019 RM'mil	Variance RM'mil	%
<b>Key Profit or Loss Items:</b>				
Operating income	4,716	4,522	194	4.3
Profit before taxation and zakat	166	1,373 *	(1,207)	(87.9)
Net profit for the financial period attributable to Owners of the Parent	215	1,045 *	(830)	(79.4)

\* Excludes one-off transformational costs of RM294 million (before taxation), RM196 million (net of taxation and non-controlling interests)

On a YoY basis, the 4Q20 operating income of RM4.72 billion was 4.3% higher on the back of stronger fee-based NOII and a relatively flat NII. Consumer Banking posted a loss before tax of RM111 million in 4Q20 compared to a PBT of RM590 million in 4Q19 from a combination of lower NIM as well as higher provisions driven by the management overlays. Commercial Banking posted a PBT of RM58 million, compared to a PBT of RM246 million in 4Q19, attributed to higher provisions across the region. In spite of a 14.0% growth in operating income, Wholesale Banking PBT was lower at RM206 million owing to increased bonds provisions partially offset by improved Treasury & Markets and Investment Banking performance. CIMB Digital Assets & Group Funding PBT was 88.2% lower YoY mainly due to the decline in NII arising from the lower interest rate environment. In totality, the Group's 4Q20 net profit was 79.4% lower YoY.

(iii) CIMB Group 4Q20 vs. 3Q20 Performance

	The Group Quarter ended			
	31 December 2020 RM'mil	30 September 2020 RM'mil	Variance RM'mil	%
<b>Key Profit or Loss Items:</b>				
Operating income	4,716	4,465	251	5.6
Profit before taxation and zakat	166	454	(288)	(63.4)
Net profit for the financial period attributable to Owners of the Parent	215	194	21	10.8

On a quarter-on-quarter (“QoQ”) basis, 4Q20 operating income grew by 5.6% to RM4.72 billion from RM4.47 billion in 3Q20. This was driven by a 3.8% growth in NII, while NOII was 10.3% higher QoQ underpinned by improved trading and FX activity, as well as wealth management fees during the period. Consumer Banking posted a Loss Before Tax of RM111 million, compared to a PBT of RM297 million in 3Q20, predominantly due to the management overlays in 4Q20. Commercial Banking posted a PBT of RM58 million, compared to a Loss Before Tax of RM127 million in 3Q20, attributed to the lower QoQ provisions. Wholesale Banking PBT expanded by 102% QoQ on the back of stronger Treasury & Markets operations and relatively flat QoQ provisions. As a result, the Group’s 4Q20 net profit was 10.8% higher QoQ.

#### CIMB Islamic

CIMB Islamic FY20 operating income grew by 1.2% YoY. This was primarily contributed by a 2.9% improvement in net financing income (“NFI”) due to a 5.2% growth in Islamic financing, which was partially offset by the impact of modification loss and lower NIM. As for 4Q20, QoQ operating income registered 0.8% growth, primarily due to the 8.4% increase in NFI which outpaced weakness in non-financing income (“NOFI”).

## B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

CIMB Group expects a meaningful economic recovery in 2021 for all its key operating markets on the back of the positive developments of the Covid-19 vaccines and the various stimulus measures undertaken by respective governments. Nevertheless, the Group is maintaining a cautious outlook given the uncertainties arising from the economic headwinds brought about by the resurgent Covid-19 pandemic. The Group’s focus will be on executing our Forward 23+ strategies, which entails reshaping portfolio, investments in core growth segments, maintaining stringent cost control and strong risk management as well as undertaking digital transformation. Accordingly, the Group expects a better financial performance in 2021 driven by revenue growth and improved provisions.

In Malaysia, the Group will continue to support impacted segments, while driving sustainable growth through CASA accumulation, RAROC optimisation and non-interest income. Prospects for CIMB Singapore will likely track the regional economic direction. The outlook for CIMB Thai will be driven by realignment of its business direction towards consumer, Asean-focused corporate and treasury markets as well as further strengthening in cost and asset quality management. CIMB Niaga’s financial performance is also expected to improve but growth is expected to be relatively subdued with the acceleration of primary growth segments, being offset by the realignment of weaker businesses that require transformation.

