

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

	Note	The Group		The Company	
		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	A7	39,622,916	37,765,092	1,364,763	370,546
Reverse repurchase agreements		5,924,415	9,014,453	-	-
Deposits and placements with banks and other financial institutions	A7	5,989,986	4,799,169	17,532	-
Financial investments at fair value through profit or loss	A8	46,136,131	38,137,273	-	-
Debt instruments at fair value through other comprehensive income	A9	33,748,270	33,318,413	2,523,234	2,493,362
Equity instruments at fair value through other comprehensive income	A10	358,522	455,760	-	-
Debt instruments at amortised cost	A11	40,243,727	39,833,491	6,179,029	6,183,386
Derivative financial instruments	A24	21,135,397	11,589,897	-	-
Loans, advances and financing	A12	354,457,163	360,340,100	-	-
Other assets	A13	15,180,501	10,101,213	85,053	133,440
Tax recoverable		478,122	312,126	182,122	182,089
Deferred tax assets		984,251	882,623	-	-
Statutory deposits with central banks		6,777,840	11,499,998	-	-
Amount due from a subsidiary		-	-	12	12
Investment in subsidiaries		-	-	32,307,053	32,158,313
Investment in associates and joint ventures		2,456,781	2,427,761	-	-
Property, plant and equipment		2,228,505	2,343,507	5,743	5,898
Right-of-use assets		725,667	775,842	-	-
Investment properties		34,154	17,334	377	381
Prepaid lease payments		78,923	81,428	-	-
Goodwill		7,580,753	7,857,539	-	-
Intangible assets		1,665,586	1,685,169	-	-
		585,807,610	573,238,188	42,664,918	41,527,427
Non-current assets held for sale		5,579	7,467	-	-
TOTAL ASSETS		585,813,189	573,245,655	42,664,918	41,527,427
LIABILITIES AND EQUITY					
Deposits from customers	A14	388,477,511	392,349,467	-	-
Investment accounts of customers	A15	4,497,066	3,448,964	-	-
Deposits and placements of banks and other financial institutions	A16	29,462,154	23,666,722	-	-
Repurchase agreements		17,488,959	14,320,131	-	-
Financial liabilities designated at fair value through profit or loss	A17	3,830,489	3,650,740	-	-
Derivative financial instruments	A24	20,080,999	11,337,869	-	-
Bills and acceptances payable		2,593,996	2,584,169	-	-
Other liabilities	A18	19,169,659	16,740,317	3,095	3,223
Lease liabilities		668,271	711,188	-	-
Recourse obligation on loans and financing sold to Cagamas		4,547,679	4,503,184	-	-
Amount due to subsidiaries		-	-	6,988	9,826
Provision for taxation and zakat		159,529	215,429	-	-
Deferred tax liabilities		35,739	36,578	377	377
Bonds, Sukuk and debentures	B5(i)	16,413,348	18,232,710	-	-
Other borrowings	B5(ii)	8,947,533	10,458,242	4,064,247	4,205,331
Subordinated obligations	B5(iii)	13,627,058	13,520,869	10,348,746	10,265,228
TOTAL LIABILITIES		529,999,990	515,776,579	14,423,453	14,483,985
Ordinary share capital		25,843,808	25,843,808	25,843,808	25,843,808
Reserves		28,853,017	30,393,969	2,397,700	1,199,677
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(43)	(43)	(43)
		54,696,219	56,237,171	28,241,465	27,043,442
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		916,980	1,031,905	-	-
TOTAL EQUITY		55,813,199	57,469,076	28,241,465	27,043,442
TOTAL EQUITY AND LIABILITIES		585,813,189	573,245,655	42,664,918	41,527,427
COMMITMENTS AND CONTINGENCIES	A25 (a)	1,213,525,882	1,146,023,486	-	-
Net assets per share attributable to owners of the Parent (RM)		5.51	5.67	2.85	2.73

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

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

	Note	The Group			
		1st quarter ended 31 March 2020	31 March 2019	Three months ended 31 March 2020	31 March 2019
		RM'000	RM'000	RM'000	RM'000
Interest income	A19(a)	4,672,790	4,802,303	4,672,790	4,802,303
Interest income for financial assets at fair value through profit or loss	A19(b)	200,572	220,652	200,572	220,652
Interest expense	A20	(2,300,577)	(2,561,412)	(2,300,577)	(2,561,412)
Net interest income		2,572,785	2,461,543	2,572,785	2,461,543
Income from Islamic Banking operations	A29(c)	792,243	708,830	792,243	708,830
Net non-interest income	A21	778,001	979,919	778,001	979,919
		4,143,029	4,150,292	4,143,029	4,150,292
Gain on disposal of subsidiary and associate		-	15,854	-	15,854
Overheads	A22	(2,318,450)	(2,302,416)	(2,318,450)	(2,302,416)
Profit before expected credit losses		1,824,579	1,863,730	1,824,579	1,863,730
Expected credit losses on loans, advances and financing	A23(a)	(967,590)	(300,014)	(967,590)	(300,014)
Expected credit losses (made)/written back for commitments and contingencies		(51,666)	25,082	(51,666)	25,082
Other expected credit losses (made)/written back	A23(b)	(109,428)	8,742	(109,428)	8,742
		695,895	1,597,540	695,895	1,597,540
Share of results of joint ventures		18,455	5,066	18,455	5,066
Share of results of associates		(386)	520	(386)	520
Profit before taxation and zakat		713,964	1,603,126	713,964	1,603,126
Taxation and zakat	B3	(215,208)	(395,440)	(215,208)	(395,440)
Profit for the financial period		498,756	1,207,686	498,756	1,207,686
Profit for the financial period attributable to :					
Owners of the Parent		507,925	1,192,042	507,925	1,192,042
Non-controlling interests		(9,169)	15,644	(9,169)	15,644
		498,756	1,207,686	498,756	1,207,686
Earnings per share (sen):					
- Basic	B7(a)	5.12	12.46	5.12	12.46
- Fully diluted	B7(b)	N/A	N/A	N/A	N/A

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CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED
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
Profit for the financial period	498,756	1,207,686	498,756	1,207,686
Other comprehensive (expense)/ income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation	1,946	(53)	1,946	(53)
- Currency translation difference	1,946	(53)	1,946	(53)
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(17,218)	(719)	(17,218)	(719)
- Net loss from change in fair value	(17,080)	(719)	(17,080)	(719)
- Currency translation difference	(138)	-	(138)	-
Equity instruments at fair value through other comprehensive income	(26,239)	(3,518)	(26,239)	(3,518)
- Net loss from change in fair value	(23,100)	(4,095)	(23,100)	(4,095)
- Income tax effects	(74)	(13)	(74)	(13)
- Currency translation difference	(3,065)	590	(3,065)	590
	(41,511)	(4,290)	(41,511)	(4,290)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(547,061)	214,868	(547,061)	214,868
- Net (loss)/gain from change in fair value	(529,695)	299,183	(529,695)	299,183
- Realised gain transferred to statement of income on disposal	(145,968)	(44,196)	(145,968)	(44,196)
- Changes in expected credit losses	22,382	(1,525)	22,382	(1,525)
- Income tax effects	90,148	(38,646)	90,148	(38,646)
- Currency translation difference	16,072	52	16,072	52
Net investment hedge	(234,129)	68,022	(234,129)	68,022
Hedging reserve - cash flow hedge	(5,293)	(5)	(5,293)	(5)
- Net loss from change in fair value	(4,956)	(16)	(4,956)	(16)
- Income tax effects	(337)	11	(337)	11
Deferred hedging cost	14,985	12,920	14,985	12,920
Exchange fluctuation reserve	(1,318,588)	(36,024)	(1,318,588)	(36,024)
Share of other comprehensive expense of associates and joint ventures	(23,994)	(3,548)	(23,994)	(3,548)
	(2,114,080)	256,233	(2,114,080)	256,233
Total other comprehensive (expense)/income for the financial period, net of tax	(2,155,591)	251,943	(2,155,591)	251,943
Total comprehensive (expense)/income for the financial period	(1,656,835)	1,459,629	(1,656,835)	1,459,629
Total comprehensive (expense)/income for the financial period attributable to:				
Owners of the Parent	(1,544,265)	1,438,883	(1,544,265)	1,438,883
Non-controlling interests	(112,570)	20,746	(112,570)	20,746
	(1,656,835)	1,459,629	(1,656,835)	1,459,629

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

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

	Note	The Company			
		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
Interest income	A19(a)	111,054	101,232	111,054	101,232
Interest expense	A20	(166,548)	(166,162)	(166,548)	(166,162)
Net interest expense		(55,494)	(64,930)	(55,494)	(64,930)
Net non-interest income	A21	1,295,965	1,151,424	1,295,965	1,151,424
Overheads	A22	1,240,471 (4,482)	1,086,494 (5,056)	1,240,471 (4,482)	1,086,494 (5,056)
Profit before expected credit losses		1,235,989	1,081,438	1,235,989	1,081,438
Other expected credit losses (made)/written back	A23(b)	(45,289)	1,336	(45,289)	1,336
Profit before taxation		1,190,700	1,082,774	1,190,700	1,082,774
Taxation	B3	(1,743)	(25)	(1,743)	(25)
Profit for the financial period		1,188,957	1,082,749	1,188,957	1,082,749

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

	The Company			
	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
Profit for the financial period	1,188,957	1,082,749	1,188,957	1,082,749
Other comprehensive income/(expense):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	9,066	(539)	9,066	(539)
- Net loss from change in fair value	(3,535)	(272)	(3,535)	(272)
- Changes in expected credit losses	12,601	(267)	12,601	(267)
Other comprehensive income/(expense)	9,066	(539)	9,066	(539)
Total comprehensive income for the financial period	1,198,023	1,082,210	1,198,023	1,082,210

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

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

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

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

← Attributable to owners of the Parent →

The Group
31 March 2019

	Ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Fair value reserve Debt instruments at fair value through other comprehensive income RM'000	Fair value reserve Equity instruments at fair value through other comprehensive income RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2019	24,131,750	130,284	137,104	282,393	(563)	(43)	(288,294)	(207,686)	(1,292,581)	73,993	1,542,976	26,864,962	51,374,295	200,000	1,013,676	52,587,971
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,192,042	1,192,042	-	15,644	1,207,686
Other comprehensive income/(expense) (net of tax)	-	45,403	-	(35,755)	-	-	208,928	(3,738)	80,022	(48,013)	(6)	-	246,841	-	5,102	251,943
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	208,932	-	-	-	-	-	208,932	-	5,936	214,868
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(3,738)	-	-	-	-	(3,738)	-	220	(3,518)
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	(719)	-	-	-	(719)	-	-	(719)
- net investment hedge	-	-	-	-	-	-	-	-	68,022	-	-	-	68,022	-	-	68,022
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(5)	-	-	-	(5)	-	-	(5)
- deferred hedging cost	-	-	-	-	-	-	-	-	12,920	-	-	-	12,920	-	-	12,920
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	(53)	-	-	-	(53)	-	-	(53)
- currency translation difference	-	47	-	(35,039)	-	-	-	-	59	(37)	-	-	(34,970)	-	(1,054)	(36,024)
- share of other comprehensive income/ (expense) of associate and joint venture	-	45,356	-	(716)	-	-	(4)	-	(202)	(47,976)	(6)	-	(3,548)	-	-	(3,548)
Total comprehensive income/(expense) for the financial period	-	45,403	-	(35,755)	-	-	208,928	(3,738)	80,022	(48,013)	(6)	1,192,042	1,438,883	-	20,746	1,459,629
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9)	(9)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	61,714	(61,714)	-	-	-	-
Disposal of subsidiaries	-	-	-	202	-	-	-	-	-	-	-	-	202	-	-	202
Contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	145	145
Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,530)	(5,530)
Share-based payment expense	-	-	-	-	-	-	-	-	-	17,781	-	-	17,781	-	-	17,781
Shares released under employee benefit schemes	-	-	-	-	-	-	-	-	46,859	(42,168)	-	-	4,691	-	-	4,691
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	353	-	-	-	(353)	-	-	-	-
At 31 March 2019	24,131,750	175,687	137,104	246,840	(563)	(43)	(79,366)	(211,071)	(1,165,700)	1,593	1,604,684	27,994,937	52,835,852	200,000	1,029,028	54,064,880

