

CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	Note	The Group		The Company	
		30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
ASSETS					
Cash and short-term funds	A8	38,937,618	37,765,092	410,152	370,546
Reverse repurchase agreements		10,054,727	9,014,453	-	-
Deposits and placements with banks and other financial institutions	A8	7,620,541	4,799,169	17,725	-
Financial investments at fair value through profit or loss	A9	41,159,678	38,137,273	-	-
Debt instruments at fair value through other comprehensive income	A10	43,824,952	33,318,413	2,539,947	2,493,362
Equity instruments at fair value through other comprehensive income	A11	337,639	455,760	-	-
Debt instruments at amortised cost	A12	56,963,000	39,833,491	6,221,176	6,183,386
Derivative financial instruments	A26	13,710,422	11,589,897	-	-
Loans, advances and financing	A13	354,814,999	360,340,100	-	-
Other assets	A14	13,188,175	10,101,213	83,758	133,440
Tax recoverable		314,186	312,126	179,188	182,089
Deferred tax assets		1,102,341	882,623	-	-
Statutory deposits with central banks		3,404,009	11,499,998	-	-
Amount due from a subsidiary		-	-	12	12
Investment in subsidiaries		-	-	32,474,113	32,158,313
Investment in associates and joint ventures		2,452,534	2,427,761	-	-
Property, plant and equipment		2,281,785	2,343,507	713	5,898
Right-of-use assets		758,930	775,842	4,726	-
Investment properties		41,000	17,334	369	381
Prepaid lease payments		-	81,428	-	-
Goodwill		7,691,910	7,857,539	-	-
Intangible assets		1,830,775	1,685,169	-	-
		600,489,221	573,238,188	41,931,879	41,527,427
Non-current assets held for sale		7,709	7,467	-	-
TOTAL ASSETS		600,496,930	573,245,655	41,931,879	41,527,427
LIABILITIES AND EQUITY					
Deposits from customers	A15	409,370,971	392,349,467	-	-
Investment accounts of customers	A16	2,853,839	3,448,964	-	-
Deposits and placements of banks and other financial institutions	A17	30,437,168	23,666,722	-	-
Repurchase agreements		19,881,603	14,320,131	-	-
Financial liabilities designated at fair value through profit or loss	A18	3,754,494	3,650,740	-	-
Derivative financial instruments	A26	14,038,994	11,337,869	-	-
Bills and acceptances payable		2,077,059	2,584,169	-	-
Other liabilities	A19	19,653,414	16,740,317	6,504	3,223
Lease liabilities		584,097	711,188	-	-
Recourse obligation on loans and financing sold to Cagamas		4,166,837	4,503,184	-	-
Amount due to subsidiaries		-	-	2,555	9,826
Provision for taxation and zakat		179,946	215,429	-	-
Deferred tax liabilities		35,801	36,578	376	377
Bonds, Sukuk and debentures	B5(i)	13,389,614	18,232,710	-	-
Other borrowings	B5(ii)	10,686,040	10,458,242	4,724,485	4,205,331
Subordinated obligations	B5(iii)	13,094,770	13,520,869	9,730,041	10,265,228
TOTAL LIABILITIES		544,204,647	515,776,579	14,463,961	14,483,985
Ordinary share capital		25,843,808	25,843,808	25,843,808	25,843,808
Reserves		29,228,144	30,393,969	1,624,153	1,199,677
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(43)	(43)	(43)
		55,071,346	56,237,171	27,467,918	27,043,442
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		1,020,937	1,031,905	-	-
TOTAL EQUITY		56,292,283	57,469,076	27,467,918	27,043,442
TOTAL EQUITY AND LIABILITIES		600,496,930	573,245,655	41,931,879	41,527,427
COMMITMENTS AND CONTINGENCIES	A27 (a)	1,143,645,466	1,146,023,486	-	-
Net assets per share attributable to owners of the Parent (RM)		5.55	5.67	2.77	2.73

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

CIMB GROUP HOLDINGS BERHAD
 (Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	Note	The Group			
		3rd quarter ended 30 September 2020	30 September 2019	Nine months ended 30 September 2020	30 September 2019
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	4,117,154	4,878,543	13,320,284	14,448,829
Interest income for financial assets at fair value through profit or loss	A20(b)	129,951	235,424	510,329	681,820
Interest expense	A21	(1,688,147)	(2,546,227)	(6,006,525)	(7,724,585)
Net interest income (before modification loss)		2,558,958	2,567,740	7,824,088	7,406,064
Modification loss	A22	(11,868)	-	(224,134)	-
Net interest income (after modification loss)		2,547,090	2,567,740	7,599,954	7,406,064
Income from Islamic Banking operations	A31(c)	809,000	820,602	2,125,495	2,282,625
Net non-interest income	A23	1,108,524	1,250,103	2,747,516	3,332,763
		4,464,614	4,638,445	12,472,965	13,021,452
Gain on disposal of subsidiary and associate		-	-	-	251,990
Overheads	A24	(2,204,973)	(2,786,392)	(6,647,871)	(7,382,434)
Profit before expected credit losses		2,259,641	1,852,053	5,825,094	5,891,008
Expected credit losses on loans, advances and financing	A25(a)	(1,520,337)	(403,645)	(3,957,769)	(1,032,665)
Expected credit losses (made)/written back for commitments and contingencies		(65,060)	(46,291)	(116,182)	62,334
Other expected credit losses made	A25(b)	(255,343)	(77,066)	(467,681)	(54,733)
		418,901	1,325,051	1,283,462	4,865,944
Share of results of joint ventures		34,889	11,224	80,971	29,105
Share of results of associates		208	608	(86)	789
Profit before taxation and zakat		453,998	1,336,883	1,364,347	4,895,838
Taxation and zakat	B3	(274,925)	(350,550)	(413,580)	(1,206,750)
Profit for the financial period		179,073	986,333	950,767	3,689,088
Profit for the financial period attributable to :					
Owners of the Parent		194,444	1,010,348	979,448	3,711,015
Non-controlling interests		(15,371)	(24,015)	(28,681)	(21,927)
		179,073	986,333	950,767	3,689,088
Earnings per share (sen):					
- Basic	B7(a)	1.96	10.36	9.87	38.42
- Fully diluted	B7(b)	N/A	N/A	N/A	N/A

