

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	The Group		The Bank	
		31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
ASSETS					
Cash and short term funds	A6	8,545,935	7,732,050	8,545,890	7,732,004
Deposits and placements with banks and other financial institutions	A6	50,072	-	50,072	-
Financial investments at fair value through profit or loss	A7	4,471,669	5,049,032	4,471,669	5,049,032
Debt instruments at fair value through other comprehensive income	A8	3,486,621	3,616,346	3,486,621	3,616,346
Debt instruments at amortised cost	A9	8,074,201	8,082,696	8,074,201	8,082,696
Islamic derivative financial instruments	A27(i)	666,235	473,486	666,235	473,486
Financing, advances and other financing/loans	A10	79,439,679	79,014,254	79,439,679	79,014,254
Other assets	A11	840,532	307,495	840,532	307,495
Deferred taxation		39,544	22,151	39,544	22,151
Statutory deposits with Bank Negara Malaysia		251,972	2,058,109	251,972	2,058,109
Amount due from holding company and ultimate holding company		392,224	1	392,224	1
Amount due from related companies		587	783	587	783
Investment in subsidiaries		-	-	11	11
Property, plant and equipment		3,411	3,519	3,411	3,519
Right-of-use assets		2,590	2,775	2,590	2,775
Intangible assets		62,389	64,507	62,389	64,507
Goodwill		136,000	136,000	136,000	136,000
TOTAL ASSETS		106,463,661	106,563,204	106,463,627	106,563,169
LIABILITIES AND EQUITY					
Deposits from customers	A12	84,290,292	85,232,327	84,648,649	85,582,423
Investment accounts of customers	A13	4,497,066	3,448,964	4,497,066	3,448,964
Deposits and placements of banks and other financial institutions	A14	1,758,772	2,280,870	1,758,772	2,280,870
Investment accounts due to designated financial institutions	A15	4,849,779	5,021,974	4,849,779	5,021,974
Financial liabilities designated at fair value through profit or loss	A16	166,650	95,499	166,650	95,499
Islamic derivative financial instruments	A27(i)	678,529	489,685	678,529	489,685
Amount due to holding company		-	38,859	-	38,859
Amount due to related companies		9,217	11,241	9,217	11,241
Other liabilities	A17	626,171	666,742	511,118	581,780
Lease liabilities		2,749	2,854	2,749	2,854
Recourse obligation on loans and financing sold to Cagamas		1,515,776	1,510,390	1,515,776	1,510,390
Provision for taxation		7,680	48,508	7,680	48,508
Sukuk		245,204	266,222	-	-
Subordinated Sukuk	A18	1,114,178	1,118,255	1,114,178	1,118,255
TOTAL LIABILITIES		99,762,063	100,232,390	99,760,163	100,231,302
EQUITY					
Capital and reserves attributable to equity holder of the Bank					
Ordinary share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		5,281,598	5,110,814	5,283,464	5,111,867
		6,281,598	6,110,814	6,283,464	6,111,867
Perpetual preference shares		420,000	220,000	420,000	220,000
TOTAL EQUITY		6,701,598	6,330,814	6,703,464	6,331,867
TOTAL EQUITY AND LIABILITIES		106,463,661	106,563,204	106,463,627	106,563,169
RESTRICTED AGENCY INVESTMENT ACCOUNT (*)	A29	7,278,600	6,231,742	7,278,600	6,231,742
TOTAL ISLAMIC BANKING ASSET		113,742,261	112,794,946	113,742,227	112,794,911
COMMITMENTS AND CONTINGENCIES	A27(ii)	49,130,725	54,188,461	49,130,725	54,188,461
Net assets per ordinary share attributable to owners of the Parent (RM)		6.28	6.11	6.28	6.11

* The disclosure is in accordance with the requirements of Bank Negara Malaysia guideline on Financial Reporting for Islamic Banking Institutions.
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 ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD 31 MARCH 2020

		The Group			
		1st Quarter Ended 31 March 2020 RM'000	31 March 2019 RM'000	Three Months Ended 31 March 2020 RM'000	31 March 2019 RM'000
Income derived from investment of depositors' funds and others	A19	1,039,960	1,024,261	1,039,960	1,024,261
Income derived from investment of investment account	A20	110,099	110,948	110,099	110,948
Income derived from investment of shareholder's funds	A21	114,947	97,712	114,947	97,712
Expected credit losses on financing, advances and other financing/loans	A22(a)	(60,793)	(43,870)	(60,793)	(43,870)
Expected credit losses (made)/written back for commitments and contingencies		(4,839)	24,154	(4,839)	24,154
Other expected credit losses	A22(b)	(2,454)	(401)	(2,454)	(401)
Total distributable income		1,196,920	1,212,804	1,196,920	1,212,804
Income attributable to depositors and others	A23	(625,523)	(679,441)	(625,523)	(679,441)
Profit distributed to investment account holder	A24	(78,583)	(84,697)	(78,583)	(84,697)
Total net income		492,814	448,666	492,814	448,666
Personnel expenses	A25	(6,358)	(6,022)	(6,358)	(6,022)
Other overheads and expenditures	A26	(230,909)	(194,696)	(230,909)	(194,696)
Profit before taxation and zakat		255,547	247,948	255,547	247,948
Taxation and zakat		(60,497)	(58,089)	(60,497)	(58,089)
Profit for the financial period		195,050	189,859	195,050	189,859

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 31 MARCH 2020

	The Group			
	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	195,050	189,859	195,050	189,859
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(23,744)	26,373	(23,744)	26,373
- Net gain from change in fair value	1,594	45,466	1,594	45,466
- Realised gain transferred to statement of income on disposal	(35,938)	(13,298)	(35,938)	(13,298)
- Changes in expected credit losses	2,358	397	2,358	397
- Income tax effects	8,242	(6,192)	8,242	(6,192)
Other comprehensive income for the period, net of tax	(23,744)	26,373	(23,744)	26,373
Total comprehensive income for the financial period	171,306	216,232	171,306	216,232
Earnings per share (sen)	B3	19.50	18.99	19.50

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 ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD 31 MARCH 2020

		The Bank			
		1st Quarter Ended		Three Months Ended	
		31 March	31 March	31 March	31 March
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	A19	1,039,960	1,024,261	1,039,960	1,024,261
Income derived from investment of investment account	A20	110,099	110,948	110,099	110,948
Income derived from investment of shareholder's funds	A21	115,311	98,223	115,311	98,223
Expected credit losses on financing, advances and other financing/loans	A22(a)	(60,793)	(43,870)	(60,793)	(43,870)
Expected credit losses (made)/written back for commitments and contingencies		(4,839)	24,154	(4,839)	24,154
Other expected credit losses	A22(b)	(2,454)	(401)	(2,454)	(401)
Total distributable income		1,197,284	1,213,315	1,197,284	1,213,315
Income attributable to depositors and others	A23	(625,106)	(679,903)	(625,106)	(679,903)
Profit distributed to investment account holder	A24	(78,583)	(84,697)	(78,583)	(84,697)
Total net income		493,595	448,715	493,595	448,715
Personnel costs	A25	(6,358)	(6,022)	(6,358)	(6,022)
Other overheads and expenditures	A26	(230,877)	(194,665)	(230,877)	(194,665)
Profit before taxation and zakat		256,360	248,028	256,360	248,028
Taxation and zakat		(60,497)	(58,089)	(60,497)	(58,089)
Profit for the financial period		195,863	189,939	195,863	189,939

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 31 MARCH 2020

	The Bank			
	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	195,863	189,939	195,863	189,939
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(23,744)	26,373	(23,744)	26,373
- Net gain from change in fair value	1,594	45,466	1,594	45,466
- Realised gain transferred to statement of income on disposal	(35,938)	(13,298)	(35,938)	(13,298)
- Changes in expected credit losses	2,358	397	2,358	397
- Income tax effects	8,242	(6,192)	8,242	(6,192)
Other comprehensive income for the period, net of tax	(23,744)	26,373	(23,744)	26,373
Total comprehensive income for the financial period	172,119	216,312	172,119	216,312
Earnings per share basis (sen)	B3 19.59	18.99	B3 19.59	18.99

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 ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

The Group	← Attributable to owners of the Parent →										
	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve * RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
31 March 2020											
At 1 January 2020	1,000,000	22,839	(2,457)	458	513,533	(31)	1,231	4,575,241	6,110,814	220,000	6,330,814
Profit for the financial period	-	-	-	-	-	-	-	195,050	195,050	-	195,050
Other comprehensive expense (net of tax)	-	(23,744)	-	-	-	31	-	-	(23,713)	-	(23,713)
- debt instruments at fair value through other comprehensive income	-	(23,744)	-	-	-	-	-	-	(23,744)	-	(23,744)
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	31	-	-	31	-	31
Total comprehensive income for the financial period	-	(23,744)	-	-	-	31	-	195,050	171,337	-	171,337
Share-based payment expense	-	-	-	-	-	-	352	-	352	-	352
Issuance new shares	-	-	-	-	-	-	-	-	-	200,000	200,000
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(905)	-	(905)	-	(905)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(553)	-	(553)	200,000	199,447
Transfer to regulatory reserve	-	-	-	-	(513,533)	-	-	513,533	-	-	-
At 31 March 2020	1,000,000	(905)	(2,457)	458	-	-	678	5,283,824	6,281,598	420,000	6,701,598