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

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

	← Non-distributable →			Distributable		Total RM'000
	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve - debt instruments at fair value through other comprehensive income RM'000	Retained earnings RM'000	
The Company						
At 1 January 2019	24,131,750	55,982	(43)	71,135	767,854	25,026,678
Profit for the financial period	-	-	-	-	1,082,749	1,082,749
Other comprehensive income (net of tax)	-	-	-	(539)	-	(539)
- Debt instruments at fair value through other comprehensive income	-	-	-	(539)	-	(539)
Total comprehensive income for the financial period	-	-	-	(539)	1,082,749	1,082,210
At 31 March 2019	24,131,750	55,982	(43)	70,596	1,850,603	26,108,888

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

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

	The Group		The Company	
	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	713,964	1,603,126	1,190,700	1,082,774
Adjustments for non-operating and non-cash items	2,193,565	300,607	103,559	(1,084,790)
Operating profit/(loss) before changes in working capital	2,907,529	1,903,733	1,294,259	(2,016)
Net changes in operating assets	(1,245,910)	(16,152,597)	28,018	(16,580)
Net changes in operating liabilities	8,512,043	16,222,142	(647)	(2,964)
	7,266,133	69,545	27,371	(19,544)
Cash flows generated from/(used in) operations	10,173,662	1,973,278	1,321,630	(21,560)
Taxation paid	(494,117)	(364,661)	(1,776)	(2,586)
Net cash flows generated from/(used in) operating activities	9,679,545	1,608,617	1,319,854	(24,146)
Net cash flows (used in)/generated from investing activities	(2,103,460)	(2,084,986)	(102,036)	1,195,600
Net cash flows used in financing activities	(4,654,347)	(1,520,401)	(223,601)	(72,478)
Net increase/(decrease) in cash and cash equivalents during the financial period	2,921,738	(1,996,770)	994,217	1,098,976
Effects of exchange rate changes	(1,063,914)	(435,025)	-	-
Cash and short-term funds at beginning of the financial period	37,765,092	35,528,934	370,546	197,548
Cash and short-term funds at end of the financial period	39,622,916	33,097,139	1,364,763	1,296,524
Monies held in trust	(208,836)	(127,439)	-	-
Cash and cash equivalents at end of the financial period	39,414,080	32,969,700	1,364,763	1,296,524

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, equity instruments at fair value through other comprehensive income, derivative financial instruments and non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

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

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

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

- Amendments to MFRS 3 "Definition of a Business"
- Amendments to MFRS 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 Company.

The unaudited condensed interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Group. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles.

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

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

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

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

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

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

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

(b) During the financial period, Ziya Capital Bhd ("Ziya"), an Islamic special purpose vehicle consolidated by CIMB Islamic Bank, undertook a partial redemption of its Sukuk amounting to RM21.0 million.

(c) On 30 January 2020, CIMB Islamic Bank issued RM200 million Basel-III compliant Additional Tier 1 Perpetual Preference Shares which was fully subscribed by CIMB Bank.

(d) On 15 March 2020, CIMB Bank has redeemed its USD600 million 5-year senior fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.

(e) On 24 March 2020, CIMBGH had fully subscribed to the new issuance and allotment of ordinary shares by Touch 'n Go Sdn Bhd ("TnG"), a wholly owned subsidiary of the Group.

(f) On 23 March 2020, CIMB Bank PLC issued USD10 million subordinated loan which qualified as Tier 2 capital for CIMB Bank PLC for the purpose of computation of minimum Solvency Requirements by the National Bank of Cambodia ("NBC"). The subordinated loan was issued as a single tranche at a fixed rate of 3.45% per annum, with a maturity of 10 years from the issue date with a call option starting at the end of year 5 and on each relevant coupon payment date thereafter. The redemption of the subordinated loan will be subject to NBC's approval.

(g) On 27 March 2020, CIMB Niaga issued IDR1,000,000 million bonds. The bonds are divided into 3 series. Nominal value of 1-year Series A Bond, 3-year Series B Bond, and 5-year Series C Bond amounted to IDR322,000 million, IDR287,000 million, and IDR391,000 million respectively, with fixed interest rate of 5.80%, 7.00% and 7.25% per annum respectively.

(h) On 3 April 2020, CIMBGH exercised its option to redeem its existing RM600 million Subordinated Fixed Rate Notes on the first optional redemption date.

(i) On 3 April 2020, CIMBGH issued RM600 million 5-year Medium Term Notes ("MTN") which will mature on 3 April 2025. The MTN was issued out of its existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value.

(j) On 4 April 2020, CIMB Bank has redeemed its HKD700 million 1-year fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.

(j) On 15 April 2020, CIMB Bank completed the capital injection of VND264 billion into new ordinary shares of CIMB Bank (Vietnam) Limited. The new ordinary shares were issued by CIMB Bank (Vietnam) Limited at an issue price of VND1 each to CIMB Bank.

(k) On 5 May 2020, CIMB Bank has redeemed its USD313 million 30-years callable zero coupon notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.

A4. DIVIDENDS PAID AND PROPOSED

A single-tier second interim dividend of 12.00 sen per ordinary share, on 9,922,966,350 ordinary shares amounting to RM1,190,756,962 in respect of the financial year ended 31 December 2019 was approved by the Board of Directors on 30 January 2020. The dividend was not applicable under the Dividend Reinvestment Scheme ("DRS"), and was paid on 13 April 2020.

A5. EVENTS DURING THE REPORTING PERIOD

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

A6. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There is no significant events that had occurred between 31 March 2020 and the date of this announcement, other than those disclosed under Issuance and Repayment of Debts and Equity Securities.

A7. 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 RM8,496,000 (2019: RM8,617,000) and RM359,000 (2019: RM178,000) respectively. The 12-month expected credit losses written back in the income statement during the financial period is amounting to RM38,000 (2019: expected credit losses made of RM1,065,000).

A8. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 March 2020 RM'000	31 December 2019 RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	2,880,437	1,460,392
Cagamas bonds	642,606	686,798
Khazanah bonds	4,536	4,493
Malaysian Government treasury bills	245,353	482,267
Bank Negara Malaysia monetary notes	7,403,493	5,506,911
Negotiable instruments of deposit	5,957,779	5,018,451
Other Government securities	5,665,486	5,968,401
Government Investment Issues	2,260,416	1,924,283
Other Government treasury bills	11,640,179	6,911,837
Commercial papers	1,836,262	1,793,489
Promissory Notes	436,192	414,063
	38,972,739	30,171,385
Quoted securities:		
<u><i>In Malaysia:</i></u>		
Shares	801,548	741,166
<u><i>Outside Malaysia:</i></u>		
Shares	87,464	116,414
	889,012	857,580
Unquoted securities:		
<u><i>In Malaysia:</i></u>		
Corporate bond and Sukuk	1,109,061	1,555,599
Shares	882,496	882,496
Unit trusts	219,108	100,209
<u><i>Outside Malaysia:</i></u>		
Corporate bond	3,070,424	3,660,524
Private equity and unit trusts funds	287,848	300,603
Other Government bonds	705,443	608,877
	6,274,380	7,108,308
	46,136,131	38,137,273

A9. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Fair value				
Money market instruments:				
Unquoted				
Malaysian Government Securities	919,018	295,061	-	-
Cagamas bonds	370,271	302,629	-	-
Negotiable instruments of deposit	320,919	321,570	-	-
Other Government securities	3,573,749	3,525,035	-	-
Government investment Issues	1,220,526	1,538,791	-	-
Other Government treasury bills	111,224	115,609	-	-
Commercial Papers	226,901	226,453	-	-
	6,742,608	6,325,148	-	-
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bond and Sukuk	15,197,891	15,146,955	2,523,234	2,493,362
<i>Outside Malaysia:</i>				
Corporate bond and Sukuk	8,668,163	8,206,057	-	-
Bank Indonesia certificates	127,927	297,364	-	-
Other Government bonds	3,011,680	3,342,888	-	-
Unit trusts	1	1	-	-
	27,005,662	26,993,265	2,523,234	2,493,362
	33,748,270	33,318,413	2,523,234	2,493,362

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

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

	The Group			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	27,447	179	21,030	48,656
Changes in expected credit losses due to transfer within stages:	-	-	-	-
Transferred to Stage 1	142	(142)	-	-
Transferred to Stage 2	(142)	142	-	-
Total charge to Income Statement:	22,090	473	(181)	22,382
New financial assets purchased	28,523	-	-	28,523
Financial assets that have been derecognised	(1,555)	-	-	(1,555)
Change in credit risk	(4,878)	473	(181)	(4,586)
Exchange fluctuation	(442)	(9)	-	(451)
At 31 March 2020	49,095	643	20,849	70,587
At 1 January 2019	23,219	2,002	30,306	55,527
Changes in expected credit losses due to transfer within stages:	115,139	(115,139)	-	-
Transferred to Stage 1	115,427	(115,427)	-	-
Transferred to Stage 2	(288)	288	-	-
Total charge to Income Statement:	(111,050)	113,314	(549)	1,715
New financial assets purchased	50,724	-	-	50,724
Financial assets that have been derecognised	(6,378)	-	(549)	(6,927)
Change in credit risk	(155,396)	113,314	-	(42,082)
Write-offs	-	-	(8,727)	(8,727)
Exchange fluctuation	139	2	-	141
At 31 December 2019	27,447	179	21,030	48,656

A9. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

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

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

	The Company				
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000	
	At 1 January 2020	25,269	-	-	25,269
	Total charge to Income Statement:	12,601	-	-	12,601
Change in credit risk	12,601	-	-	12,601	
At 31 March 2020	37,870	-	-	37,870	
At 1 January 2019	21,044	-	-	21,044	
Total charge to Income Statement:	4,225	-	-	4,225	
Change in credit risk	4,225	-	-	4,225	
At 31 December 2019	25,269	-	-	25,269	

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

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

A10. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group	
	31 March 2020 RM'000	31 December 2019 RM'000
	Quoted securities	
<u>In Malaysia</u>		
Shares	18,730	39,934
<u>Outside Malaysia</u>		
Shares	1,244	1,988
Unit trust	4,786	6,761
	24,760	48,683
Unquoted securities		
<u>In Malaysia</u>		
Shares	252,032	252,032
Property funds	182	182
Perpetual corporate bonds	-	76,432
<u>Outside Malaysia</u>		
Shares	10,724	10,998
Private equity funds and unit trusts funds	70,824	67,433
	333,762	407,077
	358,522	455,760

A11. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Money market instruments:				
Unquoted				
Malaysian Government securities	3,552,901	3,542,926	-	-
Cagamas bonds	208,086	207,203	-	-
Other Government treasury bills	1,294,735	1,603,163	-	-
Other Government securities	1,965,490	1,853,422	-	-
Malaysian Government investment issue	8,791,044	8,676,235	-	-
Khazanah bonds	312,269	312,269	-	-
Commercial papers	147,798	172,819	-	-
	16,272,323	16,368,037	-	-
Unquoted securities				
<i>In Malaysia</i>				
Corporate bond and Sukuk	17,510,625	17,506,206	6,277,241	6,248,910
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	3,219,359	2,938,318	-	-
Bank Indonesia certificates	222,498	232,611	-	-
Other Government bonds	2,915,118	2,689,333	-	-
	23,867,600	23,366,468	6,277,241	6,248,910
Total	40,139,923	39,734,505	6,277,241	6,248,910
Amortisation of premium, net of accretion of discount	203,296	175,838	-	-
Less : Expected credit losses	(99,492)	(76,852)	(98,212)	(65,524)
	40,243,727	39,833,491	6,179,029	6,183,386

Expected credit losses movement for debt instruments at amortised cost:

	The Group			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	9,884	55,355	11,613	76,852
Changes in expected credit losses due to transfer within stages:	(158)	158	-	-
Transferred to Stage 2	(158)	158	-	-
Total charge to Income Statement:	3,833	13,559	-	17,392
New financial assets purchased	2,571	-	-	2,571
Financial assets that have been derecognised	(222)	-	-	(222)
Change in credit risk	1,484	13,559	-	15,043
Exchange fluctuation	5,717	-	(469)	5,248
At 31 March 2020	19,276	69,072	11,144	99,492
At 1 January 2019	9,115	100,148	11,474	120,737
Changes in expected credit losses due to transfer within stages:	72,604	(72,604)	-	-
Transferred to Stage 1	72,652	(72,652)	-	-
Transferred to Stage 2	(48)	48	-	-
Total charge to Income Statement:	(72,362)	27,811	-	(44,551)
New financial assets purchased	11,989	-	-	11,989
Financial assets that have been derecognised	(899)	-	-	(899)
Change in credit risk	(83,452)	27,811	-	(55,641)
Write-offs	-	-	(10)	(10)
Exchange fluctuation	527	-	149	676
At 31 December 2019	9,884	55,355	11,613	76,852

