

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 50841-W)  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019**

	Note	The Group		The Company	
		30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
<b>ASSETS</b>					
Cash and short-term funds	A8	32,985,139	35,528,934	1,380,029	197,548
Reverse repurchase agreements		10,641,424	11,276,089	-	-
Deposits and placements with banks and other financial institutions	A8	6,372,190	4,373,818	17,261	-
Financial assets at fair value through profit or loss	A9	40,992,636	29,511,069	-	-
Debt instruments at fair value through other comprehensive income	A10	33,583,764	32,276,304	2,533,786	2,467,071
Equity instruments at fair value through other comprehensive income	A11	571,526	583,524	-	-
Debt instruments at amortised cost	A12	39,680,521	39,269,202	5,412,832	5,397,933
Derivative financial instruments	A25	12,156,504	8,634,633	-	-
Loans, advances and financing	A13	352,008,125	337,148,268	-	-
Other assets	A14	14,458,939	12,206,211	133,968	135,486
Tax recoverable		291,334	317,020	181,748	180,853
Deferred tax assets		761,880	1,052,808	-	-
Statutory deposits with central banks		9,092,363	8,139,164	-	-
Amount due from a subsidiary		-	-	11	-
Investment in subsidiaries		-	-	31,426,620	29,833,969
Investment in associates and joint ventures		2,481,241	1,714,366	-	3,834
Property, plant and equipment		2,280,797	2,257,200	6,308	1,703
Right-of-use assets		796,276	-	-	-
Investment properties		17,335	-	387	399
Prepaid lease payments		84,017	91,686	-	-
Goodwill		7,856,491	7,680,096	-	-
Intangible assets		1,707,720	1,708,484	-	-
		<b>568,820,222</b>	<b>533,768,876</b>	<b>41,092,950</b>	<b>38,218,796</b>
Non-current assets held for sale		7,466	320,167	-	7,862
<b>TOTAL ASSETS</b>		<b>568,827,688</b>	<b>534,089,043</b>	<b>41,092,950</b>	<b>38,226,658</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A15	385,085,415	370,193,085	-	-
Investment accounts of customers	A16	1,779,612	1,769,270	-	-
Deposits and placements of banks and other financial institutions	A17	27,156,622	20,232,880	-	-
Repurchase agreements		14,134,347	14,279,476	-	-
Financial liabilities designated at fair value through profit or loss	A18	4,445,064	5,880,707	-	-
Derivative financial instruments	A25	12,369,539	8,407,981	-	-
Bills and acceptances payable		2,803,336	2,521,372	-	-
Other liabilities	A19	16,994,055	15,047,292	3,428	2,450
Lease liabilities		725,610	-	-	-
Recourse obligation on loans and financing sold to Cagamas		4,522,282	6,007,447	-	-
Amount due to subsidiaries		-	-	925	1,819
Provision for taxation		617,191	539,823	-	-
Deferred tax liabilities		30,503	30,175	374	374
Bonds, Sukuk and debentures	B5(i)	18,198,856	13,715,181	-	-
Other borrowings	B5(ii)	9,816,811	9,306,640	4,014,294	3,353,526
Subordinated obligations	B5(iii)	12,787,784	13,482,272	9,537,665	9,841,811
		<b>511,467,027</b>	<b>481,413,601</b>	<b>13,556,686</b>	<b>13,199,980</b>
Non-current liabilities held for sale		-	87,471	-	-
<b>TOTAL LIABILITIES</b>		<b>511,467,027</b>	<b>481,501,072</b>	<b>13,556,686</b>	<b>13,199,980</b>
Ordinary share capital		24,938,424	24,131,750	24,938,424	24,131,750
Reserves		31,141,224	27,243,151	2,597,883	894,971
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(43)	(43)	(43)
		<b>56,079,042</b>	<b>51,374,295</b>	<b>27,536,264</b>	<b>25,026,678</b>
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		1,081,619	1,013,676	-	-
<b>TOTAL EQUITY</b>		<b>57,360,661</b>	<b>52,587,971</b>	<b>27,536,264</b>	<b>25,026,678</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>568,827,688</b>	<b>534,089,043</b>	<b>41,092,950</b>	<b>38,226,658</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A26 (a)	<b>1,196,500,938</b>	1,129,138,654	-	-
<b>Net assets per share attributable to owners of the Parent (RM)</b>		<b>5.77</b>	5.37	<b>2.83</b>	2.62

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	Note	The Group			
		3rd quarter ended		Nine months ended	
		30 September 2019	30 September 2018	30 September 2019	30 September 2018
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	A20(a)	<b>4,878,543</b>	4,682,555	<b>14,448,829</b>	13,734,451
Interest income for financial assets at fair value through profit or loss	A20(b)	<b>235,424</b>	175,514	<b>681,820</b>	487,200
Interest expense	A21	<b>(2,546,227)</b>	(2,444,602)	<b>(7,724,585)</b>	(7,021,085)
Net interest income		<b>2,567,740</b>	2,413,467	<b>7,406,064</b>	7,200,566
Income from Islamic Banking operations	A30(c)	<b>820,602</b>	667,710	<b>2,282,625</b>	1,929,819
Net non-interest income	A22	<b>1,250,103</b>	1,059,359	<b>3,332,763</b>	3,085,355
		<b>4,638,445</b>	4,140,536	<b>13,021,452</b>	12,215,740
Gain on disposal of subsidiaries, joint venture and associate		-	-	<b>251,990</b>	1,091,685
		<b>4,638,445</b>	4,140,536	<b>13,273,442</b>	13,307,425
Overheads	A23	<b>(2,786,392)</b>	(2,158,346)	<b>(7,382,434)</b>	(6,386,783)
Profit before expected credit losses		<b>1,852,053</b>	1,982,190	<b>5,891,008</b>	6,920,642
Expected credit losses on loans, advances and financing	A24(a)	<b>(403,645)</b>	(398,873)	<b>(1,032,665)</b>	(1,144,599)
Expected credit losses (made)/written back for commitments and contingencies		<b>(46,291)</b>	(17,597)	<b>62,334</b>	9,185
Other expected credit losses made	A24(b)	<b>(77,066)</b>	(92,504)	<b>(54,733)</b>	(123,606)
		<b>1,325,051</b>	1,473,216	<b>4,865,944</b>	5,661,622
Share of results of joint ventures		<b>11,224</b>	12,870	<b>29,105</b>	23,264
Share of results of associates		<b>608</b>	315	<b>789</b>	3,568
Profit before taxation and zakat		<b>1,336,883</b>	1,486,401	<b>4,895,838</b>	5,688,454
Taxation and zakat	B3	<b>(350,550)</b>	(294,840)	<b>(1,206,750)</b>	(1,142,874)
Profit for the financial period		<b>986,333</b>	1,191,561	<b>3,689,088</b>	4,545,580
Profit for the financial period attributable to :					
Owners of the Parent		<b>1,010,348</b>	1,179,718	<b>3,711,015</b>	4,466,375
Non-controlling interests		<b>(24,015)</b>	11,843	<b>(21,927)</b>	79,205
		<b>986,333</b>	1,191,561	<b>3,689,088</b>	4,545,580
Earnings per share (sen):					
- Basic	B7(a)	<b>10.36</b>	12.56	<b>38.42</b>	48.00
- Fully diluted	B7(b)	N/A	N/A	N/A	N/A

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**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED**  
**30 SEPTEMBER 2019**

	The Group			
	3rd quarter ended 30 September 2019 RM'000	30 September 2018 RM'000	Nine months ended 30 September 2019 RM'000	30 September 2018 RM'000
Profit for the financial period	986,333	1,191,561	3,689,088	4,545,580
Other comprehensive (expense)/ income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation	(198)	(871)	795	(1,297)
- Actuarial gain/(loss)	37	32	1,652	(858)
- Currency translation difference	(235)	(903)	(857)	(439)
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	1,462	(785)	(1,871)	7,528
Equity instruments at fair value through other comprehensive income	(10,480)	(32,155)	(14,505)	(32,253)
- Net loss from change in fair value	(9,236)	(28,967)	(11,797)	(30,650)
- Income tax effects	39	(735)	258	132
- Currency translation difference	(1,283)	(2,453)	(2,966)	(1,735)
	(9,216)	(33,811)	(15,581)	(26,022)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	92,098	52,751	557,726	(216,313)
- Net gain/(loss) from change in fair value	265,450	109,476	952,159	(209,139)
- Realised gain transferred to statement of income on disposal	(144,901)	(12,565)	(299,099)	(41,215)
- Changes in expected credit losses	2,780	(4,299)	4,649	1,355
- Income tax effects	(29,525)	(42,295)	(95,175)	29,078
- Currency translation difference	(1,706)	2,434	(4,808)	3,608
Net investment hedge	(30,538)	(134,188)	(46,022)	(19,830)
Hedging reserve - cash flow hedge	(5,147)	975	(4,824)	3,710
- Net (loss)/gain from change in fair value	(6,865)	1,191	(6,432)	4,600
- Income tax effects	1,718	(216)	1,608	(890)
Deferred hedging cost	14,237	8,217	38,801	36,902
Exchange fluctuation reserve	275,040	323,316	974,522	(323,312)
Share of other comprehensive income of associates and joint ventures	5,159	11,590	13,268	64,011
	350,849	262,661	1,533,471	(454,832)
Total other comprehensive income/(expense) for the financial period, net of tax	341,633	228,850	1,517,890	(480,854)
Total comprehensive income for the financial period	1,327,966	1,420,411	5,206,978	4,064,726
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	1,338,580	1,408,643	5,177,880	4,041,494
Non-controlling interests	(10,614)	11,768	29,098	23,232
	1,327,966	1,420,411	5,206,978	4,064,726

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.*

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 50841-W)  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	Note	The Company			
		3rd quarter ended 30 September		Nine months ended 30 September	
		2019	2018	2019	2018
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	102,534	80,558	309,332	231,352
Interest expense	A21	(161,072)	(144,264)	(495,373)	(416,056)
Net interest expense		(58,538)	(63,706)	(186,041)	(184,704)
Net non-interest income	A22	1,576,453	1,141,894	3,025,802	3,157,770
Loss on disposal of a subsidiary		1,517,915	1,078,188	2,839,761	2,973,066
		-	-	-	(528,670)
Overheads	A23	1,517,915	1,078,188	2,839,761	2,444,396
		(5,677)	(13,206)	(14,233)	(29,054)
Profit before expected credit losses		1,512,238	1,064,982	2,825,528	2,415,342
Other expected credit losses made	A24(b)	(7,757)	(12,294)	(7,963)	(20,955)
Profit before taxation		1,504,481	1,052,688	2,817,565	2,394,387
Taxation	B3	(1,589)	(38)	(2,682)	(3,914)
Profit for the financial period		1,502,892	1,052,650	2,814,883	2,390,473

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 50841-W)  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	The Company			
	3rd quarter ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	1,502,892	1,052,650	2,814,883	2,390,473
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	19,876	2,206	35,764	(1,600)
- Net gain/(loss) from change in fair value	17,492	1,620	33,307	(3,010)
- Changes in expected credit losses	2,384	586	2,457	1,410
Other comprehensive income/(expense)	19,876	2,206	35,764	(1,600)
Total comprehensive income for the financial period	1,522,768	1,054,856	2,850,647	2,388,873

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 50841-W)  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

Attributable to owners of the Parent

The Group  
30 September 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		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
							Debt instruments at fair value through other comprehensive income RM'000	Equity instruments at fair value through other comprehensive income RM'000								
<b>At 1 January 2019</b>	<b>24,131,750</b>	<b>130,284</b>	<b>137,104</b>	<b>282,393</b>	<b>(563)</b>	<b>(43)</b>	<b>(288,294)</b>	<b>(207,686)</b>	<b>(1,292,581)</b>	<b>73,993</b>	<b>1,542,976</b>	<b>26,864,962</b>	<b>51,374,295</b>	<b>200,000</b>	<b>1,013,676</b>	<b>52,587,971</b>
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	3,711,015	3,711,015	-	(21,927)	3,689,088
Other comprehensive income/(expense) (net of tax)	-	555	-	948,161	-	-	545,710	(14,647)	(13,469)	561	(6)	-	1,466,865	-	51,025	1,517,890
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	545,635	-	-	-	-	-	545,635	-	12,091	557,726
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(14,647)	-	-	-	-	(14,647)	-	142	(14,505)
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	(1,871)	-	-	-	(1,871)	-	-	(1,871)
- net investment hedge	-	-	-	-	-	-	-	-	(46,022)	-	-	-	(46,022)	-	-	(46,022)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(4,824)	-	-	-	(4,824)	-	-	(4,824)
- deferred hedging cost	-	-	-	-	-	-	-	-	38,801	-	-	-	38,801	-	-	38,801
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	795	-	-	-	795	-	-	795
- currency translation difference	-	504	-	933,714	-	-	-	-	630	882	-	-	935,730	-	38,792	974,522
- share of other comprehensive income/ (expense) of associates and joint ventures	-	51	-	14,447	-	-	75	-	(978)	(321)	(6)	-	13,268	-	-	13,268
Total comprehensive income/ (expense) for the financial period	-	555	-	948,161	-	-	545,710	(14,647)	(13,469)	561	(6)	3,711,015	5,177,880	-	29,098	5,206,978
Dividend for the financial year ended 31 December 2018	-	-	-	-	-	-	-	-	-	-	-	(1,147,735)	(1,147,735)	-	-	(1,147,735)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,374)	(15,374)
Transfer to statutory reserve	-	50	-	-	-	-	-	-	-	-	-	(50)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	527,769	(527,769)	-	-	-	-
Disposal of a subsidiary	-	-	-	202	-	-	-	-	-	-	-	-	202	-	-	202
Dilution of net assets arising from accretion of equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(118,272)	(118,272)	-	(31,728)	(150,000)
Contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91,477	91,477
Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,530)	(5,530)
Share-based payment expense	-	-	-	-	-	-	-	-	-	50,604	-	-	50,604	-	-	50,604
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	46,859	(52,193)	-	-	(5,334)	-	-	(5,334)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(59,272)	-	-	-	(59,272)	-	-	(59,272)
Issuance of shares through dividend reinvestment scheme	806,674	-	-	-	-	-	-	-	-	-	-	-	806,674	-	-	806,674
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	73	-	-	-	(73)	-	-	-	-
<b>At 30 September 2019</b>	<b>24,938,424</b>	<b>130,889</b>	<b>137,104</b>	<b>1,230,756</b>	<b>(563)</b>	<b>(43)</b>	<b>257,416</b>	<b>(222,260)</b>	<b>(1,318,463)</b>	<b>72,965</b>	<b>2,070,739</b>	<b>28,782,078</b>	<b>56,079,042</b>	<b>200,000</b>	<b>1,081,619</b>	<b>57,360,661</b>

**CIMB GROUP HOLDINGS BERHAD**  
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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

The Group  
30 September 2018

	← 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	Revaluation reserve - financial investments available- for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
<b>At 1 January 2018</b>	22,183,226	131,155	137,104	423,263	(563)	(43)	-	-	499,476	(1,374,602)	60,002	1,502,520	24,683,941	48,245,479	200,000	1,360,956	49,806,435
Effect of adopting MFRS 9	-	-	-	-	-	-	(72,914)	(198,038)	(499,476)	(4,157)	-	16,511	(1,056,366)	(1,814,440)	-	(77,722)	(1,892,162)
<b>1 January 2018, as restated</b>	22,183,226	131,155	137,104	423,263	(563)	(43)	(72,914)	(198,038)	-	(1,378,759)	60,002	1,519,031	23,627,575	46,431,039	200,000	1,283,234	47,914,273
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	4,466,375	4,466,375	-	79,205	4,545,580
Other comprehensive income/(expense) (net of tax)	-	176	-	(216,088)	-	-	(202,426)	(32,637)	-	26,859	(765)	-	-	(424,881)	-	(55,973)	(480,854)
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	(202,424)	-	-	-	-	-	-	(202,424)	-	(13,889)	(216,313)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(32,147)	-	-	-	-	-	(32,147)	-	(106)	(32,253)
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	7,528	-	-	-	7,528	-	-	-	7,528
- net investment hedge	-	-	-	-	-	-	-	-	(19,830)	-	-	-	(19,830)	-	-	-	(19,830)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	3,710	-	-	-	3,710	-	-	-	3,710
- deferred hedging cost	-	-	-	-	-	-	-	-	36,902	-	-	-	36,902	-	-	-	36,902
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	(1,297)	-	-	-	(1,297)	-	-	-	(1,297)
- currency translation difference	-	185	-	(281,085)	-	-	-	-	(154)	(280)	-	-	(281,334)	-	(41,978)	(323,312)	
- share of other comprehensive (expense)/ income of associate and joint venture	-	(9)	-	64,997	-	-	(2)	(490)	-	(485)	-	-	64,011	-	-	64,011	
Total comprehensive income/(expense) for the financial period	-	176	-	(216,088)	-	-	(202,426)	(32,637)	-	26,859	(765)	-	4,466,375	4,041,494	-	23,232	4,064,726
Dividend for the financial year ended 31 December 2017	-	-	-	-	-	-	-	-	-	-	-	-	(1,107,065)	(1,107,065)	-	-	(1,107,065)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,798)	(12,798)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	645	-	-	-	-	-	-	-	-	-	-	(645)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	55,794	(55,794)	-	-	-	-	-
Disposal of subsidiaries	-	(1,681)	-	(231,926)	-	-	-	(977)	-	(3,576)	(12)	(3,779)	(241,951)	-	(371,503)	(613,454)	
Contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,422	38,422
Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,530)	(5,530)
Share-based payment expense	-	-	-	-	-	-	-	-	-	58,396	-	-	58,396	-	-	-	58,396
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	42,282	(41,273)	-	-	1,009	-	-	-	1,009
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(70,195)	-	-	-	(70,195)	-	-	-	(70,195)
Issuance of shares through dividend reinvestment scheme	897,612	-	-	-	-	-	-	-	-	-	-	-	897,612	-	-	-	897,612
<b>At 30 September 2018</b>	23,080,838	130,295	137,104	(24,751)	(563)	(43)	(275,340)	(231,652)	-	(1,379,813)	72,784	1,574,813	26,926,667	50,010,339	200,000	955,057	51,165,396

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 50841-W)  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	← Non-distributable →			Distributable		Total RM'000
	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve - debt instruments at fair value through other comprehensive income RM'000	Retained earnings RM'000	
<b>The Company</b>						
<b>At 1 January 2019</b>	24,131,750	55,982	(43)	71,135	767,854	25,026,678
Profit for the financial period	-	-	-	-	2,814,883	2,814,883
Other comprehensive income	-	-	-	35,764	-	35,764
- Debt instruments at fair value through other comprehensive income	-	-	-	35,764	-	35,764
Total comprehensive income for the financial period	-	-	-	35,764	2,814,883	2,850,647
Dividend for the financial year ended 31 December 2018	-	-	-	-	(1,147,735)	(1,147,735)
- single tier second interim dividend	-	-	-	-	(1,147,735)	(1,147,735)
Issuance of shares through dividend reinvestment scheme	806,674	-	-	-	-	806,674
<b>At 30 September 2019</b>	<b>24,938,424</b>	<b>55,982</b>	<b>(43)</b>	<b>106,899</b>	<b>2,435,002</b>	<b>27,536,264</b>