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

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

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

← Attributable to owners of the Parent →

The Group	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
31 March 2019										
At 1 January 2019	1,000,000	(5,251)	(2,457)	458	404,378	962	3,896,386	5,294,476	220,000	5,514,476
Profit for the financial period	-	-	-	-	-	-	189,859	189,859	-	189,859
Other comprehensive income (net of tax)	-	26,373	-	-	-	-	-	26,373	-	26,373
- debt instruments at fair value through other comprehensive income	-	26,373	-	-	-	-	-	26,373	-	26,373
Total comprehensive income for the financial period	-	26,373	-	-	-	-	189,859	216,232	-	216,232
Share-based payment expense	-	-	-	-	-	299	-	299	-	299
Shares released under Equity Ownership Plan	-	-	-	-	-	(718)	-	(718)	-	(718)
Total transactions with owners recognised directly in equity	-	-	-	-	-	(419)	-	(419)	-	(419)
Transfer to regulatory reserve	-	-	-	-	39,793	-	(39,793)	-	-	-
At 31 March 2019	1,000,000	21,122	(2,457)	458	444,171	543	4,046,452	5,510,289	220,000	5,730,289

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 ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

The Bank	← Non-distributable					Distributable →					Total Equity RM'000
	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve * RM'000	Own credit risk reserve RM'001	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	
31 March 2020											
At 1 January 2020	1,000,000	22,839	(2,457)	458	513,533	(31)	1,231	4,576,294	6,111,867	220,000	6,331,867
Profit for the financial period	-	-	-	-	-	-	-	195,863	195,863	-	195,863
Other comprehensive expense (net of tax)	-	(23,744)	-	-	-	31	-	-	(23,713)	-	(23,713)
- debt instruments at fair value through other comprehensive income	-	(23,744)	-	-	-	-	-	-	(23,744)	-	(23,744)
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	31	-	-	31	-	31
Total comprehensive income for the financial period	-	(23,744)	-	-	-	31	-	195,863	172,150	-	172,150
Share-based payment expense	-	-	-	-	-	-	352	-	352	-	352
Issuance new shares	-	-	-	-	-	-	-	-	-	200,000	200,000
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(905)	-	(905)	-	(905)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(553)	-	(553)	200,000	199,447
Transfer to regulatory reserve	-	-	-	-	(513,533)	-	-	513,533	-	-	-
At 31 March 2020	1,000,000	(905)	(2,457)	458	-	-	678	5,285,690	6,283,464	420,000	6,703,464

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

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

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

← Non-distributable → Distributable

The Bank	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
31 March 2019										
At 1 January 2019	1,000,000	(5,251)	(2,457)	458	404,378	962	3,897,252	5,295,342	220,000	5,515,342
Profit for the financial period	-	-	-	-	-	-	189,939	189,939	-	189,939
Other comprehensive income (net of tax)	-	26,373	-	-	-	-	-	26,373	-	26,373
- debt instruments at fair value through other comprehensive income	-	26,373	-	-	-	-	-	26,373	-	26,373
Total comprehensive income for the period	-	26,373	-	-	-	-	189,939	216,312	-	216,312
Share-based payment expense	-	-	-	-	-	299	-	299	-	299
Shares released under Equity Ownership Plan	-	-	-	-	-	(718)	-	(718)	-	(718)
Total transactions with owners recognised directly in equity	-	-	-	-	-	(419)	-	(419)	-	(419)
Transfer to regulatory reserve	-	-	-	-	39,793	-	(39,793)	-	-	-
At 31 March 2019	1,000,000	21,122	(2,457)	458	444,171	543	4,047,398	5,511,235	220,000	5,731,235

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 ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	The Group		The Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Profit before taxation and zakat	255,547	247,948	256,360	248,028
Adjustments for non-cash items	<u>(45,357)</u>	<u>(112,442)</u>	<u>(48,327)</u>	<u>(112,442)</u>
Operating profit before changes in working capital	210,190	135,506	208,033	135,586
Net changes in operating assets	934,316	(4,579,951)	934,316	(4,579,951)
Net changes in operating liabilities	(589,123)	5,989,816	(610,953)	5,965,688
Tax paid	<u>(110,475)</u>	<u>(55,071)</u>	<u>(110,475)</u>	<u>(55,071)</u>
Net cash generated from operating activities	444,908	1,490,300	420,921	1,466,252
Net cash flows generated from/(used in) investing activities	218,300	(1,041,154)	218,300	(1,041,154)
Net cash flows generated from/(used in) financing activities	<u>150,677</u>	<u>(431,793)</u>	<u>174,665</u>	<u>(407,745)</u>
Net change in cash and cash equivalents	813,885	17,353	813,886	17,353
Cash and cash equivalents at beginning of the financial period	<u>7,732,050</u>	<u>10,441,142</u>	<u>7,732,004</u>	<u>10,441,096</u>
Cash and cash equivalents at end of the financial period	<u>8,545,935</u>	<u>10,458,495</u>	<u>8,545,890</u>	<u>10,458,449</u>

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 March 2020 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, derivative financial instruments, non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements.

The unaudited condensed interim financial statements should be read in conjunction with the Group's and the Bank's audited financial statements for the financial year ended 31 December 2019. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2019.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2019, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2020:

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

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

- b) The Novel Coronavirus (‘Covid-19’) pandemic and related government-imposed Nationwide Movement Control Order (‘MCO’) under the Prevention and Control of Infectious Diseases Act and Police Act 1967 have had, and will continue to have, a significant impact on Malaysia’s economy and the environment in which we operate our business.

In response to this unprecedented situation, the Malaysian government has responded by providing various economic stimulus programs and relief packages. Bank Negara Malaysia had also taken proactive steps to address economic and market disruptions.

The Bank 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 Bank is continuously assessing the extent of the adverse impact to the economic activity due to the outbreak of Covid-19 as the severity and duration of the global economic downturn remains uncertain.

The preparation of unaudited condensed interim financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and Bank's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

A2. Changes in estimates

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

PART A - EXPLANATORY NOTES (CONTINUED)

A3. Issuance and repayment of debt equity securities

During the period, Ziya Capital Bhd ("Ziya") undertook a partial redemption of its Sukuk amounting to RM21 million.

On 30 January 2020, the Bank issued RM200 million Basel-III compliant Additional Tier 1 Perpetual Preference Shares which was subscribed by CIMB Bank Berhad at RM1 each. The issuance was approved by the Bank's shareholder and BNM on 19 November 2019 and 26 December 2019 respectively.

A4. Proposed dividend

There were no dividends paid or proposed for the financial period ended 31 March 2020.

A5. Significant events after the reporting period

There were no significant events other than those disclosed under issuance and repayment of debt equity securities that had occurred between 31 March 2020 and the date of this announcement.

A6. Cash and short-term funds and Deposits and placements with banks and other financial institutions

As at 31 March 2020, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are both RMNil respectively (2019: both RMNil respectively). The 12-month expected credit losses made in the income statement during the financial period is amounting to RMNil (2019: expected credit losses made of RM185,000).

A7. Financial assets at fair value through profit or loss

Money market instruments

Unquoted

In Malaysia

Malaysian Government treasury bills	-	8,582
Islamic negotiable instruments of deposits	2,493,915	2,492,770
Islamic commercial papers	1,334,577	1,193,234
Government Investment Issues	485,379	1,261,461
Islamic Cagamas bonds	25,282	25,221
	<u>4,339,153</u>	<u>4,981,268</u>

Unquoted securities

In Malaysia

Corporate Sukuk	132,516	67,764
	<u>4,471,669</u>	<u>5,049,032</u>

The Group and the Bank
31 March **31 December**
2020 **2019**
RM'000 **RM'000**

PART A - EXPLANATORY NOTES (CONTINUED)

A8 Debt instruments at fair value through other comprehensive income

	The Group and the Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Government Investment Issues	686,230	700,678
Islamic Cagamas bonds	138,204	76,277
Malaysian Government Sukuk	21,059	-
Islamic commercial papers	32,396	101,839
	877,889	878,794
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	2,573,027	2,701,955
<u>Outside Malaysia</u>		
Corporate Sukuk	35,705	35,597
	3,486,621	3,616,346

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

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.