A11. DEBT INSTRUMENTS AT AMORTISED COST (Continued)

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

	The Company			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
	At 1 January 2020	65,524	-	-
Total charge to Income Statement:	32,688	-	-	32,688
Change in credit risk	32,688	-	-	32,688
At 31 March 2020	98,212	-	-	98,212
At 1 January 2019	47,563	-	-	47,563
Total charge to Income Statement:	17,961	-	-	17,961
New financial assets purchased	8,465	-	-	8,465
Change in credit risk	9,496	-	-	9,496
At 31 December 2019	65,524	-	-	65,524

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

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
	At 1 January 2020	11,613
Exchange fluctuation	(469)	(469)
At 31 March 2020	11,144	11,144
At 1 January 2019	11,474	11,474
Write-offs	(10)	(10)
Exchange fluctuation	149	149
At 31 December 2019	11,613	11,613

A12. LOANS, ADVANCES AND FINANCING
(i) By type

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
At amortised cost		
Overdrafts	5,557,483	5,616,337
Term loans/financing		
- Housing loans/financing	107,215,611	106,700,354
- Syndicated term loans	16,277,535	15,933,611
- Hire purchase receivables	23,359,201	23,619,588
- Lease receivables	195,706	221,544
- Factoring receivables	5,330	4,379
- Other term loans/financing	146,325,996	150,679,676
Bills receivable	8,237,626	9,640,557
Trust receipts	2,950,729	1,723,214
Claims on customers under acceptance credits	4,124,535	4,849,992
Staff loans *	1,464,260	1,516,800
Credit card receivables	8,961,235	9,830,984
Revolving credits	38,045,608	37,974,859
Share margin financing	65,084	74,873
Gross loans, advances and financing	362,785,939	368,386,768
Fair value changes arising from fair value hedges	6,633	8,428
	362,792,572	368,395,196
Less:		
- Expected credit losses	(9,487,448)	(9,159,831)
	(9,487,448)	(9,159,831)
Net loans, advances and financing at amortised cost	353,305,124	359,235,365
At fair value through profit or loss		
Term loans/financing		
- Syndicated term loan	1,152,039	1,104,735
	1,152,039	1,104,735
Total net loans, advances and financing	354,457,163	360,340,100
Total Gross loans, advances and financing:		
- At amortised cost	362,785,939	368,386,768
- At fair value through profit or loss	1,152,039	1,104,735
	363,937,978	369,491,503

* Included in staff loans of the Group are loans to Directors amounting to RM4,736,466 (2019: RM4,785,624).

(a) Included in the Group's loans, advances and financing balances are RM27,315,000 (2019: RM28,568,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

(b) The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM2,079,277,000 (2019: RM2,082,954,000), using interest rate swaps.

(c) Included in the loans, advances and financing of the Group at 31 March 2020 are financing which are disclosed as "Restricted Agency Investment Account" ("RAIA") in the financial statements of CIMB Islamic amounting to RM5,078,600,000 (2019: RM6,231,742,000). RAIA arrangement is with CIMB Bank's wholly owned subsidiary, CIMB Islamic, and the contract is based on the Wakalah principle where CIMB Bank solely provide the funds, whilst the assets are managed by CIMB Islamic (as the Wakeel or agent). In the arrangement, CIMB Islamic has transferred substantially all the risk and rewards of ownership of the Investment (i.e the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and expected credit losses arising thereon, if any, are recognised and accounted for by CIMB Bank.

(ii) By type of customers

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
Domestic banking institutions	225,129	235,071
Domestic non-bank financial institutions		
- stockbroking companies	11,675	11,158
- others	6,385,315	5,112,261
Domestic business enterprises		
- small medium enterprises	48,153,957	50,626,877
- others	65,136,953	67,513,024
Government and statutory bodies	8,270,215	8,282,375
Individuals	183,648,192	186,024,831
Other domestic entities	10,014,321	10,573,517
Foreign entities	42,092,221	41,112,389
Gross loans, advances and financing	363,937,978	369,491,503

A12. LOANS, ADVANCES AND FINANCING (Continued)**(iii) By interest/profit rate sensitivity**

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	2,353,574	2,312,496
- Hire-purchase receivables	17,776,763	17,446,300
- Other fixed rate loans	38,317,953	37,225,079
Variable rate		
- BLR plus/BFR plus	131,026,762	138,649,711
- Cost plus	56,715,437	57,389,592
- Other variable rates	117,747,489	116,468,325
Gross loans, advances and financing	363,937,978	369,491,503

(iv) By economic purpose

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
Personal use	20,417,094	20,449,002
Credit card	8,961,235	9,830,984
Purchase of consumer durables	93,772	92,706
Construction	14,821,188	15,438,083
Residential property (Housing)	108,017,657	107,330,786
Non-residential property	29,572,839	29,210,702
Purchase of fixed assets other than land and building	13,541,649	15,644,141
Mergers and acquisitions	3,389,121	2,718,911
Purchase of securities	23,718,863	25,835,806
Purchase of transport vehicles	23,581,952	23,898,884
Working capital	84,848,805	85,646,730
Other purposes	32,973,803	33,394,768
Gross loans, advances and financing	363,937,978	369,491,503

(v) By geographical distribution

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
Malaysia	221,184,979	220,789,619
Indonesia	55,271,914	61,368,318
Thailand	36,447,295	37,432,449
Singapore	30,872,665	29,577,312
United Kingdom	3,826,858	4,427,631
Hong Kong	1,642,110	1,418,757
China	3,469,242	3,832,132
Other countries	11,222,915	10,645,285
Gross loans, advances and financing	363,937,978	369,491,503

(vi) By economic sector

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
Primary agriculture	13,135,595	13,121,135
Mining and quarrying	6,466,427	6,297,286
Manufacturing	27,799,009	29,015,451
Electricity, gas and water supply	5,662,694	5,998,603
Construction	13,424,609	13,582,106
Transport, storage and communications	10,407,413	10,360,957
Education, health and others	16,945,725	16,254,329
Wholesale and retail trade, and restaurants and hotels	31,204,120	30,552,748
Finance, insurance/takaful, real estate and business activities	48,920,860	51,040,767
Household	173,294,463	174,978,092
Others	16,677,063	18,290,029
Gross loans, advances and financing	363,937,978	369,491,503

A12. LOANS, ADVANCES AND FINANCING (Continued)**(vii) By residual contractual maturity**

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
Within one year	91,274,571	93,505,979
One year to less than three years	29,777,796	30,859,641
Three years to less than five years	34,498,219	34,417,884
Five years and more	208,387,392	210,707,999
Gross loans, advances and financing	363,937,978	369,491,503

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

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
Personal use	463,531	457,443
Credit card	161,558	147,712
Purchase of consumer durables	815	1,017
Construction	1,446,047	1,481,518
Residential property (Housing)	2,033,788	1,895,947
Non-residential property	394,566	402,209
Purchase of fixed assets other than land and building	996,227	1,017,105
Mergers and acquisitions	384,306	50,833
Purchase of securities	162,541	126,078
Purchase of transport vehicles	290,776	239,419
Working capital	5,225,036	4,555,951
Other purpose	941,121	968,616
Gross credit impaired loans, advances and financing	12,500,312	11,343,848

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

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
Malaysia	4,833,066	4,600,622
Indonesia	3,987,296	3,475,766
Thailand	2,151,619	2,209,126
Singapore	1,309,987	848,895
United Kingdom	8,566	8,967
China	13,768	158
Other countries	196,010	200,314
Gross credit impaired loans, advances and financing	12,500,312	11,343,848

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

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
Primary agriculture	231,541	254,633
Mining and quarrying	1,310,036	1,263,292
Manufacturing	2,549,269	2,590,026
Electricity, gas and water supply	269,954	273,370
Construction	225,046	255,427
Transport, storage and communications	1,167,263	1,078,941
Education, health and others	430,292	455,821
Wholesale and retail trade, and restaurants and hotels	2,553,942	1,573,334
Finance, insurance/takaful, real estate and business activities	603,981	635,650
Household	2,875,576	2,671,744
Others	283,412	291,610
Gross credit impaired loans, advances and financing	12,500,312	11,343,848

A12. LOANS, ADVANCES AND FINANCING (Continued)

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

	The Group				
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Loans, advances and financing at amortised cost					
At 1 January 2020	1,905,723	1,814,592	5,436,768	2,748	9,159,831
Changes in expected credit losses due to transfer within stages:	100,239	(167,473)	67,234	-	-
Transferred to Stage 1	207,164	(178,343)	(28,821)	-	-
Transferred to Stage 2	(105,332)	245,226	(139,894)	-	-
Transferred to Stage 3	(1,593)	(234,356)	235,949	-	-
Total charge to Income Statement:	(98,746)	(241,583)	1,452,503	-	1,112,174
New financial assets originated	453,409	117,057	49,357	-	619,823
Financial assets that have been derecognised	(318,085)	(703,264)	-	-	(1,021,349)
Writeback in respect of full recoveries	-	-	(56,451)	-	(56,451)
Change in credit risk	(234,070)	344,624	1,459,597	-	1,570,151
Write-offs	(36)	(194)	(484,884)	-	(485,114)
Exchange fluctuation	(174,066)	(50,334)	(109,078)	(113)	(333,591)
Other movements	(23)	1,743	32,428	-	34,148
At 31 March 2020	1,733,091	1,356,751	6,394,971	2,635	9,487,448

A12. LOANS, ADVANCES AND FINANCING (Continued)

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

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

A12. LOANS, ADVANCES AND FINANCING (Continued)

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

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

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
At 1 January 2020	11,335,824	8,024	11,343,848
Transfer within stages	1,199,820	-	1,199,820
New financial assets originated	142,582	-	142,582
Write-offs	(484,906)	-	(484,906)
Amount fully recovered	(276,216)	-	(276,216)
Other changes in loans, advances and financing	987,371	(6)	987,365
Exchange fluctuation	(411,851)	(330)	(412,181)
At 31 March 2020	12,492,624	7,688	12,500,312

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

	The Group	
	31 March 2020	31 December 2019
Ratio of credit impaired loans to total loans, advances and financing	3.43%	3.07%

A13. OTHER ASSETS

	The Group		The Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Due from brokers and clients net of expected credit losses	107,551	69,261	-	-
Other debtors, net of expected credit losses on deposits and prepayments	6,153,625	4,352,266	85,053	133,440
Due from joint ventures	1,381,658	1,324,765	-	-
Structured financing	1,010,022	1,018,852	-	-
Foreclosed assets net of allowance for impairment losses	155,764	150,558	-	-
Collateral pledged for derivative transactions	6,272,898	3,086,528	-	-
Deferred consideration	98,983	98,983	-	-
	15,180,501	10,101,213	85,053	133,440

A14. DEPOSITS FROM CUSTOMERS

	The Group	
	31 March 2020 RM'000	31 December 2019 RM'000
<u>By type of deposit</u>		
Demand deposits	89,556,419	86,750,438
Savings deposits	55,451,598	50,899,104
Fixed deposits	181,731,453	180,046,303
Negotiable instruments of deposit	76,690	116,121
Others	61,661,351	74,537,501
	388,477,511	392,349,467
<u>By type of customer</u>		
Government and statutory bodies	15,082,688	11,939,258
Business enterprises	131,852,503	131,117,482
Individuals	181,967,137	183,864,980
Others	59,575,183	65,427,747
	388,477,511	392,349,467

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

Due within six months	145,874,202	147,756,119
Six months to less than one year	34,890,347	30,201,941
One year to less than three years	960,612	2,111,227
Three years to less than five years	82,982	93,137
	181,808,143	180,162,424

A15. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	31 March 2020 RM'000	31 December 2019 RM'000
Unrestricted investment accounts	4,497,066	3,448,964

A16. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
Licensed banks	23,300,339	20,678,566
Licensed finance companies	1,674,524	747,051
Licensed investment banks	750,047	237,091
Bank Negara Malaysia	6,358	5,423
Other financial institutions	3,730,886	1,998,591
	29,462,154	23,666,722

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

Due within six months	28,551,867	23,133,281
Six months to less than one year	809,008	432,333
One year to less than three years	101,279	101,108
	29,462,154	23,666,722

A17. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
Deposits from customers - structured investments	275,572	299,930
Debentures	202,913	1,534
Bills payables	3,352,004	3,349,276
	3,830,489	3,650,740

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

The carrying amount of financial liabilities designated at fair value of the Group at 31 March 2020 were RM24,552,000 (2019: RM27,583,000) lower than the contractual amount at maturity for the structured investments, RM3,748,000 lower (2019: RM20,000 higher) than the contractual amount at maturity for the debentures and RM697,078,000 (2019: RM643,889,000) higher than the contractual amount at maturity for the bills payable.