	← 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	Revaluation reserve - financial investments available- for-sale RM'000		Retained earnings RM'000
<b>The Company</b>							
<b>At 1 January 2018</b>	22,183,226	55,982	(43)	-	26,619	656,679	22,922,463
Effect of adopting MFRS 9	-	-	-	37,195	(26,619)	(37,130)	(26,554)
<b>1 January 2018, as restated</b>	22,183,226	55,982	(43)	37,195	-	619,549	22,895,909
Profit for the financial period	-	-	-	-	-	2,390,473	2,390,473
Other comprehensive expense (net of tax)	-	-	-	(1,600)	-	-	(1,600)
- Debt instruments at fair value through other comprehensive income	-	-	-	(1,600)	-	-	(1,600)
Total comprehensive (expense)/income for the financial period	-	-	-	(1,600)	-	2,390,473	2,388,873
Dividend for the financial year ended 31 December 2017	-	-	-	-	-	(1,107,065)	(1,107,065)
- single tier second interim dividend	-	-	-	-	-	(1,107,065)	(1,107,065)
Issuance of shares through dividend reinvestment scheme	897,612	-	-	-	-	-	897,612
<b>At 30 September 2018</b>	<b>23,080,838</b>	<b>55,982</b>	<b>(43)</b>	<b>35,595</b>	<b>-</b>	<b>1,902,957</b>	<b>25,075,329</b>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 September 2019 RM'000</b>	<b>30 September 2018 RM'000</b>	<b>30 September 2019 RM'000</b>	<b>30 September 2018 RM'000</b>
Profit before taxation and zakat	<b>4,895,838</b>	5,688,454	<b>2,817,565</b>	2,394,387
Adjustments for non-operating and non-cash items	<b>650,556</b>	182,764	<b>(2,833,964)</b>	(2,406,131)
Operating profit/(loss) before changes in working capital	<b>5,546,394</b>	5,871,218	<b>(16,399)</b>	(11,744)
Net changes in operating assets	<b>(32,282,841)</b>	(21,726,388)	<b>51,071</b>	(3,040)
Net changes in operating liabilities	<b>24,393,929</b>	20,956,582	<b>(14,125)</b>	(3,253)
	<b>(7,888,912)</b>	(769,806)	<b>36,946</b>	(6,293)
Cash flows (used in)/generated from operations	<b>(2,342,518)</b>	5,101,412	<b>20,547</b>	(18,037)
Taxation paid	<b>(839,604)</b>	(879,207)	<b>(3,577)</b>	(2,075)
Net cash flows (used in)/generated from operating activities	<b>(3,182,122)</b>	4,222,205	<b>16,970</b>	(20,112)
Net cash flows (used in)/generated from investing activities	<b>(974,248)</b>	(5,521,739)	<b>1,617,526</b>	261,346
Net cash flows generated from/ (used in) financing activities	<b>776,074</b>	(2,023,846)	<b>(452,015)</b>	1,184,321
Net (decrease)/increase in cash and cash equivalents during the financial period	<b>(3,380,296)</b>	(3,323,380)	<b>1,182,481</b>	1,425,555
Effects of exchange rate changes	<b>836,501</b>	(228,176)	-	-
Cash and short-term funds at beginning of the financial period	<b>35,528,934</b>	41,667,884	<b>197,548</b>	182,809
<b>Cash and short-term funds at end of the financial period</b>	<b>32,985,139</b>	38,116,328	<b>1,380,029</b>	1,608,364
Statutory deposits with Bank Indonesia*	<b>(2,645,149)</b>	(3,207,130)	-	-
Monies held in trust	<b>(127,824)</b>	(101,186)	-	-
<b>Cash and cash equivalents at end of the financial period</b>	<b>30,212,166</b>	34,808,012	<b>1,380,029</b>	1,608,364

\* This represent non-interest bearing statutory deposits of a foreign subsidiary maintained with Bank Indonesia in compliance with their applicable legislation which is not readily available for use by the Group.

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018*



## **PART A - EXPLANATORY NOTES**

### **A1. BASIS OF PREPARATION**

The unaudited condensed interim financial statements for the financial period ended 30 September 2019 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 2018. 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 2018.

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 2018, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2019:

- MFRS 16 "Leases"
- Amendments to MFRS 9 "Prepayment Features with Negative Compensation"
- Amendments to MFRS 128 "Long-term Interests in Associates and Joint Ventures"
- Amendments to MFRS 119 "Plan Amendment, Curtailment or Settlement"
- Annual Improvements to MFRSs 2015 – 2017 Cycle
- IC Interpretation 23 "Uncertainty over Income Tax Treatments"

The adoption of MFRS 16 has required additional disclosure of leases. Other than that, 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.

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.

### **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 30 September 2019:-

(a) On 7 March 2019, the Company announced that it will seek its shareholders' approval at its 62nd Annual General Meeting ("AGM") to be convened on a later announced date for the proposed renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up capital of the Company. Shareholders' approval was subsequently obtained at the AGM which was held on 22 April 2019.

(b) The entitlement date pursuant to Single Tier Second Interim Dividend for financial year ended 31 December 2018 and the corresponding Dividend Reinvestment Scheme ("DRS") was fixed for 27 March 2019. The Group had, on 24 April 2019, issued and allotted 162,964,518 new ordinary shares ("New CIMB Shares"). The New CIMB Shares were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m., Thursday, 25 April 2019. With the listing of the New Shares, the enlarged issued and paid-up share capital of CIMB Group Holdings Berhad ("CIMBGH") is 9,727,423,936 shares.

The entitlement date pursuant to Single Tier First Interim Dividend for financial year ending 31 December 2019 and the corresponding DRS was fixed for 7 October 2019. The Group had, on 6 November 2019, issued and allotted 195,547,322 New CIMB Shares. The New CIMB Shares were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m., Thursday, 7 November 2019. With the listing of the New Shares, the enlarged issued and paid-up share capital of CIMBGH is 9,922,971,258 shares.

(c) On 19 March 2019, CIMB Bank issued USD88 million in nominal value 5-year floating rate notes (the "Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of USD 3-months LIBOR + 0.85% per annum payable quarterly, will mature on 19 March 2024.

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

(d) On 4 April 2019, CIMB Bank, acting through its Hong Kong branch, issued HKD700 million in nominal value 1-year fixed rate notes (the "Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 1.98% per annum payable annually, will mature on 4 April 2020 (subject to adjustment in accordance with the modified following business day convention).

(e) During the financial period, Merdeka Kapital Berhad ("MKB"), a special purpose vehicle consolidated by CIMB Bank, undertook a partial redemption of the Medium Term Note amounting to RM55.8 million.

(f) 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 RM71.0 million.

(g) On 15 April 2019, CIMB Bank, acting through its Labuan Offshore Branch, issued USD30 million in nominal value 5-year floating rate notes (the "Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of USD 3-months LIBOR + 0.80% per annum payable quarterly, will mature on 15 April 2024 (subject to adjustment in accordance with the modified following business day convention).

(h) On 25 April 2019, Touch N' Go Sdn Bhd ("TnG"), a subsidiary of CIMBGH, announced a proposed increase of its share via an issuance and allotment of ordinary shares to the shareholders of TnG in proportion to their current shareholdings. CIMBGH has fully subscribed the share capital on 17 May 2019.

Subsequent to the completion of the exercise, the Group's effective shareholding in TnG has increased from 52.22% to 66.58% due to the full subscription to its allotment of shares and the subscription of excess shares which were not taken up by the other shareholders of TnG.

On 26 July 2019, CIMBGH entered into a conditional Sales & Purchase Agreement to purchase 19.43% of TnG shares from MTD Equity Sdn Bhd ("MTD"). Subsequent to the completion of the exercise on 21 August 2019, the Group's effective shareholding in TnG has increased from 66.58% to 86.01%.

On 24 October 2019, CIMBGH entered into a Share Purchase Agreement to purchase 13.99% of TnG shares from PLUS Malaysia Berhad ("PLUS"). Subsequent to the exercise, TnG becomes a wholly owned subsidiary of CIMBGH.

(i) On 7 May 2019, CIMB Bank issued 118.9 million Rights Issue at RM5.59 for each Rights Share. The issuance has resulted in an increase in ordinary shares of RM664.8 million.

(j) On 10 May 2019, CIMBGH issued RM550 million 3-month Conventional Commercial Papers ("CPs") under its Conventional Commercial Papers Programme. CIMBGH has redeemed the RM550 million Conventional CPs on 9 August 2019.

(k) On 14 May 2019, CIMB Bank has redeemed its HKD300 million 5-year senior unsecured fixed rate notes issued under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011.

(l) On 15 May 2019, CIMB Bank PLC issued USD15 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 4.5% 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.

(m) On 18 May 2019, CIMB Bank has redeemed its CNY130 million 3-year senior fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.

(n) On 12 June 2019, CIMBGH issued RM250 million 1-year Medium Term Notes ("MTN") which will mature on 12 June 2020 and RM750 million 3-year Islamic Medium Term Notes ("IMTN") which will mature on 10 June 2022. The MTN and IMTN were issued out of its existing conventional and Islamic medium term notes programmes, which has a combined limit of RM6.0 billion in nominal value.

(o) On 12 June 2019, CIMBGH redeemed its RM350 million MTNs.

(p) On 28 June 2019, CIMBGH completed an issuance of RM1.0 billion Basel III-compliant Additional Tier 1 Capital Securities under the RM10 billion Basel III AT1 Programme, at 5.40% per annum with an Issuer's call option to redeem at the end of year 5 and on each coupon payment date thereafter, subject to approval from BNM.

(q) On 28 June 2019, CIMBGH exercised its option to redeem its existing RM1.38 billion Subordinated Fixed Rate Notes on the first optional redemption date.

(r) On 8 July 2019, CIMB Thai issued RM550 million Basel III compliant Tier 2 subordinated notes. The subordinated notes carry fixed interest rate of 4.15% per annum payable every six months. The subordinated notes will mature on 6 July 2029. CIMB Thai may exercise its right to early redeem the subordinated notes 5 years after issue date, and on each coupon payment date thereafter, subject to approval by the Bank of Thailand ("BOT").

(s) On 8 July 2019, CIMB Thai exercised its option to early redeem the RM400 mil Basel III compliant Tier 2 subordinated notes. This early redemption was approved by BOT on 10 May 2019, notification No. For Kor Kor 292/2562.

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

(t) On 12 July 2019, CIMB Bank Berhad issued HKD200 million in nominal value of a 5-year fixed rate notes (the "Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 2.35% per annum payable annually in arrears, will mature on 12 July 2024.

(u) On 20 July 2019, CIMB Bank has redeemed its CNY130 million 3-year senior fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.

(v) On 8 August 2019, CIMB Bank issued USD20 million in nominal value 5-year floating rate notes (the "Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of USD 3-months LIBOR + 0.73% per annum payable quarterly, will mature on 8 August 2024.

(w) On 21 August 2019, CIMB Bank has redeemed its HKD150 million 5-year senior unsecured fixed rate notes issued under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011.

(x) On 25 September 2019, CIMB Bank has redeemed its AUD100 million 5-year senior fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.

(y) On 25 September 2019, CIMB Islamic Bank has redeemed in full, the first tranche of the Junior Sukuk of RM300 million on its first optional redemption date.

(z) On 25 September 2019, CIMB Islamic Bank issued RM800 million 10 years non-callable 5 years Tier-2 Junior Sukuk at 3.75% per annum, which was fully subscribed by CIMB Bank.

(aa) On 25 September 2019, CIMB Bank PLC issued a USD15 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 4.0% 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.

(ab) On 9 October 2019, CIMB Bank issued USD680 million in nominal value 5-year floating rate notes (the "Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of USD 3-months LIBOR + 0.78% per annum payable quarterly, will mature on the interest payment date falling in or nearest to 9 October 2024.

(ac) On 30 September 2019, CIMB Niaga redeemed its 1-year Series A Senior Bond of IDR1,021,000 million bonds amounted to IDR766 billion.

### **A4. DIVIDENDS PAID AND PROPOSED**

A single-tier second interim dividend of 12.00 sen per ordinary share, on 9,564,454,510 ordinary shares amounting to RM1,147,734,541 in respect of the financial year ended 31 December 2018 was approved by the Board of Directors on 31 January 2019. The dividend consists of an electable portion of 12.00 sen which can be elected to be reinvested in new ordinary shares in accordance with the DRS. Following the completion of the DRS, a total cash dividend of RM341,060,177 was paid on 24 April 2019.

A single-tier first interim dividend of 14.00 sen per ordinary share, on 9,727,419,028 ordinary shares amounting to RM1,361,838,664 in respect of the financial year ending 31 December 2019 was approved by the Board of Directors on 31 July 2019. The dividend consists of an electable portion of 14.00 sen which can be elected to be reinvested in new ordinary shares in accordance with the DRS. Following the completion of the DRS, a total cash dividend of RM456,454,563 was paid on 6 November 2019.

No dividend has been proposed during the financial period ended 30 September 2019.

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

(a) On 17 October 2016, the Group announced that CIMB Group Sdn Bhd ("CIMBG"), a wholly-owned subsidiary of the Company, has signed a Heads of Terms with China Galaxy International Financial Holdings Limited ("CGI"), a wholly-owned subsidiary of China Galaxy Securities Co. Ltd. ("CGS"), with respect to a potential strategic partnership in the cash equities business in the region ("Proposed Partnership"). On 6 June 2017, CIMBG entered into a conditional Share Purchase Agreement with CGI with respect to the sale of 50% of the issued and paid-up share capital of CIMB Securities International Pte. Ltd. ("CSI") to CGI ("Proposed Disposal").

CSI is a wholly-owned subsidiary of CIMBG, and is the holding company for the cash equities business comprising institutional and retail brokerage, equities research and associated securities businesses in Indonesia, Singapore, Thailand, Hong Kong, India, South Korea, United Kingdom and the United States of America.

The consideration for the Proposed Disposal amounts to approximately S\$167 million (approximately RM515 million), and is subject to completion audit adjustment, if any. The Proposed Disposal was completed on 18 January 2018.

On 6 September 2017, CIMBG entered into a conditional Share Purchase Agreement to acquire 100% equity interest in Jupiter Securities Sdn Bhd ("Jupiter Securities") for a cash consideration of RM55 million ("Proposed Acquisition"). The proposed acquisition was entered into in connection with the Proposed Partnership.

#### **A5. STATUS OF CORPORATE PROPOSAL (Continued)**

(a) The Securities Commission has on 2 April 2018 approved the Proposed Acquisition and the proposed sale of CIMBG's Malaysia cash equities business including the sale of 100% equity interest in CIMB Futures Sdn Bhd to Jupiter Securities in connection with the Proposed Partnership. On 10 August 2018, the Group announced that approval from BNM has been received. On 28 September 2018, the Proposed Acquisition was completed.

On 18 December 2018, CIMBG, CGI and CGS-CIMB Holdings Sdn Bhd (the "Malaysia JV HoldCo") entered into a Share Subscription Agreement in connection with the subscription of new shares in the Malaysia JV Entity by CIMBG and CGI ("Proposed MY Share Subscription"). At completion, CIMBG and CGI will be 50:50 shareholders in Malaysia JV HoldCo. Following the signing of the Share Subscription Agreement, the parties will proceed with the necessary process to effect the transfer of the Malaysia stockbroking business of CIMB Group, including 100% interest in CIMB Futures Sdn Bhd, to Jupiter Securities ("Proposed Business Transfer"). Jupiter Securities is a 100%-owned subsidiary of Malaysia JV HoldCo and will be the operating company for the stockbroking business of the CGS-CIMB joint venture in Malaysia. The consideration for the Proposed Business Transfer will be satisfied in cash, and is subject to completion audit adjustment, if any.

On 9 May 2019, the Group announced that the High Court of Malaya has granted the necessary court orders for the Proposed Business Transfer to be effective from 1 July 2019.

On 28 June 2019, the Group announced the completion of the Proposed MY Share Subscription. The proceeds from the subscription will be utilised to satisfy the purchase consideration in connection with the Proposed Business Transfer, which will be effective on 1 July 2019. This new JV will be rebranded as "CGS-CIMB Securities" on the effective date.

(b) On 23 January 2019, CIG, a wholly-owned indirect subsidiary of of CIMB Group Holdings Berhad ("CIMBGH"), entered into a Share Purchase Agreement with HBG Asia Holdings Limited and Howden to divest 510,000 shares in CIMB Howden Insurance Brokers ("CHIB"), representing CIG's entire stake of 51% of the issued capital of CHIB, to Howden for a consideration of RM59.6 million ("Proposed Divestment"). Approval from Bank Negara Malaysia in relation to the Proposed Divestment was received by Howden on 27 November 2018. On 31 January 2019, the Proposed Divestment has been completed.

(c) On 23 January 2019, CIMB Group Sdn Bhd ("CIMBG"), a wholly-owned subsidiary of CIMBGH, received the relevant approvals from the Securities and Exchange Commission of the Philippines to establish its investment banking business in the Philippines. This includes the receipt of Certificate of Incorporation and Certificate of Registration for an Investment House license ("SEC Approvals"). CIMBG will be operating its investment banking business in the Philippines via a 60% shareholding in CIMB Bancom Capital Corporation ("CIMB Bancom"), with the remaining 40% stake in CIMB Bancom to be held by local partners, Bancom II Consultants, Inc. ("Bancom II") and PLP Group Holdings, Inc. ("PLP Group"). With the receipt of the SEC Approvals, CIMBG, Bancom II and PLP Group had entered into a joint venture agreement on 23 January 2019.

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

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

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

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

There is no significant events that had occurred between 30 September 2019 and the date of this announcement, other than those disclosed under Issuance and Repayment of Debts and Equity Securities.

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

As at 30 September 2019, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM7,363,000 (2018: RM4,322,000) and RM394,000 (2018: RM1,278,000) respectively. The 12-month expected credit losses made in the income statement during the financial period is amounting to RM2,032,000 (2018: RM3,470,000).