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

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

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	179,073	986,333	950,767	3,689,088
Other comprehensive (expense)/ income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation	2,588	(198)	1,812	795
- Actuarial gain/(loss)	50	37	(230)	1,652
- Currency translation difference	2,538	(235)	2,042	(857)
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(9,400)	1,462	(6,922)	(1,871)
- Net (loss)/gain from change in fair value	(9,220)	1,462	(6,777)	(1,871)
- Currency translation difference	(180)	-	(145)	-
Equity instruments at fair value through other comprehensive income	3,317	(10,480)	(40,386)	(14,505)
- Net loss from change in fair value	(1,002)	(9,236)	(40,210)	(11,797)
- Income tax effects	168	39	(256)	258
- Currency translation difference	4,151	(1,283)	80	(2,966)
	(3,495)	(9,216)	(45,496)	(15,581)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	148,952	92,098	28,266	557,726
- Net gain from change in fair value	321,840	265,450	395,425	952,159
- Realised gain transferred to statement of income on disposal	(156,797)	(144,901)	(377,458)	(299,099)
- Changes in expected credit losses	29,086	2,780	43,456	4,649
- Income tax effects	(45,347)	(29,525)	(33,543)	(95,175)
- Currency translation difference	170	(1,706)	386	(4,808)
Net investment hedge	145,199	(30,538)	(82,935)	(46,022)
Hedging reserve - cash flow hedge	3,560	(5,147)	6,362	(4,824)
- Net gain/(loss) from change in fair value	3,574	(6,865)	7,661	(6,432)
- Income tax effects	(14)	1,718	(1,299)	1,608
Deferred hedging cost	11,613	14,237	5,222	38,801
Exchange fluctuation reserve	(1,545,416)	275,040	(880,218)	974,522
Share of other comprehensive (expense)/income of associates and joint ventures	(20,919)	5,159	(18,062)	13,268
	(1,257,011)	350,849	(941,365)	1,533,471
Total other comprehensive (expense)/income for the financial period, net of tax	(1,260,506)	341,633	(986,861)	1,517,890
Total comprehensive (expense)/income for the financial period	(1,081,433)	1,327,966	(36,094)	5,206,978
Total comprehensive (expense)/income for the financial period attributable to:				
Owners of the Parent	(998,110)	1,338,580	41,358	5,177,880
Non-controlling interests	(83,323)	(10,614)	(77,452)	29,098
	(1,081,433)	1,327,966	(36,094)	5,206,978

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

CIMB GROUP HOLDINGS BERHAD
 (Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	Note	The Company			
		3rd quarter ended		Nine months ended	
		30 September 2020	30 September 2019	30 September 2020	30 September 2019
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	111,311	102,534	332,122	309,332
Interest expense	A21	(156,421)	(161,072)	(480,908)	(495,373)
Net interest expense		(45,110)	(58,538)	(148,786)	(186,041)
Net non-interest income	A23	464,684	1,576,453	1,760,733	3,025,802
Overheads	A24	419,574 (6,567)	1,517,915 (5,677)	1,611,947 (14,216)	2,839,761 (14,233)
Profit before expected credit losses		413,007	1,512,238	1,597,731	2,825,528
Other expected credit losses written back/(made)	A25(b)	15,269	(7,757)	13,594	(7,963)
Profit before taxation		428,276	1,504,481	1,611,325	2,817,565
Taxation	B3	(1,478)	(1,589)	(5,498)	(2,682)
Profit for the financial period		426,798	1,502,892	1,605,827	2,814,883

CIMB GROUP HOLDINGS BERHAD
 (Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	The Company			
	3rd quarter ended		Nine months ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	426,798	1,502,892	1,605,827	2,814,883
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	1,506	19,876	9,405	35,764
- Net gain from change in fair value	5,809	17,492	13,335	33,307
- Changes in expected credit losses	(4,303)	2,384	(3,930)	2,457
Other comprehensive income	1,506	19,876	9,405	35,764
Total comprehensive income for the financial period	428,304	1,522,768	1,615,232	2,850,647

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CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

Attributable to owners of the Parent

The Group
30 September 2020

	Fair value reserve															
	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	Debt instruments at fair value through other comprehensive income RM'000	Equity instruments at fair value through other comprehensive income RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve * RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2020	25,843,808	130,901	137,104	1,071,570	(563)	(43)	170,758	(231,725)	(1,230,508)	75,905	2,133,166	28,136,798	56,237,171	200,000	1,031,905	57,469,076
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	979,448	979,448	-	(28,681)	950,767
Other comprehensive income/(expense) (net of tax)	-	(358)	-	(841,183)	-	-	22,829	(40,517)	(78,029)	(838)	6	-	(938,090)	-	(48,771)	(986,861)
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	22,827	-	-	-	-	-	22,827	-	5,439	28,266
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(40,517)	-	-	-	-	(40,517)	-	131	(40,386)
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	(6,922)	-	-	-	(6,922)	-	-	(6,922)
- net investment hedge	-	-	-	-	-	-	-	-	(82,935)	-	-	-	(82,935)	-	-	(82,935)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	6,362	-	-	-	6,362	-	-	6,362
- deferred hedging cost	-	-	-	-	-	-	-	-	5,222	-	-	-	5,222	-	-	5,222
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	1,812	-	-	-	1,812	-	-	1,812
- currency translation difference	-	(316)	-	(824,594)	-	-	-	-	(129)	(838)	-	-	(825,877)	-	(54,341)	(880,218)
- share of other comprehensive (expense)/ income of associates and joint ventures	-	(42)	-	(16,589)	-	-	2	-	(1,439)	-	6	-	(18,062)	-	-	(18,062)
Total comprehensive (expense)/ income for the financial period	-	(358)	-	(841,183)	-	-	22,829	(40,517)	(78,029)	(838)	6	979,448	41,358	-	(77,452)	(36,094)
Dividend for the financial year ended 31 December 2019	-	-	-	-	-	-	-	-	-	-	-	(1,190,756)	(1,190,756)	-	-	(1,190,756)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,315)	(32,315)
Transfer to statutory reserve	-	17,763	-	-	-	-	-	-	-	-	-	(17,763)	-	-	-	-
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	-	(2,117,730)	2,117,730	-	-	-	-
Transfer to capital reserve	-	-	72,726	-	-	-	-	-	-	-	-	(72,726)	-	-	-	-
Contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99,960	99,960
Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,161)	(1,161)
Share-based payment expense	-	-	-	-	-	-	-	-	-	50,782	-	-	50,782	-	-	50,782
Shares released under employee benefit schemes	-	-	-	-	-	-	-	-	41,107	(49,792)	-	-	(8,685)	-	-	(8,685)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(58,524)	-	-	-	(58,524)	-	-	(58,524)
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	1,627	-	-	-	(1,627)	-	-	-	-
At 30 September 2020	25,843,808	148,306	209,830	230,387	(563)	(43)	193,587	(270,615)	(1,325,954)	76,057	15,442	29,951,104	55,071,346	200,000	1,020,937	56,292,283

* The regulatory reserve held against expected losses is reduced to 0% a Covid-19 related measure to drawdown prudential buffers as permitted by BNM. As at 30 September 2020, the regulatory reserve is maintained for a foreign branch's general provision to meet the local regulatory requirement.

CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

The Group 30 September 2019	← Attributable to owners of the Parent →															
	Ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Fair value reserve Debt instruments at fair value through other comprehensive income RM'000	Fair value reserve Equity instruments at fair value through other comprehensive income RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2019	24,131,750	130,284	137,104	282,393	(563)	(43)	(288,294)	(207,686)	(1,292,581)	73,993	1,542,976	26,864,962	51,374,295	200,000	1,013,676	52,587,971
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	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 associate and joint venture	-	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 subsidiaries	-	-	-	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 employee benefit schemes	-	-	-	-	-	-	-	-	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)	-	-	-	
At 30 September 2019	24,938,424	130,889	137,104	1,230,756	(563)	(43)	257,416	(222,260)	(1,318,463)	72,965	2,070,739	28,782,078	56,079,042	200,000	1,081,619	57,360,661

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

CIMB GROUP HOLDINGS BERHAD
 (Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2020

	← Non-distributable →			Distributable		Total RM'000
	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve - debt instruments at fair value through other comprehensive income RM'000	Retained earnings RM'000	
The Company						
At 1 January 2020	25,843,808	55,982	(43)	101,432	1,042,263	27,043,442
Profit for the financial period	-	-	-	-	1,605,827	1,605,827
Other comprehensive income (net of tax)	-	-	-	9,405	-	9,405
- Debt instruments at fair value through other comprehensive income	-	-	-	9,405	-	9,405
Total comprehensive income for the financial period	-	-	-	9,405	1,605,827	1,615,232
Dividend for the financial year ended 31 December 2019	-	-	-	-	(1,190,756)	(1,190,756)
- single tier second interim dividend	-	-	-	-	-	-
At 30 September 2020	25,843,808	55,982	(43)	110,837	1,457,334	27,467,918

	← Non-distributable →			Distributable		Total RM'000
	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve - debt instruments at fair value through other comprehensive income RM'000	Retained earnings RM'000	
The Company						
At 1 January 2019	24,131,750	55,982	(43)	71,135	767,854	25,026,678
Profit for the financial period	-	-	-	-	2,814,883	2,814,883
Other comprehensive income (net of tax)	-	-	-	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	-	-	-	-	-	-
Issuance of shares through dividend reinvestment scheme	806,674	-	-	-	-	806,674
At 30 September 2019	24,938,424	55,982	(43)	106,899	2,435,002	27,536,264

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

CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	The Group		The Company	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Profit before taxation and zakat	1,364,347	4,895,838	1,611,325	2,817,565
Adjustments for non-operating and non-cash items	3,327,026	650,556	(1,154,143)	(2,833,964)
Operating profit before changes in working capital	4,691,373	5,546,394	457,182	(16,399)
Net changes in operating assets	889,707	(32,282,841)	92,027	51,071
Net changes in operating liabilities	30,592,201	24,393,929	8,629	(14,125)
	31,481,908	(7,888,912)	100,656	36,946
Cash flows generated from/(used in) operations	36,173,281	(2,342,518)	557,838	20,547
Taxation paid	(728,731)	(839,604)	(2,597)	(3,577)
Net cash flows generated from/(used in) operating activities	35,444,550	(3,182,122)	555,241	16,970
Net cash flows (used in)/generated from investing activities	(26,202,458)	(974,248)	1,177,106	1,617,526
Net cash flows (used in)/generated from financing activities	(7,576,431)	776,074	(1,692,741)	(452,015)
Net increase/(decrease) in cash and cash equivalents during the financial period	1,665,661	(3,380,296)	39,606	1,182,481
Effects of exchange rate changes	(493,135)	836,501	-	-
Cash and short-term funds at beginning of the financial period	37,765,092	35,528,934	370,546	197,548
Cash and short-term funds at end of the financial period	38,937,618	32,985,139	410,152	1,380,029
Monies held in trust	(239,314)	(127,824)	-	-
Cash and cash equivalents at end of the financial period	38,698,304	32,857,315	410,152	1,380,029

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

(a) The unaudited condensed interim financial statements for the financial period ended 30 September 2020 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, derivative financial instruments and non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

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

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

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

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

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

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

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

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

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

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

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the financial period ended 30 September 2020:-

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

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

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

- (c) 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 RM62.0 million.
- (d) On 30 January 2020, CIMB Islamic Bank issued RM200 million Basel-III compliant Additional Tier 1 Perpetual Preference Shares which was fully subscribed by CIMB Bank.
- (e) On 15 March 2020, CIMB Bank has redeemed its USD600 million 5-year senior fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.
- (f) On 23 March 2020, CIMB Bank PLC issued USD10 million subordinated loan which qualified as Tier 2 capital for CIMB Bank PLC for the purpose of computation of minimum Solvency Requirements by the National Bank of Cambodia ("NBC"). The subordinated loan was issued as a single tranche at a fixed rate of 3.45% per annum, with a maturity of 10 years from the issue date with a call option starting at the end of year 5 and on each relevant coupon payment date thereafter. The redemption of the subordinated loan will be subject to NBC's approval.
- (g) On 24 March 2020, CIMBGH had fully subscribed to the new issuance and allotment of ordinary shares by Touch 'n Go Sdn Bhd ("TnG"), a wholly owned subsidiary of the Group.
- (h) On 27 March 2020, CIMB Niaga issued IDR1,000,000 million bonds. The bonds are divided into 3 series. Nominal value of 1-year Series A Bond, 3-year Series B Bond, and 5-year Series C Bond amounted to IDR322,000 million, IDR287,000 million, and IDR391,000 million respectively, with fixed interest rate of 5.80%, 7.00% and 7.25% per annum respectively.
- (i) On 3 April 2020, CIMBGH exercised its option to redeem its existing RM600 million Subordinated Fixed Rate Notes on the first optional redemption date.
- (j) On 3 April 2020, CIMBGH issued RM600 million 5-year Medium Term Notes ("MTN") which will mature on 3 April 2025. The MTN was issued out of its existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value.
- (k) On 4 April 2020, CIMB Bank has redeemed its HKD700 million 1-year fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.
- (l) On 15 April 2020, CIMB Bank completed the capital injection of VND264 billion into new ordinary shares of CIMB Bank (Vietnam) Limited. The new ordinary shares were issued by CIMB Bank (Vietnam) Limited at an issue price of VND1 each to CIMB Bank.
- (m) On 5 May 2020, CIMB Bank has redeemed its USD313 million 30-years callable zero coupon notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.
- (n) On 12 June 2020, CIMBGH issued RM350 million 3-year Medium Term Notes ("MTN") which will mature on 12 June 2023. The MTN was issued out of its existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value.
- (o) On 12 June 2020, CIMBGH redeemed its RM250 million MTN issued under the existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value.
- (p) On 23 August 2020, CIMB Niaga redeemed its Series B Bond amounted to IDR376,000 million.
- (q) On 31 August 2020, CIMB Niaga redeemed its Series A Sukuk amounted to IDR635,000 million.
- (r) On 12 November 2020, CIMBGH issued RM2.5 billion 10 years non-callable 5 years Tier 2 Subordinated debts bearing a fixed rate coupon of 3.15% p.a., payable on a semi-annual basis. The said subordinated debt was issued out of the RM10.0 billion Tier 2 subordinated debt programme. The proceeds from the issuance will be used to subscribe to Tier 2 subordinated notes issued by CIMB Bank, based on similar terms.
- (s) On 12 November 2020, CIMB Bank issued RM2.45 billion 10 years non-callable 5 years Tier 2 subordinated debt to CIMB Group bearing a fixed rate coupon of 3.15% p.a., payable on a semi-annual basis. The said subordinated debt was issued from the existing RM10 billion Tier 2 subordinated debt programme.