### B3. TAXATION AND ZAKAT

	4th quarter ended		Twelve months ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Major components of tax expense and zakat:				
Current tax expense	82,861	464,727	849,463	1,570,336
Deferred tax expense/(income)	39,179	(177,132)	(246,564)	(129,838)
(Over)/under provision in prior years	(154,760)	23,908	(222,039)	75,455
	(32,720)	311,503	380,860	1,515,953
Zakat	2,900	1,400	2,900	3,700
	(29,820)	312,903	383,760	1,519,653
<b>Reconciliation</b>				
Profit before taxation and zakat	165,982	1,079,002	1,530,329	5,974,840
Less: Share of results of joint venture	(37,863)	(2,296)	(118,834)	(31,401)
Share of results of associates	2,253	1,540	2,339	751
	130,372	1,078,246	1,413,834	5,944,190
Tax at statutory income tax rate of 24%	31,289	258,779	339,320	1,426,606
Effect of different tax rates in other countries and change in tax rates	559	(3,860)	65,837	9,610
Due to expenses not deductible for tax purposes and income not subject to income tax	90,192	32,676	197,742	4,282
(Over)/under provision in prior years	(154,760)	23,908	(222,039)	75,455
Tax (income)/expenses	(32,720)	311,503	380,860	1,515,953

#### The Company

Major components of tax expense:

Current tax (income)/expense	(3,663)	2,407	1,836	5,186
Deferred tax (income)/expense	(2)	3	(3)	3
Over provision in prior years	(749)	-	(749)	(97)
	(4,414)	2,410	1,084	5,092

#### Reconciliation

(Loss)/profit before taxation	(63,122)	(28,490)	1,548,203	2,789,075
Tax at statutory income tax rate of 24%	(15,149)	(6,838)	371,569	669,378
Due to expenses not deductible for tax purposes and income not subject to income tax	11,484	9,248	(369,736)	(664,189)
Over provision in prior years	(749)	-	(749)	(97)
Tax expenses	(4,414)	2,410	1,084	5,092

### B4. PARTICULARS OF PURCHASE AND SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no material gains or losses on disposal of investments or properties during the period under review other than in the ordinary course of business.

### B5. BORROWINGS AND DEBT SECURITIES

	The Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
<b>(i) Bonds, sukuk and debentures</b>		
<b>Unsecured</b>		
One year or less (short term)		
- USD	-	4,010,304
- IDR	345,341	496,389
- THB	162,732	948,842
- HKD	465,990	373,343
More than one year (medium/long term)		
- USD	2,836,798	2,871,993
- RM	3,998,506	4,031,257
- HKD	2,851,481	3,363,256
- IDR	1,543,047	1,756,424
- THB	260,069	380,902
	12,463,964	18,232,710

**B5. BORROWINGS AND DEBT SECURITIES (Continued)**

	The Group		The Company	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>(ii) Other borrowing</b>				
<b>Unsecured</b>				
One year or less (short term)				
- USD	2,814,183	1,855,858	-	-
- RM	-	300,527	-	451,012
- IDR	16,392	590,194	-	-
- HKD	-	297,525	-	-
More than one year (medium/long term)				
- RM	4,708,892	3,729,315	4,708,893	3,754,319
- USD	2,615,467	3,492,771	-	-
- IDR	251,025	192,052	-	-
	<b>10,405,959</b>	<b>10,458,242</b>	<b>4,708,893</b>	<b>4,205,331</b>
<b>(iii) Subordinated obligations</b>				
<b>Unsecured</b>				
One year or less (short term)				
- RM	4,379,755	5,635,500	1,406,844	2,611,517
- IDR	-	473,100	-	-
More than one year (medium/long term)				
- RM	8,364,035	7,368,793	9,509,864	7,653,711
- IDR	64,720	43,476	-	-
	<b>12,808,510</b>	<b>13,520,869</b>	<b>10,916,708</b>	<b>10,265,228</b>

**B6. MATERIAL LITIGATION**

At the date of this report, there are no pending material litigation not in the ordinary course of business which would have materially affected the Group's financial position.

**B7. COMPUTATION OF EARNINGS PER SHARE (EPS)****a) Basic EPS**

The Group's basic EPS is calculated by dividing the net profit attributable to equity holders of the Parent by the weighted average number of ordinary shares in issue during the financial period.

	The Group			
	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests	214,976	848,641	1,194,424	4,559,656
Weighted average number of ordinary shares in issue ('000)	9,922,966	9,844,322	9,922,966	9,705,987
Basic earnings per share (expressed in sen per share)	2.17	8.56	12.04	46.98

**b) Diluted EPS**

The Group has no dilution in its earnings per ordinary share in the current period and the preceding year corresponding period as there are no dilutive potential ordinary shares.