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

	<b>The Group</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government Securities	5,559,677	1,856,675
Cagamas bonds	553,802	626,157
Khazanah bonds	4,461	4,395
Malaysian Government treasury bills	743,473	9,967
Bank Negara Malaysia monetary notes	6,413,118	738,413
Negotiable instruments of deposit	4,188,715	7,663,918
Other Government securities	5,870,576	4,527,434
Government Investment Issues	1,927,444	237,414
Other Government treasury bills	6,718,344	5,667,495
Commercial papers	544,430	1,139,868
Bankers' acceptance	-	102,325
Promissory Notes	419,018	413,965
	<b>32,943,058</b>	<b>22,988,026</b>
<b>Quoted securities:</b>		
<i>In Malaysia:</i>		
Shares	588,913	340,872
<i>Outside Malaysia:</i>		
Shares	256,707	59,114
	<b>845,620</b>	<b>399,986</b>
<b>Unquoted securities:</b>		
<i>In Malaysia:</i>		
Corporate bond and Sukuk	1,861,103	2,626,873
Shares	895,074	860,454
Unit trusts	10,693	10,410
<i>Outside Malaysia:</i>		
Corporate bond	3,046,479	1,752,278
Private equity and unit trusts funds	316,326	398,925
Other Government bonds	1,074,283	474,117
	<b>7,203,958</b>	<b>6,123,057</b>
	<b>40,992,636</b>	<b>29,511,069</b>

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

	The Group		The Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
<b>Fair value</b>				
<b>Money market instruments:</b>				
<b>Unquoted</b>				
Malaysian Government Securities	373,557	748,002	-	-
Cagamas bonds	262,871	280,390	-	-
Khazanah bonds	-	41,185	-	-
Negotiable instruments of deposit	387,484	448,425	-	-
Other Government securities	3,201,376	3,585,795	-	-
Government investment Issues	1,366,069	1,146,627	-	-
Other Government treasury bills	291,454	105,406	-	-
Commercial Papers	156,281	24,271	-	-
	<b>6,039,092</b>	<b>6,380,101</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities:</b>				
<i>In Malaysia:</i>				
Corporate bond and Sukuk	15,420,634	13,270,963	2,533,786	2,467,071
<i>Outside Malaysia:</i>				
Corporate bond and Sukuk	8,151,346	8,571,418	-	-
Bank Indonesia certificates	330,368	423,805	-	-
Other Government bonds	3,642,323	3,630,016	-	-
Unit trusts	1	1	-	-
	<b>27,544,672</b>	<b>25,896,203</b>	<b>2,533,786</b>	<b>2,467,071</b>
	<b>33,583,764</b>	<b>32,276,304</b>	<b>2,533,786</b>	<b>2,467,071</b>

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

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

	The Group			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
<b>At 1 January 2019</b>	23,219	2,002	30,306	55,527
Changes in expected credit losses due to transfer within stages:	115,209	(115,209)	-	-
Transferred to Stage 1	115,427	(115,427)	-	-
Transferred to Stage 2	(218)	218	-	-
<b>Total charge to Income Statement:</b>	<b>(108,016)</b>	<b>113,215</b>	<b>(550)</b>	<b>4,649</b>
New financial assets purchased	35,824	-	-	35,824
Financial assets that have been derecognised	(4,133)	-	-	(4,133)
Change in credit risk	(139,707)	113,215	(550)	(27,042)
Exchange fluctuation	241	2	-	243
<b>At 30 September 2019</b>	<b>30,653</b>	<b>10</b>	<b>29,756</b>	<b>60,419</b>
<b>At 1 January 2018</b>	-	-	-	-
Effect of adopting MFRS 9	26,790	4,143	133,306	164,239
<b>Adjusted 1 January 2018</b>	<b>26,790</b>	<b>4,143</b>	<b>133,306</b>	<b>164,239</b>
Changes in expected credit losses due to transferred within stages:	17,194	(17,194)	-	-
Transferred to Stage 1	17,276	(17,276)	-	-
Transferred to Stage 2	(82)	82	-	-
<b>Total charge to Income Statement:</b>	<b>(20,550)</b>	<b>15,056</b>	<b>2,894</b>	<b>(2,600)</b>
New financial assets purchased	51,355	66	-	51,421
Financial assets that have been derecognised	(8,190)	(4,536)	-	(12,726)
Change in credit risk	(63,715)	19,526	2,894	(41,295)
Write-offs	-	-	(65,679)	(65,679)
Exchange fluctuation	(215)	(3)	88	(130)
Other movements	-	-	(40,303)	(40,303)
<b>At 31 December 2018</b>	<b>23,219</b>	<b>2,002</b>	<b>30,306</b>	<b>55,527</b>

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

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

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

	<b>The Company</b>				
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000	
	<b>At 1 January 2019</b>	21,044	-	-	21,044
	<b>Total charge to Income Statement:</b>	2,457	-	-	2,457
Change in credit risk	2,457	-	-	2,457	
<b>At 30 September 2019</b>	23,501	-	-	23,501	
<b>At 1 January 2018</b>	-	-	-	-	
Effect of adopting MFRS 9	10,576	-	-	10,576	
<b>Adjusted 1 January 2018</b>	10,576	-	-	10,576	
<b>Total charge to Income Statement:</b>	10,468	-	-	10,468	
New financial assets purchased	8,526	-	-	8,526	
Change in credit risk	1,942	-	-	1,942	
<b>At 31 December 2018</b>	21,044	-	-	21,044	

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

	<b>The Group</b>	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
	<b>At 1 January 2019</b>	30,306
Other changes in debt instruments	(550)	(550)
<b>At 30 September 2019</b>	29,756	29,756
<b>At 1 January 2018</b>	-	-
Effect of adopting MFRS 9	140,715	140,715
<b>Adjusted 1 January 2018</b>	140,715	140,715
Write-offs	(65,679)	(65,679)
Financial assets that have been derecognised	(44,783)	(44,783)
Exchange fluctuation	53	53
<b>At 31 December 2018</b>	30,306	30,306

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

	<b>The Group</b>		<b>The Company</b>	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
<b>Quoted securities</b>				
<i>In Malaysia</i>				
Shares	40,994	39,580	-	-
<i>Outside Malaysia</i>				
Shares	2,141	2,350	-	-
Unit trust	6,382	5,376	-	-
	49,517	47,306	-	-
<b>Unquoted securities</b>				
<i>In Malaysia</i>				
Shares	252,927	253,883	-	-
Property funds	181	178	-	-
Perpetual corporate bonds	177,139	177,034	-	-
<i>Outside Malaysia</i>				
Shares	11,359	6,243	-	-
Private equity funds and unit trusts funds	80,403	98,880	-	-
	522,009	536,218	-	-
	571,526	583,524	-	-

**A12. DEBT INSTRUMENTS AT AMORTISED COST**

	The Group		The Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
<b>Money market instruments:</b>				
<b>Unquoted</b>				
Malaysian Government securities	3,659,301	3,188,569	-	-
Cagamas bonds	248,738	242,008	-	-
Other Government treasury bills	1,054,604	2,263,502	-	-
Other Government securities	1,854,835	1,736,645	-	-
Malaysian Government investment issue	8,620,412	8,492,547	-	-
Khazanah bonds	312,269	364,199	-	-
Commercial papers	60,146	-	-	-
	<b>15,810,305</b>	<b>16,287,470</b>	<b>-</b>	<b>-</b>
<b>Quoted securities</b>				
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	-	9,627	-	-
	-	9,627	-	-
<b>Unquoted securities</b>				
<i>In Malaysia</i>				
Corporate bond and Sukuk	17,893,396	16,865,348	5,465,901	5,445,496
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	3,033,636	3,211,629	-	-
Bank Indonesia certificates	203,613	169,210	-	-
Other Government bonds	2,681,764	2,702,917	-	-
	<b>23,812,409</b>	<b>22,949,104</b>	<b>5,465,901</b>	<b>5,445,496</b>
Total	<b>39,622,714</b>	<b>39,246,201</b>	<b>5,465,901</b>	<b>5,445,496</b>
Amortisation of premium, net of accretion of discount	146,596	143,738	-	-
Less : Expected credit losses	(88,789)	(120,737)	(53,069)	(47,563)
	<b>39,680,521</b>	<b>39,269,202</b>	<b>5,412,832</b>	<b>5,397,933</b>

**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
<b>At 1 January 2019</b>	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	-	-
<b>Total charge to Income Statement:</b>	<b>(68,720)</b>	<b>36,111</b>	<b>-</b>	<b>(32,609)</b>
New financial assets purchased	3,537	-	-	3,537
Financial assets that have been derecognised	(41)	-	-	(41)
Change in credit risk	(72,216)	36,111	-	(36,105)
Exchange fluctuation	510	-	151	661
<b>At 30 September 2019</b>	<b>13,509</b>	<b>63,655</b>	<b>11,625</b>	<b>88,789</b>
<b>At 1 January 2018</b>	-	-	-	-
Effect of adopting MFRS 9	11,691	9,876	11,664	33,231
<b>Adjusted 1 January 2018</b>	11,691	9,876	11,664	33,231
Changes in expected credit losses due to transfer within stages:	(2,921)	2,921	-	-
Transferred to Stage 2	(2,921)	2,921	-	-
<b>Total charge to Income Statement:</b>	<b>442</b>	<b>87,351</b>	<b>-</b>	<b>87,793</b>
New financial assets purchased	22,842	-	-	22,842
Financial assets that have been derecognised	(374)	(11,673)	-	(12,047)
Change in credit risk	(22,026)	99,024	-	76,998
Exchange fluctuation	(97)	-	(190)	(287)
<b>At 31 December 2018</b>	<b>9,115</b>	<b>100,148</b>	<b>11,474</b>	<b>120,737</b>



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

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

	<b>The Company</b>			
	<b>12-month expected credit losses (Stage 1) RM'000</b>	<b>Lifetime expected credit losses - not credit impaired (Stage 2) RM'000</b>	<b>Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2019</b>	47,563	-	-	47,563
<b>Total charge to Income Statement:</b>	5,506	-	-	5,506
Change in credit risk	5,506	-	-	5,506
<b>At 30 September 2019</b>	53,069	-	-	53,069
<b>At 1 January 2018</b>	-	-	-	-
Effect of adopting MFRS 9	26,554	-	-	26,554
<b>Adjusted 1 January 2018</b>	26,554	-	-	26,554
<b>Total charge to Income Statement:</b>	21,009	-	-	21,009
New financial assets purchased	15,644	-	-	15,644
Change in credit risk	5,365	-	-	5,365
<b>At 31 December 2018</b>	47,563	-	-	47,563

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

	<b>The Group</b>	
	<b>Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2019</b>	11,474	11,474
Exchange fluctuation	151	151
<b>At 30 September 2019</b>	11,625	11,625
<b>At 1 January 2018</b>	-	-
Effect of adopting MFRS 9	11,664	11,664
<b>Adjusted 1 January 2018</b>	11,664	11,664
Exchange fluctuation	(190)	(190)
<b>At 31 December 2018</b>	11,474	11,474

**A13. LOANS, ADVANCES AND FINANCING**
**(i) By type**

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
<b>At amortised cost</b>		
Overdrafts	5,355,117	5,315,592
Term loans/financing		
- Housing loans/financing	103,610,854	95,812,651
- Syndicated term loans	14,842,193	17,141,144
- Hire purchase receivables	23,176,446	20,818,624
- Lease receivables	221,178	166,102
- Factoring receivables	2,134	12,898
- Other term loans/financing	149,210,237	143,246,139
Bills receivable	8,347,078	8,198,220
Trust receipts	2,155,950	2,028,200
Claims on customers under acceptance credits	4,978,665	5,212,364
Staff loans *	1,508,875	1,464,094
Credit card receivables	9,491,074	9,462,104
Revolving credits	36,197,495	35,893,597
Share margin financing	87,218	715,119
Gross loans, advances and financing	359,184,514	345,486,848
Fair value changes arising from fair value hedges	16,474	30,104
	<b>359,200,988</b>	<b>345,516,952</b>
Less:		
- Expected credit losses	<b>(8,707,608)</b>	<b>(9,172,365)</b>
	<b>(8,707,608)</b>	<b>(9,172,365)</b>
Net loans, advances and financing at amortised cost	<b>350,493,380</b>	<b>336,344,587</b>
<b>At fair value through profit or loss</b>		
Term loans/financing		
- Syndicated term loan	1,514,745	803,501
- Other term loans/financing	-	180
	<b>1,514,745</b>	<b>803,681</b>
<b>Total net loans, advances and financing</b>	<b>352,008,125</b>	<b>337,148,268</b>
<b>Total Gross loans, advances and financing:</b>		
- At amortised cost	359,184,514	345,486,848
- At fair value through profit or loss	1,514,745	803,681
	<b>360,699,259</b>	<b>346,290,529</b>

\* Included in staff loans of the Group are loans to Directors amounting to RM6,793,496 (2018: RM6,367,622).

(a) Included in the Group's loans, advances and financing balances are RM28,668,000 (2018: RM34,633,000) 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 RM2,090,810,000 (2018: RM3,492,615,000), using interest rate swaps.

(c) Included in the loans, advances and financing of the Group at 30 September 2019 are financing which are disclosed as "Restricted Agency Investment Account" ("RAIA") in the financial statements of CIMB Islamic amounting to RM5,678,631,000 (2018: RM5,530,998,000). 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	
	30 September 2019 RM'000	31 December 2018 RM'000
Domestic banking institutions	72,033	44,287
Domestic non-bank financial institutions		
- stockbroking companies	11,137	162
- others	4,612,433	4,305,076
Domestic business enterprises		
- small medium enterprises	52,300,332	49,648,698
- others	63,007,623	62,330,354
Government and statutory bodies	8,319,047	10,188,407
Individuals	180,780,971	170,414,963
Other domestic entities	10,109,191	8,804,883
Foreign entities	41,486,492	40,553,699
Gross loans, advances and financing	<b>360,699,259</b>	<b>346,290,529</b>

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

	The Group	
	30 September 2019	31 December 2018
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	2,307,526	2,824,425
- Hire-purchase receivables	16,771,511	14,158,936
- Other fixed rate loans	37,930,540	37,936,768
Variable rate		
- BLR plus	136,476,523	139,167,886
- Cost plus	54,539,626	53,493,540
- Other variable rates	112,673,533	98,708,974
Gross loans, advances and financing	<b>360,699,259</b>	<b>346,290,529</b>

**(iv) By economic purpose**

	The Group	
	30 September 2019	31 December 2018
	RM'000	RM'000
Personal use	19,095,634	17,262,248
Credit card	9,491,074	9,462,104
Purchase of consumer durables	83,703	79,705
Construction	13,840,547	13,970,730
Residential property (Housing)	104,832,592	98,067,579
Non-residential property	28,951,071	27,477,657
Purchase of fixed assets other than land and building	15,514,829	13,994,503
Mergers and acquisitions	2,856,485	2,648,296
Purchase of securities	26,764,693	25,756,162
Purchase of transport vehicles	23,470,518	21,898,596
Working capital	84,308,564	86,861,644
Other purposes	31,489,549	28,811,305
Gross loans, advances and financing	<b>360,699,259</b>	<b>346,290,529</b>

**(v) By geographical distribution**

	The Group	
	30 September 2019	31 December 2018
	RM'000	RM'000
Malaysia	214,110,734	207,395,558
Indonesia	60,660,564	58,370,263
Thailand	37,230,849	31,453,674
Singapore	28,814,154	29,485,975
United Kingdom	4,287,105	4,866,634
Hong Kong	1,790,781	2,287,259
China	3,398,648	3,766,611
Other countries	10,406,424	8,664,555
Gross loans, advances and financing	<b>360,699,259</b>	<b>346,290,529</b>

**(vi) By economic sector**

	The Group	
	30 September 2019	31 December 2018
	RM'000	RM'000
Primary agriculture	13,214,705	12,555,650
Mining and quarrying	6,564,054	7,284,772
Manufacturing	27,279,603	24,520,102
Electricity, gas and water supply	5,979,711	5,714,682
Construction	13,716,399	14,610,895
Transport, storage and communications	10,819,505	11,865,314
Education, health and others	15,587,249	15,424,718
Wholesale and retail trade, and restaurants and hotels	33,081,364	31,764,216
Finance, insurance/takaful, real estate and business activities	45,725,092	44,323,608
Household	171,187,814	161,798,791
Others	17,543,763	16,427,781
Gross loans, advances and financing	<b>360,699,259</b>	<b>346,290,529</b>

**A13. LOANS, ADVANCES AND FINANCING (Continued)**
**(vii) By residual contractual maturity**

	The Group	
	30 September 2019	31 December 2018
	RM'000	RM'000
Within one year	93,090,760	100,548,785
One year to less than three years	31,211,015	25,779,218
Three years to less than five years	36,153,065	33,324,101
Five years and more	200,244,419	186,638,425
Gross loans, advances and financing	<b>360,699,259</b>	<b>346,290,529</b>

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

	The Group	
	30 September 2019	31 December 2018
	RM'000	RM'000
Personal use	448,201	412,999
Credit card	152,507	151,609
Purchase of consumer durables	506	715
Construction	1,491,415	1,518,618
Residential property (Housing)	1,783,399	1,488,236
Non-residential property	436,378	305,923
Purchase of fixed assets other than land and building	1,053,738	647,471
Mergers and acquisitions	50,666	51,242
Purchase of securities	128,918	136,610
Purchase of transport vehicles	230,919	221,504
Working capital	4,592,360	4,158,030
Other purpose	995,337	983,756
Gross credit impaired loans, advances and financing	<b>11,364,344</b>	<b>10,076,713</b>

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

	The Group	
	30 September 2019	31 December 2018
	RM'000	RM'000
Malaysia	4,709,446	3,622,639
Indonesia	3,407,589	3,176,570
Thailand	2,127,712	2,323,355
Singapore	883,834	676,323
United Kingdom	8,683	8,462
China	9,458	16,051
Other countries	217,622	253,313
Gross credit impaired loans, advances and financing	<b>11,364,344</b>	<b>10,076,713</b>

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

	The Group	
	30 September 2019	31 December 2018
	RM'000	RM'000
Primary agriculture	287,609	173,272
Mining and quarrying	1,324,265	1,554,409
Manufacturing	2,617,549	1,746,217
Electricity, gas and water supply	274,701	54,667
Construction	232,862	278,582
Transport, storage and communications	1,162,712	1,152,509
Education, health and others	460,388	199,830
Wholesale and retail trade, and restaurants and hotels	1,489,310	1,702,513
Finance, insurance/takaful, real estate and business activities	725,321	760,464
Household	2,516,075	2,149,216
Others	273,552	305,034
Gross credit impaired loans, advances and financing	<b>11,364,344</b>	<b>10,076,713</b>

**A13. 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
<b>Loans, advances and financing at amortised cost</b>					
<b>At 1 January 2019</b>	2,407,561	1,218,564	5,543,688	2,552	9,172,365
Changes in expected credit losses due to transfer within stages:	586,573	(398,097)	(188,476)	-	-
Transferred to Stage 1	915,956	(731,379)	(184,577)	-	-
Transferred to Stage 2	(323,289)	639,718	(316,429)	-	-
Transferred to Stage 3	(6,094)	(306,436)	312,530	-	-
<b>Total charge to Income Statement:</b>	(946,503)	667,280	1,736,137	-	1,456,914
New financial assets originated	1,386,634	284,473	70,071	-	1,741,178
Financial assets that have been derecognised	(1,024,347)	(546,646)	-	-	(1,570,993)
Writeback in respect of full recoveries	-	-	(164,241)	-	(164,241)
Change in credit risk	(1,308,790)	929,453	1,830,307	-	1,450,970
Write-offs	(933)	(2,535)	(1,935,110)	-	(1,938,578)
Exchange fluctuation	(74,357)	31,225	98,438	192	55,498
Other movements	2,310	1,661	(42,562)	-	(38,591)
<b>At 30 September 2019</b>	1,974,651	1,518,098	5,212,115	2,744	8,707,608