A4. DIVIDENDS PAID

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

A5. STATUS OF CORPORATE PROPOSAL

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

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

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 2020 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 2020, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM2,427,000 (2019: RM8,617,000) and RM240,000 (2019: RM178,000) respectively. The 12-month expected credit losses written back in the income statement during the financial period is amounting to RM6,409,000 (2019: expected credit losses made of RM2,032,000).

A9. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	2,068,978	1,460,392
Cagamas bonds	782,271	686,798
Khazanah bonds	62,085	4,493
Malaysian Government treasury bills	336,047	482,267
Bank Negara Malaysia monetary notes	3,289,828	5,506,911
Negotiable instruments of deposit	1,869,915	5,018,451
Other Government securities	7,508,134	5,968,401
Government Investment Issues	1,061,181	1,924,283
Other Government treasury bills	10,517,292	6,911,837
Commercial papers	2,314,944	1,793,489
Promissory Notes	420,411	414,063
	30,231,086	30,171,385
Quoted securities:		
<i><u>In Malaysia:</u></i>		
Shares	2,178,702	741,166
<i><u>Outside Malaysia:</u></i>		
Shares	172,605	116,414
	2,351,307	857,580
Unquoted securities:		
<i><u>In Malaysia:</u></i>		
Corporate bond and Sukuk	1,446,958	1,555,599
Shares	936,212	882,496
Unit trusts	87,049	100,209
<i><u>Outside Malaysia:</u></i>		
Corporate bond	4,876,257	3,660,524
Private equity and unit trusts funds	247,549	300,603
Other Government bonds	983,260	608,877
	8,577,285	7,108,308
	41,159,678	38,137,273

A10. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Company	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Fair value				
Money market instruments:				
Unquoted				
Malaysian Government Securities	4,104,283	295,061	-	-
Cagamas bonds	302,610	302,629	-	-
Negotiable instruments of deposit	790,844	321,570	-	-
Other Government securities	3,150,873	3,525,035	-	-
Government investment Issues	2,648,499	1,538,791	-	-
Other Government treasury bills	-	115,609	-	-
Commercial Papers	170,647	226,453	-	-
	11,167,756	6,325,148	-	-
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bond and Sukuk	16,399,772	15,146,955	2,539,947	2,493,362
<i>Outside Malaysia:</i>				
Corporate bond and Sukuk	9,008,359	8,206,057	-	-
Bank Indonesia certificates	103,614	297,364	-	-
Other Government bonds	7,145,450	3,342,888	-	-
Unit trusts	1	1	-	-
	32,657,196	26,993,265	2,539,947	2,493,362
	43,824,952	33,318,413	2,539,947	2,493,362

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

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

	The Group			
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	27,447	179	21,030	48,656
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 1	141	(141)	-	-
Transferred to Stage 2	(142)	142	-	-
Total charge to Income Statement:	16,982	26,655	(181)	43,456
New financial assets purchased	77,272	-	-	77,272
Financial assets that have been derecognised	(5,257)	(77)	-	(5,334)
Change in credit risk	(55,033)	26,732	(181)	(28,482)
Exchange fluctuation	(512)	(808)	-	(1,320)
At 30 September 2020	43,916	26,027	20,849	90,792
At 1 January 2019	23,219	2,002	30,306	55,527
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 1	115,139	(115,139)	-	-
Transferred to Stage 2	(288)	288	-	-
Total charge to Income Statement:	(111,050)	113,314	(549)	1,715
New financial assets purchased	50,724	-	-	50,724
Financial assets that have been derecognised	(6,378)	-	(549)	(6,927)
Change in credit risk	(155,396)	113,314	-	(42,082)
Write-offs	-	-	(8,727)	(8,727)
Exchange fluctuation	139	2	-	141
At 31 December 2019	27,447	179	21,030	48,656

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

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

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

The Company

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	25,269	-	-	25,269
Total charge to Income Statement:	(3,930)	-	-	(3,930)
Change in credit risk	(3,930)	-	-	(3,930)
At 30 September 2020	21,339	-	-	21,339
At 1 January 2019	21,044	-	-	21,044
Total charge to Income Statement:	4,225	-	-	4,225
Change in credit risk	4,225	-	-	4,225
At 31 December 2019	25,269	-	-	25,269

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

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

A11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group 30 September 2020 RM'000	31 December 2019 RM'000
Quoted securities		
<i>In Malaysia</i>		
Shares	22,264	39,934
<i>Outside Malaysia</i>		
Shares	1,907	1,988
Unit trust	5,020	6,761
	29,191	48,683
Unquoted securities		
<i>In Malaysia</i>		
Shares	252,250	252,032
Property funds	182	182
Perpetual corporate bonds	-	76,432
<i>Outside Malaysia</i>		
Shares	10,516	10,998
Private equity funds and unit trusts funds	45,500	67,433
	308,448	407,077
	337,639	455,760

A12. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Company	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Money market instruments:				
Unquoted				
Malaysian Government securities	7,279,587	3,542,926	-	-
Cagamas bonds	198,031	207,203	-	-
Other Government treasury bills	3,139,247	1,603,163	-	-
Other Government securities	2,220,665	1,853,422	-	-
Malaysian Government investment issue	15,794,537	8,676,235	-	-
Khazanah bonds	401,316	312,269	-	-
Commercial papers	15,061	172,819	-	-
	29,048,444	16,368,037	-	-
Unquoted securities				
<i>In Malaysia</i>				
Corporate bond and Sukuk	19,108,268	17,506,206	6,277,036	6,248,910
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	3,924,843	2,938,318	-	-
Bank Indonesia certificates	140,933	232,611	-	-
Other Government bonds	4,915,921	2,689,333	-	-
	28,089,965	23,366,468	6,277,036	6,248,910
Total	57,138,409	39,734,505	6,277,036	6,248,910
Amortisation of premium, net of accretion of discount	200,270	175,838	-	-
Less : Expected credit losses	(375,679)	(76,852)	(55,860)	(65,524)
	56,963,000	39,833,491	6,221,176	6,183,386