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses- not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
The Group and the Bank				
At 1 January 2020	1,749	99	-	1,848
Total charge to Income Statement:	2,340	18	-	2,358
New financial assets purchased	4,437	-	-	4,437
Financial assets that have been derecognised	(97)	-	-	(97)
Change in credit risk	(2,000)	18	-	(1,982)
At 31 March 2020	4,089	117	-	4,206

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses- not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
The Group and the Bank				
At 1 January 2019	1,117	-	-	1,117
Changes in expected credit losses due to transferred within stages:	(49)	49	-	-
Transferred to Stage 1	-	-	-	-
Transferred to Stage 2	(49)	49	-	-
Total charge to Income Statement:	681	50	-	731
New financial assets purchased	8,698	-	-	8,698
Financial assets that have been derecognised	(170)	-	-	(170)
Change in credit risk	(7,847)	50	-	(7,797)
At 31 December 2019	1,749	99	-	1,848

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
A9 Debt instruments at amortised cost		
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Islamic commercial papers	49,203	49,203
Government Investment Issues	2,975,265	2,980,103
Islamic Cagamas bonds	61,275	60,651
Malaysian Government Sukuk	100,222	101,305
	3,185,965	3,191,262
 Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	4,886,221	4,888,542
Accretion of discount net of amortisation of premium	2,482	3,287
Less: Expected credit loss	(467)	(395)
	8,074,201	8,082,696

Expected credit losses movement for debt instruments at amortised cost:

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (not credit impaired - Stage 2)	Lifetime expected credit losses (Credit impaired - Stage 3)	Total
At 1 January 2020	395	-	-	395
Total charge to Income Statement:	72	-	-	72
Change in credit risk	72	-	-	72
At 31 March 2020	467	-	-	467

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (not credit impaired - Stage 2)	Lifetime expected credit losses (Credit impaired - Stage 3)	Total
At 1 January 2019	207	-	-	207
Total charge to Income Statement:	188	-	-	188
New financial assets purchased	680	-	-	680
Change in credit risk	(492)	-	-	(492)
At 31 December 2019	395	-	-	395

PART A - EXPLANATORY NOTES (CONTINUED)

A10 (i) By type and Shariah contract

31 March 2020

	The Group and the Bank										
	Sale-based contracts				Lease-based contracts			Loan contract	Others		Total RM'000
	Murabahah RM'000	Bai' Bithaman		Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Ijarah Muntahiah Bi-al- Tamlik *	Al-Ijarah Thumma Al- Bai' #	Qard RM'000	Ujrah RM'000	
Ajil RM'000							RM'000	RM'000			
At amortised cost											
Cash line [^]	-	2,095	560	-	1,204,204	-	-	27,142	-	1,234,001	
Term financing											
House Financing	-	5,114,066	-	-	17,771,817	1,256,188	-	-	-	24,142,071	
Syndicated Financing	-	-	51,812	-	2,164,229	-	-	-	-	2,216,041	
Hire purchase receivables	-	-	-	-	-	-	9,431,213	-	-	9,431,213	
Other term financing	-	1,219,480	5,115,996	-	28,911,252	45,935	-	-	-	35,292,663	
Bills receivable	549,746	-	-	15,177	-	-	-	21	-	564,944	
Islamic trust receipts	113,836	-	-	-	-	-	-	-	-	113,836	
Claims on customers under acceptance credits	785,912	-	-	86,060	-	-	-	-	-	871,972	
Staff financing**	-	-	-	-	154,112	-	-	-	-	154,112	
Revolving credits	-	-	-	-	5,550,466	-	-	-	-	5,550,466	
Credit card receivables	-	-	-	-	-	-	-	-	140,703	140,703	
Gross financing, advances and other financing/loans, at amortised cost	1,449,494	6,335,641	5,168,368	101,237	55,756,080	1,302,123	9,431,213	27,163	140,703	79,712,022	
Fair value changes arising from fair value hedge										5,780	
										<u>79,717,802</u>	
Less: Expected credit losses										(478,543)	
Net financing, advances and other financing/loans, at amortised cost										<u>79,239,259</u>	
At fair value through profit or loss											
Term financing											
Syndicated Financing	-	-	-	-	200,420	-	-	-	-	200,420	
Gross financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	200,420	-	-	-	-	200,420	
Total net financing, advances and other financing/loans										<u><u>79,439,679</u></u>	

[^] Includes current account in excess

* The Bank is the beneficial owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

The Bank 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.

** Includes financing to Directors of the Group and the Bank amounting to RM1,881,239 (2019:RM1,894,546).

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans

(i) By type and Shariah contract (continued)

31 December 2019

	The Group and the Bank									Total RM'000
	Sale-based contracts				Tawarruq RM'000	Lease-based contracts		Loan contract Qard RM'000	Others Ujrah RM'000	
	Murabahah RM'000	Bai' Bithaman		Bai' al-'inah RM'000		Ijarah Muntahiah Bi al- Tamlik * RM'000	Al-Ijarah Thumma Al-Bai' # RM'000			
		Ajil RM'000	Bai' al-Dayn RM'000							
At amortised cost										
Cash line^	-	1,844	318	-	1,231,210	-	-	5,910	-	1,239,282
Term financing										
House Financing	-	5,236,376	-	-	16,450,891	1,276,449	-	-	-	22,963,716
Syndicated Financing	-	-	51,777	-	2,147,361	-	-	-	-	2,199,138
Hire purchase receivables	-	-	-	-	-	-	9,036,064	-	-	9,036,064
Other term financing	-	1,265,890	5,144,668	-	30,090,750	49,203	-	-	-	36,550,511
Bills receivable	462,648	-	-	26,957	-	-	-	-	-	489,605
Islamic trust receipts	95,737	-	-	-	-	-	-	-	-	95,737
Claims on customers under acceptance credits	875,221	-	-	109,039	-	-	-	-	-	984,260
Staff financing**	-	-	-	-	147,832	-	-	-	-	147,832
Revolving credits	-	-	-	-	5,384,472	-	-	-	-	5,384,472
Credit card receivables	-	-	-	-	-	-	-	-	149,029	149,029
Gross financing, advances and other, at amortised cost financing/loans	1,433,606	6,504,110	5,196,763	135,996	55,452,516	1,325,652	9,036,064	5,910	149,029	79,239,646
Fair value changes arising from fair value hedges										9,075
Less: Expected credit losses										(434,648)
Net financing, advances and other financing/loans, at amortised cost										78,814,073
At fair value through profit or loss:										
Term financing										
Syndicated Financing	-	-	-	-	200,181	-	-	-	-	200,181
Gross financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	200,181	-	-	-	-	200,181
Total net financing, advances and other financing/loans										79,014,254

^ Includes current account in excess

* The Bank is the beneficial owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing

The Bank 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.

** Includes financing to Directors of the Group and the Bank amounting to RM1,881,239 (2019:RM1,894,546).

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

(i) By type and Shariah contract (continued)

	The Group and the Bank	
	31 March	31 December
	2020	2019
	RM'000	RM'000
Total Gross financing, advances and other financing/loans		
- At amortised cost	79,712,022	79,239,646
- At fair value through profit or loss	200,420	200,181
	<u>79,912,442</u>	<u>79,439,827</u>

(a) The Group and the Bank have undertaken fair value hedges on the profit rate risk of financing, advances and other financing/loans of RM1,995,198,000 (2019: RM1,993,931,000) using Islamic profit rate swaps.

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

As at 31 March 2020, the gross carrying amount to RPSIA financing is RM4,808,740,000 (31 December 2019: RM4,958,745,000) and the 12-month expected credit losses relating to this RPSIA amounting to RM74,252,000 (31 December 2019: RM93,758,000) is recognised in the Financial Statements of CIMB Bank Berhad.

(c) Movement of Qard financing

	The Group and the Bank	
	31 March	31 December
	2020	2019
	RM'000	RM'000
At 1 January 2019/2018	5,910	1,455
New disbursement	25,531	4,731
Repayment	(4,278)	(276)
As at 31 March/31 December	<u>27,163</u>	<u>5,910</u>
Sources of Qard fund:		
Depositors' fund	25,361	5,566
Shareholders' fund	1,802	344
	<u>27,163</u>	<u>5,910</u>
Uses of Qard fund:		
Personal use	144	280
Business purpose	27,019	5,630
	<u>27,163</u>	<u>5,910</u>

(ii) By geographical distribution:

Malaysia	79,912,442	79,439,827
	<u>79,912,442</u>	<u>79,439,827</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

	The Group and the Bank	
	31 March	31 December
	2020	2019
	RM'000	RM'000
(iii) By type of customer :		
Domestic banking institutions	29	-
Domestic non-bank financial institutions	2,342,885	2,329,455
Domestic business enterprises		
- Small medium enterprises	10,996,588	10,511,426
- Others	11,253,068	11,499,819
Government and statutory bodies	3,745,098	3,714,239
Individuals	50,739,975	50,643,322
Other domestic entities	198,017	145,336
Foreign entities	636,782	596,230
Gross financing, advances and other financing/loans	<u>79,912,442</u>	<u>79,439,827</u>
(iv) By profit rate sensitivity :		
Fixed rate		
- House financing	132,700	108,959
- Hire purchase receivables	8,209,762	7,758,776
- Others	5,409,372	5,344,064
Variable rate		
- House financing	24,009,371	22,854,757
- Others	42,151,237	43,373,271
Gross financing, advances and other financing/loans	<u>79,912,442</u>	<u>79,439,827</u>
(v) By economic purpose :		
Personal use	2,272,021	2,287,826
Credit card	140,703	149,029
Construction	1,923,822	2,041,071
Residential property	24,841,161	23,595,169
Non-residential property	7,189,634	6,982,016
Purchase of fixed assets other than land and building	309,014	314,992
Merger and acquisition	567	621
Purchase of securities	12,624,823	14,139,633
Purchase of transport vehicles	9,943,319	9,577,892
Working capital	16,924,867	16,794,814
Other purpose	3,742,511	3,556,764
Gross financing, advances and other financing/loans	<u>79,912,442</u>	<u>79,439,827</u>
(vi) By economic sector:		
Primary agriculture	3,353,663	3,280,112
Mining and quarrying	1,037,462	954,113
Manufacturing	2,951,358	2,874,323
Electricity, gas and water supply	106,522	106,863
Construction	1,807,816	1,727,410
Transport, storage and communications	3,204,220	3,315,978
Education, health and others	4,511,300	4,478,235
Wholesale and retail trade, and restaurants and hotels	3,468,103	3,296,761
Finance, insurance/takaful, real estate and business activities	8,407,576	8,425,855
Household	50,982,501	50,889,621
Others	81,921	90,556
Gross financing, advances and other financing/loans	<u>79,912,442</u>	<u>79,439,827</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