**A13. 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	Individual impairment provision under MFRS 139 RM'000	Portfolio impairment provision under MFRS 139 RM'000	Total RM'000
<b>Loans, advances and financing at amortised cost</b>							
<b>At 1 January 2018</b>	-	-	-	-	4,613,542	3,134,037	7,747,579
Effect of adopting MFRS 9 and reclassification	2,595,298	1,271,097	6,063,509	7,561	(4,613,542)	(3,134,037)	2,189,886
<b>Adjusted 1 January 2018</b>	2,595,298	1,271,097	6,063,509	7,561	-	-	9,937,465
Changes in expected credit losses due to transfer within stages:	985,923	(829,533)	(156,390)	-	-	-	-
Transferred to Stage 1	1,437,380	(1,116,539)	(320,841)	-	-	-	-
Transferred to Stage 2	(391,963)	753,896	(361,933)	-	-	-	-
Transferred to Stage 3	(59,494)	(466,890)	526,384	-	-	-	-
<b>Total charge to Income Statement:</b>	(775,864)	793,187	2,008,486	(3,121)	-	-	2,022,688
New financial assets originated	1,257,216	235,185	99,833	-	-	-	1,592,234
Financial assets that have been derecognised	(915,501)	(384,548)	-	-	-	-	(1,300,049)
Writeback in respect of full recoveries	-	-	(211,584)	-	-	-	(211,584)
Change in credit risk	(1,117,579)	942,550	2,120,237	(3,121)	-	-	1,942,087
Write-offs	(2,072)	(84,261)	(2,399,383)	(2,011)	-	-	(2,487,727)
Exchange fluctuation	(395,787)	56,614	173,624	123	-	-	(165,426)
Other movements	63	11,460	(146,158)	-	-	-	(134,635)
<b>At 31 December 2018</b>	2,407,561	1,218,564	5,543,688	2,552	-	-	9,172,365

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

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

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

	The Group			
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000	
	<b>At 1 January 2019</b>	10,069,160	7,553	10,076,713
	Transfer within stages	1,957,117	-	1,957,117
New financial assets originated	968,378	-	968,378	
Write-offs	(1,935,110)	-	(1,935,110)	
Amount fully recovered	(750,444)	-	(750,444)	
Other changes in loans, advances and financing	775,969	(102)	775,867	
Exchange fluctuation	271,254	569	271,823	
<b>At 30 September 2019</b>	<b>11,356,324</b>	<b>8,020</b>	<b>11,364,344</b>	

	The Group			Total RM'000		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Impaired loans under MFRS 139 RM'000			
	<b>At 1 January 2018</b>	-	-		10,993,680	10,993,680
	Effect of adopting MFRS 9	11,107,938	9,431		(10,993,680)	123,689
<b>Adjusted 1 January 2018</b>	11,107,938	9,431	-	11,117,369		
Transfer within stages	2,194,585	-	-	2,194,585		
New financial assets originated	327,069	-	-	327,069		
Write-offs	(2,408,081)	(2,011)	-	(2,410,092)		
Amount fully recovered	(596,876)	-	-	(596,876)		
Other changes in loans, advances and financing	(347,292)	(101)	-	(347,393)		
Exchange fluctuation	(208,183)	234	-	(207,949)		
<b>At 31 December 2018</b>	<b>10,069,160</b>	<b>7,553</b>	<b>-</b>	<b>10,076,713</b>		

	The Group	
	30 September 2019	31 December 2018
Ratio of credit impaired loans to total loans, advances and financing	<b>3.15%</b>	2.91%

**A14. OTHER ASSETS**

	The Group		The Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
Due from brokers and clients net of expected credit losses	65,944	524,649	-	-
Other debtors, net of expected credit losses on deposits and prepayments	8,205,768	6,648,849	133,968	135,486
Due from a joint venture	1,128,709	1,004,758	-	-
Structured financing	1,048,581	1,187,605	-	-
Foreclosed assets net of allowance for impairment losses	146,739	172,382	-	-
Collateral pledged for derivative transactions	3,764,215	2,511,732	-	-
Deferred consideration	98,983	156,236	-	-
	<b>14,458,939</b>	<b>12,206,211</b>	<b>133,968</b>	<b>135,486</b>

**A15. DEPOSITS FROM CUSTOMERS**

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
<u>By type of deposit</u>		
Demand deposits	85,225,160	79,085,839
Savings deposits	49,359,530	44,720,070
Fixed deposits	176,131,859	165,742,429
Negotiable instruments of deposit	115,585	304,083
Others	74,253,281	80,340,664
	<b>385,085,415</b>	<b>370,193,085</b>
<u>By type of customer</u>		
Government and statutory bodies	14,737,152	10,566,326
Business enterprises	128,383,371	138,181,711
Individuals	177,565,967	164,157,280
Others	64,398,925	57,287,768
	<b>385,085,415</b>	<b>370,193,085</b>

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

Due within six months	137,662,266	133,532,948
Six months to less than one year	34,617,805	30,374,069
One year to less than three years	3,854,209	2,025,308
Three years to less than five years	111,722	114,122
Five years and more	1,442	65
	<b>176,247,444</b>	<b>166,046,512</b>

**A16. INVESTMENT ACCOUNTS OF CUSTOMERS**

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
Unrestricted investment accounts	1,779,612	1,769,270



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

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
Licensed banks	24,872,977	17,163,634
Licensed finance companies	843,427	993,543
Licensed investment banks	196,445	157,684
Bank Negara Malaysia	6,223	292
Other financial institutions	1,237,550	1,917,727
	<b>27,156,622</b>	<b>20,232,880</b>

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

Due within six months	26,670,465	19,489,750
Six months to less than one year	360,820	641,868
One year to less than three years	125,337	101,262
	<b>27,156,622</b>	<b>20,232,880</b>

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

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
Deposits from customers - structured investments	416,689	1,355,488
Debentures	691,557	1,873,520
Bills payables	3,336,818	2,651,699
	<b>4,445,064</b>	<b>5,880,707</b>

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

The carrying amount of the Group at 30 September 2019 of financial liabilities designated at fair value were RM54,453,000 (2018: RM147,262,000) lower than the contractual amount at maturity for the structured investments, RM2,709,000 higher (2018: RM31,214,000 lower) than the contractual amount at maturity for the debentures and RM443,367,000 (2018: RM377,634,000) higher than the contractual amount at maturity for the bills payable.

**A19. OTHER LIABILITIES**

	The Group		The Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
Due to brokers and clients	89,175	475,959	-	-
Expenditure payable	2,554,179	2,310,996	2,495	2,381
Provision for legal claims	62,069	60,062	-	-
Sundry creditors	2,690,060	1,221,327	-	-
Structured deposits	7,116,978	7,055,128	-	-
Post employment benefit obligations	479,099	358,740	-	-
Credit card expenditure payable	214,236	263,934	-	-
Collateral received for derivative transactions	1,973,735	1,307,759	-	-
Expected credit losses for loan commitments and financial guarantee contracts	(a) 447,607	502,337	-	-
Collateral for securities lending	-	85,213	-	-
Others	1,366,917	1,405,837	933	69
	<b>16,994,055</b>	<b>15,047,292</b>	<b>3,428</b>	<b>2,450</b>

A19. OTHER LIABILITIES (Continued)

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

	The Group			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
<b>At 1 January 2019</b>	333,672	58,862	109,803	502,337
Changes in expected credit losses due to transfer within stages:	77,601	(75,201)	(2,400)	-
Transferred to Stage 1	100,061	(88,813)	(11,248)	-
Transferred to Stage 2	(14,974)	22,574	(7,600)	-
Transferred to Stage 3	(7,486)	(8,962)	16,448	-
<b>Total charge to Income Statement:</b>	(153,825)	63,924	27,567	(62,334)
New exposures	166,704	5,244	2,289	174,237
Exposures derecognised or matured	(80,304)	(9,310)	(21,223)	(110,837)
Change in credit risk	(240,225)	67,990	46,501	(125,734)
Exchange fluctuation	1,780	541	5,235	7,556
Other movements	(331)	259	120	48
<b>At 30 September 2019</b>	258,897	48,385	140,325	447,607

	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	Individual impairment provision under MFRS 139 RM'000	Total RM'000
<b>At 1 January 2018</b>	-	-	-	49,095	49,095
Effect of adopting MFRS 9	320,175	77,738	112,512	(49,095)	461,330
<b>Adjusted 1 January 2018</b>	320,175	77,738	112,512	-	510,425
Changes in expected credit losses due to transfer within stages:	121,101	(97,802)	(23,299)	-	-
Transferred to Stage 1	133,076	(110,689)	(22,387)	-	-
Transferred to Stage 2	(11,618)	20,079	(8,461)	-	-
Transferred to Stage 3	(357)	(7,192)	7,549	-	-
<b>Total charge to Income Statement:</b>	(107,272)	80,678	19,167	-	(7,427)
New exposures	149,897	2,107	1,128	-	153,132
Exposures derecognised or matured	(74,537)	(45,286)	(9,812)	-	(129,635)
Change in credit risk	(182,632)	123,857	27,851	-	(30,924)
Exchange fluctuation	(233)	(2,024)	1,338	-	(919)
Other movements	(99)	272	85	-	258
<b>At 31 December 2018</b>	333,672	58,862	109,803	-	502,337

As at 30 September 2019, the gross exposures of loan commitments and financial guarantee contracts that are credit impaired is RM197,258,000 (2018: RM172,960,000).

**A20(a). INTEREST INCOME**

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Loans, advances and financing				
- Interest income	3,925,567	3,766,158	11,587,374	11,053,125
- Unwinding income <sup>^</sup>	56,435	25,964	135,452	109,841
Money at call and deposit placements with financial institutions	185,352	195,622	571,620	567,156
Reverse repurchase agreements	83,085	52,929	239,652	125,696
Debt instruments at fair value through other comprehensive income	264,770	305,680	818,541	911,572
Debt instruments at amortised cost	358,234	314,840	1,051,261	931,400
Equity instruments at fair value through other comprehensive income	2,911	5,173	8,664	17,183
Others	2,943	11,909	31,583	18,417
	<b>4,879,297</b>	<b>4,678,275</b>	<b>14,444,147</b>	<b>13,734,390</b>
Accretion of discounts, net of amortisation of premiums	(754)	4,280	4,682	61
	<b>4,878,543</b>	<b>4,682,555</b>	<b>14,448,829</b>	<b>13,734,451</b>
<b>The Company</b>				
Money at call and deposit placements with financial institutions	2,877	4,169	12,194	18,618
Debt instruments at fair value through other comprehensive income	33,776	20,165	100,225	59,836
Debt instruments at amortised cost	68,097	56,224	202,069	152,898
	<b>104,750</b>	<b>80,558</b>	<b>314,488</b>	<b>231,352</b>
Accretion of discounts, net of amortisation of premiums	(2,216)	-	(5,156)	-
	<b>102,534</b>	<b>80,558</b>	<b>309,332</b>	<b>231,352</b>

<sup>^</sup> Unwinding income is interest income earned on credit impaired financial assets

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

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Financial assets at fair value through profit or loss	159,435	137,412	519,861	399,576
Reverse repurchase agreements at fair value through profit or loss	-	4,692	4,540	11,627
Loan, advances and financing at fair value through profit or loss	29,813	-	33,255	-
	<b>189,248</b>	<b>142,104</b>	<b>557,656</b>	<b>411,203</b>
Accretion of discounts, net of amortisation of premiums	46,176	33,410	124,164	75,997
	<b>235,424</b>	<b>175,514</b>	<b>681,820</b>	<b>487,200</b>

**A21. INTEREST EXPENSE**

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Deposits and placements of banks and other financial institutions	150,030	135,209	407,120	346,748
Deposits from other customers	1,741,555	1,640,968	5,270,073	4,808,701
Repurchase agreements	85,634	80,358	310,416	213,673
Bonds, sukuk and debentures	129,468	145,896	421,251	414,618
Subordinated obligations	159,460	183,445	518,686	532,320
Financial liabilities designated at fair value through profit or loss	26,796	31,381	89,770	93,361
Negotiable certificates of deposits	29,093	32,709	81,226	79,212
Other borrowings	110,675	88,789	268,232	249,974
Recourse obligation on loan and financing sold to Cagamas	29,439	36,434	94,716	99,010
Structured deposits	72,918	65,188	227,049	171,608
Lease liabilities	7,592	-	23,254	-
Others	3,567	4,225	12,792	11,860
	<b>2,546,227</b>	<b>2,444,602</b>	<b>7,724,585</b>	<b>7,021,085</b>
<b>The Company</b>				
Subordinated obligations	123,661	111,269	392,279	316,238
Other borrowings	37,411	32,995	103,094	99,818
	<b>161,072</b>	<b>144,264</b>	<b>495,373</b>	<b>416,056</b>

**A22. NET NON-INTEREST INCOME**

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
(a) Net fee income and commission income:				
Commissions	304,763	279,981	863,489	934,141
Fee on loans, advances and financing	146,930	151,180	469,149	445,082
Service charges and fees	162,934	172,545	486,751	517,954
Corporate advisory and arrangement fees	4,307	4,726	14,913	14,649
Guarantee fees	18,362	16,256	50,493	45,287
Other fee income	79,040	65,554	218,735	185,340
Placement fees	6,080	1,802	6,755	2,029
Underwriting commission	24,984	16,705	68,711	49,640
Fee and commission income	747,400	708,749	2,178,996	2,194,122
Fee and commission expense	(184,119)	(188,399)	(554,098)	(552,303)
Net fee and commission income	563,281	520,350	1,624,898	1,641,819
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets at fair value through profit or loss	21,086	20,105	50,579	35,510
- Equity instruments at fair value through other comprehensive income	26	32	3,757	3,149
<i>Outside Malaysia</i>				
- Financial assets at fair value through profit or loss	-	-	-	231
- Debt instruments at fair value through other comprehensive income	-	-	-	16
- Equity instruments at fair value through other comprehensive income	11	235	854	1,060
	21,123	20,372	55,190	39,966
(c) Net gain/(loss) arising from financial assets at fair value through profit or loss	479,184	130,785	932,269	(413,108)
- realised	293,274	(220,316)	195,429	(510,491)
- unrealised	185,910	351,101	736,840	97,383
(d) Net gain arising from derivative financial instruments	406,946	462,981	658,806	1,472,273
- realised	559,522	624,274	1,468,421	938,905
- unrealised	(152,576)	(161,293)	(809,615)	533,368
(e) Net (loss)/gain arising from financial liability designated at fair value through profit or loss	(139,495)	(13,586)	(321,804)	34,403
- realised	49,623	36,193	33,735	84,345
- unrealised	(189,118)	(49,779)	(355,539)	(49,942)
(f) Net (loss)/gain arising from hedging activities	(6,856)	(13,777)	2,879	(34,398)
(g) Net gain from sale of investment in debt instruments at fair value through other comprehensive income	112,609	9,533	219,523	35,005
(h) Net loss arising from loans, advances and financing at fair value through profit or loss:				
- unrealised	(3,485)	-	(2,276)	-
	(3,485)	-	(2,276)	-
(i) Income from assets management and securities services	3,706	4,567	12,459	183,592
(j) Brokerage income	498	31,203	61,143	101,219
(k) Other non-interest income:				
Foreign exchange loss	(391,302)	(105,607)	(124,951)	(31,836)
Rental income	12,092	10,537	27,140	21,131
Gain on disposal of property, plant and equipment/assets held for sale	4,050	2,562	18,522	16,905
Gain on disposal of loans, advances and financing	114,008	-	136,840	-
Gain/(loss) on disposal of foreclosed assets	62,071	(16,615)	4,310	(55,451)
Other non-operating income	11,673	16,054	27,815	73,835
	(187,408)	(93,069)	89,676	24,584
	1,250,103	1,059,359	3,332,763	3,085,355

**A22. NET NON-INTEREST INCOME (CONTINUED)**

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Company</b>				
(a) Gross dividend income from :				
<u>In Malaysia</u>				
- Subsidiaries	<b>1,576,740</b>	1,140,574	<b>3,025,584</b>	3,158,627
(b) Other non-interest income:				
Foreign exchange (loss)/gain	<b>(364)</b>	1,249	<b>(12)</b>	(1,070)
Rental income	<b>77</b>	71	<b>230</b>	213
	<b>(287)</b>	1,320	<b>218</b>	(857)
	<b>1,576,453</b>	1,141,894	<b>3,025,802</b>	3,157,770

**A23. OVERHEADS**

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Personnel costs				
- Salaries, allowances and bonus	<b>1,114,923</b>	994,282	<b>3,237,727</b>	2,924,686
- Pension cost	<b>106,707</b>	98,418	<b>346,011</b>	303,359
- Mutual Separation Scheme (Indonesia)	<b>104,766</b>	-	<b>104,766</b>	-
- Overtime	<b>7,739</b>	6,437	<b>21,295</b>	20,070
- Staff incentives and other staff payments	<b>77,837</b>	56,461	<b>191,359</b>	174,945
- Medical expenses	<b>31,019</b>	29,196	<b>87,166</b>	81,980
- Others	<b>309,252</b>	65,076	<b>427,719</b>	167,152
	<b>1,752,243</b>	1,249,870	<b>4,416,043</b>	3,672,192
Establishment costs				
- Depreciation of property, plant and equipment	<b>68,915</b>	73,080	<b>213,796</b>	219,840
- Depreciation of right-of-use assets	<b>60,011</b>	-	<b>174,876</b>	-
- Amortisation of intangible assets	<b>78,066</b>	85,760	<b>228,538</b>	274,306
- Amortisation of prepaid lease payments	<b>2,588</b>	2,562	<b>7,678</b>	7,658
- Rental	<b>38,610</b>	123,466	<b>125,457</b>	368,397
- Repair and maintenance	<b>135,210</b>	124,184	<b>399,859</b>	367,266
- Outsourced services	<b>21,513</b>	12,309	<b>59,364</b>	43,245
- Security expenses	<b>26,183</b>	26,332	<b>82,428</b>	80,433
- Others	<b>54,847</b>	31,039	<b>190,504</b>	92,019
	<b>485,943</b>	478,732	<b>1,482,500</b>	1,453,164
Marketing expenses				
- Advertisement	<b>97,547</b>	62,090	<b>227,525</b>	155,298
- Others	<b>15,681</b>	5,703	<b>43,051</b>	46,049
	<b>113,228</b>	67,793	<b>270,576</b>	201,347
Administration and general expenses				
- Legal and professional fees	<b>95,173</b>	37,550	<b>197,609</b>	97,013
- Stationery	<b>12,390</b>	14,592	<b>37,880</b>	36,723
- Communication	<b>27,498</b>	23,686	<b>79,436</b>	69,173
- Incidental expenses on banking operations	<b>10,453</b>	11,295	<b>35,718</b>	36,152
- Insurance	<b>81,517</b>	74,306	<b>237,292</b>	219,157
- Others	<b>207,947</b>	200,522	<b>625,380</b>	601,862
	<b>434,978</b>	361,951	<b>1,213,315</b>	1,060,080
	<b>2,786,392</b>	2,158,346	<b>7,382,434</b>	6,386,783