A18. OTHER LIABILITIES

	The Group		The Company	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	95,922	61,062	-	-
Expenditure payable	2,026,190	2,606,502	2,277	2,405
Provision for legal claims	61,658	65,840	-	-
Sundry creditors	4,197,638	2,640,224	818	818
Structured deposits	6,467,091	6,366,281	-	-
Post employment benefit obligations	525,032	491,269	-	-
Credit card expenditure payable	303,802	277,591	-	-
Collateral received for derivative transactions	3,256,272	2,272,687	-	-
Expected credit losses for loan commitments and financial guarantee contracts	(a) 521,932	498,392	-	-
Prepayment	688,676	622,579	-	-
Others	1,025,446	837,890	-	-
	19,169,659	16,740,317	3,095	3,223

A18. OTHER LIABILITIES (Continued)

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

	The Group			Total RM'000
	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	
At 1 January 2020	304,686	43,046	150,660	498,392
Changes in expected credit losses due to transfer within stages:	25,273	(28,344)	3,071	-
Transferred to Stage 1	64,010	(28,425)	(35,585)	-
Transferred to Stage 2	(4,097)	8,246	(4,149)	-
Transferred to Stage 3	(34,640)	(8,165)	42,805	-
Total charge to Income Statement:	(9,432)	73,219	(12,121)	51,666
New exposures	75,165	22,539	315	98,019
Exposures derecognised or matured	(37,240)	(5,636)	(12,942)	(55,818)
Change in credit risk	(47,357)	56,316	506	9,465
Exchange fluctuation	(15,986)	(4,201)	(8,147)	(28,334)
Other movements	1,189	(481)	(500)	208
At 31 March 2020	305,730	83,239	132,963	521,932

	The Group			Total RM'000
	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	
At 1 January 2019	333,672	58,862	109,803	502,337
Changes in expected credit losses due to transfer within stages:	100,843	(93,492)	(7,351)	-
Transferred to Stage 1	127,298	(110,156)	(17,142)	-
Transferred to Stage 2	(18,790)	32,344	(13,554)	-
Transferred to Stage 3	(7,665)	(15,680)	23,345	-
Total charge to Income Statement:	(126,232)	76,991	37,222	(12,019)
New exposures	333,698	6,071	4,699	344,468
Exposures derecognised or matured	(116,895)	(15,525)	(27,609)	(160,029)
Change in credit risk	(343,035)	86,445	60,132	(196,458)
Exchange fluctuation	1,806	485	5,802	8,093
Other movements	(5,403)	200	5,184	(19)
At 31 December 2019	304,686	43,046	150,660	498,392

As at 31 March 2020, the gross exposures of loan commitments and financial guarantee contracts that are credit impaired is RM224,491,000 (2019: RM228,338,000) .

A19(a). INTEREST INCOME

	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
The Group				
Loans, advances and financing				
- Interest income	3,813,912	3,885,931	3,813,912	3,885,931
- Unwinding income [^]	52,745	36,775	52,745	36,775
Money at call and deposit placements with financial institutions	164,047	169,737	164,047	169,737
Reverse repurchase agreements	53,341	82,350	53,341	82,350
Debt instruments at fair value through other comprehensive income	288,566	273,605	288,566	273,605
Debt instruments at amortised cost	301,962	344,046	301,962	344,046
Equity instruments at fair value through other comprehensive income	1,266	2,860	1,266	2,860
Others	4	421	4	421
	4,675,843	4,795,725	4,675,843	4,795,725
Accretion of discounts, net of amortisation of premiums	(3,053)	6,578	(3,053)	6,578
	4,672,790	4,802,303	4,672,790	4,802,303
The Company				
Money at call and deposit placements with financial institutions	2,611	1,575	2,611	1,575
Debt instruments at fair value through other comprehensive income	33,408	33,041	33,408	33,041
Debt instruments at amortised cost	75,035	66,616	75,035	66,616
	111,054	101,232	111,054	101,232

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

A19(b) INTEREST INCOME FOR FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	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
The Group				
Financial investments at fair value through profit or loss	137,144	175,570	137,144	175,570
Reverse repurchase agreements at fair value through profit or loss	-	3,430	-	3,430
Loan, advances and financing at fair value through profit or loss	9,547	1,495	9,547	1,495
	146,691	180,495	146,691	180,495
Accretion of discounts, net of amortisation of premiums	53,881	40,157	53,881	40,157
	200,572	220,652	200,572	220,652

A20. INTEREST EXPENSE

	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
The Group				
Deposits and placements of banks and other financial institutions	101,410	130,046	101,410	130,046
Deposits from customers	1,606,949	1,748,032	1,606,949	1,748,032
Repurchase agreements	67,529	103,929	67,529	103,929
Bonds, sukuk and debentures	162,086	140,063	162,086	140,063
Subordinated obligations	164,739	179,489	164,739	179,489
Financial liabilities designated at fair value through profit or loss	13,033	32,380	13,033	32,380
Negotiable certificates of deposits	11,174	22,792	11,174	22,792
Other borrowings	74,355	79,009	74,355	79,009
Recourse obligation on loan and financing sold to Cagamas	27,778	34,725	27,778	34,725
Structured deposits	58,208	77,379	58,208	77,379
Lease liabilities	8,496	8,781	8,496	8,781
Others	4,820	4,787	4,820	4,787
	2,300,577	2,561,412	2,300,577	2,561,412
The Company				
Subordinated obligations	129,995	133,779	129,995	133,779
Other borrowings	36,553	32,383	36,553	32,383
	166,548	166,162	166,548	166,162

A21. NET NON-INTEREST INCOME

	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
The Group				
(a) Net fee income and commission income:				
Commissions	314,354	275,430	314,354	275,430
Fee on loans, advances and financing	131,115	166,790	131,115	166,790
Service charges and fees	154,182	174,305	154,182	174,305
Corporate advisory and arrangement fees	3,440	6,929	3,440	6,929
Guarantee fees	19,540	15,011	19,540	15,011
Other fee income	46,991	57,329	46,991	57,329
Placement fees	2,683	205	2,683	205
Underwriting commission	21,877	21,420	21,877	21,420
Fee and commission income	694,182	717,419	694,182	717,419
Fee and commission expense	(193,608)	(187,650)	(193,608)	(187,650)
Net fee and commission income	500,574	529,769	500,574	529,769
(b) Gross dividend income from:				
<i>In Malaysia</i>				
- Financial investments at fair value through profit or loss	9,215	3,011	9,215	3,011
<i>Outside Malaysia</i>				
- Equity instruments at fair value through other comprehensive income	8	166	8	166
	9,223	3,177	9,223	3,177
(c) Net (loss)/gain arising from financial investments at fair value through profit or loss	(638,684)	155,507	(638,684)	155,507
- realised	(16,810)	(273,536)	(16,810)	(273,536)
- unrealised	(621,874)	429,043	(621,874)	429,043
(d) Net gain/(loss) arising from derivative financial instruments	1,142,223	89,062	1,142,223	89,062
- realised	274,577	138,712	274,577	138,712
- unrealised	867,646	(49,650)	867,646	(49,650)
(e) Net loss arising from financial liability designated at fair value through profit or loss	(89,015)	(93,857)	(89,015)	(93,857)
- realised	(5,367)	(11,968)	(5,367)	(11,968)
- unrealised	(83,648)	(81,889)	(83,648)	(81,889)
(f) Net (loss)/gain arising from hedging activities	(7,964)	6,231	(7,964)	6,231
(g) Net gain from sale of investment in debt instruments at fair value through other comprehensive income	108,068	30,898	108,068	30,898
(h) Net gain arising from loans, advances and financing at fair value through profit or loss:	356	1,071	356	1,071
- unrealised	356	1,071	356	1,071
(i) Income from assets management and securities services	3,532	4,656	3,532	4,656
(j) Brokerage income	946	28,508	946	28,508
(k) Other non-interest income:				
Foreign exchange (loss)/gain	(265,692)	210,794	(265,692)	210,794
Rental income	8,394	7,055	8,394	7,055
Gain on disposal of property, plant and equipment/ assets held for sale	3,952	5,321	3,952	5,321
Gain on disposal of loans, advances and financing	-	22,286	-	22,286
Loss on disposal of foreclosed assets	(1,765)	(29,567)	(1,765)	(29,567)
Other non-operating income	3,853	9,008	3,853	9,008
	(251,258)	224,897	(251,258)	224,897
	778,001	979,919	778,001	979,919

A21. NET NON-INTEREST INCOME (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
The Company				
(a) Gross dividend income from:				
<u>In Malaysia</u>				
- Subsidiaries	1,295,104	1,151,844	1,295,104	1,151,844
(b) Other non-interest income:				
Foreign exchange gain/(loss)	784	(496)	784	(496)
Rental income	77	76	77	76
	861	(420)	861	(420)
	1,295,965	1,151,424	1,295,965	1,151,424

A22. OVERHEADS

	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
The Group				
Personnel costs				
- Salaries, allowances and bonus	1,071,301	1,088,542	1,071,301	1,088,542
- Pension cost	113,582	111,659	113,582	111,659
- Overtime	7,348	6,557	7,348	6,557
- Staff incentives and other staff payments	71,172	56,095	71,172	56,095
- Medical expenses	26,182	27,811	26,182	27,811
- Others	61,464	60,430	61,464	60,430
	1,351,049	1,351,094	1,351,049	1,351,094
Establishment costs				
- Depreciation of property, plant and equipment	70,444	70,672	70,444	70,672
- Depreciation of right-of-use assets	64,973	55,965	64,973	55,965
- Amortisation of intangible assets	80,398	77,429	80,398	77,429
- Amortisation of prepaid lease payments	2,500	2,535	2,500	2,535
- Rental	36,106	42,598	36,106	42,598
- Repair and maintenance	150,511	135,824	150,511	135,824
- Outsourced services	14,350	22,321	14,350	22,321
- Security expenses	26,934	28,752	26,934	28,752
- Others	50,576	67,520	50,576	67,520
	496,792	503,616	496,792	503,616
Marketing expenses				
- Advertisement	81,188	51,970	81,188	51,970
- Others	15,081	15,839	15,081	15,839
	96,269	67,809	96,269	67,809
Administration and general expenses				
- Legal and professional fees	67,435	52,076	67,435	52,076
- Stationery	8,512	13,812	8,512	13,812
- Communication	24,319	26,266	24,319	26,266
- Incidental expenses on banking operations	11,666	12,214	11,666	12,214
- Insurance	84,841	77,225	84,841	77,225
- Others	177,567	198,304	177,567	198,304
	374,340	379,897	374,340	379,897
	2,318,450	2,302,416	2,318,450	2,302,416

A22. OVERHEADS (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
The Company				
Personnel costs				
- Staff incentives and other staff payments	-	3	-	3
	-	3	-	3
Establishment costs				
- Depreciation of property, plant and equipment	155	48	155	48
- Depreciation of investment properties	5	5	5	5
- Rental	-	1	-	1
- Repair and maintenance	-	177	-	177
- Others	18	24	18	24
	178	255	178	255
Administration and general expenses				
- Legal and professional fees	818	2,099	818	2,099
- Insurance	1,539	888	1,539	888
- Others	1,947	1,811	1,947	1,811
	4,304	4,798	4,304	4,798
	4,482	5,056	4,482	5,056

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

	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
The Group				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	1,112,174	449,689	1,112,174	449,689
Credit impaired loans, advances and financing:				
- recovered	(147,385)	(153,085)	(147,385)	(153,085)
- written off	2,801	3,410	2,801	3,410
	967,590	300,014	967,590	300,014