	The Group and the Bank	
	31 March	31 December
	2020	2019
	RM'000	RM'000
(vii) By residual contractual maturity :		
Within one year	12,824,845	12,683,519
One year to less than three years	1,826,857	1,384,797
Three years to less than five years	2,733,192	3,075,585
Five years and more	62,527,548	62,295,926
Gross financing, advances and other financing/loans	<u>79,912,442</u>	<u>79,439,827</u>
(viii) Credit impaired financing by economic purpose :		
Personal use	17,529	17,449
Credit card	1,667	2,009
Construction	1,462	1,488
Residential property	285,390	243,980
Non-residential property	97,277	102,319
Purchase of fixed assets other than land & building	69	71
Purchase of securities	670	1,220
Purchase of transport vehicles	75,120	70,032
Working capital	766,156	781,262
Other purpose	23,224	22,267
Gross credit impaired financing, advances and other financing/loans	<u>1,268,564</u>	<u>1,242,097</u>
(ix) Credit impaired financing by geographical distribution:		
Malaysia	<u>1,268,564</u>	<u>1,242,097</u>
	<u>1,268,564</u>	<u>1,242,097</u>
(x) Credit impaired financing by economic sector:		
Primary agriculture	20,805	18,391
Mining and quarrying	796	812
Manufacturing	722,764	747,255
Construction	12,942	9,705
Transport, storage and communications	1,120	861
Education, health and others	3,805	4,576
Wholesale and retail trade, and restaurants and hotels	57,947	49,806
Finance, insurance/takaful, real estate and business activities	42,689	47,080
Household	405,694	363,609
Others	2	2
Gross credit impaired financing, advances and other financing/loans	<u>1,268,564</u>	<u>1,242,097</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

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

Financing, advances and other financing/loans at amortised cost:

The Group and the Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not credit impaired (Stage 2) RM'000	Lifetime expected credit losses -Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	134,567	132,054	168,027	434,648
Changes in expected credit losses due to transferred within stages:	22,374	(24,728)	2,354	-
Transferred to Stage 1	36,047	(33,405)	(2,642)	-
Transferred to Stage 2	(13,577)	46,865	(33,288)	-
Transferred to Stage 3	(96)	(38,188)	38,284	-
Total charge to Income Statement:	(18,256)	58,692	30,857	71,293
New financial assets originated	29,450	61	12,510	42,021
Financial assets that have been derecognised	(14,819)	(3,604)	-	(18,423)
Writeback in respect of full recoveries	-	-	(16,197)	(16,197)
Change in credit risk	(32,887)	62,235	34,544	63,892
Write-offs	-	-	(29,099)	(29,099)
Foreign exchange differences	141	2	-	143
Other movements	-	-	1,558	1,558
	138,826	166,020	173,697	478,543

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

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

Financing, advances and other financing/loans at amortised cost:

The Group and the Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not impaired (Stage 2) RM'000	Lifetime expected credit losses -Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2019	172,096	75,042	199,048	446,186
Changes in expected credit losses due to transferred within stages:	183,922	(128,927)	(54,995)	-
Transferred to Stage 1	228,124	(204,504)	(23,620)	-
Transferred to Stage 2	(43,897)	153,736	(109,839)	-
Transferred to Stage 3	(305)	(78,159)	78,464	-
Transferred to Lifetime ECL credit impaired – Individual provision				-
Total charge to Income Statement:	(220,396)	185,939	134,612	100,155
New financial assets originated	91,254	112	40,261	131,627
Financial assets that have been derecognised	(52,554)	(9,565)	-	(62,119)
Writeback in respect of full recoveries	-	-	(116,886)	(116,886)
Change in credit risk	(259,096)	195,392	211,237	147,533
Write-offs	-	-	(130,371)	(130,371)
Other movements	(1,055)	-	19,733	18,678
	134,567	132,054	168,027	434,648

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

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

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

	The Group and the Bank	
	Lifetime expected credit losses -Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	1,242,097	1,242,097
Transfer within stages	99,079	99,079
Transferred to Stage 1	(18,832)	(18,832)
Transferred to Stage 2	(139,604)	(139,604)
Transferred to Stage 3	257,515	257,515
New financial assets originated	100,653	100,653
Write-offs	(29,099)	(29,099)
Amount fully recovered	(129,252)	(129,252)
Other changes in financing, advances and other financing/loans	(14,914)	(14,914)
At 31 March 2020	1,268,564	1,268,564

	The Group and the Bank	
	Lifetime expected credit losses -Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2019	437,712	437,712
Transfer within stages	393,513	393,513
Transferred to Stage 1	(87,510)	(87,510)
Transferred to Stage 2	(548,154)	(548,154)
Transferred to Stage 3	1,029,177	1,029,177
New financial assets originated	935,198	935,198
Write-offs	(130,371)	(130,371)
Amount fully recovered	(372,237)	(372,237)
Other changes in financing, advances and other financing/loans	(21,718)	(21,718)
At 31 December 2019	1,242,097	1,242,097

	The Group and the Bank	
	31 March 2020	31 December 2019
Ratio of credit impaired financing to total financing, advances and other financing/loans	1.59%	1.56%

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Other assets

	The Group and the Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Deposits and prepayments	8,277	6,169
Sundry debtors	496,632	126,931
Collateral pledged for derivative transactions	280,500	25,250
Clearing accounts	55,123	149,145
	<u>840,532</u>	<u>307,495</u>

	The Group		The Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000

A12 Deposits from customers

(i) By type of deposit

Savings deposits	4,462,429	3,826,600	4,462,429	3,826,600
Commodity Murabahah (via Tawarruq arrangement)*	<u>4,462,429</u>	<u>3,826,600</u>	<u>4,462,429</u>	<u>3,826,600</u>
Demand deposits	15,488,695	16,089,080	15,488,695	16,089,080
Qard	<u>13,592,846</u>	<u>14,229,470</u>	<u>13,592,846</u>	<u>14,229,470</u>
Commodity Murabahah (via Tawarruq arrangement)*	<u>1,895,849</u>	<u>1,859,610</u>	<u>1,895,849</u>	<u>1,859,610</u>
Term deposits	64,211,007	65,187,195	64,569,364	65,537,291
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	<u>32,510,834</u>	<u>33,238,009</u>	<u>32,869,191</u>	<u>33,588,105</u>
Fixed Return Income Account-i (via Tawarruq arrangement)*	<u>31,700,173</u>	<u>31,949,186</u>	<u>31,700,173</u>	<u>31,949,186</u>
Specific investment account	98,935	101,368	98,935	101,368
Mudharabah	<u>98,935</u>	<u>101,368</u>	<u>98,935</u>	<u>101,368</u>
Others	29,226	28,084	29,226	28,084
Qard	<u>29,226</u>	<u>28,084</u>	<u>29,226</u>	<u>28,084</u>
	<u>84,290,292</u>	<u>85,232,327</u>	<u>84,648,649</u>	<u>85,582,423</u>

*included Qard contract of RM239,841,000 (2019:RM568,659,000)

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
A12 Deposits from customers (continued)				
(ii) Maturity structures of term deposits and investment accounts.				
Due within six months	54,047,635	57,303,244	54,405,992	57,653,340
Six months to less than one year	10,109,742	7,819,457	10,109,742	7,819,457
One year to less than three years	51,188	62,044	51,188	62,044
Three years to less than five years	78,377	78,735	78,377	78,735
Five years and more	23,000	25,083	23,000	25,083
	<u>64,309,942</u>	<u>65,288,563</u>	<u>64,668,299</u>	<u>65,638,659</u>

(iii) By type of customer

Government and statutory bodies	7,149,122	4,577,626	7,149,122	4,577,626
Business enterprises	27,077,267	27,191,258	27,077,267	27,191,258
Individuals	28,677,672	29,695,516	28,677,672	29,695,516
Others	21,386,231	23,767,927	21,744,588	24,118,023
	<u>84,290,292</u>	<u>85,232,327</u>	<u>84,648,649</u>	<u>85,582,423</u>

	The Group and the Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
A13 Investment accounts of customers		
Unrestricted investment accounts (Mudharabah)		
-without maturity		
Special Mudharabah Investment Account	727,415	694,396
-with maturity		
Term Investment Account-i	3,769,651	2,754,568
	<u>4,497,066</u>	<u>3,448,964</u>

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

A14 Deposits and placements of banks and other financial institutions

Licensed investment banks	35,109	226,720
Licensed banks	1,311,226	1,772,972
Other financial institutions	412,437	281,178
	<u>1,758,772</u>	<u>2,280,870</u>

The maturity structure of deposits and placements from financial institutions are as follows:

Due within six months	1,620,618	2,146,694
Six months to less than one year	138,154	134,176
	<u>1,758,772</u>	<u>2,280,870</u>

PART A - EXPLANATORY NOTES (CONTINUED)

The Group and the Bank
31 March 31 December
2020 2019
RM'000 RM'000

A15 Investment accounts due to designated financial institutions

Restricted investment accounts			
Mudharabah	<u>4,849,779</u>	<u>5,021,974</u>	
By type of counterparty			
Licensed banks	<u>4,849,779</u>	<u>5,021,974</u>	

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

The Group and the Bank
31 March 31 December
2020 2019
RM'000 RM'000

A16 Financial liabilities designated at fair value through profit or loss

Deposits from customers - structured investments			
	<u>166,650</u>	<u>95,499</u>	

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

The carrying amount of the Group and the Bank as at 31 March 2020 of financial liabilities designated at fair value were RM 531,000 higher (31 December 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.