**A23. OVERHEADS (CONTINUED)**

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Company</b>				
Personnel costs				
- Staff incentives and other staff payments	-	30	3	89
	-	30	3	89
Establishment costs				
- Depreciation of property, plant and equipment	161	15	3,257	80
- Depreciation of investment properties	4	5	13	14
- Rental	-	-	-	2
- Repair and maintenance	10	328	313	337
- Others	64	34	120	90
	239	382	3,703	523
Marketing expenses				
- Others	10	-	10	-
	10	-	10	-
Administration and general expenses				
- Legal and professional fees	3,112	4,512	6,019	13,820
- Communication	19	-	19	38
- Insurance	552	577	1,991	2,661
- Others	1,745	7,705	2,488	11,923
	5,428	12,794	10,517	28,442
	5,677	13,206	14,233	29,054

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

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	541,052	544,256	1,456,914	1,589,697
Credit impaired loans, advances and financing:				
- recovered	(140,184)	(152,382)	(432,730)	(459,366)
- written off	2,777	6,999	8,481	14,268
	403,645	398,873	1,032,665	1,144,599

**A24(b). OTHER EXPECTED CREDIT LOSSES**

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Expected credit losses made/(written back) on:				
- Debt instrument at fair value through other comprehensive income	2,780	(4,299)	4,649	1,355
- Debt instrument at amortised cost	(28,367)	96,208	(32,609)	95,513
- Money at call and deposits and placements with banks and other financial institutions	1,354	2,818	2,032	3,470
- Other assets	101,299	(2,223)	80,661	23,268
	77,066	92,504	54,733	123,606
<b>The Company</b>				
Expected credit losses made on:				
- Debt instrument at fair value through other comprehensive income	2,384	586	2,457	1,410
- Debt instrument at amortised cost	5,373	11,708	5,506	19,545
	7,757	12,294	7,963	20,955

## A25. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

	<b>The Group</b>		
	<b>Principal amount RM'000</b>	<b>Fair values</b>	
<b>At 30 September 2019</b>	<b>Assets</b>	<b>Liabilities</b>	
	<b>RM'000</b>	<b>RM'000</b>	
<b>Trading derivatives</b>			
<u>Foreign exchange derivatives</u>			
Currency forward	<b>36,665,996</b>	<b>439,346</b>	<b>(587,516)</b>
- Less than 1 year	33,072,969	320,111	(339,481)
- 1 year to 3 years	2,643,638	94,427	(159,552)
- More than 3 years	949,389	24,808	(88,483)
Currency swaps	<b>334,554,666</b>	<b>1,920,814</b>	<b>(2,431,690)</b>
- Less than 1 year	331,047,052	1,782,568	(2,378,756)
- 1 year to 3 years	3,042,830	119,406	(51,670)
- More than 3 years	464,784	18,840	(1,264)
Currency spot	<b>5,458,320</b>	<b>4,500</b>	<b>(2,715)</b>
- Less than 1 year	5,458,320	4,500	(2,715)
Currency options	<b>17,754,949</b>	<b>466,765</b>	<b>(486,495)</b>
- Less than 1 year	12,841,255	254,317	(225,745)
- 1 year to 3 years	2,695,459	142,211	(170,798)
- More than 3 years	2,218,235	70,237	(89,952)
Cross currency interest rate swaps	<b>92,293,136</b>	<b>3,623,909</b>	<b>(3,099,134)</b>
- Less than 1 year	25,932,611	905,110	(480,115)
- 1 year to 3 years	30,027,763	1,034,574	(1,018,027)
- More than 3 years	36,332,762	1,684,225	(1,600,992)
	<b>486,727,067</b>	<b>6,455,334</b>	<b>(6,607,550)</b>
<u>Interest rate derivative</u>			
Interest rate swaps	<b>510,958,816</b>	<b>4,579,984</b>	<b>(3,917,319)</b>
- Less than 1 year	209,516,921	324,745	(377,546)
- 1 year to 3 years	161,054,340	825,177	(759,099)
- More than 3 years	140,387,555	3,430,062	(2,780,674)
Interest rate futures	<b>14,002,612</b>	<b>23,988</b>	<b>(13,029)</b>
- Less than 1 year	7,845,034	21,357	(9,731)
- 1 year to 3 years	6,157,578	2,631	(3,298)
Interest rate options	<b>281,385</b>	-	<b>(11,685)</b>
- Less than 1 year	274,048	-	(11,660)
- 1 year to 3 years	7,337	-	(25)
	<b>525,242,813</b>	<b>4,603,972</b>	<b>(3,942,033)</b>
<u>Equity related derivatives</u>			
Equity futures	<b>4,208</b>	<b>9</b>	-
- Less than 1 year	4,208	9	-
Index futures	<b>32,679</b>	<b>89</b>	<b>(88)</b>
- Less than 1 year	32,679	89	(88)
Equity options	<b>4,657,431</b>	<b>144,730</b>	<b>(52,361)</b>
- Less than 1 year	3,360,259	66,892	(43,539)
- 1 year to 3 years	1,297,172	77,838	(8,822)
Equity swaps	<b>108,671</b>	<b>1,561</b>	<b>(29)</b>
- Less than 1 year	5,766	6	-
- 1 year to 3 years	50,234	1,527	-
- More than 3 years	52,671	28	(29)
	<b>4,802,989</b>	<b>146,389</b>	<b>(52,478)</b>

**A25. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)**

At 30 September 2019	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>			
<u>Commodity related derivatives</u>			
Commodity swaps	<b>2,760,335</b>	<b>397,590</b>	<b>(134,048)</b>
- Less than 1 year	2,308,272	207,196	(113,708)
- 1 year to 3 years	452,063	190,394	(20,340)
Commodity futures	<b>2,744,378</b>	<b>4,277</b>	<b>(120,033)</b>
- Less than 1 year	2,744,378	4,277	(120,033)
Commodity options	<b>4,847,158</b>	<b>99,990</b>	<b>(102,726)</b>
- Less than 1 year	4,847,158	99,990	(102,726)
	<b>10,351,871</b>	<b>501,857</b>	<b>(356,807)</b>
<u>Credit related contract</u>			
Credit default swaps	<b>5,701,160</b>	<b>51,313</b>	<b>(76,083)</b>
- Less than 1 year	288,100	487	(380)
- 1 year to 3 years	402,353	5,338	(50)
- More than 3 years	5,010,707	45,488	(75,653)
Total return swaps	<b>340,375</b>	<b>1,138</b>	<b>(1,766)</b>
- Less than 1 year	314,100	1,138	-
- 1 year to 3 years	5,525	-	(518)
- More than 3 years	20,750	-	(1,248)
	<b>6,041,535</b>	<b>52,451</b>	<b>(77,849)</b>
<b>Bond contract</b>			
Bond Forward	<b>2,786,632</b>	-	<b>(633,961)</b>
- Less than 1 year	1,027,680	-	(198,931)
- 1 year to 3 years	1,308,579	-	(338,056)
- More than 3 years	450,373	-	(96,974)
	<b>2,786,632</b>	-	<b>(633,961)</b>
<b>Hedging derivatives</b>			
Interest rate swaps	<b>27,043,843</b>	<b>333,224</b>	<b>(414,957)</b>
- Less than 1 year	3,627,607	907	(49,825)
- 1 year to 3 years	10,341,889	112,912	(24,923)
- More than 3 years	13,074,347	219,405	(340,209)
Currency swaps	<b>9,716,199</b>	<b>63,277</b>	<b>(277,507)</b>
- Less than 1 year	5,530,788	31,861	(36,548)
- 1 year to 3 years	1,325,507	-	(112,638)
- More than 3 years	2,859,904	31,416	(128,321)
Cross currency interest rate swaps	<b>910,166</b>	-	<b>(6,397)</b>
- Less than 1 year	336,505	-	(3,998)
- 1 year to 3 years	466,834	-	(1,785)
- More than 3 years	106,827	-	(614)
	<b>37,670,208</b>	<b>396,501</b>	<b>(698,861)</b>
Total derivative assets/(liabilities)	<b>1,073,623,115</b>	<b>12,156,504</b>	<b>(12,369,539)</b>



**A25. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)**

At 31 December 2018	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>			
<u>Foreign exchange derivatives</u>			
Currency forward	<b>32,410,589</b>	<b>375,275</b>	<b>(529,427)</b>
- Less than 1 year	26,968,963	281,823	(260,250)
- 1 year to 3 years	4,415,657	79,877	(164,953)
- More than 3 years	1,025,969	13,575	(104,224)
Currency swaps	<b>279,996,654</b>	<b>1,503,473</b>	<b>(1,819,805)</b>
- Less than 1 year	276,985,421	1,424,731	(1,788,378)
- 1 year to 3 years	2,854,537	67,156	(30,522)
- More than 3 years	156,696	11,586	(905)
Currency spot	<b>4,004,111</b>	<b>5,776</b>	<b>(6,016)</b>
- Less than 1 year	4,004,111	5,776	(6,016)
Currency options	<b>12,456,562</b>	<b>419,240</b>	<b>(433,734)</b>
- Less than 1 year	9,104,317	185,558	(170,910)
- 1 year to 3 years	2,736,327	174,745	(178,561)
- More than 3 years	615,918	58,937	(84,263)
Cross currency interest rate swaps	<b>85,114,582</b>	<b>2,429,794</b>	<b>(1,943,583)</b>
- Less than 1 year	26,438,087	347,172	(255,034)
- 1 year to 3 years	23,217,050	1,001,825	(767,547)
- More than 3 years	35,459,445	1,080,797	(921,002)
	<b>413,982,498</b>	<b>4,733,558</b>	<b>(4,732,565)</b>
<u>Interest rate derivative</u>			
Interest rate swaps	<b>528,255,573</b>	<b>2,458,109</b>	<b>(1,794,708)</b>
- Less than 1 year	208,742,046	216,630	(239,831)
- 1 year to 3 years	180,588,234	715,907	(584,630)
- More than 3 years	138,925,293	1,525,572	(970,247)
Interest rate futures	<b>8,397,529</b>	<b>6,009</b>	<b>(21,679)</b>
- Less than 1 year	6,002,038	5,776	(21,121)
- 1 year to 3 years	2,395,491	233	(558)
Interest rate options	<b>771,502</b>	<b>3</b>	<b>(13,457)</b>
- Less than 1 year	637,913	-	(10,938)
- 1 year to 3 years	7,263	3	(4)
- More than 3 years	126,326	-	(2,515)
	<b>537,424,604</b>	<b>2,464,121</b>	<b>(1,829,844)</b>
<u>Equity related derivatives</u>			
Equity futures	<b>48,300</b>	<b>26</b>	<b>(332)</b>
- Less than 1 year	48,300	26	(332)
Index futures	<b>10,904</b>	<b>56</b>	<b>(12)</b>
- Less than 1 year	10,904	56	(12)
Equity options	<b>5,697,423</b>	<b>225,269</b>	<b>(139,908)</b>
- Less than 1 year	4,773,919	168,853	(133,720)
- 1 year to 3 years	834,086	56,416	(6,188)
- More than 3 years	89,418	-	-
Equity swaps	<b>2,987,106</b>	<b>1,116</b>	<b>(6,767)</b>
- Less than 1 year	7,011	-	(6,669)
- 1 year to 3 years	2,140,897	565	-
- More than 3 years	839,198	551	(98)
	<b>8,743,733</b>	<b>226,467</b>	<b>(147,019)</b>

**A25. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)**

At 31 December 2018	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>			
<u>Commodity related derivatives</u>			
Commodity swaps	<b>3,330,619</b>	<b>818,476</b>	<b>(266,305)</b>
- Less than 1 year	2,417,016	289,239	(224,109)
- 1 year to 3 years	913,603	529,237	(42,196)
Commodity futures	<b>3,705,140</b>	<b>10,981</b>	<b>(487,983)</b>
- Less than 1 year	3,705,140	10,981	(487,983)
Commodity options	<b>5,515,624</b>	<b>227,863</b>	<b>(213,889)</b>
- Less than 1 year	5,468,720	227,855	(213,881)
- 1 year to 3 years	46,904	8	(8)
	<b>12,551,383</b>	<b>1,057,320</b>	<b>(968,177)</b>
<u>Credit related contract</u>			
Credit default swaps	<b>2,962,199</b>	<b>30,284</b>	<b>(13,569)</b>
- Less than 1 year	197,015	741	(430)
- 1 year to 3 years	588,687	10,568	(307)
- More than 3 years	2,176,497	18,975	(12,832)
Total return swaps	<b>507,196</b>	<b>4,442</b>	<b>(4,297)</b>
- Less than 1 year	221,801	1,581	-
- 1 year to 3 years	5,525	-	(521)
- More than 3 years	279,870	2,861	(3,776)
	<b>3,469,395</b>	<b>34,726</b>	<b>(17,866)</b>
<b>Bond contract</b>			
Bond forward	<b>2,474,820</b>	<b>6,791</b>	<b>(49,080)</b>
- Less than 1 year	598,899	1,052	(13,002)
- 1 year to 3 years	1,118,794	2,089	(23,543)
- More than 3 years	757,127	3,650	(12,535)
<b>Hedging derivatives</b>			
Interest rate swaps	<b>26,632,750</b>	<b>83,067</b>	<b>(331,708)</b>
- Less than 1 year	2,018,786	566	(23,323)
- 1 year to 3 years	8,408,787	34,338	(40,527)
- More than 3 years	16,205,177	48,163	(267,858)
Currency swaps	<b>4,713,524</b>	<b>10,550</b>	<b>(14,250)</b>
- Less than 1 year	4,713,524	10,550	(14,250)
Cross currency interest rate swaps	<b>5,065,485</b>	<b>18,033</b>	<b>(317,472)</b>
- Less than 1 year	1,851,258	239	(205,787)
- 1 year to 3 years	1,607,773	-	(66,911)
- More than 3 years	1,606,454	17,794	(44,774)
	<b>36,411,759</b>	<b>111,650</b>	<b>(663,430)</b>
Total derivative assets/(liabilities)	<b>1,015,058,192</b>	<b>8,634,633</b>	<b>(8,407,981)</b>

## **A25. 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 30 September 2019, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM12,156,504,000 (2018: RM8,634,633,000). 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 30 September 2019, the Group has posted cash collateral of RM3,764,215,000 (2018: RM2,511,732,000) 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 2018 and the Risk Management section of the 2018 Annual Report.

## A26. 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 held for trading being pledged as credit support assets for certain over-the-counter derivative contracts.

	30 September 2019 Principal Amount RM'000	31 December 2018 Principal Amount RM'000
<b>The Group</b>		
<u>Credit-related</u>		
Direct credit substitutes	7,013,519	6,637,881
Certain transaction-related contingent items	8,513,710	7,985,779
Short-term self-liquidating trade-related contingencies	4,755,978	3,432,622
Obligations under underwriting agreement	-	250,000
Irrevocable commitments to extend credit		
- maturity not exceeding one year	63,849,451	62,748,922
- maturity exceeding one year	33,847,701	32,058,573
Miscellaneous commitments and contingencies	4,897,464	966,685
Total credit-related commitments and contingencies	<b>122,877,823</b>	<b>114,080,462</b>
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	414,219,500	350,065,681
- one year to five years	63,586,758	54,253,458
- more than five years	19,547,174	19,442,368
	<b>497,353,432</b>	<b>423,761,507</b>
<u>Interest rate related contracts</u>		
- less than one year	221,263,610	217,400,783
- one year to five years	268,277,288	279,690,635
- more than five years	62,745,758	66,965,936
	<b>552,286,656</b>	<b>564,057,354</b>
<u>Equity related contracts</u>		
- less than one year	3,402,912	4,840,134
- one year to five years	1,347,406	3,223,895
- more than five years	52,671	679,704
	<b>4,802,989</b>	<b>8,743,733</b>
<u>Credit related contracts</u>		
- less than one year	602,200	418,816
- one year to five years	1,569,430	1,835,065
- more than five years	3,869,905	1,215,514
	<b>6,041,535</b>	<b>3,469,395</b>
<u>Commodity related contracts</u>		
- less than one year	9,899,808	11,590,876
- one year to five years	452,063	960,507
	<b>10,351,871</b>	<b>12,551,383</b>
<u>Bond contracts</u>		
- less than one year	1,027,680	598,899
- one year to five years	1,668,952	1,755,921
- more than five years	90,000	120,000
	<b>2,786,632</b>	<b>2,474,820</b>
Total treasury-related commitments and contingencies	<b>1,073,623,115</b>	<b>1,015,058,192</b>
	<b>1,196,500,938</b>	<b>1,129,138,654</b>
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	<b>600,000</b>	<b>700,000</b>

- (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.

## A27. 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 2 February 2018. 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 2 February 2018.

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.

**A27. CAPITAL ADEQUACY (Continued)**

**30 September 2019**

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

	<b>The Group</b>
Common equity tier 1 ratio	<b>12.515%</b>
Tier 1 ratio	<b>13.611%</b>
Total capital ratio	<b><u>16.111%</u></b>

The Group implemented a Dividend Reinvestment Scheme ("DRS") for the first interim dividend in respect of the financial year ending 2019, which would increase the capital adequacy ratios of the Group above those stated above.

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

	<b>The Group RM'000</b>
Credit risk <sup>(1)</sup>	<b>265,668,898</b>
Market risk	<b>19,493,181</b>
Large exposure risk requirements	<b>908,148</b>
Operational risk	<b><u>31,496,674</u></b>
Total risk-weighted assets	<b><u>317,566,901</u></b>

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

	<b>The Group RM'000</b>
Under Restricted Agency Investment Account arrangement	<b><u>260,658</u></b>

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

	<b>The Group RM'000</b>
<b>Common Equity Tier I capital</b>	
Ordinary share capital	<b>24,938,424</b>
Other reserves	<b>28,938,848 *</b>
Qualifying non-controlling interests	<b><u>546,771</u></b>
Common Equity Tier I capital before regulatory adjustments	<b>54,424,043</b>
<u>Less: Regulatory adjustments</u>	
Goodwill	<b>(7,856,491)</b>
Intangible assets	<b>(1,707,720)</b>
Deferred tax assets	<b>(731,377)</b>
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	<b>(2,296,290)</b>
Regulatory reserve	<b>(2,070,739)</b>
Others	<b><u>(19,528)</u></b>
Common Equity Tier I capital after regulatory adjustments	<b><u>39,741,898</u></b>
<b>Additional Tier I capital</b>	
Perpetual subordinated capital securities	<b>3,400,000</b>
Qualifying capital instruments held by third parties	<b>82,935</b>
	<b><u>3,482,935</u></b>
<u>Less: Regulatory adjustments</u>	
Investments in own Additional Tier 1 capital instruments	<b><u>(1,750)</u></b>
Additional Tier I capital after regulatory adjustments	<b><u>3,481,185</u></b>
<b>Total Tier I capital</b>	<b><u>43,223,083</u></b>

**A27. CAPITAL ADEQUACY (Continued)**

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

	<b>The Group RM'000</b>
<b>Tier II capital</b>	
Subordinated notes	<b>5,400,000</b>
Qualifying capital instruments held by third parties	<b>1,056,917</b>
Surplus eligible provisions over expected loss	<b>129,501</b>
General provisions <sup>√</sup>	<b>1,352,406</b>
Tier II capital before regulatory adjustments	<b>7,938,824</b>
<u>Less: Regulatory adjustments</u>	
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	<b>(250)</b>
<b>Total Tier II capital</b>	<b>7,938,574</b>
<b>Total capital</b>	<b>51,161,657</b>

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

	<b>CIMB Bank Group</b>	<b>CIMB Bank **</b>	<b>CIMB Islamic Bank</b>	<b>CIMB Investment Bank Group</b>	<b>CIMB Thai Bank</b>	<b>Bank CIMB Niaga</b>	<b>CIMB Bank PLC</b>	<b>CIMB Bank (Vietnam) Ltd</b>
Common equity tier 1 ratio	<b>12.950%</b>	<b>12.482%</b>	<b>12.814%</b>	<b>59.885%</b>	<b>12.866%</b>	<b>19.399%</b>	N/A	N/A
Tier 1 ratio	<b>13.979%</b>	<b>13.872%</b>	<b>13.253%</b>	<b>59.885%</b>	<b>12.866%</b>	<b>19.399%</b>	N/A	N/A
Total capital ratio	<b>17.523%</b>	<b>17.622%</b>	<b>16.501%</b>	<b>59.896%</b>	<b>18.018%</b>	<b>20.638%</b>	<b>17.839%</b>	<b>113.029%</b>

\* Includes the proposed single-tier first interim dividend of RM1,362 million in respect of the financial year ending 31 December 2019 which was paid on 6 November 2019.