Expected credit losses movement for debt instruments at amortised cost:

	The Group			
	12-month expected credit losses	Lifetime expected credit losses - not credit impaired	Lifetime expected credit losses - Credit impaired	Total
	(Stage 1)	(Stage 2)	(Stage 3)	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	9,884	55,355	11,613	76,852
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 2	(5,430)	5,430	-	-
Total charge to Income Statement:	(1,345)	293,825	-	292,480
New financial assets purchased	5,165	-	-	5,165
Financial assets that have been derecognised	(305)	-	-	(305)
Change in credit risk	(6,205)	293,825	-	287,620
Exchange fluctuation	6,593	-	(246)	6,347
At 30 September 2020	9,702	354,610	11,367	375,679
At 1 January 2019	9,115	100,148	11,474	120,737
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 1	72,604	(72,604)	-	-
Transferred to Stage 2	(48)	48	-	-
Total charge to Income Statement:	(72,362)	27,811	-	(44,551)
New financial assets purchased	11,989	-	-	11,989
Financial assets that have been derecognised	(899)	-	-	(899)
Change in credit risk	(83,452)	27,811	-	(55,641)
Write-offs	-	-	(10)	(10)
Exchange fluctuation	527	-	149	676
At 31 December 2019	9,884	55,355	11,613	76,852

A12. DEBT INSTRUMENTS AT AMORTISED COST (Continued)

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

	The Company				
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000	
	At 1 January 2020	65,524	-	-	65,524
	Total charge to Income Statement:	(9,664)	-	-	(9,664)
Change in credit risk	(9,664)	-	-	(9,664)	
At 30 September 2020	55,860	-	-	55,860	
At 1 January 2019	47,563	-	-	47,563	
Total charge to Income Statement:	17,961	-	-	17,961	
New financial assets purchased	8,465	-	-	8,465	
Change in credit risk	9,496	-	-	9,496	
At 31 December 2019	65,524	-	-	65,524	

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

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
	At 1 January 2020	11,613
Exchange fluctuation	(246)	(246)
At 30 September 2020	11,367	11,367
At 1 January 2019	11,474	11,474
Write-offs	(10)	(10)
Exchange fluctuation	149	149
At 31 December 2019	11,613	11,613

A13. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	30 September 2020 RM'000	31 December 2019 RM'000
At amortised cost		
Overdrafts	4,865,082	5,616,337
Term loans/financing		
- Housing loans/financing	111,347,700	106,700,354
- Syndicated term loans	16,109,527	15,933,611
- Hire purchase receivables	23,988,760	23,619,588
- Lease receivables	174,789	221,544
- Factoring receivables	3,773	4,379
- Other term loans/financing	151,192,025	150,679,676
Bills receivable	7,917,680	9,640,557
Trust receipts	2,374,189	1,723,214
Claims on customers under acceptance credits	2,966,683	4,849,992
Staff loans *	1,522,082	1,516,800
Credit card receivables	8,376,723	9,830,984
Revolving credits	34,514,638	37,974,859
Share margin financing	50,538	74,873
Gross loans, advances and financing	365,404,189	368,386,768
Fair value changes arising from fair value hedges	7,226	8,428
	365,411,415	368,395,196
Less:		
- Expected credit losses	(11,598,406)	(9,159,831)
	(11,598,406)	(9,159,831)
Net loans, advances and financing at amortised cost	353,813,009	359,235,365
At fair value through profit or loss		
Term loans/financing		
- Syndicated term loan	1,001,990	1,104,735
	1,001,990	1,104,735
Total net loans, advances and financing	354,814,999	360,340,100
Total Gross loans, advances and financing:		
- At amortised cost	365,404,189	368,386,768
- At fair value through profit or loss	1,001,990	1,104,735
	366,406,179	369,491,503

* Included in staff loans of the Group are loans to Directors amounting to RM3,977,759(2019: RM4,785,624).

(a) Included in the Group's loans, advances and financing balances are RM27,431,000 (2019: RM28,568,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

(b) The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM459,657,000 (2019: RM2,082,954,000), using interest rate swaps.

(c) Included in the loans, advances and financing of the Group at 30 September 2020 are financing which are disclosed as "Restricted Agency Investment Account" ("RAIA") in the financial statements of CIMB Islamic amounting to RM5,078,843,000 (2019: RM6,231,742,000). RAIA arrangement is with CIMB Bank's wholly owned subsidiary, CIMB Islamic, and the contract is based on the Wakalah principle where CIMB Bank solely provide the funds, whilst the assets are managed by CIMB Islamic (as the Wakeel or agent). In the arrangement, CIMB Islamic has transferred substantially all the risk and rewards of ownership of the Investment (i.e the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and expected credit losses arising thereon, if any, are recognised and accounted for by CIMB Bank.

(ii) By type of customers

	The Group	
	30 September 2020 RM'000	31 December 2019 RM'000
Domestic banking institutions	534,748	235,071
Domestic non-bank financial institutions		
- stockbroking companies	-	11,158
- others	6,253,319	5,112,261
Domestic business enterprises		
- small medium enterprises	49,346,067	50,626,877
- others	62,303,537	67,513,024
Government and statutory bodies	8,536,098	8,282,375
Individuals	188,222,618	186,024,831
Other domestic entities	10,033,575	10,573,517
Foreign entities	41,176,217	41,112,389
Gross loans, advances and financing	366,406,179	369,491,503

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

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	3,658,315	2,312,496
- Hire-purchase receivables	18,443,976	17,446,300
- Other fixed rate loans	36,548,070	37,225,079
Variable rate		
- BLR plus/BFR plus	130,239,600	138,649,711
- Cost plus	53,649,192	55,749,191
- Other variable rates	123,867,026	118,108,726
Gross loans, advances and financing	366,406,179	369,491,503

(iv) By economic purpose

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Personal use	20,738,064	20,449,002
Credit card	8,376,723	9,830,984
Purchase of consumer durables	132,165	92,706
Construction	14,964,295	15,438,083
Residential property (Housing)	112,004,946	107,330,786
Non-residential property	30,031,068	29,210,702
Purchase of fixed assets other than land and building	12,742,004	15,644,141
Mergers and acquisitions	3,220,260	2,718,911
Purchase of securities	25,030,297	25,835,806
Purchase of transport vehicles	23,962,189	23,898,884
Working capital	83,170,179	85,646,730
Other purposes	32,033,989	33,394,768
Gross loans, advances and financing	366,406,179	369,491,503