	The Group		The Bank	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000

A17 Other liabilities

Accruals and other payables				
	439,463	328,343	326,399	244,584
Clearing accounts	56,462	205,908	56,462	205,908
Structured deposits	45,488	46,525	45,488	46,525
Expected credit losses for financing				
commitments and financial guarantee contracts	50,413	45,543	50,413	45,543
Collateral received for derivative transactions	17,080	22,410	17,080	22,410
Others	17,265	18,013	15,276	16,810
	<u>626,171</u>	<u>666,742</u>	<u>511,118</u>	<u>581,780</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A17 Other liabilities (continued)

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

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
At 1 January 2020	36,471	6,572	2,500	45,543
Effect of adopting MFRS 9				-
Adjusted 1 January 2020	36,471	6,572	2,500	45,543
Changes in expected credit losses due to transferred within stages:	1,989	(2,320)	331	-
Transferred to Stage 1	2,381	(2,381)	-	-
Transferred to Stage 2	(392)	1,399	(1,007)	-
Transferred to Stage 3	-	(1,338)	1,338	-
Total charge to Income Statement:	443	4,545	(149)	4,839
New exposures	21,493	-	-	21,493
Exposures derecognised or matured	(8,156)	(434)	(235)	(8,825)
Change in credit risk	(12,894)	4,979	86	(7,829)
Foreign exchange differences	28	3	-	31
Other movements	679	(566)	(113)	-
At 31 March 2020	39,610	8,234	2,569	50,413

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
At 1 January 2019	59,997	3,724	1,550	65,271
Changes in expected credit losses due to transferred within stages:	16,606	(13,634)	(2,972)	-
Transferred to Stage 1	17,920	(14,663)	(3,257)	-
Transferred to Stage 2	(1,280)	3,390	(2,110)	-
Transferred to Stage 3	(34)	(2,361)	2,395	-
Total charge to Income Statement:	(39,795)	16,199	3,804	(19,792)
New exposures	77,526	4	-	77,530
Exposures derecognised or matured	(14,269)	(1,325)	(116)	(15,710)
Change in credit risk	(103,052)	17,520	3,920	(81,612)
Other movements	(337)	283	118	64
At 31 December 2019	36,471	6,572	2,500	45,543

As at 31 March 2020, the gross carrying amount of financing commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM29,179,000 (2019: RM27,145,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A18 Subordinated sukuk

The Group and the Bank

a) The RM850 million unsecured subordinated Sukuk (“the Sukuk”) is part of the Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 May 2009. Under the programme, the Bank is allowed to raise Tier II capital of up to RM2.0 billion in nominal value outstanding at any one time.

The first tranche of the Sukuk of RM300 million under the first issuance was issued at par on 25 September 2009 and is due on 25 September 2024, with optional redemption on 25 September 2019 or any periodic payment date thereafter. The Sukuk bears a profit rate of 5.85% per annum payable semi-annually in arrears.

The Bank redeemed in full, the first tranche of the Sukuk of RM300 million on its first optional redemption date of 25 September 2019.

On 21 April 2011, the second tranche of the Sukuk of RM250 million was issued at par and is due on 21 April 2021, with optional redemption on 21 April 2016 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.2% per annum payable semi-annually in arrears.

The Bank redeemed in full, the second tranche of the Sukuk of RM250 million on its first optional redemption date of 21 April 2016.

On 18 September 2012, the third tranche of the Sukuk of RM300 million was issued at par and is due on 15 September 2022, with the optional redemption on 18 September 2017 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.00% per annum, payable semi-annually in arrears.

The Bank redeemed in full, the third tranche of the Sukuk of RM300 million on its first optional redemption date of 18 September 2017.

The Sukuk qualify as Tier II capital for the purpose of the total capital ratio computation (subject to gradual phase-out treatment under Basel III).

b) On 21 September 2016, the Bank had issued RM10 million Tier II Junior Sukuk (“the Sukuk”) at par and is due on 21 September 2026, with optional redemption on 21 September 2021 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.55% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion in nominal value outstanding at any one time.

The RM10 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

c) On 28 December 2017, the Bank had issued RM300 million Tier II Junior Sukuk (“the Sukuk”) at par and is due on 28 December 2027, with optional redemption on 28 December 2022 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.70% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion nominal value outstanding at any one time.

The RM300 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

d) On 25 September 2019, the Bank had issued RM800 million Tier II Junior Sukuk (“the Sukuk”) at par and is due on 25 September 2029, with optional redemption on 25 September 2024 or any periodic payment date thereafter. The Sukuk bears a profit rate of 3.75% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion nominal value outstanding at any one time.

The RM800 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
A19 Income derived from investment of depositors' funds and others				
The Group and the Bank				
Income derived from investment of :				
a) General investment deposits	749,488	758,795	749,488	758,795
b) Specific investment deposits	806	840	806	840
c) Other deposits	289,666	264,626	289,666	264,626
	1,039,960	1,024,261	1,039,960	1,024,261
a) Income derived from investment of general investment deposits				
Financing, advances and other financing/loans				
- Profit income	556,119	563,844	556,119	563,844
- Unwinding income [^]	7,180	3,489	7,180	3,489
Debt instruments at fair value through other comprehensive income	23,741	22,231	23,741	22,231
Debt instrument at amortised cost	56,327	48,838	56,327	48,838
Money at call and deposit with financial institutions	38,826	65,961	38,826	65,961
	682,193	704,363	682,193	704,363
Accretion of discount less amortisation of premium	(2,764)	(673)	(2,764)	(673)
	679,429	703,690	679,429	703,690
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	14,032	12,367	14,032	12,367
- Financing, advances and other financing/loans	1,760	-	1,760	-
- Net accretion of discount less amortisation of premium	16,596	20,016	16,596	20,016
Total finance income and hibah	32,388	32,383	32,388	32,383
Other operating income				
- Net gain/(loss) arising from financial investments at fair value through profit or loss:	3,080	5,723	3,080	5,723
- realised	3,259	5,914	3,259	5,914
- unrealised	(179)	(191)	(179)	(191)
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	24,199	9,264	24,199	9,264
- Net unrealised gain/(loss) arising from financing, advances and other financings at fair value through profit or loss	207	(1,625)	207	(1,625)
- Net gain from foreign exchange transactions	8,204	6,832	8,204	6,832
	35,690	20,194	35,690	20,194
Fee and commission income				
- Guarantee fee	1,981	2,528	1,981	2,528
	749,488	758,795	749,488	758,795
b) Income derived from investment of specific investment deposits				
Money at call and deposit with financial institutions	806	840	806	840

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

1st Quarter Ended		Three Months Ended	
31 March	31 March	31 March	31 March
2020	2019	2020	2019
RM'000	RM'000	RM'000	RM'000

A19 Income derived from investment of depositors funds and others (continued)

The Group and the Bank

c) Income derived from investment of other deposits

Financing, advances and other financing/loans				
- Profit income	214,931	196,639	214,931	196,639
- Unwinding income [^]	2,775	1,217	2,775	1,217
Debt instruments at fair value through other comprehensive income	9,176	7,753	9,176	7,753
Debt instrument at amortised cost	21,769	17,032	21,769	17,032
Money at call and deposit with financial institutions	15,006	23,004	15,006	23,004
	263,657	245,645	263,657	245,645
Accretion of discount less amortisation of premium	(1,068)	(235)	(1,068)	(235)
	262,589	245,410	262,589	245,410
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	5,423	4,313	5,423	4,313
- Financing, advances and other financing/loans	680	-	680	-
- Net accretion of discount less amortisation of premium	6,414	6,980	6,414	6,980
Total finance income and hibah	12,517	11,293	12,517	11,293
Other operating income				
- Net gain/(loss) arising from financial investments at fair value through profit or loss:	1,190	1,995	1,190	1,995
- realised	1,259	2,062	1,259	2,062
- unrealised	(69)	(67)	(69)	(67)
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	9,353	3,231	9,353	3,231
- Net unrealised gain/(loss) arising from financing, advances and other financings at fair value through profit or loss	80	(567)	80	(567)
- Net gain from foreign exchange transactions	3,171	2,382	3,171	2,382
	13,794	7,041	13,794	7,041
Fee and commission income				
- Guarantee fee	766	882	766	882
	289,666	264,626	289,666	264,626