A23(b). OTHER EXPECTED CREDIT LOSSES

	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
The Group				
Expected credit losses made/(written back) on:				
- Debt instrument at fair value through other comprehensive income	22,382	(1,525)	22,382	(1,525)
- Debt instrument at amortised cost	17,392	878	17,392	878
- Money at call and deposits and placements with banks and other financial institutions	(38)	1,065	(38)	1,065
- Other assets	69,692	(9,160)	69,692	(9,160)
- Intangible assets	-	-	-	-
	109,428	(8,742)	109,428	(8,742)
The Company				
Expected credit losses made/(written back) on:				
- Debt instrument at fair value through other comprehensive income	12,601	(267)	12,601	(267)
- Debt instrument at amortised cost	32,688	(1,069)	32,688	(1,069)
	45,289	(1,336)	45,289	(1,336)

A24. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
At 31 March 2020			
<u>Trading derivatives</u>			
<u>Foreign exchange derivatives</u>			
Currency forward	46,354,886	1,175,421	(808,983)
- Less than 1 year	42,668,486	1,077,199	(585,566)
- 1 year to 3 years	2,655,049	84,986	(130,482)
- More than 3 years	1,031,351	13,236	(92,935)
Currency swaps	333,192,022	6,104,935	(6,590,052)
- Less than 1 year	330,460,908	5,971,141	(6,570,215)
- 1 year to 3 years	2,295,114	121,166	(15,083)
- More than 3 years	436,000	12,628	(4,754)
Currency spot	5,161,856	13,615	(9,759)
- Less than 1 year	5,161,856	13,615	(9,759)
Currency options	18,732,470	802,965	(856,375)
- Less than 1 year	14,114,930	383,655	(369,815)
- 1 year to 3 years	2,687,963	327,016	(369,269)
- More than 3 years	1,929,577	92,294	(117,291)
Cross currency interest rate swaps	102,671,275	3,381,303	(2,828,326)
- Less than 1 year	30,944,076	911,314	(609,872)
- 1 year to 3 years	32,132,296	1,085,502	(1,051,899)
- More than 3 years	39,594,903	1,384,487	(1,166,555)
	506,112,509	11,478,239	(11,093,495)
<u>Interest rate derivative</u>			
Interest rate swaps	507,332,921	6,961,149	(6,289,648)
- Less than 1 year	202,677,471	586,499	(573,248)
- 1 year to 3 years	163,377,209	1,511,685	(1,475,182)
- More than 3 years	141,278,241	4,862,965	(4,241,218)
Interest rate futures	18,923,683	7,666	(52,823)
- Less than 1 year	16,517,726	7,205	(49,633)
- 1 year to 3 years	2,405,957	461	(3,190)
Interest rate options	7,521	-	(96)
- 1 year to 3 years	7,521	-	(96)
	526,264,125	6,968,815	(6,342,567)
<u>Equity related derivatives</u>			
Equity futures	33,087	104	(479)
- Less than 1 year	33,087	104	(479)
Equity options	5,259,547	405,363	(72,942)
- Less than 1 year	4,547,528	364,628	(71,298)
- 1 year to 3 years	681,928	40,537	(1,563)
- More than 3 years	30,091	198	(81)
Equity swaps	64,772	394	(321)
- Less than 1 year	4,585	-	(154)
- More than 3 years	60,187	394	(167)
	5,357,406	405,861	(73,742)

A24. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 March 2020	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Commodity related derivatives</u>			
Commodity swaps	3,012,148	1,322,503	(832,859)
- Less than 1 year	2,821,003	1,059,232	(680,979)
- 1 year to 3 years	191,145	263,271	(151,880)
Commodity futures	930,900	10,905	(278,092)
- Less than 1 year	930,900	10,905	(278,092)
Commodity options	2,700,173	68,861	(57,207)
- Less than 1 year	2,700,173	68,861	(57,207)
	6,643,221	1,402,269	(1,168,158)
<u>Credit related contract</u>			
Credit default swaps	3,445,192	30,696	(45,324)
- Less than 1 year	91,076	44	(41)
- 1 year to 3 years	412,846	4,541	(46)
- More than 3 years	2,941,270	26,111	(45,237)
Total return swaps	26,275	-	(1,492)
- 1 year to 3 years	5,525	-	(395)
- More than 3 years	20,750	-	(1,097)
	3,471,467	30,696	(46,816)
Bond contract			
Bond Forward	2,580,432	29,074	(345,652)
- Less than 1 year	506,506	593	(67,403)
- 1 year to 3 years	1,641,870	9,897	(246,282)
- More than 3 years	432,056	18,584	(31,967)
	2,580,432	29,074	(345,652)
Hedging derivatives			
Interest rate swaps	27,664,540	675,936	(717,209)
- Less than 1 year	4,949,364	37,761	(37,581)
- 1 year to 3 years	11,479,100	280,997	(122,572)
- More than 3 years	11,236,076	357,178	(557,056)
Currency swaps	5,899,767	80,995	(168,284)
- Less than 1 year	5,899,767	80,995	(168,284)
Cross currency interest rate swaps	4,844,562	63,512	(125,076)
- 1 year to 3 years	2,779,206	30,427	(101,575)
- More than 3 years	2,065,356	33,085	(23,501)
	38,408,869	820,443	(1,010,569)
Total derivative assets/(liabilities)	1,088,838,029	21,135,397	(20,080,999)

A24. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

A24. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

A24. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2020, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM21,135,397,000 (2019: RM11,589,897,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 March 2020, the Group has posted cash collateral of RM6,272,898,000 (2019: RM3,086,528,000) on their derivative contracts.

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

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

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

A25. COMMITMENTS AND CONTINGENCIES

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

	31 March 2020 Principal Amount RM'000	31 December 2019 Principal Amount RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	7,145,156	6,834,852
Certain transaction-related contingent items	8,599,443	8,540,770
Short-term self-liquidating trade-related contingencies	4,528,098	5,590,237
Irrevocable commitments to extend credit		
- maturity not exceeding one year	65,528,818	61,502,883
- maturity exceeding one year	34,533,112	34,992,846
Miscellaneous commitments and contingencies	4,353,226	2,215,223
Total credit-related commitments and contingencies	124,687,853	119,676,811
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	429,250,023	380,413,430
- one year to five years	68,585,750	61,238,807
- more than five years	19,021,065	19,793,744
	516,856,838	461,445,981
<u>Interest rate related contracts</u>		
- less than one year	224,144,561	210,316,293
- one year to five years	265,063,583	275,796,670
- more than five years	64,720,521	60,154,426
	553,928,665	546,267,389
<u>Equity related contracts</u>		
- less than one year	4,585,200	3,766,213
- one year to five years	722,062	953,175
- more than five years	50,144	60,322
	5,357,406	4,779,710
<u>Credit related contracts</u>		
- less than one year	91,076	393,986
- one year to five years	829,824	2,660,214
- more than five years	2,550,567	1,030,363
	3,471,467	4,084,563
<u>Commodity related contracts</u>		
- less than one year	6,452,076	6,707,438
- one year to five years	191,145	319,486
	6,643,221	7,026,924
<u>Bond contracts</u>		
- less than one year	506,506	782,049
- one year to five years	1,983,926	1,870,059
- more than five years	90,000	90,000
	2,580,432	2,742,108
Total treasury-related commitments and contingencies	1,088,838,029	1,026,346,675
	1,213,525,882	1,146,023,486

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

- Irrevocable commitments to extend credit :
- maturity not exceeding one year

2,200,000

-

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

A26. CAPITAL ADEQUACY

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

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

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

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

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

The capital adequacy ratios of Bank CIMB Niaga is based on Bank Indonesia's requirements. The approach for Credit Risk and Market Risk is based on the Standardised Approach while Operational Risk is based on the Basic Indicator Approach.

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

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

A26. CAPITAL ADEQUACY (Continued)

31 March 2020

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

	The Group
Common equity tier 1 ratio	11.706%
Tier 1 ratio	12.780%
Total capital ratio	<u>15.236%</u>

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

	The Group RM'000
Credit risk ⁽¹⁾	273,540,908
Market risk	17,810,359
Large exposure risk requirements	787,102
Operational risk	<u>31,410,931</u>
Total risk-weighted assets	<u>323,549,300</u>

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

	The Group RM'000
Under Restricted Agency Investment Account arrangement	<u>218,791</u>

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

	The Group RM'000
Common Equity Tier I capital	
Ordinary share capital	25,843,808
Other reserves	25,025,669 *
Qualifying non-controlling interests	475,020
Common Equity Tier I capital before regulatory adjustments	<u>51,344,497</u>
<u>Less: Regulatory adjustments</u>	
Goodwill	(7,580,753)
Intangible assets	(1,665,586)
Deferred tax assets	(948,512)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(2,285,287)
Regulatory reserve	-
Shortfall eligible provisions over expected loss	(1,008,121)
Others	17,350
Common Equity Tier I capital after regulatory adjustments	<u>37,873,588</u>
Additional Tier I capital	
Perpetual subordinated capital securities	3,400,000
Qualifying capital instruments held by third parties	77,588
	<u>3,477,588</u>
<u>Less: Regulatory adjustments</u>	
Investments in own Additional Tier 1 capital instruments	(800)
Additional Tier I capital after regulatory adjustments	<u>3,476,788</u>
Total Tier I capital	<u>41,350,376</u>

A26. CAPITAL ADEQUACY (Continued)

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

	The Group RM'000
Tier II capital	
Subordinated notes	6,200,000
Qualifying capital instruments held by third parties	1,070,001
Surplus eligible provisions over expected loss	-
General provisions [√]	675,263
Tier II capital before regulatory adjustments	7,945,264
<u>Less: Regulatory adjustments</u>	
Investments in own Tier II capital instruments	(1,250)
Total Tier II capital	7,944,014
Total capital	49,294,390

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

	CIMB Bank Group	CIMB Bank **	CIMB Islamic Bank	CIMB Investment Bank Group	CIMB Thai Bank	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	12.234%	11.976%	12.247%	61.614%	11.547%	17.543%	N/A	N/A
Tier 1 ratio	13.221%	13.203%	13.132%	61.614%	11.547%	17.543%	N/A	N/A
Total capital ratio	16.675%	16.766%	15.937%	61.614%	16.811%	18.792%	18.044%	65.964%

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

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

[√] Total Capital of CIMB Group as at 31 March 2020 has excluded general provisions restricted from Tier II capital of RM455 million.

A26. CAPITAL ADEQUACY (Continued)

31 December 2019

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

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

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

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

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

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

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

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

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

A26. CAPITAL ADEQUACY (Continued)

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

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

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

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

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

[√] Total Capital of CIMB Group as at 31 December 2019 has excluded general provisions restricted from Tier II capital of RM502 million.