(v) By geographical distribution

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Malaysia	225,991,401	220,789,619
Indonesia	54,209,569	61,368,318
Thailand	34,874,409	37,432,449
Singapore	29,808,374	29,577,312
United Kingdom	5,061,312	4,427,631
Hong Kong	1,292,652	1,418,757
China	4,295,898	3,832,132
Other countries	10,872,564	10,645,285
Gross loans, advances and financing	366,406,179	369,491,503

(vi) By economic sector

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Primary agriculture	12,642,100	13,121,135
Mining and quarrying	5,498,679	6,297,286
Manufacturing	28,012,794	29,015,451
Electricity, gas and water supply	5,437,109	5,998,603
Construction	13,844,237	13,582,106
Transport, storage and communications	9,823,002	10,640,872
Education, health and others	16,585,561	15,974,414
Wholesale and retail trade, and restaurants and hotels	31,775,353	30,552,748
Finance, insurance/takaful, real estate and business activities	48,146,954	51,040,767
Household	177,393,865	174,978,092
Others	17,246,525	18,290,029
Gross loans, advances and financing	366,406,179	369,491,503

A13. LOANS, ADVANCES AND FINANCING (Continued)

(vii) By residual contractual maturity

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Within one year	85,605,931	93,505,979
One year to less than three years	32,214,221	30,859,641
Three years to less than five years	29,289,517	34,417,884
Five years and more	219,296,510	210,707,999
Gross loans, advances and financing	366,406,179	369,491,503

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

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Personal use	367,918	457,443
Credit card	138,372	147,712
Purchase of consumer durables	1,006	1,017
Construction	1,419,797	1,481,518
Residential property (Housing)	1,799,317	1,895,947
Non-residential property	368,816	402,209
Purchase of fixed assets other than land and building	998,812	1,017,105
Mergers and acquisitions	371,904	50,833
Purchase of securities	158,947	126,078
Purchase of transport vehicles	131,341	239,419
Working capital	5,632,012	4,555,951
Other purpose	978,044	968,616
Gross credit impaired loans, advances and financing	12,366,286	11,343,848

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

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Malaysia	4,376,940	4,600,622
Indonesia	3,775,852	3,475,766
Thailand	2,240,965	2,209,126
Singapore	1,750,387	848,895
United Kingdom	6,381	8,967
China	13,861	158
Other countries	201,900	200,314
Gross credit impaired loans, advances and financing	12,366,286	11,343,848

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

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Primary agriculture	123,461	254,633
Mining and quarrying	1,176,849	1,263,292
Manufacturing	2,586,536	2,590,026
Electricity, gas and water supply	258,765	273,370
Construction	202,625	255,427
Transport, storage and communications	1,512,550	1,353,742
Education, health and others	174,253	181,020
Wholesale and retail trade, and restaurants and hotels	3,058,936	1,573,334
Finance, insurance/takaful, real estate and business activities	682,816	635,650
Household	2,352,046	2,671,744
Others	237,449	291,610
Gross credit impaired loans, advances and financing	12,366,286	11,343,848

A13. LOANS, ADVANCES AND FINANCING (Continued)

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

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Loans, advances and financing at amortised cost					
At 1 January 2020	1,905,723	1,814,592	5,436,768	2,748	9,159,831
Changes in expected credit losses due to transfer within stages:	123,968	(152,015)	28,047	-	-
Transferred to Stage 1	509,201	(406,736)	(102,465)	-	-
Transferred to Stage 2	(336,635)	637,990	(301,355)	-	-
Transferred to Stage 3	(48,598)	(383,269)	431,867	-	-
Total charge to Income Statement:	802,026	(98,431)	3,629,045	-	4,332,640
New financial assets originated	602,769	58,139	95,603	-	756,511
Financial assets that have been derecognised	(237,971)	(134,623)	-	-	(372,594)
Writeback in respect of full recoveries	-	-	(149,356)	-	(149,356)
Change in credit risk	437,228	(21,947)	3,682,798	-	4,098,079
Write-offs	(578)	(667)	(1,670,597)	-	(1,671,842)
Exchange fluctuation	(233,260)	(141,134)	89,176	(119)	(285,337)
Other movements	(2,503)	3,595	62,022	-	63,114
At 30 September 2020	2,595,376	1,425,940	7,574,461	2,629	11,598,406

A13. LOANS, ADVANCES AND FINANCING (Continued)

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

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

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
	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000
At 1 January 2020	11,335,824	8,024	11,343,848
Transfer within stages	2,050,240	-	2,050,240
New financial assets originated	350,740	-	350,740
Write-offs	(1,670,792)	-	(1,670,792)
Amount fully recovered	(524,491)	-	(524,491)
Other changes in loans, advances and financing	1,214,889	(24)	1,214,865
Exchange fluctuation	(397,778)	(346)	(398,124)
At 30 September 2020	12,358,632	7,654	12,366,286

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

	The Group	
	30 September 2020	31 December 2019
Ratio of credit impaired loans to total loans, advances and financing	3.38%	3.07%

A14. OTHER ASSETS

	The Group		The Company	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Due from brokers and clients net of expected credit losses	400,743	69,261	-	-
Other debtors, net of expected credit losses on deposits and prepayments	6,459,540	4,352,266	83,758	133,440
Due from joint ventures	1,655,340	1,324,765	-	-
Structured financing	873,526	1,018,852	-	-
Foreclosed assets net of allowance for impairment losses	136,510	150,558	-	-
Collateral pledged for derivative transactions	3,609,036	3,086,528	-	-
Deferred consideration	53,480	98,983	-	-
	13,188,175	10,101,213	83,758	133,440

A15. DEPOSITS FROM CUSTOMERS

	The Group	
	30 September 2020 RM'000	31 December 2019 RM'000
<u>By type of deposit</u>		
Demand deposits	102,583,903	86,750,438
Savings deposits	63,696,852	50,899,104
Fixed deposits	164,143,725	180,046,303
Negotiable instruments of deposit	71,868	116,121
Others	78,874,623	74,537,501
	409,370,971	392,349,467
<u>By type of customer</u>		
Government and statutory bodies	12,187,162	11,939,258
Business enterprises	132,237,927	131,117,482
Individuals	182,587,287	183,864,980
Others	82,358,595	65,427,747
	409,370,971	392,349,467

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

Due within six months	120,989,604	147,756,119
Six months to less than one year	40,938,149	30,201,941
One year to less than three years	2,206,527	2,111,227
Three years to less than five years	81,313	93,137
	164,215,593	180,162,424

A16. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	30 September 2020 RM'000	31 December 2019 RM'000
Unrestricted investment accounts	2,853,839	3,448,964

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Licensed banks	24,155,857	20,678,566
Licensed finance companies	1,506,135	747,051
Licensed investment banks	27,321	237,091
Bank Negara Malaysia	584,939	5,423
Other financial institutions	4,162,916	1,998,591
	30,437,168	23,666,722

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

Due within six months	28,263,190	23,133,281
Six months to less than one year	1,472,701	432,333
One year to less than three years	122,836	101,108
Three years to less than five years	2,021	-
Five years and more	576,420	-
	30,437,168	23,666,722

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

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Deposits from customers - structured investments	92,217	299,930
Debentures	622,598	1,534
Bills payables	3,039,679	3,349,276
	3,754,494	3,650,740

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

The carrying amount of financial liabilities designated at fair value of the Group at 30 September 2020 were RM575,000 higher (2019: RM27,583,000 lower) than the contractual amount at maturity for the structured investments, RM1,996,000 lower (2019: RM20,000 higher) than the contractual amount at maturity for the debentures and RM595,138,000 (2019: RM643,889,000) higher than the contractual amount at maturity for the bills payable.