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

A20 Income derived from investment of investment account

The Group and The Bank

Financing, advances and other financing/loans				
- Profit income	107,551	100,720	107,551	100,720
- Unwinding income [^]	-	-	-	-
Money at call and deposit with financial institutions	2,545	10,228	2,545	10,228
Fees and commission income				
- Service charges and fees	3	-	3	-
	110,099	110,948	110,099	110,948

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
A21 Income derived from investment of shareholder's funds				
The Group				
Financing, advances and other financing/loans				
- Profit income	54,801	48,871	54,801	48,871
- Unwinding income [^]	708	302	708	302
Debt instruments at fair value through other comprehensive income	2,340	1,927	2,340	1,927
Debt instrument at amortised cost	5,550	4,233	5,550	4,233
Money at call and deposit with financial institutions	3,826	5,717	3,826	5,717
	67,225	61,050	67,225	61,050
Accretion of discount less amortisation of premium	(272)	(58)	(272)	(58)
	66,953	60,992	66,953	60,992
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	1,383	1,072	1,383	1,072
- Financing, advances and other financing/loans	173	-	173	-
- Net accretion of discount less amortisation of premium	1,635	1,735	1,635	1,735
Total finance income and hibah	3,191	2,807	3,191	2,807
Other operating income				
- Net gain/(loss) arising from financial assets at fair value through profit or loss:	303	496	303	496
- realised	321	513	321	513
- unrealised	(18)	(17)	(18)	(17)
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	2,385	803	2,385	803
- Net unrealised gain/(loss) arising from financing, advances and other financings at fair value through profit or loss	20	(141)	20	(141)
- Net gain from foreign exchange transactions	808	592	808	592
- Net loss arising from hedging activities	(1,174)	(584)	(1,174)	(584)
- Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss:	(3,719)	(703)	(3,719)	(703)
- realised	(113)	(73)	(113)	(73)
- unrealised	(3,606)	(630)	(3,606)	(630)
- Net gain/(loss) arising from derivative financial instrument	7,714	2,664	7,714	2,664
- realised	(15,374)	(5,773)	(15,374)	(5,773)
- unrealised	23,088	8,437	23,088	8,437
	6,337	3,127	6,337	3,127
Fee and commission income				
- Guarantee fee	195	219	195	219
- Service charge and fee	14,208	13,773	14,208	13,773
- Commission fee	28,633	21,450	28,633	21,450
Total fee and commission income	43,036	35,442	43,036	35,442
Less : fee and commission expense	(5,139)	(5,281)	(5,139)	(5,281)
Net fee and commission income	37,897	30,161	37,897	30,161
Other income	569	625	569	625
	114,947	97,712	114,947	97,712

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
A21 Income derived from investment of shareholder's funds (continued)				
The Bank				
Financing, advances and other financing/loans				
- Profit income	54,801	48,871	54,801	48,871
- Unwinding income [^]	708	302	708	302
Debt instruments at fair value through other comprehensive income	2,340	1,927	2,340	1,927
Debt instrument at amortised cost	5,550	4,233	5,550	4,233
Money at call and deposit with financial institutions	3,826	5,717	3,826	5,717
	67,225	61,050	67,225	61,050
Accretion of discount less amortisation of premium	(272)	(58)	(272)	(58)
	66,953	60,992	66,953	60,992
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	1,383	1,072	1,383	1,072
- Financing, advances and other financing/loans	173	-	173	-
- Net accretion of discount less amortisation of premium	1,635	1,735	1,635	1,735
Total finance income and hibah	3,191	2,807	3,191	2,807
Other operating income				
- Net gain/(loss) arising from financial assets at fair value through profit or loss:	303	496	303	496
- realised	321	513	321	513
- unrealised	(18)	(17)	(18)	(17)
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	2,385	803	2,385	803
- Net unrealised gain/(loss) arising from financing, advances and other financings at fair value through profit or loss	20	(141)	20	(141)
- Net gain from foreign exchange transactions	808	592	808	592
- Net loss arising from hedging activities	(1,174)	(584)	(1,174)	(584)
- Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss	(3,719)	(703)	(3,719)	(703)
- realised	(113)	(73)	(113)	(73)
- unrealised	(3,606)	(630)	(3,606)	(630)
- Net gain/(loss) arising from derivative financial instrument	7,714	2,664	7,714	2,664
- realised	(15,374)	(5,773)	(15,374)	(5,773)
- unrealised	23,088	8,437	23,088	8,437
	6,337	3,127	6,337	3,127
Fee and commission income				
- Guarantee fee	195	219	195	219
- Service charge and fee	14,572	14,284	14,572	14,284
- Commission fee	28,633	21,450	28,633	21,450
Total fee and commission income	43,400	35,953	43,400	35,953
Less : fee and commission expense	(5,139)	(5,281)	(5,139)	(5,281)
Net fee and commission income	38,261	30,672	38,261	30,672
Other income				
- Sundry income	569	625	569	625
	115,311	98,223	115,311	98,223

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans.

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
A22(a) Expected credit losses on financing, advances and other financing/loans				
The Group and the Bank				
Expected credit losses on financing, advances and other financing/loans at amortised cost:				
-Expected credit losses on financing, advances and other financing/loans	71,293	57,309	71,293	57,309
Credit impaired financing, advances and other financing/loans :				
- recovered	(11,065)	(14,003)	(11,065)	(14,003)
- written off	565	564	565	564
	60,793	43,870	60,793	43,870

A22(b) Other expected credit losses made/(written back)

The Group and the Bank

Expected credit losses made/(written back) on:

- Debt instrument at fair value through other comprehensive income	2,358	397	2,358	397
- Debt instrument at amortised cost	72	26	72	26
- Money at call and deposits and placements with banks and other financial institutions	-	5	-	5
- Other receivables	24	(27)	24	(27)
	2,454	401	2,454	401

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
A23 Income attributable to depositors and others				
The Group				
Deposits from customers				
- Mudharabah	806	848	806	848
- Non-Mudharabah	583,293	627,062	583,293	627,062
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	10,412	19,656	10,412	19,656
Others				
- Financial liabilities designated at fair value through profit or loss	1,270	210	1,270	210
- Recourse obligation on loans and financing sold to Cagamas	15,394	20,572	15,394	20,572
- Sukuk	2,970	2,982	2,970	2,982
- Subordinated Sukuk	11,108	7,947	11,108	7,947
- Structured deposits	233	130	233	130
- Others	37	34	37	34
	625,523	679,441	625,523	679,441
The Bank				
Deposits from customers				
- Mudharabah	806	848	806	848
- Non-Mudharabah	583,293	627,062	583,293	627,062
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	10,412	19,656	10,412	19,656
Others				
- Financial liabilities designated at fair value through profit or loss	1,270	210	1,270	210
- Recourse obligation on loans and financing sold to Cagamas	15,394	20,572	15,394	20,572
- Subordinated Sukuk	11,108	7,947	11,108	7,947
- Structured deposits	233	130	233	130
- Others	2,590	3,478	2,590	3,478
	625,106	679,903	625,106	679,903
A24 Profit distributed to investment account holder				
The Group and the Bank				
-Restricted	41,646	75,369	41,646	75,369
-Unrestricted	36,937	9,328	36,937	9,328
	78,583	84,697	78,583	84,697

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
A25 Personnel expenses				
The Group and the Bank				
Salaries, allowances and bonuses	5,190	5,861	5,190	5,861
Pension costs (defined contribution plan)	478	583	478	583
Staff incentives and other staff payments	450	(1,554)	450	(1,554)
Medical expenses	58	43	58	43
Others	182	1,089	182	1,089
	6,358	6,022	6,358	6,022
A26 Other overheads and expenditures				
The Group				
Establishment				
Depreciation of property, plant equipment	347	918	347	918
Depreciation of right-of-use assets	185	144	185	144
Rental	13	125	13	125
Amortisation of intangible assets	2,099	2,338	2,099	2,338
Repairs and maintenance	297	555	297	555
Outsourcing expenses	75	105	75	105
Security expenses	5	5	5	5
Utility expenses	9	9	9	9
Others	272	347	272	347
	3,302	4,546	3,302	4,546
Marketing				
Advertisement and publicity	(128)	3,514	(128)	3,514
Others	2,375	1,172	2,375	1,172
	2,247	4,686	2,247	4,686
General expenses				
Communication	11	23	11	23
Consultancy and professional fees	505	261	505	261
Legal expenses	31	154	31	154
Stationery	70	113	70	113
Postages	974	76	974	76
Donation	750	2,070	750	2,070
Incidental expenses on banking operations	1,237	1,137	1,237	1,137
Takaful	2,294	3,309	2,294	3,309
Group service expense	217,231	171,652	217,231	171,652
Others	2,257	6,669	2,257	6,669
	225,360	185,464	225,360	185,464
	230,909	194,696	230,909	194,696