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

<sup>√</sup> Total Capital of CIMB Group as at 30 September 2019 has excluded general provisions restricted from Tier II capital of RM450 million.

**A27. CAPITAL ADEQUACY (Continued)**

**31 December 2018**

(a) The capital adequacy ratios of the banking subsidiaries of the Group are as follows:

	<b>CIMB Bank **</b>	<b>CIMB Islamic Bank</b>	<b>CIMB Thai Bank</b>	<b>CIMB Bank Group</b>	<b>CIMB Investment Bank Group</b>	<b>Bank CIMB Niaga</b>	<b>CIMB Bank PLC</b>	<b>CIMB Bank (Vietnam) Ltd</b>
<b><u>Before deducting proposed dividend</u></b>								
Common equity tier 1 ratio	12.914% ^	13.505%	13.319%	13.357% ^	31.110%	17.968%	N/A	N/A
Tier 1 ratio	14.342% ^	14.026%	13.319%	14.444% ^	31.110%	17.968%	N/A	N/A
Total capital ratio	19.035% ^	16.194%	18.688%	18.302% ^	31.110%	19.204%	15.707%	122.265%
<b><u>After deducting proposed dividend</u></b>								
Common equity tier 1 ratio	12.230% ^	13.505%	13.319%	12.887% ^	30.254%	17.968%	N/A	N/A
Tier 1 ratio	13.659% ^	14.026%	13.319%	13.974% ^	30.254%	17.968%	N/A	N/A
Total capital ratio	18.351% ^	16.194%	18.688%	17.832% ^	30.254%	19.204%	15.707%	122.265%

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

	<b>CIMB Bank ** RM'000</b>	<b>CIMB Islamic Bank RM'000</b>	<b>CIMB Thai Bank RM'000</b>	<b>CIMB Bank Group RM'000</b>	<b>CIMB Investment Bank Group RM'000</b>	<b>Bank CIMB Niaga RM'000</b>	<b>CIMB Bank PLC RM'000</b>	<b>CIMB Bank (Vietnam) Ltd RM'000</b>
Credit risk	139,780,748 ^^	30,912,888	24,936,026	203,544,033 ^^	898,080	50,460,048	2,471,600	442,606
Market risk	10,773,681	452,745	4,253,122	16,395,328	397,868	555,625	-	-
Operational risk	14,727,726	2,742,729	2,187,790	20,794,460	573,431	7,555,277	-	-
Large exposure risk	881,647	-	-	881,647	-	-	-	-
	166,163,802	34,108,362	31,376,938	241,615,468	1,869,379	58,570,950	2,471,600	442,606

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

	<b>CIMB Bank** RM'000</b>	<b>CIMB Islamic Bank RM'000</b>	<b>CIMB Thai Bank RM'000</b>	<b>CIMB Bank Group RM'000</b>	<b>CIMB Investment Bank Group RM'000</b>	<b>Bank CIMB Niaga RM'000</b>	<b>CIMB Bank PLC RM'000</b>	<b>CIMB Bank (Vietnam) Ltd RM'000</b>
<b>Common Equity Tier I capital</b>								
Ordinary share capital	20,088,345	1,000,000	2,218,619	20,088,345	100,000	389,562	310,313	568,275
Other reserves	13,363,305	4,295,342	2,256,996	20,539,125	515,322	10,398,518	32,719	252
Qualifying non-controlling interests	-	-	-	156,841	-	-	-	-
Less: Proposed dividends	(1,135,854)	-	-	(1,135,854)	(15,990)	-	-	-
Common Equity Tier I capital before regulatory adjustments	32,315,796	5,295,342	4,475,615	39,648,457	599,332	10,788,080	343,032	568,527
<b><u>Less: Regulatory adjustments</u></b>								
Goodwill	(3,555,075)	(136,000)	-	(5,213,838)	(964)	-	-	-
Intangible assets	(830,487)	(71,330)	(61,286)	(975,612)	-	-	(1,610)	-
Deferred tax assets	(552,391)	(77,454)	(119,552)	(776,984)	(19,239)	(27,206)	-	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(5,856,416)	-	-	-	(9,311)	(236,929)	-	-
Deduction in excess of Tier 1 & Tier 2 capital	-	-	-	-	(4,251)	-	-	-
Regulatory reserve	(1,197,301)	(404,378)	-	(1,542,976)	-	-	-	-
Others	(2,182)	-	(115,626)	(2,182)	-	-	(4,800)	(28,694)
Common Equity Tier I capital after regulatory adjustments	20,321,944	4,606,180	4,179,151	31,136,865	565,567	10,523,945	336,622	539,833



**A27. CAPITAL ADEQUACY (Continued)**

**31 December 2018**

(a) The capital adequacy ratios of the banking subsidiaries of the Group are as follows:

	<b>CIMB Bank **</b>	<b>CIMB Islamic Bank</b>	<b>CIMB Thai Bank</b>	<b>CIMB Bank Group</b>	<b>CIMB Investment Bank Group</b>	<b>Bank CIMB Niaga</b>	<b>CIMB Bank PLC</b>	<b>CIMB Bank (Vietnam) Ltd</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Additional Tier I capital</b>								
Perpetual preference shares	200,000	178,000	-	200,000	-	-	-	-
Innovative Tier I Capital	1,000,000	-	-	1,000,000	-	-	-	-
Perpetual subordinated capital securities	1,400,000	-	-	1,400,000	-	-	-	-
Qualifying capital instruments held by third parties	-	-	-	32,685	-	-	-	-
Additional Tier I capital before regulatory adjustments	2,600,000	178,000	-	2,632,685	-	-	-	-
<u>Less: Regulatory adjustments</u>								
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(225,956)	-	-	(5,956)	-	-	-	-
Additional Tier I capital after regulatory adjustments	2,374,044	178,000	-	2,626,729	-	-	-	-
<b>Total Tier I Capital</b>	<b>22,695,988</b>	<b>4,784,180</b>	<b>4,179,151</b>	<b>33,763,594</b>	<b>565,567</b>	<b>10,523,945</b>	<b>336,622</b>	<b>539,833</b>
<b>Tier II capital</b>								
Subordinated notes	7,900,000	610,000	1,560,225	7,900,000	-	177,318	28,963	-
Redeemable preference shares	29,740	-	-	29,740	4	-	-	-
Surplus of eligible provision over expected loss	708,469	67,111	-	325,153	-	-	-	-
Qualifying capital instruments held by third parties	-	-	-	408,443	-	-	-	-
General provisions <sup>√</sup>	271,282	62,111	124,236	659,423	-	546,964	22,627	1,320
Tier II capital before regulatory adjustments	8,909,491	739,222	1,684,461	9,322,759	4	724,282	51,590	1,320
<u>Less: Regulatory adjustments</u>								
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,112,125)	-	-	(759)	(4,255)	-	-	-
<b>Total Tier II capital</b>	<b>7,797,366</b>	<b>739,222</b>	<b>1,684,461</b>	<b>9,322,000</b>	<b>-</b>	<b>724,282</b>	<b>51,590</b>	<b>1,320</b>
<b>Total Capital</b>	<b>30,493,354</b>	<b>5,523,402</b>	<b>5,863,612</b>	<b>43,085,594</b>	<b>565,567</b>	<b>11,248,227</b>	<b>388,212</b>	<b>541,153</b>

<sup>√</sup> Total Capital of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 December 2018 have excluded general provisions restricted from Tier II capital of RM160 million, RM147 million and RM13 million respectively.

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

<sup>^</sup> CIMB Group successfully completed its eleventh DRS of which RM1,278 million was reinvested into new CIMB Group shares. Pursuant to the completion of DRS, CIMB Group reinvested cash dividend surplus of RM1,278 million into CIMB Bank via rights issue which was completed on 29 June 2018.

CIMB Group successful completed its twelfth DRS for the first interim dividend in respect of the financial year ended 2018. Pursuant to the DRS, CIMB Group reinvested cash dividend surplus of RM974 million and an additional equity injection of RM226 million into CIMB Bank via rights issue which was completed on 21 December 2018.

CIMB Group's second interim dividend in respect of the financial year ended 2018 will be made applicable under the DRS. Pursuant to the DRS, CIMB Group intends to reinvest the excess cash dividend into CIMB Bank, which would increase the capital adequacy ratios of CIMB Bank Group and CIMB Bank above those stated above.

<sup>^^</sup>The RWA for credit risk relating to the Restricted Agency Investment Account (refer Note A13(i)(c) for more details) are as follows:

	<b>CIMB Bank Group</b>	<b>CIMB Bank**</b>
	<b>RM'000</b>	<b>RM'000</b>
Under Restricted Agency Investment Account arrangement	316,179	316,179

## A28. 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.

**A28. 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.

**A28. SEGMENTAL REPORT (Continued)**

	<b>Consumer Banking RM'000</b>	<b>Commercial Banking RM'000</b>	<b>Wholesale Banking RM'000</b>	<b>Group Ventures &amp; Partnerships and Funding RM'000</b>	<b>Total RM'000</b>
<b>30 September 2019</b>					
Net interest income					
- external income	3,492,127	1,897,729	1,861,720	154,488	7,406,064
- inter-segment (expense)/income	(171,216)	(249,753)	(39,136)	460,105	-
	<b>3,320,911</b>	<b>1,647,976</b>	<b>1,822,584</b>	<b>614,593</b>	<b>7,406,064</b>
Income from Islamic Banking operations	817,573	419,495	549,216	496,341	2,282,625
Net non-interest income	1,285,034	499,119	1,302,184	246,426	3,332,763
Gain on disposal of subsidiary and associate	-	-	-	251,990	251,990
Net income	<b>5,423,518</b>	<b>2,566,590</b>	<b>3,673,984</b>	<b>1,609,350</b>	<b>13,273,442</b>
Overheads	(3,297,967)	(1,358,813)	(1,760,675)	(964,979)	(7,382,434)
of which:					
- Depreciation of property, plant and equipment	(93,817)	(3,596)	(12,036)	(104,347)	(213,796)
- Amortisation of prepaid lease payments	-	(36)	-	(7,642)	(7,678)
- Amortisation of intangible assets	(50,613)	(1,820)	(20,090)	(156,015)	(228,538)
Profit before expected credit losses	<b>2,125,551</b>	<b>1,207,777</b>	<b>1,913,309</b>	<b>644,371</b>	<b>5,891,008</b>
Expected credit losses (made)/written back on loans, advances and financing	(662,961)	131,191	(501,344)	449	(1,032,665)
Expected credit losses (made)/written back for commitments and contingencies	(21,572)	15,597	68,169	140	62,334
Other expected credit losses (made)/written back	(97,617)	11,789	30,043	1,052	(54,733)
Segment results	<b>1,343,401</b>	<b>1,366,354</b>	<b>1,510,177</b>	<b>646,012</b>	<b>4,865,944</b>
Share of results of joint ventures	4,380	-	(8,069)	32,794	29,105
Share of results of associates	-	-	-	789	789
Profit before taxation and zakat	<b>1,347,781</b>	<b>1,366,354</b>	<b>1,502,108</b>	<b>679,595</b>	<b>4,895,838</b>
% of profit before taxation and zakat	27.5	27.9	30.7	13.9	100.0
Taxation and zakat					(1,206,750)
<b>Profit for the financial period</b>					<b>3,689,088</b>

**A28. SEGMENTAL REPORT (Continued)**

	<b>Consumer Banking RM'000</b>	<b>Commercial Banking RM'000</b>	<b>Wholesale Banking RM'000</b>	<b>Group Ventures &amp; Partnerships and Funding RM'000</b>	<b>Total RM'000</b>
<b>30 September 2018</b>					
Net interest income					
- external income	3,805,484	1,711,134	1,145,141	538,807	7,200,566
- inter-segment (expense)/income	(339,947)	(69,105)	580,647	(171,595)	-
	3,465,537	1,642,029	1,725,788	367,212	7,200,566
Income from Islamic Banking operations	695,993	351,971	532,035	349,820	1,929,819
Net non-interest income	1,273,797	415,433	1,124,528	271,597	3,085,355
Gain on disposal of subsidiary and joint venture	-	-	-	1,091,685	1,091,685
Net income	5,435,327	2,409,433	3,382,351	2,080,314	13,307,425
Overheads	(3,030,921)	(1,252,158)	(1,617,520)	(486,184)	(6,386,783)
of which:					
- Depreciation of property, plant and equipment	(95,850)	(3,499)	(14,434)	(106,057)	(219,840)
- Amortisation of prepaid lease payments	-	(34)	-	(7,624)	(7,658)
- Amortisation of intangible assets	(47,629)	(2,580)	(22,724)	(201,373)	(274,306)
Profit before expected credit losses	2,404,406	1,157,275	1,764,831	1,594,130	6,920,642
Expected credit losses (made)/written back on loans, advances and financing	(293,521)	(460,789)	(394,660)	4,371	(1,144,599)
Expected credit losses (made)/written back for commitments and contingencies	(2,311)	(10,017)	21,535	(22)	9,185
Other expected credit losses written back/(made)	2,531	(11,207)	(99,471)	(15,459)	(123,606)
Segment results	2,111,105	675,262	1,292,235	1,583,020	5,661,622
Share of results of joint ventures	1,971	-	(5,471)	26,764	23,264
Share of results of associates	-	-	-	3,568	3,568
Profit before taxation and zakat	2,113,076	675,262	1,286,764	1,613,352	5,688,454
% of profit before taxation and zakat	37.2	11.9	22.6	28.3	100.0
Taxation and zakat					(1,142,874)
<b>Profit for the financial period</b>					<b>4,545,580</b>



## A29. FAIR VALUE ESTIMATION

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

### Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

### Valuation Model Review and Approval

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

**A29. 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 30 September 2019 and 31 December 2018.

The Group 30 September 2019	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Financial assets at fair value through profit or loss					
- Money market instruments	32,943,058	-	32,524,040	419,018	32,943,058
- Quoted securities	845,620	845,620	-	-	845,620
- Unquoted securities	7,203,958	-	6,037,232	1,166,726	7,203,958
Debt instruments at fair value through other comprehensive income					
- Money market instruments	6,039,092	-	6,039,092	-	6,039,092
- Unquoted securities	27,544,672	-	27,544,671	1	27,544,672
Equity instruments at fair value through other comprehensive income					
- Quoted securities	49,517	49,517	-	-	49,517
- Unquoted securities	522,009	-	177,142	344,867	522,009
Derivative financial instruments					
- Trading derivatives	11,760,003	26,047	11,602,604	131,352	11,760,003
- Hedging derivatives	396,501	-	396,501	-	396,501
Loans, advances and financing at fair value through profit or loss					
	1,514,745	-	1,514,745	-	1,514,745
<b>Total</b>	<b>88,819,175</b>	<b>921,184</b>	<b>85,836,027</b>	<b>2,061,964</b>	<b>88,819,175</b>
<b>Financial liabilities</b>					
Derivative financial instruments					
- Trading derivatives	11,670,678	266,280	11,379,814	24,584	11,670,678
- Hedging derivatives	698,861	-	698,861	-	698,861
Financial liabilities designated at fair value through profit or loss					
	4,445,064	-	4,445,064	-	4,445,064
<b>Total</b>	<b>16,814,603</b>	<b>266,280</b>	<b>16,523,739</b>	<b>24,584</b>	<b>16,814,603</b>

The Group 31 December 2018	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Reverse repurchased agreements at fair value through profit or loss					
	500,134	-	500,134	-	500,134
Financial assets at fair value through profit or loss					
- Money market instruments	22,988,026	-	22,574,061	413,965	22,988,026
- Quoted securities	399,986	399,986	-	-	399,986
- Unquoted securities	6,123,057	-	4,908,353	1,214,704	6,123,057
Debt instruments at fair value through other comprehensive income					
- Money market instruments	6,380,101	-	6,380,101	-	6,380,101
- Unquoted securities	25,896,203	-	25,896,202	1	25,896,203
Equity instruments at fair value through other comprehensive income					
- Quoted securities	47,306	47,306	-	-	47,306
- Unquoted securities	536,218	-	177,036	359,182	536,218
Derivative financial instruments					
- Trading derivatives	8,522,983	17,150	8,289,553	216,280	8,522,983
- Hedging derivatives	111,650	-	111,650	-	111,650
Loans, advances and financing at fair value through profit or loss					
	803,681	-	803,681	-	803,681
<b>Total</b>	<b>72,309,345</b>	<b>464,442</b>	<b>69,640,771</b>	<b>2,204,132</b>	<b>72,309,345</b>
<b>Financial liabilities</b>					
Derivative financial instruments					
- Trading derivatives	7,744,551	531,062	7,104,345	109,144	7,744,551
- Hedging derivatives	663,430	-	663,430	-	663,430
Financial liabilities designated at fair value through profit or loss					
	5,880,707	-	5,880,707	-	5,880,707
<b>Total</b>	<b>14,288,688</b>	<b>531,062</b>	<b>13,648,482</b>	<b>109,144</b>	<b>14,288,688</b>



**A29. 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 30 September 2019 and 31 December 2018

<b>The Company</b> <b>30 September 2019</b>	<b>Carrying amount</b> <b>RM'000</b>	<b>Fair Value</b>			<b>Total</b> <b>RM'000</b>
		<b>Level 1</b> <b>RM'000</b>	<b>Level 2</b> <b>RM'000</b>	<b>Level 3</b> <b>RM'000</b>	
<i>Recurring fair value measurements</i>					
<b><u>Financial assets</u></b>					
Debt instruments at fair value through other comprehensive income					
- Unquoted securities	2,533,786	-	2,533,786	-	2,533,786
<b>Total</b>	<b>2,533,786</b>	<b>-</b>	<b>2,533,786</b>	<b>-</b>	<b>2,533,786</b>

<b>The Company</b> <b>31 December 2018</b>	<b>Carrying amount</b> <b>RM'000</b>	<b>Fair Value</b>			<b>Total</b> <b>RM'000</b>
		<b>Level 1</b> <b>RM'000</b>	<b>Level 2</b> <b>RM'000</b>	<b>Level 3</b> <b>RM'000</b>	
<i>Recurring fair value measurements</i>					
<b><u>Financial assets</u></b>					
Debt instruments at fair value through other comprehensive income					
- Unquoted securities	2,467,071	-	2,467,071	-	2,467,071
<b>Total</b>	<b>2,467,071</b>	<b>-</b>	<b>2,467,071</b>	<b>-</b>	<b>2,467,071</b>

**A29. FAIR VALUE ESTIMATION (Continued)**

(ii). The following represents the movement in Level 3 instruments for the financial year ended 30 September 2019 and 31 December 2018 for the Group.