A27. SEGMENTAL REPORT

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

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

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

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

Commercial Banking

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

Wholesale Banking

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

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

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

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

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

A27. SEGMENTAL REPORT (Continued)

Wholesale Banking (Continued)

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

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

Group Ventures & Partnerships and Funding

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

A27. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Ventures & Partnerships and Funding RM'000	Total RM'000
31 March 2020					
Net interest income					
- external income	1,200,998	580,977	651,150	139,660	2,572,785
- inter-segment income/(expense)	7,346	(31,688)	805	23,537	-
	1,208,344	549,289	651,955	163,197	2,572,785
Income from Islamic Banking operations	310,944	155,228	168,412	157,659	792,243
Net non-interest income	406,613	132,439	148,904	90,045	778,001
Net income	1,925,901	836,956	969,271	410,901	4,143,029
Overheads	(1,108,811)	(445,105)	(554,768)	(209,766)	(2,318,450)
of which:					
- Depreciation of property, plant and equipment	(31,185)	(1,289)	(3,594)	(34,376)	(70,444)
- Amortisation of prepaid lease payments	-	(12)	-	(2,488)	(2,500)
- Amortisation of intangible assets	(21,674)	(682)	(6,645)	(51,397)	(80,398)
Profit before expected credit losses	817,090	391,851	414,503	201,135	1,824,579
Expected credit losses made on loans, advances and financing	(241,624)	(471,181)	(248,784)	(6,001)	(967,590)
Expected credit losses written back/(made) for commitments and contingencies	7,680	2,245	(61,580)	(11)	(51,666)
Other expected credit losses made	(55,322)	(7,574)	(36,800)	(9,732)	(109,428)
Segment results	527,824	(84,659)	67,339	185,391	695,895
Share of results of joint ventures	(292)	-	6,330	12,417	18,455
Share of results of associates	-	-	-	(386)	(386)
Profit before taxation and zakat	527,532	(84,659)	73,669	197,422	713,964
% of profit before taxation and zakat	73.9	(11.9)	10.3	27.7	100.0
Taxation and zakat					(215,208)
Profit for the financial period					498,756

A27. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Ventures & Partnerships and Funding RM'000	Total RM'000
31 March 2019					
Net interest income					
- external income	1,186,848	618,739	583,667	72,289	2,461,543
- inter-segment (expense)/income	(52,968)	(72,493)	10,448	115,013	-
	1,133,880	546,246	594,115	187,302	2,461,543
Income from Islamic Banking operations	264,061	134,968	166,961	142,840	708,830
Net non-interest income	383,916	123,892	430,713	41,398	979,919
Gain on disposal of subsidiary and associate	-	-	-	15,854	15,854
Net income	1,781,857	805,106	1,191,789	387,394	4,166,146
Overheads	(1,097,341)	(447,526)	(588,381)	(169,168)	(2,302,416)
of which:					
- Depreciation of property, plant and equipment	(31,709)	(1,246)	(4,197)	(33,520)	(70,672)
- Amortisation of prepaid lease payments	-	(12)	-	(2,523)	(2,535)
- Amortisation of intangible assets	(15,703)	(588)	(7,187)	(53,951)	(77,429)
Profit before expected credit losses	684,516	357,580	603,408	218,226	1,863,730
Expected credit losses made on loans, advances and financing	(112,086)	(55,297)	(132,488)	(143)	(300,014)
Expected credit losses written back for commitments and contingencies	1,255	7,671	16,147	9	25,082
Other expected credit losses written back	2,336	318	483	5,605	8,742
Segment results	576,021	310,272	487,550	223,697	1,597,540
Share of results of joint ventures	830	-	(4,556)	8,792	5,066
Share of results of associates	-	-	-	520	520
Profit before taxation and zakat	576,851	310,272	482,994	233,009	1,603,126
% of profit before taxation and zakat	36.0	19.4	30.1	14.5	100.0
Taxation and zakat					(395,440)
Profit for the financial period					1,207,686

A27. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Ventures & Partnerships and Funding RM'000	Total RM'000
31 March 2020					
Group					
Segment assets	181,860,697	61,605,441	254,876,723	66,051,244	564,394,105
Investment in associates and joint ventures	175,108	-	1,329,294	952,379	2,456,781
	182,035,805	61,605,441	256,206,017	67,003,623	566,850,886
Unallocated assets	-	-	-	-	18,962,303
Total assets	182,035,805	61,605,441	256,206,017	67,003,623	585,813,189
Segment liabilities	170,905,957	66,086,927	240,445,720	33,500,766	510,939,370
Unallocated liabilities	-	-	-	-	19,060,620
Total liabilities	170,905,957	66,086,927	240,445,720	33,500,766	529,999,990
Other segment items					
Capital expenditure	95,209	4,876	15,528	119,242	234,855
Investment in joint ventures	175,108	-	1,329,294	906,079	2,410,481
Investment in associates	-	-	-	46,300	46,300
31 December 2019					
Group					
Segment assets	184,739,646	64,198,919	240,391,766	67,798,402	557,128,733
Investment in associates and joint ventures	175,400	-	1,300,096	952,265	2,427,761
	184,915,046	64,198,919	241,691,862	68,750,667	559,556,494
Unallocated assets	-	-	-	-	13,689,161
Total assets	184,915,046	64,198,919	241,691,862	68,750,667	573,245,655
Segment liabilities	171,502,959	65,865,217	224,949,122	35,509,855	497,827,153
Unallocated liabilities	-	-	-	-	17,949,426
Total liabilities	171,502,959	65,865,217	224,949,122	35,509,855	515,776,579
Other segment items					
Capital expenditure	392,612	13,562	72,158	478,886	957,218
Investment in joint ventures	175,400	-	1,300,096	906,509	2,382,005
Investment in associates	-	-	-	45,756	45,756

A28. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

Valuation Model Review and Approval

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

A28. FAIR VALUE ESTIMATION (Continued)

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

The Group 31 March 2020	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial investments at fair value through profit or loss					
- Money market instruments	38,972,739	-	38,536,547	436,192	38,972,739
- Quoted securities	889,012	889,012	-	-	889,012
- Unquoted securities	6,274,380	-	5,147,572	1,126,808	6,274,380
Debt instruments at fair value through other comprehensive income					
- Money market instruments	6,742,608	-	6,742,608	-	6,742,608
- Unquoted securities	27,005,662	-	27,005,661	1	27,005,662
Equity instruments at fair value through other comprehensive income					
- Quoted securities	24,760	24,760	-	-	24,760
- Unquoted securities	333,762	-	-	333,762	333,762
Derivative financial instruments					
- Trading derivatives	20,314,954	18,786	19,879,640	416,528	20,314,954
- Hedging derivatives	820,443	-	820,443	-	820,443
Loans, advances and financing at fair value through profit or loss					
	1,152,039	-	1,152,039	-	1,152,039
Total	102,530,359	932,558	99,284,510	2,313,291	102,530,359
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	19,070,430	415,845	18,597,364	57,221	19,070,430
- Hedging derivatives	1,010,569	-	1,010,569	-	1,010,569
Financial liabilities designated at fair value through profit or loss					
	3,830,489	-	3,830,489	-	3,830,489
Total	23,911,488	415,845	23,438,422	57,221	23,911,488

The Group 31 December 2019	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial investments at fair value through profit or loss					
- Money market instruments	30,171,385	-	29,757,322	414,063	30,171,385
- Quoted securities	857,580	857,580	-	-	857,580
- Unquoted securities	7,108,308	-	5,968,745	1,139,563	7,108,308
Debt instruments at fair value through other comprehensive income					
- Money market instruments	6,325,148	-	6,325,148	-	6,325,148
- Unquoted securities	26,993,265	-	26,993,264	1	26,993,265
Equity instruments at fair value through other comprehensive income					
- Quoted securities	48,683	48,683	-	-	48,683
- Unquoted securities	407,077	-	76,435	330,642	407,077
Derivative financial instruments					
- Trading derivatives	11,142,895	58,959	11,014,817	69,119	11,142,895
- Hedging derivatives	447,002	-	447,002	-	447,002
Loans, advances and financing at fair value through profit or loss					
	1,104,735	-	1,104,735	-	1,104,735
Total	84,606,078	965,222	81,687,468	1,953,388	84,606,078
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	10,715,705	122,146	10,578,007	15,552	10,715,705
- Hedging derivatives	622,164	-	622,164	-	622,164
Financial liabilities designated at fair value through profit or loss					
	3,650,740	-	3,650,740	-	3,650,740
Total	14,988,609	122,146	14,850,911	15,552	14,988,609

A28. FAIR VALUE ESTIMATION (Continued)

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

The Company 31 March 2020	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Debt instruments at fair value through other comprehensive income					
- Unquoted securities	2,523,234	-	2,523,234	-	2,523,234
Total	2,523,234	-	2,523,234	-	2,523,234

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

A28. FAIR VALUE ESTIMATION (Continued)

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

	Financial Assets				Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Derivative financial instruments Trading derivatives		Derivative financial instruments Trading derivatives	Total
	Money market instruments and unquoted securities	Unquoted securities					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2020							
At 1 January	1,553,626	1	330,642	69,119	1,953,388	(15,552)	(15,552)
Total (losses)/gains recognised in Statement of Income	(10,781)	-	-	340,288	329,507	(45,818)	(45,818)
Total losses recognised in Other Comprehensive Income	-	-	(291)	-	(291)	-	-
Purchases	748	-	295	8,774	9,817	(470)	(470)
Sales and redemptions	(17,898)	-	(206)	-	(18,104)	-	-
Settlements	-	-	-	(1,791)	(1,791)	4,755	4,755
Exchange fluctuation	37,305	-	3,322	138	40,765	(136)	(136)
At 31 March	1,563,000	1	333,762	416,528	2,313,291	(57,221)	(57,221)
Total (losses)/gains recognised in Statement of Income for the financial period ended 31 March 2020 under:							
- net non-interest income	(10,781)	-	-	340,288	329,507	(45,818)	(45,818)
Total losses recognised in Other Comprehensive Income for the financial period ended 31 March 2020 under "revaluation reserves"	-	-	(291)	-	(291)	-	-
Change in unrealised (losses)/gains recognised in Statement of Income relating to assets held on 31 March 2020 under "net non-interest income"	(10,263)	-	-	359,571	349,308	(54,884)	(54,884)

A28. FAIR VALUE ESTIMATION (Continued)

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

	Financial Assets				Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Derivative financial instruments Trading derivatives		Derivative financial instruments Trading derivatives	Total
	Money market instruments and unquoted securities	Unquoted securities					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2019							
At 1 January	1,628,669	1	359,182	216,280	2,204,132	(109,144)	(109,144)
Total gains/(losses) recognised in Statement of Income	50,346	-	-	(91,564)	(41,218)	20,671	20,671
Total gains recognised in Other Comprehensive Income	-	-	(25,280)	-	(25,280)	-	-
Purchases	3,951	-	4,874	2,337	11,162	(118)	(118)
Sales and redemptions	(121,697)	-	(7,910)	-	(129,607)	-	-
Settlements	-	-	-	(57,980)	(57,980)	73,068	73,068
Exchange fluctuation	(7,643)	-	(224)	46	(7,821)	(29)	(29)
At 31 December	1,553,626	1	330,642	69,119	1,953,388	(15,552)	(15,552)
Total gains/(losses) recognised in Statement of Income for the financial year ended 31 December 2019 under:							
- net non-interest income	50,346	-	-	(91,564)	(41,218)	20,671	20,671
Total gains recognised in Other Comprehensive Income for the financial year ended 31 December 2019 under "revaluation reserves"	-	-	(25,280)	-	(25,280)	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 31 December 2019 under "net non-interest income"	47,980	-	-	61,099	109,079	(8,023)	(8,023)

A28. FAIR VALUE ESTIMATION (Continued)

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

Investment properties (Recurring)

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

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

In accordance with MFRS 5, the non-current assets held for sales were stated at the lower of carrying amount and fair value less cost to sell. As at 31 March 2020, the property plant and equipment held for sale of the Group that were stated at fair value less cost to sell was RM5,579,000 (2019: RM7,467,000). This is a non-recurring fair value which has been measured using observable inputs under sales comparison approach performed by independent valuers. Sales prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. Therefore, it is within level 2 of the fair value hierarchy.

A29. OPERATIONS OF ISLAMIC BANKING

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

		The Group	
		31 March	31 December
		2020	2019
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		8,464,082	8,415,481
Deposits and placements with banks and other financial institutions		2,248,205	2,652,505
Financial investments at fair value through profit or loss		4,583,845	5,158,036
Debt instruments at fair value through other comprehensive income		4,095,747	4,508,828
Debt instruments at amortised cost		8,569,838	8,594,615
Islamic derivative financial instruments		672,530	497,609
Financing, advances and other financing/loans	A29d(i)	92,492,837	93,049,318
Other assets		2,086,496	1,759,967
Deferred tax assets		39,785	22,238
Tax recoverable		23,503	8,547
Amount due from conventional operations		5,771,661	6,146,418
Statutory deposits with central banks		427,112	2,506,166
Property, plant and equipment		4,656	5,003
Right-of-use assets		3,768	3,986
Goodwill		136,000	136,000
Intangible assets		65,427	66,698
TOTAL ASSETS		129,685,492	133,531,415
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS			
Deposits from customers	A29(e)	97,124,774	99,505,430
Investment accounts of customers	A29(f)	4,497,066	3,448,964
Deposits and placements of banks and other financial institutions		1,765,412	2,572,666
Investment accounts due to designated financial institutions	A29(g)	4,849,779	5,021,974
Financial liabilities designated at fair value through profit or loss	A29(h)	166,650	95,499
Islamic derivative financial instruments		683,470	504,605
Bills and acceptances payable		27,510	36,331
Other liabilities		5,155,365	6,851,238
Lease liability		3,415	3,619
Recourse obligation on loans and financing sold to Cagamas		1,515,776	1,510,390
Amount due to conventional operations		2,084,457	2,620,453
Provision for taxation		13,151	55,749
Sukuk		1,189,680	1,025,994
Subordinated Sukuk		1,114,178	1,118,255
TOTAL LIABILITIES		120,190,683	124,371,167
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,696	55,696
Perpetual preference shares		420,000	220,000
Reserves		7,957,724	7,821,684
		9,433,420	9,097,380
Non-controlling interests		61,389	62,868
TOTAL ISLAMIC BANKING CAPITAL FUNDS		9,494,809	9,160,248
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		129,685,492	133,531,415
RESTRICTED AGENCY INVESTMENT ACCOUNT(*)		6,231,742	6,231,742
TOTAL ISLAMIC BANKING ASSETS		135,917,234	139,763,157