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
A26 Other overheads and expenditures (continued)				
The Bank				
Establishment				
Depreciation of property, plant equipment	347	918	347	918
Depreciation of right-of-use assets	185	144	185	144
Rental	13	125	13	125
Amortisation of intangible assets	2,099	2,338	2,099	2,338
Repairs and maintenance	297	555	297	555
Outsourcing expenses	75	105	75	105
Security expenses	5	5	5	5
Utility expenses	9	9	9	9
Others	273	347	273	347
	3,303	4,546	3,303	4,546
Marketing				
Advertisement and publicity	(128)	3,514	(128)	3,514
Others	2,375	1,172	2,375	1,172
	2,247	4,686	2,247	4,686
General expenses				
Communication	11	23	11	23
Consultancy and professional fees	505	261	505	261
Legal expenses	31	154	31	154
Stationery	70	113	70	113
Postages	974	76	974	76
Donation	750	2,070	750	2,070
Incidental expenses on banking operations	1,237	1,137	1,237	1,137
Takaful	2,294	3,309	2,294	3,309
Group service expense	217,231	171,652	217,231	171,652
Others	2,224	6,638	2,224	6,638
	225,327	185,433	225,327	185,433
	230,877	194,665	230,877	194,665

PART A - EXPLANATORY NOTES (CONTINUED)

A27 Islamic derivative financial instruments, commitments and contingencies

(i) Islamic derivative financial instruments

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

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

The Group and the Bank	31 March 2020			31 December 2019		
	Principal Amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000	Principal amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000
<u>Foreign exchange derivatives</u>						
Currency forwards	8,507,912	319,403	(255,932)	8,679,337	221,567	(226,728)
- Less than one year	7,395,376	176,572	(122,297)	7,417,646	102,648	(116,301)
- One year to three years	706,432	78,086	(75,639)	641,322	49,298	(48,621)
- More than three years	406,104	64,745	(57,996)	620,369	69,621	(61,806)
Currency swaps	4,582,233	45,875	(91,872)	10,125,078	61,433	(57,393)
- Less than one year	4,582,060	45,875	(91,832)	10,124,905	61,433	(57,363)
- One year to three years	173	-	(40)	173	-	(30)
- More than three years	-	-	-	-	-	-
Currency spots	61,028	129	(263)	156,907	50	(95)
- Less than one year	61,028	129	(263)	156,907	50	(95)
Currency options	165,834	2,735	(2,679)	44,614	429	(429)
- Less than one year	165,834	2,735	(2,679)	44,614	429	(429)
Cross currency profit rate swaps	1,813,908	146,753	(142,750)	1,944,444	109,431	(106,105)
- Less than one year	706,973	9,588	(9,505)	420,595	2,571	(2,459)
- One year to three years	362,151	57,541	(57,467)	796,919	58,206	(58,112)
- More than three years	744,784	79,624	(75,778)	726,930	48,654	(45,534)
	15,130,915	514,895	(493,496)	20,950,380	392,910	(390,750)
<u>Islamic profit rate derivatives</u>						
Islamic profit rate swaps	13,925,064	149,225	(144,639)	12,994,193	77,391	(77,168)
- Less than one year	8,839,984	42,537	(41,485)	2,396,162	4,066	(3,582)
- One year to three years	2,749,141	53,011	(53,301)	7,858,234	24,422	(24,457)
- More than three years	2,335,939	53,677	(49,853)	2,739,797	48,903	(49,129)
<u>Equity related derivatives</u>						
Equity options	41,437	1,013	(1,013)	73,509	1,513	(1,513)
- Less than one year	21,626	846	(846)	-	-	-
- One year to three years	-	-	-	23,358	1,415	(1,415)
- More than three years	19,811	167	(167)	50,151	98	(98)
<u>Credit related contracts</u>						
Total return swaps	41,500	1,097	(1,097)	41,500	1,485	(1,485)
- More than three years	41,500	1,097	(1,097)	41,500	1,485	(1,485)
<u>Commodity related derivatives</u>						
Commodity options	43,743	5	(5)	31,568	187	(187)
- Less than one year	43,743	5	(5)	31,568	187	(187)
<u>Hedging derivatives</u>						
Islamic profit rate swaps	1,995,198	-	(38,279)	1,993,931	-	(18,582)
- Less than one year	1,900,000	-	(33,470)	1,900,000	-	(17,115)
- One year to three years	-	-	-	-	-	-
- More than three years	95,198	-	(4,809)	93,931	-	(1,467)
Total derivative assets/(liabilities)	31,177,857	666,235	(678,529)	36,085,081	473,486	(489,685)

PART A - EXPLANATORY NOTES (CONTINUED)

A27 Islamic derivative financial instruments, commitments and contingencies (continued)

(i) Islamic derivative financial instruments (continued)

The Group's and the Bank's derivative financial instruments are subject to market, credit 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 profit 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 profit rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2020, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM666,235,000 (31 December 2019: RM473,486,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 March 2020, the Group has posted cash collateral of RM280,500,000 (31 December 2019: RM25,250,000) 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; and
- c) the related accounting policies.

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

PART A - EXPLANATORY NOTES (CONTINUED)

A27 Islamic derivative financial instruments, commitments and contingencies (continued)

(ii) Commitments and contingencies

	31 March 2020 Principal amount	31 December 2019 Principal amount
The Group and the Bank	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	259,674	240,068
Transaction-related contingent items	840,725	856,656
Short-term self-liquidating trade-related contingencies	34,635	39,114
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	9,208,895	9,121,517
- maturity exceeding one year	7,163,354	7,801,106
Miscellaneous commitments and contingencies	445,585	44,919
Total credit-related commitments and contingencies	<u>17,952,868</u>	<u>18,103,380</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	12,911,271	18,164,667
- one year to five years	1,110,539	1,652,679
- more than five years	1,109,105	1,133,034
Profit rate related contracts :		
- less than one year	10,739,984	4,296,162
- one year to five years	4,022,424	10,026,805
- more than five years	1,157,854	665,157
Equity related contracts :		
- less than one year	21,626	-
- one year to five years	-	23,358
- more than five years	19,811	50,151
Credit related contracts:		
- more than five years	41,500	41,500
Commodity related contracts :		
- less than one year	43,743	31,568
Total treasury-related commitments and contingencies	<u>31,177,857</u>	<u>36,085,081</u>
	<u>49,130,725</u>	<u>54,188,461</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A28 Capital Adequacy

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia ("BNM") Capital Adequacy Framework for Islamic Banks ("CAFIB") (Capital Components), of which the latest revision was issued on 5 February 2020. The revised guideline took effect on 1 January 2018 and 1 January 2019 for all banking institutions and all financial holding companies respectively. The revised guideline sets out the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

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

The Internal Ratings Based ("IRB") Approach adopted by the Group and the 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.

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

	The Group		The Bank	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Common equity tier 1 ratio	12.245%	13.349%	12.247%	13.351%
Tier 1 ratio	13.129%	13.775%	13.132%	13.777%
Total capital ratio	15.934%	16.977%	15.937%	16.979%

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

	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Credit risk	37,330,335	36,238,040	37,330,450	36,238,155
Market risk	467,176	689,054	467,176	689,054
Operational risk	3,363,187	3,241,495	3,363,102	3,241,779
Total risk-weighted assets	41,160,698	40,168,589	41,160,728	40,168,988

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

	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier I capital				
Ordinary share capital	1,000,000	1,000,000	1,000,000	1,000,000
Other reserves	4,573,014	5,110,814	4,574,068	5,111,867
Common Equity Tier I capital before regulatory adjustments	5,573,014	6,110,814	5,574,068	6,111,867
<u>Less: Regulatory adjustments</u>				
Goodwill	(136,000)	(136,000)	(136,000)	(136,000)
Intangible assets	(61,198)	(63,256)	(61,198)	(63,256)
Deferred tax assets	(40,735)	(23,402)	(40,735)	(23,402)
Regulatory reserve	-	(513,533)	-	(513,533)
Shortfall eligible provisions over expected loss	(294,987)	-	(294,987)	-
Others	-	(12,530)	-	(12,530)
Common Equity Tier I capital after regulatory adjustments	5,040,094	5,362,093	5,041,148	5,363,146
Additional Tier I capital				
Perpetual preference shares	364,000	171,000	364,000	171,000
Total Tier I capital	5,404,094	5,533,093	5,405,148	5,534,146
Tier II capital				
Subordinated notes	1,110,000	1,110,000	1,110,000	1,110,000
Surplus eligible provisions over expected loss	-	116,788	-	116,786
General provisions ^	44,440	59,548	44,441	59,550
Total Tier II capital	1,154,440	1,286,336	1,154,441	1,286,336
Total capital	6,558,535	6,819,429	6,559,589	6,820,482

^ Total capital of the Group and the Bank has excluded general provisions from Tier II capital of RM20.3 million (2019: RM18.3 million).