A19. OTHER LIABILITIES

	The Group		The Company	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	395,489	61,062	-	-
Expenditure payable	2,196,406	2,606,502	5,685	2,405
Provision for legal claims	54,215	65,840	-	-
Sundry creditors	5,412,900	2,640,224	819	818
Structured deposits	6,321,275	6,366,281	-	-
Post employment benefit obligations	472,627	491,269	-	-
Credit card expenditure payable	154,181	277,591	-	-
Collateral received for derivative transactions	2,025,921	2,272,687	-	-
Expected credit losses for loan commitments and financial guarantee contracts	(a) 592,841	498,392	-	-
Prepayment	749,603	622,579	-	-
Others	1,277,956	837,890	-	-
	19,653,414	16,740,317	6,504	3,223

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)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	304,686	43,046	150,660	498,392
Changes in expected credit losses due to transfer within stages:	57,939	(52,806)	(5,133)	-
Transferred to Stage 1	103,784	(60,301)	(43,483)	-
Transferred to Stage 2	(11,205)	23,492	(12,287)	-
Transferred to Stage 3	(34,640)	(15,997)	50,637	-
Total charge to Income Statement:	42,618	87,544	(13,980)	116,182
New exposures	205,554	28,361	40,114	274,029
Exposures derecognised or matured	(111,785)	(27,935)	(41,948)	(181,668)
Change in credit risk	(51,151)	87,118	(12,146)	23,821
Exchange fluctuation	(15,673)	(2,590)	(3,607)	(21,870)
Other movements	822	(593)	(92)	137
At 30 September 2020	390,392	74,601	127,848	592,841

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

As At 30 September 2020, the gross exposures of loan commitments and financial guarantee contracts that are credit impaired is RM197,756,000 (2019: RM228,338,000) .

A20(a). INTEREST INCOME

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
The Group				
Loans, advances and financing				
- Interest income	3,223,027	3,925,567	10,699,675	11,587,374
- Unwinding income [^]	25,122	56,435	139,175	135,452
Money at call and deposit placements with financial institutions	94,897	185,352	393,218	571,620
Reverse repurchase agreements	28,993	83,085	121,108	239,652
Debt instruments at fair value through other comprehensive income	376,272	264,770	931,613	818,541
Debt instruments at amortised cost	452,313	358,234	1,137,750	1,051,261
Equity instruments at fair value through other comprehensive income	-	2,911	1,266	8,664
Others	1,050	2,943	1,136	31,583
	4,201,674	4,879,297	13,424,941	14,444,147
Accretion of discounts, net of amortisation of premiums	(84,520)	(754)	(104,657)	4,682
	4,117,154	4,878,543	13,320,284	14,448,829

The Company

Money at call and deposit placements with financial institutions	1,675	2,877	5,600	12,194
Debt instruments at fair value through other comprehensive income	33,776	33,776	100,592	100,225
Debt instruments at amortised cost	75,860	65,881	225,930	196,913
	111,311	102,534	332,122	309,332

[^] Included in unwinding income is interest income earned on credit impaired financial assets

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

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
The Group				
Financial investments at fair value through profit or loss	150,853	159,435	439,250	519,861
Reverse repurchase agreements at fair value through profit or loss	-	-	-	4,540
Loan, advances and financing at fair value through profit or loss	7,720	29,813	25,468	33,255
	158,573	189,248	464,718	557,656
Accretion of discounts, net of amortisation of premiums	(28,622)	46,176	45,611	124,164
	129,951	235,424	510,329	681,820

A21. INTEREST EXPENSE

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits and placements of banks and other financial institutions	54,428	150,030	255,376	407,120
Deposits from customers	1,195,100	1,741,555	4,226,684	5,270,073
Repurchase agreements	68,291	85,634	205,500	310,416
Bonds, sukuk and debentures	83,781	129,468	354,741	421,251
Subordinated obligations	139,897	159,460	452,484	518,686
Financial liabilities designated at fair value through profit or loss	9,177	26,796	33,988	89,770
Negotiable certificates of deposits	912	29,093	13,194	81,226
Other borrowings	58,338	110,675	198,302	268,232
Recourse obligation on loan and financing sold to Cagamas	18,056	29,439	70,351	94,716
Structured deposits	51,439	72,918	163,906	227,049
Lease liabilities	6,131	7,592	21,222	23,254
Others	2,597	3,567	10,777	12,792
	1,688,147	2,546,227	6,006,525	7,724,585
The Company				
Subordinated obligations	121,820	123,661	372,521	392,279
Other borrowings	34,601	37,411	108,387	103,094
	156,421	161,072	480,908	495,373