	Financial Assets			Derivative financial instruments Trading derivatives	Financial Liabilities		Total
	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		Total	Derivative financial instruments Trading derivatives	
	Money market instruments and unquoted securities	Unquoted securities					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2019</b>							
<b>At 1 January</b>	<b>1,628,669</b>	<b>1</b>	<b>359,182</b>	<b>216,280</b>	<b>2,204,132</b>	<b>(109,144)</b>	<b>(109,144)</b>
Total gains/(losses) recognised in Statement of Income	45,981	-	-	(82,686)	(36,705)	22,403	22,403
Total loss recognised in Other Comprehensive Income	-	-	(13,106)	-	(13,106)	-	-
Purchases	2,053	-	4,874	132,454	139,381	(36,060)	(36,060)
Sales and redemptions	(99,795)	-	(7,872)	-	(107,667)	-	-
Settlements	-	-	-	(134,487)	(134,487)	98,095	98,095
Exchange fluctuation	8,836	-	1,789	(209)	10,416	122	122
<b>At 30 September</b>	<b>1,585,744</b>	<b>1</b>	<b>344,867</b>	<b>131,352</b>	<b>2,061,964</b>	<b>(24,584)</b>	<b>(24,584)</b>
Total gains/(losses) recognised in Statement of Income for the financial period ended 30 September 2019 under: - net non-interest income	<b>45,981</b>	<b>-</b>	<b>-</b>	<b>(82,686)</b>	<b>(36,705)</b>	<b>22,403</b>	<b>22,403</b>
Total losses recognised in Other Comprehensive Income for the financial period ended 30 September 2019 under "revaluation reserves"	<b>-</b>	<b>-</b>	<b>(13,106)</b>	<b>-</b>	<b>(13,106)</b>	<b>-</b>	<b>-</b>
Change in unrealised gains recognised in Statement of Income relating to assets held on 30 September 2019 under "net non-interest income"	<b>46,027</b>	<b>-</b>	<b>-</b>	<b>49,495</b>	<b>95,522</b>	<b>6,481</b>	<b>6,481</b>

**A29. FAIR VALUE ESTIMATION (Continued)**

(ii). The following represents the movement in Level 3 instruments for the financial year ended 30 September 2019 and 31 December 2018 for the Group.

	Financial Assets					Derivative financial instruments Trading derivatives	Total	Financial Liabilities		Total
	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	Financial assets held for trading	Financial investments available- for-sale			Financial liabilities designated at fair value through profit or loss	Derivative financial instruments Trading derivatives	
	Money market instruments and unquoted securities	Unquoted securities		Unquoted securities	Unquoted securities					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>2018</b>										
<b>At 1 January</b>	-	-	-	164,243	1,354,356	56,396	1,574,995	(395,058)	(24,104)	(419,162)
Effect of adopting MFRS 9	1,211,452	1,502	305,645	(164,243)	(1,354,356)	-	-	-	-	-
Adjusted 1 January	1,211,452	1,502	305,645	-	-	56,396	1,574,995	(395,058)	(24,104)	(419,162)
Total gains/(losses) recognised in Statement of Income	29,438	-	-	-	-	155,651	185,089	(127,879)	(109,911)	(237,790)
Total gain recognised in Other Comprehensive Income	-	-	52,480	-	-	-	52,480	-	-	-
Purchases	405,598	-	743	-	-	111,947	518,288	-	(76,254)	(76,254)
Sales and redemptions	(35,917)	(1,507)	(10,063)	-	-	-	(47,487)	-	-	-
Settlements	-	-	-	-	-	(109,352)	(109,352)	522,937	102,048	624,985
Exchange fluctuation	18,098	6	10,377	-	-	1,638	30,119	-	(923)	(923)
<b>At 31 December</b>	1,628,669	1	359,182	-	-	216,280	2,204,132	-	(109,144)	(109,144)
Total gains/(losses) recognised in Statement of Income for the financial year ended 31 December 2018 under:										
- net non-interest income	29,438	-	-	-	-	155,651	185,089	(120,525)	(109,911)	(230,436)
- interest expense	-	-	-	-	-	-	-	(7,354)	-	(7,354)
Total gains recognised in Other Comprehensive Income for the financial year ended 31 December 2018 under "revaluation reserves"	-	-	52,480	-	-	-	52,480	-	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 31 December 2018 under "net non-interest income"	28,346	-	-	-	-	99,751	128,097	-	(11,714)	(11,714)

**A29. 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 30 September 2019 and 31 December 2018.

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 MFRS5, the non-current assets held for sales were stated at the lower of carrying amount and fair value less cost to sell. As at 30 September 2019, the property plant and equipment held for sales of the Group that were stated at fair value less cost to sell was RM7,466,000 (2018: RM13,775,000). 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.

**A30. OPERATIONS OF ISLAMIC BANKING**

**A30a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019**

		The Group 30 September 2019	31 December 2018
	Note	RM'000	RM'000
<b>ASSETS</b>			
Cash and short-term funds		9,423,522	12,595,979
Deposits and placements with banks and other financial institutions		1,286,483	1,748,523
Financial assets at fair value through profit or loss		4,048,140	3,033,103
Debt instruments at fair value through other comprehensive income		4,054,299	3,499,105
Equity instruments at fair value through other comprehensive income		575	575
Debt instruments at amortised cost		8,375,304	6,959,658
Islamic derivative financial instruments		485,148	599,095
Financing, advances and other financing/loans	A30d(i)	89,582,815	84,026,755
Other assets		1,588,225	2,477,919
Deferred tax assets		60,838	81,882
Amount due from conventional operations		5,719,457	3,747,396
Statutory deposits with Bank Negara Malaysia		2,492,899	2,076,422
Property, plant and equipment		4,311	4,841
Right-of-use assets		4,393	-
Goodwill		136,000	136,000
Intangible assets		65,911	71,895
<b>TOTAL ASSETS</b>		<b>127,328,320</b>	<b>121,059,148</b>
<b>LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>			
Deposits from customers	A30(e)	96,430,745	86,851,108
Investment accounts of customers	A30(f)	1,779,613	1,769,270
Deposits and placements of banks and other financial institutions		1,561,482	3,164,963
Investment accounts due to designated financial institutions	A30(g)	6,082,514	8,216,809
Financial liabilities designated at fair value through profit or loss	A30(h)	128,809	21,918
Islamic derivative financial instruments		521,263	628,361
Bills and acceptances payable		15,173	27,428
Other liabilities		5,634,222	4,675,622
Lease liability		4,089	-
Recourse obligation on loans and financing sold to Cagamas		1,516,342	1,915,503
Amount due to conventional operations		2,086,080	4,326,549
Provision for taxation		1,088,777	418,954
Deferred tax liabilities		31	-
Sukuk		287,213	358,265
Other borrowings		56,116	28,604
Subordinated Sukuk		1,114,172	615,033
		<b>118,306,641</b>	<b>113,018,387</b>
Non-current liabilities held for sale		-	143
<b>TOTAL LIABILITIES</b>		<b>118,306,641</b>	<b>113,018,530</b>
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,696	55,696
Perpetual preference shares		220,000	220,000
Reserves		7,687,325	6,727,382
		8,963,021	8,003,078
Non-controlling interests		58,658	37,540
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>9,021,679</b>	<b>8,040,618</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>127,328,320</b>	<b>121,059,148</b>
<b>RESTRICTED AGENCY INVESTMENT ACCOUNT(*)</b>		<b>6,278,631</b>	<b>6,230,998</b>
<b>TOTAL ISLAMIC BANKING ASSETS</b>		<b>133,606,951</b>	<b>127,290,146</b>

\* The disclosure is in accordance with the requirements of Bank Negara Malaysia's Guideline on Financial Reporting for Islamic Banking Institutions dated 27 September 2019

**A30b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED  
30 SEPTEMBER 2019**

	<b>The Group</b>			
	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30 September 2019 RM'000</b>	<b>30 September 2018 RM'000</b>	<b>30 September 2019 RM'000</b>	<b>30 September 2018 RM'000</b>
Income derived from investment of depositors' funds and others	<b>1,362,888</b>	1,068,036	<b>3,932,934</b>	3,050,676
Income derived from investment of investment account	<b>101,752</b>	157,507	<b>311,229</b>	408,013
Net income derived from investment of shareholders' funds	<b>114,231</b>	143,652	<b>406,847</b>	428,695
Expected credit losses on financing, advances and other financing/loans	<b>(6,315)</b>	(42,476)	<b>(35,208)</b>	(179,264)
Expected credit losses (made)/written back for commitments and contingencies	<b>(4,790)</b>	(3,521)	<b>38,100</b>	(8,326)
Other expected credit losses (made)/written back	<b>(1)</b>	(55)	<b>694</b>	781
Total distributable income	<b>1,567,765</b>	1,323,143	<b>4,654,596</b>	3,700,575
Income attributable to depositors and others	<b>(766,201)</b>	(681,120)	<b>(2,404,218)</b>	(1,925,244)
Profit distributed to investment account holder	<b>(74,145)</b>	(125,035)	<b>(233,206)</b>	(325,147)
Total net income	<b>727,419</b>	516,988	<b>2,017,172</b>	1,450,184
Other operating expenses	<b>(207,201)</b>	(168,588)	<b>(633,874)</b>	(502,072)
Profit before taxation and zakat	<b>520,218</b>	348,400	<b>1,383,298</b>	948,112
Taxation and zakat	<b>(111,015)</b>	(23,100)	<b>(256,797)</b>	(139,281)
Profit for the financial period	<b>409,203</b>	325,300	<b>1,126,501</b>	808,831
Profit for the financial period attributable to:				
Owners of the Parent	<b>402,343</b>	321,311	<b>1,106,928</b>	800,366
Non-controlling interests	<b>6,860</b>	3,989	<b>19,573</b>	8,465
	<b>409,203</b>	325,300	<b>1,126,501</b>	808,831

**A30c. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED  
30 SEPTEMBER 2019**

	<b>The Group</b>			
	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30 September 2019 RM'000</b>	<b>30 September 2018 RM'000</b>	<b>30 September 2019 RM'000</b>	<b>30 September 2018 RM'000</b>
Profit for the financial period	<b>409,203</b>	325,300	<b>1,126,501</b>	808,831
Other comprehensive income/(expense):				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Equity instruments at fair value through other comprehensive income	-	(120)	-	(130)
- Net loss from change in fair value	-	(120)	-	(130)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	<b>2,630</b>	18,679	<b>51,529</b>	3,335
- Net gain from change in fair value	<b>34,732</b>	27,086	<b>141,233</b>	10,933
- Realised gain transferred to statement of income on disposal	<b>(32,381)</b>	(2,982)	<b>(79,436)</b>	(5,384)
- Changes in expected credit losses	<b>(70)</b>	43	<b>358</b>	465
- Income tax effects	<b>349</b>	(5,468)	<b>(10,626)</b>	(2,679)
Exchange fluctuation reserve	<b>2,490</b>	5,952	<b>18,881</b>	8,136
Other comprehensive income for the financial period, net of tax	<b>5,120</b>	24,511	<b>70,410</b>	11,341
Total comprehensive income for the financial period	<b>414,323</b>	349,811	<b>1,196,911</b>	820,172
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	<b>407,002</b>	345,950	<b>1,175,793</b>	811,117
Non-controlling interests	<b>7,321</b>	3,861	<b>21,118</b>	9,055
	<b>414,323</b>	349,811	<b>1,196,911</b>	820,172
<u>Income from Islamic operations (per page 2)</u>				
Total net income	<b>727,419</b>	516,988	<b>2,017,172</b>	1,450,184
Add: Expected credit losses on financing, advances and other financing/loans	<b>6,315</b>	42,476	<b>35,208</b>	179,264
Add: Expected credit losses made/(written back) for commitments and contingencies	<b>4,790</b>	3,521	<b>(38,100)</b>	8,326
Add: Other expected credit losses made/(written back)	<b>1</b>	55	<b>(694)</b>	(781)
	<b>738,525</b>	563,040	<b>2,013,586</b>	1,636,993
Elimination for transaction with conventional operations	<b>82,077</b>	104,670	<b>269,039</b>	292,826
	<b>820,602</b>	667,710	<b>2,282,625</b>	1,929,819

**A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS**
**(i) By type and Shariah contract**
**30 September 2019**
**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
At amortised cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line^	-	1,705	-	-	1,054,921	-	-	-	1	3,846	-	1,060,473
Term financing												
House Financing	311,329	5,370,070	-	-	14,905,505	1,295,279	-	-	2,818,964	-	-	24,701,147
Syndicated Financing	322,741	-	163,982	-	1,646,036	-	-	643	-	-	-	2,133,402
Hire purchase receivables	149,123	-	-	-	-	-	8,440,094	-	-	-	-	8,589,217
Other term financing	1,248,462	1,316,086	5,303,727	-	31,637,860	49,876	-	118,471	5,016,960	-	-	44,691,442
Lease receivable	-	-	-	-	-	214,427	-	-	-	-	-	214,427
Bills receivable	128,066	-	-	845,918	-	-	-	-	-	-	-	973,984
Islamic Trust receipts	103,680	-	-	-	-	-	-	-	-	-	-	103,680
Claims on customers under acceptance credits	915,893	-	-	87,939	-	-	-	15,173	-	-	-	1,019,005
Staff financing	-	-	-	-	141,462	-	-	-	9,700	-	-	151,162
Revolving credits	-	-	-	-	6,097,301	-	-	23,443	-	-	-	6,120,744
Credit card receivables	-	-	-	-	-	-	-	-	-	214,949	141,074	356,023
Share purchase financing	40	-	-	-	-	-	-	-	-	-	-	40
Gross financing, advances and other financing/loans, at amortised cost	3,179,334	6,687,861	5,467,709	933,857	55,483,085	1,559,582	8,440,094	157,730	7,845,625	218,795	141,074	90,114,746
Fair value changes arising from fair value hedge												16,980
												90,131,726
Less: Expected credit losses												(749,787)
Net financing, advances and other financing/loans at amortised cost												89,381,939
<b>At fair value through profit or loss</b>												
Term financing												
Syndicated Financing	-	-	-	-	200,876	-	-	-	-	-	-	200,876
Net financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	200,876	-	-	-	-	-	-	200,876
<b>Net financing, advances and other financing/loans</b>												<b>89,582,815</b>

^ Includes current account in excess

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

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A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

(i) By type and Shariah contract (Continued)

31 December 2018

	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	RM'000
<b>At amortised cost</b>												
Cash line^	-	5,704	-	-	891,281	-	-	-	-	1,455	-	898,440
Term financing												
House Financing	284,108	5,786,483	-	-	11,099,048	1,357,811	-	-	2,000,803	-	-	20,528,253
Syndicated Financing	470,952	-	162,279	-	1,982,505	7,450	-	684	-	-	-	2,623,870
Hire purchase receivables	163,915	-	-	-	-	-	7,423,573	-	-	-	-	7,587,488
Other term financing	1,406,682	1,484,968	6,982,666	-	26,888,119	52,570	-	68,331	4,326,375	-	-	41,209,711
Lease receivable	-	-	-	-	-	150,259	-	-	-	-	-	150,259
Bills receivable	5,075	-	-	2,302,104	-	-	-	-	-	-	-	2,307,179
Islamic Trust receipts	108,436	-	-	-	-	-	-	-	-	-	-	108,436
Claims on customers under acceptance credits	1,031,894	-	-	80,964	-	-	-	27,428	-	-	-	1,140,286
Staff financing	-	-	-	-	114,300	-	-	-	5,596	-	-	119,896
Revolving credits	-	-	-	-	7,300,930	-	-	9,924	-	-	-	7,310,854
Credit card receivables	-	-	-	-	-	-	-	-	-	183,628	137,325	320,953
Share purchase financing	207	-	-	-	-	-	-	-	-	-	-	207
Gross financing, advances and other financing/loans, at amortised cost	3,471,269	7,277,155	7,144,945	2,383,068	48,276,183	1,568,090	7,423,573	106,367	6,332,774	185,083	137,325	84,305,832
Fair value changes arising from fair value hedge												32,732
												84,338,564
Less: Expected credit losses												(803,375)
Net financing, advances and other financing/loans at amortised cost												83,535,189
<b>At fair value through profit or loss</b>												
Term financing												
Syndicated financing	-	-	-	-	491,566	-	-	-	-	-	-	491,566
Net financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	491,566	-	-	-	-	-	-	491,566
<b>Net financing, advances and other financing/loans</b>												84,026,755

^ Includes current account in excess

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**A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**

**(i) By type and Shariah contract (Continued)**

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
Gross financing, advances and other financing/loans		
- At amortised cost	90,114,746	84,305,832
- At fair value through profit or loss	200,876	491,566
	<b>90,315,622</b>	<b>84,797,398</b>

(a) During the financial period, the Group has undertaken fair value hedges on RM1,999,721,000 (2018: RM3,384,006,000) 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 30 September 2019, the gross carrying amount to RPSIA financing is RM6,054,940,000 (2018: RM6,907,549,000) and 12-month expected credit losses relating to this RPSIA amounting to RM69,041,000 (2018: RM25,658,000) is recognised in the Financial Statements of CIMB Bank Berhad.

c) Movement of Qard financing

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
At 1 January	185,083	197,097
New disbursement	215,046	90,047
Repayment	(187,612)	(93,626)
Exchange fluctuation	6,278	(8,435)
At 30 September/31 December	<b>218,795</b>	<b>185,083</b>
Sources of Qard fund:		
Depositors' fund	218,564	184,999
Shareholders' fund	231	84
	<b>218,795</b>	<b>185,083</b>
Uses of Qard fund:		
Personal use	215,208	183,800
Business use	3,587	1,283
	<b>218,795</b>	<b>185,083</b>

**(ii) By geographical distribution**

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
Malaysia	76,922,706	71,137,309
Indonesia	9,265,652	7,683,084
Singapore	2,550,015	2,774,847
Hong Kong	-	38,487
China	608,926	1,993,083
Other countries	968,323	1,170,588
Gross financing, advances and other financing/loans	<b>90,315,622</b>	<b>84,797,398</b>