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

**A29b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED
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
Income derived from investment of depositors' funds and others	1,451,948	1,271,373	1,451,948	1,271,373
Income derived from investment of investment account	110,099	110,948	110,099	110,948
Net income derived from investment of shareholders' funds	36,696	132,488	36,696	132,488
Expected credit losses on financing, advances and other financing/loans	(84,148)	(44,375)	(84,148)	(44,375)
Expected credit losses (made)/written back for commitments and contingencies	(5,453)	22,783	(5,453)	22,783
Other expected credit losses (made)/written back	(3,913)	726	(3,913)	726
Total distributable income	1,505,229	1,493,943	1,505,229	1,493,943
Income attributable to depositors and others	(784,015)	(819,808)	(784,015)	(819,808)
Profit distributed to investment account holder	(78,583)	(84,697)	(78,583)	(84,697)
Total net income	642,631	589,438	642,631	589,438
Other operating expenses	(257,338)	(218,937)	(257,338)	(218,937)
Profit before taxation and zakat	385,293	370,501	385,293	370,501
Taxation and zakat	(60,853)	(60,587)	(60,853)	(60,587)
Profit for the financial period	324,440	309,914	324,440	309,914
Profit for the financial period attributable to:				
Owners of the Parent	318,480	304,363	318,480	304,363
Non-controlling interests	5,960	5,551	5,960	5,551
	324,440	309,914	324,440	309,914

**A29c. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED
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
Profit for the financial period	324,440	309,914	324,440	309,914
Other comprehensive income/(expense):				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	31	-	31	-
	31	-	31	-
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(29,641)	30,441	(29,641)	30,441
- Net (loss)/gain from change in fair value	(3,496)	49,723	(3,496)	49,723
- Realised gain transferred to statement of income on disposal	(36,703)	(13,298)	(36,703)	(13,298)
- Changes in expected credit losses	2,316	208	2,316	208
- Income tax effects	8,242	(6,192)	8,242	(6,192)
Exchange fluctuation reserve	(99,717)	(1,770)	(99,717)	(1,770)
Other comprehensive (expense)/income for the financial period, net of tax	(129,327)	28,671	(129,327)	28,671
Total comprehensive income for the financial period	195,113	338,585	195,113	338,585
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	196,592	332,997	196,592	332,997
Non-controlling interests	(1,479)	5,588	(1,479)	5,588
	195,113	338,585	195,113	338,585
<u>Income from Islamic operations (per page 2)</u>				
Total net income	642,631	589,438	642,631	589,438
Add: Expected credit losses on financing, advances and other financing/loans	84,148	44,375	84,148	44,375
Add: Expected credit losses made/(written back) for commitments and contingencies	5,453	(22,783)	5,453	(22,783)
Add: Other expected credit losses made/(written back)	3,913	(726)	3,913	(726)
	736,145	610,304	736,145	610,304
Elimination for transaction with conventional operations	56,098	98,526	56,098	98,526
	792,243	708,830	792,243	708,830

A29d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS
(i) By type and Shariah contract
31 March 2020
The Group

	Sale-based contracts					Lease-based contracts		Profit sharing contracts	Loan contract	Others	Total	
	Murabahah	Bai' Bithaman Ajil	Bai' al-'Inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai' #	Mudharabah	Musharakah	Qard		Ujrah
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost												
Cash line^	-	2,095	560	-	1,204,219	-	-	-	1	27,142	-	1,234,017
Term financing												
House Financing	282,560	5,114,066	-	-	17,771,817	1,256,188	-	-	2,979,130	-	-	27,403,761
Syndicated Financing	411,938	-	51,812	-	2,234,102	-	-	627	-	-	-	2,698,479
Hire purchase receivables	100,375	-	-	-	-	-	9,431,213	-	-	-	-	9,531,588
Other term financing	1,023,840	1,219,480	5,115,996	-	30,466,504	45,935	-	108,188	4,992,886	-	-	42,972,829
Lease receivable	-	-	-	-	-	189,314	-	-	-	-	-	189,314
Bills receivable	549,746	-	-	799,064	-	-	-	-	-	21	-	1,348,831
Islamic Trust receipts	116,409	-	-	-	-	-	-	-	-	-	-	116,409
Claims on customers under acceptance credits	785,913	-	-	86,060	-	-	-	27,510	-	-	-	899,483
Staff financing	-	-	-	-	154,112	-	-	-	11,616	-	-	165,728
Revolving credits	-	-	-	-	6,156,803	-	-	15,973	-	-	-	6,172,776
Credit card receivables	-	-	-	-	-	-	-	-	-	212,977	140,703	353,680
Gross financing, advances and other financing/loans, at amortised cost	3,270,781	6,335,641	5,168,368	885,124	57,987,557	1,491,437	9,431,213	152,298	7,983,633	240,140	140,703	93,086,895
Fair value changes arising from fair value hedge												5,780
												93,092,675
Less: Expected credit losses												(800,258)
Net financing, advances and other financing/loans at amortised cost												92,292,417
At fair value through profit or loss												
Term financing												
Syndicated Financing	-	-	-	-	200,420	-	-	-	-	-	-	200,420
Net financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	200,420	-	-	-	-	-	-	200,420
Net financing, advances and other financing/loans												92,492,837

^ Includes current account in excess

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

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

A29d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

(i) By type and Shariah contract (Continued)

31 December 2019

	The Group											Total
	Sale-based contracts					Lease-based contracts		Profit sharing contracts		Loan contract	Others	
	Murabahah	Bai' Bithaman Ajil	Bai' al-'Inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai' #	Mudharabah	Musharakah	Qard	Ujrah	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost												
Cash line^	-	1,844	318	-	1,231,242	-	-	-	1	5,910	-	1,239,315
Term financing												
House Financing	309,045	5,236,376	-	-	16,450,891	1,276,449	-	-	3,081,673	-	-	26,354,434
Syndicated Financing	390,788	-	51,777	-	2,217,586	-	-	612	-	-	-	2,660,763
Hire purchase receivables	130,138	-	-	-	-	-	9,036,064	-	-	-	-	9,166,202
Other term financing	1,110,068	1,265,890	5,144,668	-	31,591,037	49,203	-	119,812	5,373,690	-	-	44,654,368
Lease receivable	-	-	-	-	-	216,575	-	-	-	-	-	216,575
Bills receivable	462,648	-	-	1,193,936	-	-	-	-	-	-	-	1,656,584
Islamic Trust receipts	98,328	-	-	-	-	-	-	-	-	-	-	98,328
Claims on customers under acceptance credits	875,222	-	-	109,039	-	-	-	36,331	-	-	-	1,020,592
Staff financing	-	-	-	-	147,832	-	-	-	11,079	-	-	158,911
Revolving credits	-	-	-	-	5,980,587	-	-	21,331	-	-	-	6,001,918
Credit card receivables	-	-	-	-	-	-	-	-	-	232,792	149,029	381,821
Gross financing, advances and other financing/loans, at amortised cost	3,376,237	6,504,110	5,196,763	1,302,975	57,619,175	1,542,227	9,036,064	178,086	8,466,443	238,702	149,029	93,609,811
Fair value changes arising from fair value hedge												9,075
												93,618,886
Less: Expected credit losses												(769,749)
Net financing, advances and other financing/loans at amortised cost												92,849,137
At fair value through profit or loss												
Term financing												
Syndicated financing	-	-	-	-	200,181	-	-	-	-	-	-	200,181
Net financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	200,181	-	-	-	-	-	-	200,181
Net financing, advances and other financing/loans												93,049,318

^ Includes current account in excess

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

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

A29d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**(i) By type and Shariah contract (Continued)**

	The Group	
	31 March 2020 RM'000	31 December 2019 RM'000
Gross financing, advances and other financing/loans		
- At amortised cost	93,086,895	93,609,811
- At fair value through profit or loss	200,420	200,181
	93,287,315	93,809,992

(a) During the financial period, the Group has undertaken fair value hedges on RM1,995,198,000 (2019: RM1,993,931,000) financing using profit rate swaps.

(b) Included in financing, advances and other financing/loans are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), as part of an arrangement between CIMB Islamic Bank 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 (2019: RM4,958,745,000) and expected credit losses relating to this RPSIA amounting to RM74,252,000 (2019: RM93,758,000) is recognised in the Financial Statements of CIMB Bank Berhad.

c) Movement of Qard financing

	The Group	
	31 March 2020 RM'000	31 December 2019 RM'000
At 1 January	238,702	185,083
New disbursement	85,948	122,051
Repayment	(59,697)	(74,645)
Exchange fluctuation	(24,813)	6,213
At 31 March/31 December	240,140	238,702
Sources of Qard fund:		
Depositors' fund	238,338	238,358
Shareholders' fund	1,802	344
	240,140	238,702
Uses of Qard fund:		
Personal use	213,121	233,072
Business use	27,019	5,630
	240,140	238,702

(ii) By geographical distribution

	The Group	
	31 March 2020 RM'000	31 December 2019 RM'000
Malaysia	79,924,401	79,452,003
Indonesia	9,194,105	9,863,925
Singapore	2,681,480	2,719,276
China	383,496	663,873
Other countries	1,103,833	1,110,915
Gross financing, advances and other financing/loans	93,287,315	93,809,992

A29d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

(iii) By economic sector

	The Group	
	31 March 2020 RM'000	31 December 2019 RM'000
Primary agriculture	3,925,972	3,937,616
Mining and quarrying	1,798,506	1,675,978
Manufacturing	3,936,679	3,995,625
Electricity, gas and water supply	1,341,972	1,478,551
Construction	2,647,532	2,480,818
Transport, storage and communications	3,318,621	3,447,094
Education, health and others	4,535,938	4,504,328
Wholesale and retail trade, and restaurants and hotels	4,702,827	4,784,083
Finance, insurance/takaful, real estate and business activities	11,712,657	12,037,316
Household	51,412,426	51,308,988
Others	3,954,185	4,159,595
	93,287,315	93,809,992

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

	The Group	
	31 March 2020 RM'000	31 December 2019 RM'000
Malaysia	1,280,525	1,254,274
Indonesia	111,635	116,160
Singapore	68,486	60,296
Other countries	87,173	91,490
Gross impaired financing, advances and other financing/loans	1,547,819	1,522,220

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

	The Group	
	31 March 2020 RM'000	31 December 2019 RM'000
Primary agriculture	31,969	37,012
Mining and quarrying	168,395	168,796
Manufacturing	723,204	747,255
Construction	12,942	9,705
Transport, storage and communications	21,239	19,706
Education, health and others	3,805	4,576
Wholesale and retail trade, and restaurants and hotels	76,842	62,902
Finance, insurance/takaful, real estate and business activities	42,689	47,080
Household	411,944	366,235
Others	54,790	58,953
	1,547,819	1,522,220

A29d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

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

	The Group			
	12-month expected 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
<u>Financing, advances and other financing/loans at amortised cost</u>				
At 1 January 2020	375,216	165,049	229,484	769,749
Changes in expected credit losses due to transfer within stages:	22,458	(25,242)	2,784	-
Transferred to stage 1	36,681	(33,819)	(2,862)	-
Transferred to stage 2	(14,096)	49,121	(35,025)	-
Transferred to stage 3	(127)	(40,544)	40,671	-
Total charge to Income Statement:	(25,391)	86,769	35,457	96,835
New financial assets originated	71,587	98	12,510	84,195
Financial assets that have been derecognised	(27,153)	(4,891)	-	(32,044)
Writeback in respect of full recoveries	-	-	(16,760)	(16,760)
Change in credit risk	(69,825)	91,562	39,707	61,444
Write-offs	-	-	(43,603)	(43,603)
Exchange fluctuation	(22,315)	(6,250)	4,284	(24,281)
Other movements	-	-	1,558	1,558
At 31 March 2020	349,968	220,326	229,964	800,258