PART A - EXPLANATORY NOTES (CONTINUED)

A29 Restricted Agency Investment Account -RAIA

The details of the Restricted Agency Investment Account (“RAIA”) financing are as below. The exposures and corresponding risk weighted amount are reported in investors’ financial statements.

	The Group and the Bank	
	31 March	31 December
	2020	2019
	RM'000	RM'000
<u>RAIA arrangement</u>		
Financing and advances	5,078,600	6,231,742
Commitments and contingencies	2,200,000	-
	7,278,600	6,231,742

	The Group and the Bank	
	31 March	31 December
	2020	2019
	RM'000	RM'000
Total RWA for Credit Risk	218,791	343,110
	218,791	343,110

RAIA arrangement is with the Bank’s holding company, CIMB Bank, and the contract is based on the Wakalah principle where CIMB Bank provides the funds, whilst the assets are managed by the Bank (as the Wakeel or agent). In the arrangement, the Bank 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 allowance for impairment arising thereon, if any, are recognised and accounted for by CIMB Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting

Definition of segments

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

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

Business segment reporting

Definition of segments:

The Group has four major operation divisions that form the basis on which the Group reports its segment information.

Consumer Banking

Consumer Banking provides everyday banking solutions to individual customers covering Islamic financial products and services such as residential property financing, non-residential property financing, personal financing, hire purchase financing, credit cards, wealth management, bancatakaful, 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 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 financings, to derivatives, structured products and debt capital market.

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

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

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

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

Group Ventures & Partnership and Funding

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting (continued)

The Group	Wholesale Banking	Consumer Banking	Commercial Banking	Group Ventures & Partnership and Funding	Total
31 March 2020	RM'000	RM'000	RM'000	RM'000	RM'000
Net financing income:					
- external	(133,537)	360,151	120,862	116,386	463,862
- inter-segment	238,177	(139,299)	(9,330)	(89,548)	-
	104,640	220,852	111,532	26,838	463,862
Other operating income	6,266	37,043	18,551	35,178	97,038
Total income	110,906	257,895	130,083	62,016	560,900
Overhead expenses	(37,547)	(111,402)	(25,274)	(63,044)	(237,267)
Consist of :					
Depreciation of property, plant and equipment	(11)	(214)	-	(122)	(347)
Amortisation of intangible assets	(459)	(20)	(3)	(1,617)	(2,099)
Profit/(loss) before allowances	73,359	146,493	104,809	(1,028)	323,633
Expected credit losses made on financing, advances and other financing/loans	(9,482)	(45,952)	(5,350)	(9)	(60,793)
Expected credit losses made for commitments and contingencies	(622)	(340)	(3,877)	-	(4,839)
Other expected credit losses made	(74)	-	-	(2,380)	(2,454)
Segment results	63,181	100,201	95,582	(3,417)	255,547
Taxation					(60,497)
Net profit for the financial period					195,050

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting (continued)

The Group
31 March 2019

	Wholesale Banking	Consumer Banking	Commercial Banking	Group Ventures & Partnership and Funding	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Net financing income:					
- external	(121,781)	332,376	95,067	98,249	403,911
- inter-segment	225,007	(149,040)	80	(76,047)	-
	103,226	183,336	95,147	22,202	403,911
Other operating income	10,016	28,534	15,340	10,982	64,872
Total income	113,242	211,870	110,487	33,184	468,783
Overhead expenses	(30,278)	(105,415)	(17,712)	(47,313)	(200,718)
Consist of :					
Depreciation of property, plant and equipment	(11)	(92)	-	(815)	(918)
Amortisation of intangible assets	(498)	(20)	(3)	(1,817)	(2,338)
Profit/(loss) before allowances	82,964	106,455	92,775	(14,129)	268,065
Expected credit losses made on financing, advances and other financing/loans	(4,611)	(17,910)	(21,346)	(3)	(43,870)
Expected credit losses written-back/(made) for commitments and contingencies	28,909	1,453	(6,208)	-	24,154
Other expected credit losses made	(62)	-	-	(339)	(401)
Segment results	107,200	89,998	65,221	(14,471)	247,948
Taxation and zakat					(58,089)
Net profit for the financial period					189,859

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting (continued)

The Group	Wholesale Banking	Consumer Banking	Commercial Banking	Group Ventures & Partnership and Funding	Total
31 March 2020	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	30,193,420	50,545,330	13,476,095	10,907,539	105,122,384
Unallocated assets					1,341,277
Total assets					106,463,661
Segment liabilities	47,913,471	33,318,952	11,372,930	6,513,642	99,118,995
Unallocated liabilities					643,068
Total liabilities					99,762,063
Other segment items					
Capital expenditure	19	157	-	127	303
The Group	Wholesale Banking	Consumer Banking	Commercial Banking	Group Ventures & Partnership and Funding	Total
31 December 2019	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	31,692,012	50,477,058	13,076,318	10,916,585	106,161,973
Unallocated assets					401,231
Total assets					106,563,204
Segment liabilities	47,946,535	33,382,526	11,442,262	6,695,717	99,467,040
Unallocated liabilities					765,350
Total liabilities					100,232,390
Other segment items					
Capital expenditure	475	4,769	3	-	5,247

PART A - EXPLANATORY NOTES (CONTINUED)

A31 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 rate 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 Group Market Risk Committee ("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 and liabilities are recorded at fair value.

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Fair Value Estimation (continued)

(i) The following table represents the assets and liabilities measured at fair value and classified by level with the following fair value hierarchy as at 31 March 2020 and 31 December 2019.

The Group and the Bank	31 March 2020			31 December 2019		
	Carrying amount	Fair Value		Carrying amount	Fair Value	
		(Level 2)	Total		(Level 2)	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>						
<u>Financial assets</u>						
Financial assets at fair value through profit or loss						
-Money market instruments	4,339,153	4,339,153	4,339,153	4,981,268	4,981,268	4,981,268
-Unquoted securities	132,516	132,516	132,516	67,764	67,764	67,764
Debt instruments at fair value through other comprehensive income						
-Money market instruments	877,889	877,889	877,889	878,794	878,794	878,794
-Unquoted securities	2,608,732	2,608,732	2,608,732	2,737,552	2,737,552	2,737,552
Derivative financial instruments						
-Trading derivatives	666,235	666,235	666,235	473,486	473,486	473,486
-Hedging derivatives	-	-	-	-	-	-
Financing, advances and other financing/loans at fair value through profit or loss	200,420	200,420	200,420	200,181	200,181	200,181
Total	8,824,945	8,824,945	8,824,945	9,339,045	9,339,045	9,339,045
<i>Recurring fair value measurements</i>						
<u>Financial liabilities</u>						
Derivative financial instruments						
-Trading derivatives	640,250	640,250	640,250	471,103	471,103	471,103
-Hedging derivatives	38,279	38,279	38,279	18,582	18,582	18,582
Financial liabilities designated at fair value through profit or loss	166,650	166,650	166,650	95,499	95,499	95,499
Total	845,179	845,179	845,179	585,184	585,184	585,184

PART B

B1 Group performance review

The Group recorded a pre-tax profit and zakat of RM256 million for the financial period ended 31 March 2020, an increase of RM7.6 million or 3.1% compared to the previous corresponding period.

Total income grew by RM32 million or 2.6.0% to RM1,265 million from previous corresponding period, comprising of increase of income derived from investment of shareholder's funds and income derived from investments of depositors funds and others by RM17.2 million and RM15.7 million respectively.

For the three months ended 31 March 2020, the Group recorded net expected credit losses made on financing, advances and other financing/loans of RM60.8 million compared to RM43.9 million in the corresponding period last year. The increase in net allowance charged was mainly due to higher expected credit losses made on financing by RM14 million and it was partly offset with lower impaired financings recovered by RM2.9 million.

The income attributable to depositors and profit distributed to investment account holder are both decreased by RM53.9 million and RM6.1 million respectively.

The Group's gross financing, advances and other financing/loans increased by 0.6% to RM79.9 billion for the three months period ended 31 March 2020. As at 31 March 2020, deposits from customers and investment accounts of customers stood at RM84.3 billion and RM4.5 billion, a decrease of RM0.9 billion and an increase of RM1 billion respectively as compared to 31 December 2019.

The Group's Common Equity Tier 1, Tier 1 Capital Ratio and Total Capital Ratio stood at 12.245%, 13.129% and 15.934% respectively.

B2 Prospects for the current financial year

The outlook for 2020 will be adversely impacted by the global Novel Coronavirus ('Covid-19') pandemic as well as the significant economic disruption brought about by the lockdowns and movement restrictions. CIMB Islamic will focus on engaging customers in vulnerable segments, managing asset quality and enhancing risk management for the remaining 9 months of the year. Financing growth and capital market activity is expected to decelerate in line with weaker economic activity, whilst the Bank will continue to facilitate access within the sustainability, green and halal sectors.

B3 Computation of earnings per share (EPS)

a) Basic EPS

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

	The Group			
	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	195,050	189,859	195,050	189,859
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	19.50	18.99	19.50	18.99

	The Bank			
	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	195,863	189,939	195,863	189,939
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	19.59	18.99	19.59	18.99

b) Diluted EPS

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