**A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**

**(iii) By economic sector**

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
Primary agriculture	3,307,971	3,161,986
Mining and quarrying	1,728,183	2,299,551
Manufacturing	3,912,369	3,248,065
Electricity, gas and water supply	1,489,351	1,874,337
Construction	2,433,537	3,160,719
Transport, storage and communications	4,323,552	4,184,459
Education, health and others	4,599,582	5,973,245
Wholesale and retail trade, and restaurants and hotels	4,090,003	4,144,368
Finance, insurance/takaful, real estate and business activities	11,424,095	11,204,877
Household	49,314,891	42,444,984
Others	3,692,088	3,100,807
	<b>90,315,622</b>	<b>84,797,398</b>

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

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
Malaysia	1,367,130	483,673
Indonesia	123,113	89,794
Singapore	63,542	68,319
Other countries	100,768	118,813
Gross impaired financing, advances and other financing/loans	<b>1,654,553</b>	<b>760,599</b>

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

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
Primary agriculture	84,780	19,049
Mining and quarrying	182,062	184,612
Manufacturing	732,674	28,146
Construction	12,687	26,145
Transport, storage and communications	75,666	124,127
Education, health and others	4,439	10,613
Wholesale and retail trade, and restaurants and hotels	71,064	16,466
Finance, insurance/takaful, real estate and business activities	114,942	44,369
Household	320,972	255,247
Others	55,267	51,825
	<b>1,654,553</b>	<b>760,599</b>

**A30d. 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)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
<b>Financing, advances and other financing/loans at amortised cost</b>				
<b>At 1 January 2019</b>	332,545	170,509	300,321	803,375
Changes in expected credit losses due to transfer within stages:	159,081	(108,827)	(50,254)	-
Transferred to stage 1	197,651	(174,496)	(23,155)	-
Transferred to stage 2	(37,529)	118,522	(80,993)	-
Transferred to stage 3	(1,041)	(52,853)	53,894	-
<b>Total charge to Income Statement:</b>	<b>(197,505)</b>	<b>116,284</b>	<b>165,691</b>	<b>84,470</b>
New financial assets originated	245,232	309	21,277	266,818
Financial assets that have been derecognised	(257,536)	(15,174)	-	(272,710)
Writeback in respect of full recoveries	-	-	(37,461)	(37,461)
Change in credit risk	(185,201)	131,149	181,875	127,823
Write-offs	-	-	(153,058)	(153,058)
Exchange fluctuation	24,814	(15,880)	260	9,194
Other movements	(1,014)	-	6,820	5,806
<b>At 30 September 2019</b>	<b>317,921</b>	<b>162,086</b>	<b>269,780</b>	<b>749,787</b>

	The Group					Total RM'000
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Individual impairment provision under MFRS 139 RM'000	Portfolio impairment provision under MFRS 139 RM'000	
	RM'000	RM'000	RM'000	RM'000	RM'000	
	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2018</b>	-	-	-	134,937	292,952	427,889
Effect of adopting MFRS 9	227,031	133,224	263,934	(134,937)	(292,952)	196,300
<b>Adjusted 1 January 2018</b>	227,031	133,224	263,934	-	-	624,189
Changes in expected credit losses due to transfer within stages:	220,297	(176,073)	(44,224)	-	-	-
Transferred to stage 1	276,077	(232,989)	(43,088)	-	-	-
Transferred to stage 2	(55,220)	123,811	(68,591)	-	-	-
Transferred to stage 3	(560)	(66,895)	67,455	-	-	-
<b>Total charge to Income Statement:</b>	<b>(123,236)</b>	<b>210,666</b>	<b>225,732</b>	<b>-</b>	<b>-</b>	<b>313,162</b>
New financial assets originated	228,339	44,036	1,125	-	-	273,500
Financial assets that have been derecognised	(138,268)	(6,461)	-	-	-	(144,729)
Writeback in respect of full recoveries	-	-	(10,351)	-	-	(10,351)
Change in credit risk	(213,307)	173,091	234,958	-	-	194,742
Write-offs	-	-	(141,185)	-	-	(141,185)
Exchange fluctuation	7,599	(3,841)	(11,105)	-	-	(7,347)
Other movements	854	6,533	7,169	-	-	14,556
<b>At 31 December 2018</b>	<b>332,545</b>	<b>170,509</b>	<b>300,321</b>	<b>-</b>	<b>-</b>	<b>803,375</b>

**A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**

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

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

	<b>The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2019</b>	<b>760,599</b>	<b>760,599</b>
Transfer within stages	449,407	449,407
New financial assets originated	811,047	811,047
Write-offs	(153,058)	(153,058)
Amount fully recovered	(203,369)	(203,369)
Other changes in financing, advances and other financing/loans	(12,188)	(12,188)
Exchange fluctuation	2,115	2,115
<b>At 30 September 2019</b>	<b>1,654,553</b>	<b>1,654,553</b>

	<b>The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Impaired financing, advances and other financing/loans under MFRS 139 RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2018</b>	-	713,797	713,797
Effect of adopting MFRS 9	713,797	(713,797)	-
<b>Adjusted 1 January 2018</b>	<b>713,797</b>	<b>-</b>	<b>713,797</b>
Transfer within stages	260,774	-	260,774
New financial assets originated	2,576	-	2,576
Write-offs	(141,185)	-	(141,185)
Amount fully recovered	(57,250)	-	(57,250)
Other changes in financing, advances and other financing/loans	(26,075)	-	(26,075)
Exchange fluctuation	7,962	-	7,962
<b>At 31 December 2018</b>	<b>760,599</b>	<b>-</b>	<b>760,599</b>

	<b>The Group 30 September 2019</b>	<b>31 December 2018</b>
Ratio of credit impaired financing to total financing, advances and other financing	<b>1.83%</b>	<b>0.90%</b>

**A30e. DEPOSITS FROM CUSTOMERS**

**(i) By type of deposits**

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
Savings deposit	6,167,695	5,048,242
Wadiah	752,517	713,640
Mudharabah	1,359,622	904,678
Commodity Murabahah (via Tawarruq arrangement) *	4,055,556	3,429,924
Demand deposit	18,218,178	12,848,746
Wadiah	457,015	666,732
Qard	15,038,597	10,069,627
Mudharabah	123,019	116,974
Commodity Murabahah (via Tawarruq arrangement) *	2,599,547	1,995,413
Term deposit	66,736,761	64,436,553
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	33,840,375	39,946,997
Fixed Return Income Account-i (via Tawarruq arrangement)*	32,896,386	24,489,556
General investment account	5,181,461	4,392,620
Mudharabah	5,181,461	4,392,620
Specific investment account	101,052	104,791
Mudharabah	101,052	104,791
Others	25,598	20,156
Qard	25,598	20,156
	<b>96,430,745</b>	<b>86,851,108</b>

\*included Qard contract of RM1,402,801,000 (2018: RM1,368,862,000)

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

	The Group	
	30 September 2019 RM'000	31 December 2018 RM'000
Due within six months	61,506,350	59,824,647
Six months to one year	10,380,113	8,932,231
One year to three years	29,322	71,667
Three years to five years	79,024	80,363
More than five years	24,465	25,056
	<b>72,019,274</b>	<b>68,933,964</b>

**A30e. DEPOSITS FROM CUSTOMERS (Continued)****(iii) By type of customer**

	<b>The Group</b>	
	<b>30 September 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	7,280,152	3,827,034
Business enterprises	33,334,537	36,689,863
Individuals	34,113,631	25,430,926
Others	21,702,425	20,903,285
	<b>96,430,745</b>	<b>86,851,108</b>

**A30f. INVESTMENT ACCOUNTS OF CUSTOMERS**

	<b>The Group</b>	
	<b>30 September 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Unrestricted investment accounts (Mudharabah)		
- without maturity		
Special Mudharabah Investment Account	642,329	465,733
- with maturity		
Term Investment Account-i	1,137,284	1,303,537
	<b>1,779,613</b>	<b>1,769,270</b>

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

**A30g. INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS**

	<b>The Group</b>	
	<b>30 September 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Restricted investment accounts		
Mudharabah	6,082,514	8,216,809
By type of counterparty		
Licensed banks	6,082,514	8,216,809

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

**A30h. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>The Group</b>	
	<b>30 September 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers - structured investments	128,809	21,918

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 30 September 2019 was RM1,957,000 (2018: RM1,235,000) 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 9M19 Y-o-Y Performance**

	<b>30 September 2019 RM'mil</b>	<b>The Group Nine months ended 30 September 2018 RM'mil</b>	<b>Variance RM'mil</b>	<b>%</b>
<b>Key Profit or Loss Items:</b>				
Operating income	13,273	12,379 *	894	7.2
Profit before taxation and zakat	4,896	4,760 *	136	2.9
Net profit for the financial period attributable to Owners of the Parent	3,711	3,538 *	173	4.9

\* Excludes CPAM and CPIAM gain of RM928mil

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) reported a Profit Before Tax (“PBT”) of RM4.90 billion for the first 9 months of 2019 (“9M19”), translating to a net Earnings Per Share (“EPS”) of 38.4 sen. This was underpinned by the Group’s strong operating income, steady loan growth and reduced provisions.

The Group recorded a strong operating income (+7.2% YoY) at RM13.27 billion, underpinned by growth in net interest income (“NII”) and non-interest income (“NOII”). NII grew 5.0% YoY to RM9.31 billion from the 5.6% loan growth, while the 12.8% improvement in NOII to RM3.96 billion came largely on the back of improved capital market activity. Net Interest Margin (“NIM”) slightly declined to 2.47% in 9M19 (cf. 2.52% in 9M18), mainly from the spread compression in Malaysia and Thailand.

Loan loss provisions declined 9.8% to RM1.03 billion, equivalent to a loan loss charge of 0.38%. The Group’s 9M19 net profit grew 4.9% YoY to RM3.71 billion or an annualised Return On average Equity (“ROE”) of 9.1%. These numbers exclude the one-off RM928 million gain from the partial sale of CIMB-Principal Asset Management (“CPAM”) and CIMB-Principal Islamic Asset Management (“CPIAM”) in 9M18.

The Group’s total gross loans grew by 5.6% YoY, with strong growth posted by Thailand (+9.0%) and Malaysia (+4.5%). Total deposits were 7.3% higher YoY, contributed by Malaysia (+8.9%) and Thailand (+6.1%). The Loan to Deposit Ratio (“LDR”) stood at 91.6% (cf. 93.1% at Sep-18), reflecting a strong liquidity position, with our CASA ratio strengthening to 34.3%. The Group’s gross impairment ratio stood at 3.2% as at end-September 2019, with an allowance coverage of 94.8%

The Group’s Commercial Banking PBT rose by 102.4% YoY to RM1.37 billion underpinned by significantly lower provisions and improved NOII. PBT at the Group’s Wholesale Banking division increased by 16.7% YoY to RM1.50 billion from lower corporate provisions and improved capital market activity which brought about a 14.2% growth in NOII. The OPR cut in Malaysia and increased provisions from MFRS 9-related effects had an impact on the Group’s Consumer Banking with PBT declining 36.2% YoY to RM1.35 billion in 9M19. Group Ventures & Partnerships and Funding (“GVPF”) PBT was flat YoY.

Malaysia saw stronger performances at Commercial and Wholesale, partially offset by weaker Consumer PBT, while non-Malaysia PBT contribution to the Group stood at 34% in 9M19 (cf. 32% in 9M18). Indonesia’s PBT was 6.2% higher YoY at RM963 million in 9M19 driven by stronger operating income, particularly from its Consumer business, while underlying provisions remained steady. Thailand’s PBT contribution of RM268 million was 18.8% lower YoY from weaker trading income and higher overheads. Total PBT contribution from Singapore was 11.5% higher YoY at RM359 million from better NIM.

As at 30 September 2019, CIMB Group’s total capital ratio stood at 16.7% while the Common Equity Tier 1 (“CET1”) capital ratio stood at 13.1%^.

^ Post CIMBGH’s interim dividend, DRS, reinvestment of cash dividend surplus into CIMB Bank and includes unaudited profits



## B1. GROUP PERFORMANCE REVIEW (CONTINUED)

### (ii) CIMB Group 3Q19 vs. 3Q18 Performance

	The Group 3rd quarter ended			
	30 September 2019 RM'mil	30 September 2018 RM'mil	Variance RM'mil	%
<b>Key Profit or Loss Items:</b>				
Operating income	4,638	4,140	498	12.0
Profit before taxation and zakat	1,337	1,486	(149)	(10.0)
Net profit for the financial period attributable to Owners of the Parent	1,010	1,180	(170)	(14.4)

On a YoY basis, the 12.0% growth in Group operating income emanated from the stronger capital market-driven NOII. Consumer Banking PBT declined 11.4% YoY as the 12.3% operating income growth was offset by higher operating expenses and provisions. Commercial Banking improved 91.9% YoY from the 17.2% growth in operating income. GVPF was 159.2% lower YoY from higher expenses from Forward23-related transformational expenses.

### (iii) CIMB Group Current quarter against preceding quarter Performance

	The Group Quarter ended			
	30 September 2019 RM'mil	30 June 2019 RM'mil	Variance RM'mil	%
<b>Key Profit or Loss Items:</b>				
Operating income	4,638	4,469	169	3.8
Profit before taxation and zakat	1,337	1,956	(619)	(31.6)
Net profit for the financial period attributable to Owners of the Parent	1,010	1,509	(499)	(33.1)

On a quarter-on-quarter (“QoQ”) basis, 3Q19 operating income increased by 3.8% to RM4.64 billion from an 8.3% improvement in NII with improved NIMs in Malaysia. Consumer Banking PBT improved 218.0% QoQ attributed to higher operating income and lower provisions. The 48.6% QoQ drop in Commercial Banking PBT was due to the absence of the provision writebacks in 2Q19, although NOII grew by a strong 65.4%. Wholesale Banking PBT rose by 5.4% QoQ mainly due to lower provisions. GVPF PBT declined 121.6% QoQ largely due to the absence of gains from sale of the Malaysia equities business in 2Q19, as well as incremental investments. As a result, the Group’s 3Q19 net profit was 33.1% lower QoQ.

#### CIMB Islamic

CIMB Islamic 9M19 PBT increased by 24.5% YoY to RM945.3 million, driven by a strong 20.9% growth in operating income and 59.2% lower provisions. CIMB Islamic’s gross financing assets rose 8.5% YoY to RM76.9 billion, accounting for 21.3% of the Group’s total gross loans. Total deposits (including investment account) increased by 16.7% YoY to RM86.5 billion. CIMB’s “Islamic First” initiative continues to drive the business in Malaysia and Indonesia.

## B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Group remains cautious on prospects for the rest of 2019 given the backdrop of uncertain regional and global economic conditions. Management will continue to drive the Group in line with the Forward23 strategic roadmap with focus on operational efficiency and growth. CIMB Malaysia is expected to sustain its growth momentum in line with loan expansion and improving capital market activity. The outlook for CIMB Singapore will track regional economic directions, while CIMB Thai’s performance continues to progress in tandem with the ongoing transformation programme. CIMB Niaga should see improved performance going forward.

### B3. TAXATION AND ZAKAT

	3rd quarter ended		Nine months ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b>The Group</b>				
Major components of tax expense and zakat:				
Current tax expense	415,388	309,366	1,105,609	1,004,691
Deferred tax expense	(100,260)	(14,103)	47,294	145,770
Under/(over) provision in prior years	35,422	(423)	51,547	(9,032)
	<b>350,550</b>	<b>294,840</b>	<b>1,204,450</b>	<b>1,141,429</b>
Zakat	-	-	2,300	1,445
	<b>350,550</b>	<b>294,840</b>	<b>1,206,750</b>	<b>1,142,874</b>
<b>Reconciliation</b>				
Profit before taxation and zakat	1,336,883	1,486,401	4,895,838	5,688,454
Less: Share of results of joint venture	(11,224)	(12,870)	(29,105)	(23,264)
Share of results of associates	(608)	(315)	(789)	(3,568)
	<b>1,325,051</b>	<b>1,473,216</b>	<b>4,865,944</b>	<b>5,661,622</b>
Tax at statutory income tax rate of 24%	318,013	353,572	1,167,827	1,358,789
Effect of different tax rates in other countries and change in tax rates	(39,045)	(35,104)	(124,884)	(89,621)
Due to expenses not deductible for tax purposes and income not subject to income tax	36,160	(23,205)	109,960	(118,707)
Under/(over) provision in prior years	35,422	(423)	51,547	(9,032)
Tax expenses	<b>350,550</b>	<b>294,840</b>	<b>1,204,450</b>	<b>1,141,429</b>
<b>The Company</b>				
Major components of tax expense:				
Current tax expense	1,687	36	2,779	3,908
Deferred tax (income)/expense	(1)	2	-	6
Over provision in prior years	(97)	-	(97)	-
	<b>1,589</b>	<b>38</b>	<b>2,682</b>	<b>3,914</b>
<b>Reconciliation</b>				
Profit before taxation	1,504,481	1,052,688	2,817,565	2,394,387
Tax at statutory income tax rate of 24%	361,076	252,645	676,216	574,653
Due to expenses not deductible for tax purposes and income not subject to income tax	(359,390)	(252,607)	(673,437)	(570,739)
Over provision in prior years	(97)	-	(97)	-
Tax expenses	<b>1,589</b>	<b>38</b>	<b>2,682</b>	<b>3,914</b>

### 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	
	30 September 2019 RM'000	31 December 2018 RM'000
<b>(i) Bonds, sukuk and debentures</b>		
<b>Unsecured</b>		
One year or less (short term)		
- USD	4,090,900	-
- AUD	-	294,339
- IDR	581,816	457,161
- THB	920,239	385,540
- HKD	958,105	812,232
- CNY	-	154,843
More than one year (medium/long term)		
- USD	2,757,554	5,976,483
- RM	4,111,794	4,112,392
- HKD	3,420,075	457,700
- IDR	1,358,373	1,064,491
	<b>18,198,856</b>	<b>13,715,181</b>

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

	The Group		The Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
<b>(ii) Other borrowing</b>				
<b>Unsecured</b>				
One year or less (short term)				
- USD	2,520,248	990,170	-	-
- RM	252,889	350,856	252,889	350,856
- IDR	735,087	31,315	-	-
- THB	41,111	95,530	-	-
More than one year (medium/long term)				
- RM	3,786,406	3,027,671	3,761,405	3,002,670
- USD	2,311,895	4,791,356	-	-
- IDR	169,175	19,742	-	-
	<b>9,816,811</b>	<b>9,306,640</b>	<b>4,014,294</b>	<b>3,353,526</b>
<b>(iii) Subordinated obligations</b>				
<b>Unsecured</b>				
One year or less (short term)				
- RM	618,685	2,080,940	618,685	1,380,276
More than one year (medium/long term)				
- RM	11,652,546	10,901,292	8,918,980	8,461,535
- IDR	516,553	500,040	-	-
	<b>12,787,784</b>	<b>13,482,272</b>	<b>9,537,665</b>	<b>9,841,811</b>

**B6. MATERIAL LITIGATION**

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

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

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

	The Group			
	3rd quarter ended		Nine months ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Net profit for the financial period after non-controlling interests	1,010,348	1,179,718	3,711,015	4,466,375
Weighted average number of ordinary shares in issue ('000)	9,727,419	9,365,794	9,659,368	9,304,145
Basic earnings per share (expressed in sen per share)	10.36	12.56	38.42	48.00

**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.