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

A29d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

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

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

	The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	1,522,220	1,522,220
Transfer within stages	126,915	126,915
New financial assets originated	100,722	100,722
Write-offs	(43,603)	(43,603)
Amount fully recovered	(154,169)	(154,169)
Other changes in financing, advances and other financing/loans	(10,755)	(10,755)
Exchange fluctuation	6,489	6,489
At 31 March 2020	1,547,819	1,547,819
	The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2019	760,599	760,599
Transfer within stages	436,712	436,712
New financial assets originated	935,851	935,851
Write-offs	(202,073)	(202,073)
Amount fully recovered	(385,419)	(385,419)
Other changes in financing, advances and other financing/loans	(32,326)	(32,326)
Exchange fluctuation	8,876	8,876
At 31 December 2019	1,522,220	1,522,220
	The Group 31 March 2020	31 December 2019
Ratio of credit impaired financing to total financing, advances and other financing	1.66%	1.62%

A29e. DEPOSITS FROM CUSTOMERS

(i) By type of deposits

	The Group	
	31 March 2020 RM'000	31 December 2019 RM'000
Savings deposit	7,062,786	6,443,594
Wadiah	736,318	778,815
Mudharabah	1,343,431	1,399,429
Commodity Murabahah (via Tawarruq arrangement) *	4,983,037	4,265,350
Demand deposit	17,352,970	17,987,989
Wadiah	824,975	702,456
Qard	13,606,993	14,237,532
Mudharabah	173,040	128,940
Commodity Murabahah (via Tawarruq arrangement) *	2,747,962	2,919,061
Term deposit	67,619,016	68,309,729
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	33,935,200	34,825,284
Fixed Return Income Account-i (via Tawarruq arrangement)*	33,683,816	33,484,445
Fixed Deposit-i	122	-
Wadiah	122	-
General investment account	4,961,719	6,634,666
Mudharabah	4,961,719	6,634,666
Specific investment account	98,935	101,368
Mudharabah	98,935	101,368
Others	29,226	28,084
Qard	29,226	28,084
	97,124,774	99,505,430

*included Qard contract of RM239,841,000 (2019: RM1,657,518,000)

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

	The Group	
	31 March 2020 RM'000	31 December 2019 RM'000
Due within six months	61,132,680	65,520,389
Six months to one year	11,280,355	9,213,033
One year to three years	165,380	208,523
Three years to five years	78,377	78,735
More than five years	23,000	25,083
	72,679,792	75,045,763

A29e. DEPOSITS FROM CUSTOMERS (Continued)**(iii) By type of customer**

	The Group	
	31 March	31 December
	2020	2019
	RM'000	RM'000
Government and statutory bodies	7,149,380	4,577,868
Business enterprises	34,017,175	35,328,906
Individuals	34,205,325	35,319,728
Others	21,752,894	24,278,928
	97,124,774	99,505,430

A29f. INVESTMENT ACCOUNTS OF CUSTOMERS

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

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

A29g. INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

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

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

A29h. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 March	31 December
	2020	2019
	RM'000	RM'000
Deposits from customers - structured investments	166,650	95,499

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

The carrying amount of the financial liabilities designated at fair value of the Group as at 31 March 2020 was RM531,000 higher (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.

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

B1. GROUP PERFORMANCE REVIEW

(i) CIMB Group 1Q20 Y-o-Y Performance

	31 March 2020 RM'mil	The Group Three months ended 31 March 2019 RM'mil	Variance RM'mil	%
Key Profit or Loss Items:				
Operating income	4,143	4,166	(23)	(0.6)
Profit before taxation and zakat	714	1,603	(889)	(55.5)
Net profit for the financial year attributable to Owners of the Parent	508	1,192	(684)	(57.4)

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) reported a Profit Before Tax (“PBT”) of RM714 million for the first quarter of 2020 (“1Q20”). The weaker PBT was attributed to lower non-interest income (“NOII”) and higher provisions across selected markets. Net interest income (NII) grew by 4.8%, underpinned by steady 3.8% loan growth and operating expenses remained under control. The Group’s 1Q20 net profit stood at RM508 million, translating to a net Earnings Per Share (“EPS”) of 5.1 sen and an annualised Return On average Equity (“ROE”) of 3.7%.

CIMB Group is pleased with the continued robust performance of its underlying business. Loan growth stayed healthy across all markets and CASA ratio improved significantly to 36.5%. Profitability was however, impacted by volatile trading conditions, lower FX income and isolated credits which gave rise to increased provisioning in selected markets.

With the on-going crisis, CIMB has incorporated the necessary additional measures to quickly adapt to the pandemic and ensure resilience against an uncertain business environment. This includes prioritising staff safety with new working arrangements, working closely with its customers to safeguard asset quality and increasing the intensity of cost management initiatives.

The Group’s 1Q20 operating income remained steady at RM4.14 billion. NII expanded by 4.8% YoY with a marginally lower Net Interest Margin (“NIM”) of 2.44% (cf. 2.48% in 1Q19), with spread compression across all operating countries. However, the Group’s NOII declined by 15.5% YoY largely due to weaker trading and FX income from markets adversely impacted by COVID-19 at the tail-end of 1Q20. Operating expenses remained firmly under control, increasing by just 0.7% YoY, while the higher Cost-to-Income Ratio (“CIR”) of 56.0% (cf. 55.3% in 1Q19) was due to the weaker income during the quarter.

The Group’s total gross loans was up by 3.8% YoY, with commendable growth across all core markets. Total deposits were 3.9% higher YoY, mainly contributed by strong performance in Singapore (+17.7%) and Thailand (+13.4%). In tandem, the Group’s CASA ratio strengthened to 36.5%. The Loan to Deposit Ratio (“LDR”) stood at 91.2% (cf. 91.4% at Mar-19), reflecting sustained strong liquidity. The Group’s gross impairment ratio stood at 3.4% as at end-March 2020, with an allowance coverage of 75.9% .

The Group’s Consumer Banking PBT was 8.5% lower at RM528 million, despite a strong 8.1% expansion in operating income, buoyed by growth in both NII and NOII, with cost growing just 1.2%, but offset by higher YoY provisions. Group Commercial Banking performed well operationally, with a 4.0% growth in operating income and a 0.7% YoY decline in operating expenses. Nevertheless, its PBT was impacted by increased provisions. PBT at the Group’s Wholesale Banking division fell by 84.7% YoY to RM74 million. This was attributed to significantly weaker capital markets in March bringing about a 64.8% YoY decline in NOII, which was partially offset by a 10.2% NII growth. Group Ventures & Partnerships and Funding (“GVPF”) PBT was 15.5% lower YoY due to higher expenses from higher Forward23-related investments, despite a 121.4% NOII expansion from the Group’s fixed income portfolio.

Malaysia PBT fell by 33.4% YoY from weaker trading and FX income, higher provisions from Consumer Banking and lower NII from the two OPR cuts in 1Q20. Non-Malaysia PBT contribution to the Group stood at 24% in 1Q20 compared to 44% in 1Q19, largely due to higher provisions.

B1. GROUP PERFORMANCE REVIEW (CONTINUED)

(ii) CIMB Group Current quarter against preceding quarter Performance

	The Group Quarter ended			
	31 March 2020 RM'mil	31 December 2019 RM'mil	Variance RM'mil	%
Key Profit or Loss Items:				
Operating income	4,143	4,523	(380)	(8.4)
Profit before taxation and zakat	714	1,373 ^a	(659)	(48.0)
Net profit for the financial period attributable to Owners of the Parent	508	1,045 ^a	(537)	(51.4)

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

On a quarter-on-quarter (“QoQ”) basis, the 1Q20 operating income of RM4.14 billion was 8.4% lower with NOII falling 20.9% from weaker trading income and a 4.0% lower NII in line with the 1.5% contraction in gross loans and lower NIM. Consumer Banking PBT fell by 10.8% QoQ attributed to lower operating income and slightly higher provisions, while expenses were flat. The 134.6% QoQ drop in Commercial Banking PBT was due to the higher provisions during the quarter from Singapore. Wholesale Banking PBT declined 82.5% QoQ mainly due to the weaker NOII. GVPF PBT rose 77.5% QoQ from higher returns at the Group’s fixed income portfolio and lower expenses. As a result, the Group’s 1Q20 net profit was 51.4% lower QoQ.

CIMB Islamic

CIMB Islamic’s 1Q20 PBT rose by 3.1% YoY to RM256 million, driven by a strong 19.7% growth in operating income. CIMB Islamic’s gross financing assets rose by 8.0% YoY to RM79.9 billion, accounting for 22.0% of the Group’s total gross loans. Total deposits (including investment accounts) increased by 8.5% YoY to RM88.8 billion.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

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

B3. TAXATION AND ZAKAT

	1st quarter ended		Three months ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
The Group				
Major components of tax expense and zakat:				
Current tax expense	284,342	396,451	284,342	396,451
Deferred tax income	(57,518)	(5,801)	(57,518)	(5,801)
(Over)/under provision in prior years	(11,616)	2,490	(11,616)	2,490
	215,208	393,140	215,208	393,140
Zakat	-	2,300	-	2,300
	215,208	395,440	215,208	395,440
Reconciliation				
Profit before taxation and zakat	713,964	1,603,126	713,964	1,603,126
Less: Share of results of joint venture	(18,455)	(5,066)	(18,455)	(5,066)
Share of results of associates	386	(520)	386	(520)
	695,895	1,597,540	695,895	1,597,540
Tax at statutory income tax rate of 24%	167,015	383,410	167,015	383,410
Effect of different tax rates in other countries and change in tax rates	128,040	(45,210)	128,040	(45,210)
Due to expenses not deductible for tax purposes and income not subject to income tax	(68,231)	52,450	(68,231)	52,450
(Over)/under provision in prior years	(11,616)	2,490	(11,616)	2,490
Tax expenses	215,208	393,140	215,208	393,140

The Company

Major components of tax expense:

Current tax expense	1,743	25	1,743	25
	1,743	25	1,743	25

Reconciliation

Profit before taxation	1,190,700	1,082,774	1,190,700	1,082,774
Tax at statutory income tax rate of 24%	285,768	259,866	285,768	259,866
Due to expenses not deductible for tax purposes and income not subject to income tax	(284,025)	(259,841)	(284,025)	(259,841)
Tax expenses	1,743	25	1,743	25

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

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

B5. BORROWINGS AND DEBT SECURITIES

	The Group	
	31 March 2020	31 December 2019
	RM'000	RM'000
(i) Bonds, sukuk and debentures		
Unsecured		
One year or less (short term)		
- USD	1,678,273	4,010,304
- IDR	517,610	496,389
- THB	1,019,612	948,842
- HKD	396,951	373,343
More than one year (medium/long term)		
- USD	3,041,327	2,871,993
- RM	4,141,315	4,031,257
- HKD	3,563,205	3,363,256
- IDR	1,743,858	1,756,424
- THB	311,197	380,902
	16,413,348	18,232,710

B5. BORROWINGS AND DEBT SECURITIES (Continued)

	The Group		The Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
(ii) Other borrowing				
Unsecured				
One year or less (short term)				
- USD	863,745	1,855,858	-	-
- RM	302,896	300,527	302,993	451,012
- IDR	66,133	590,194	-	-
- HKD	-	297,525	-	-
More than one year (medium/long term)				
- RM	3,761,254	3,729,315	3,761,254	3,754,319
- USD	3,678,128	3,492,771	-	-
- IDR	275,377	192,052	-	-
	8,947,533	10,458,242	4,064,247	4,205,331
(iii) Subordinated obligations				
Unsecured				
One year or less (short term)				
- RM	5,714,641	5,635,500	2,646,695	2,611,517
- IDR	423,765	473,100	-	-
More than one year (medium/long term)				
- RM	7,429,200	7,368,793	7,702,051	7,653,711
- IDR	59,452	43,476	-	-
	13,627,058	13,520,869	10,348,746	10,265,228

B6. MATERIAL LITIGATION

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

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

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

	The Group			
	1st quarter ended 31 March 2020 RM'000	31 March 2019 RM'000	Three months ended 31 March 2020 RM'000	31 March 2019 RM'000
Net profit for the financial period after non-controlling interests	507,925	1,192,042	507,925	1,192,042
Weighted average number of ordinary shares in issue ('000)	9,922,966	9,564,455	9,922,966	9,564,455
Basic earnings per share (expressed in sen per share)	5.12	12.46	5.12	12.46

b) Diluted EPS

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