A22. MODIFICATION LOSS

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

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

A23. NET NON-INTEREST INCOME

	3rd quarter ended		Nine months ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
The Group				
(a) Net fee income and commission income:				
Commissions	275,205	304,752	774,092	868,228
Fee on loans, advances and financing	98,780	146,930	301,097	469,149
Service charges and fees	139,427	162,934	422,289	486,751
Corporate advisory and arrangement fees	6,273	4,307	13,706	14,913
Guarantee fees	17,569	18,362	52,170	50,493
Other fee income	26,861	79,040	133,165	218,735
Placement fees	219	6,080	9,163	9,365
Underwriting commission	19,839	24,984	63,552	68,711
Fee and commission income	584,173	747,389	1,769,234	2,186,345
Fee and commission expense	(154,469)	(184,119)	(494,228)	(554,098)
Net fee and commission income	429,704	563,270	1,275,006	1,632,247
(b) Gross dividend income from:				
<i>In Malaysia</i>				
- Financial investments at fair value through profit or loss	23,784	21,086	50,056	50,579
- Equity instruments at fair value through other comprehensive income	1,232	26	1,232	3,757
<i>Outside Malaysia</i>				
- Equity instruments at fair value through other comprehensive income	218	11	1,080	854
	25,234	21,123	52,368	55,190
(c) Net gain/(loss) arising from financial investments at fair value through profit or loss	366,858	479,184	142,879	932,269
- realised	(22,518)	293,274	(185,896)	195,429
- unrealised	389,376	185,910	328,775	736,840
(d) Net (loss)/gain arising from derivative financial instruments	(620,980)	406,946	680,510	658,806
- realised	426,217	559,522	467,334	1,468,421
- unrealised	(1,047,197)	(152,576)	213,176	(809,615)
(e) Net gain/(loss) arising from financial liability designated at fair value through profit or loss	18,453	(139,495)	(106,019)	(321,804)
- realised	(98,622)	49,623	(88,262)	33,735
- unrealised	117,075	(189,118)	(17,757)	(355,539)
(f) Net (loss)/gain arising from hedging activities	(3,995)	(6,856)	(20,192)	2,879
(g) Net gain from sale of investment in debt instruments at fair value through other comprehensive income	115,177	112,609	279,588	219,523
(h) Net gain/(loss) arising from loans, advances and financing at fair value through profit or loss:	373	(3,485)	939	(2,276)
gain/(loss)	373	(3,485)	939	(2,276)
(i) Income from assets management and securities services	4,213	3,706	11,058	12,459
(j) Brokerage income	685	509	2,098	53,794
(k) Other non-interest income:				
Foreign exchange gain/(loss)	714,018	(391,302)	291,979	(124,951)
Rental income	11,474	12,092	27,350	27,140
Gain on disposal of property, plant and equipment/ assets held for sale	7,123	4,050	17,753	18,522
Gain on disposal of loans, advances and financing	-	114,008	-	136,840
Loss on disposal of foreclosed assets	5,718	62,071	4,854	4,310
Other non-operating income	34,469	11,673	87,345	27,815
	772,802	(187,408)	429,281	89,676
	1,108,524	1,250,103	2,747,516	3,332,763

A23. NET NON-INTEREST INCOME (CONTINUED)

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
The Company				
(a) Gross dividend income from:				
<u>In Malaysia</u>				
- Subsidiaries	465,000	1,576,740	1,760,104	3,025,584
(b) Other non-interest income:				
Foreign exchange (loss)/gain	(392)	(364)	311	(12)
Rental income	76	77	230	230
Other non-operating income	-	-	88	-
	(316)	(287)	629	218
	464,684	1,576,453	1,760,733	3,025,802

A24. OVERHEADS

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonus	1,020,142	1,114,923	3,121,856	3,237,727
- Pension cost	110,301	106,707	338,140	346,011
- Transformation initiative expense	-	348,854	-	348,854
- Overtime	3,790	7,739	14,976	21,295
- Staff incentives and other staff payments	68,027	77,837	197,904	191,359
- Medical expenses	18,299	31,019	64,418	87,166
- Others	63,059	65,164	187,998	183,631
	1,283,618	1,752,243	3,925,292	4,416,043
Establishment costs				
- Depreciation of property, plant and equipment	69,709	68,915	206,240	213,796
- Depreciation of right-of-use assets	62,538	60,011	191,668	174,876
- Amortisation of intangible assets	94,613	78,066	261,148	228,538
- Amortisation of prepaid lease payments	-	2,588	-	7,678
- Rental	36,502	38,610	109,367	125,457
- Repair and maintenance	137,165	135,210	433,548	399,859
- Outsourced services	31,973	21,513	74,487	59,364
- Security expenses	27,336	26,183	84,285	82,428
- Others	52,565	54,847	151,565	190,504
	512,401	485,943	1,512,308	1,482,500
Marketing expenses				
- Advertisement	21,209	97,547	133,251	227,525
- Others	5,118	15,681	28,410	43,051
	26,327	113,228	161,661	270,576
Administration and general expenses				
- Legal and professional fees	62,637	95,173	193,924	197,609
- Stationery	7,067	12,390	23,291	37,880
- Communication	24,651	27,498	76,946	79,436
- Incidental expenses on banking operations	8,419	10,453	31,352	35,718
- Insurance	51,824	81,517	185,539	237,292
- Others	228,029	207,947	537,558	625,380
	382,627	434,978	1,048,610	1,213,315
	2,204,973	2,786,392	6,647,871	7,382,434

A24. OVERHEADS (CONTINUED)

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
The Company				
Personnel costs				
- Staff incentives and other staff payments	-	-	-	3
	-	-	-	3
Establishment costs				
- Depreciation of property, plant and equipment	39	161	120	3,257
- Depreciation of investment properties	5	4	14	13
- Depreciation of right-of-use assets	113	-	339	-
- Repair and maintenance	-	10	-	313
- Others	21	64	48	120
	178	239	521	3,703
Marketing expenses				
- Others	-	10	-	10
	-	10	-	10
Administration and general expenses				
- Legal and professional fees	1,849	3,112	3,073	6,019
- Communication	-	-	2	19
- Insurance	715	552	2,970	1,991
- Others	3,825	1,764	7,650	2,488
	6,389	5,428	13,695	10,517
	6,567	5,677	14,216	14,233

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

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	1,649,123	541,052	4,332,640	1,456,914
Credit impaired loans, advances and financing:				
- recovered	(133,550)	(140,184)	(384,330)	(432,730)
- written off	4,764	2,777	9,459	8,481
	1,520,337	403,645	3,957,769	1,032,665

A25(b). OTHER EXPECTED CREDIT LOSSES

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses made/(written back) on:				
- Debt instrument at fair value through other comprehensive income	29,086	2,780	43,456	4,649
- Debt instrument at amortised cost	192,038	(28,367)	292,480	(32,609)
- Money at call and deposits and placements with banks and other financial institutions	(714)	1,354	(6,409)	2,032
- Other assets	34,933	101,299	138,154	80,661
	255,343	77,066	467,681	54,733
The Company				
Expected credit losses (written back)/made on:				
- Debt instrument at fair value through other comprehensive income	(4,303)	2,384	(3,930)	2,457
- Debt instrument at amortised cost	(10,966)	5,373	(9,664)	5,506
	(15,269)	7,757	(13,594)	7,963

A26. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 30 September 2020	The Group		
	Principal amount	Fair values	
	RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	39,730,341	204,372	(649,787)
- Less than 1 year	36,089,945	164,218	(500,454)
- 1 year to 3 years	2,615,903	34,377	(72,337)
- More than 3 years	1,024,493	5,777	(76,996)
Currency swaps	343,965,460	2,134,468	(2,239,269)
- Less than 1 year	340,682,960	2,088,274	(2,210,719)
- 1 year to 3 years	2,929,498	44,056	(23,518)
- More than 3 years	353,002	2,138	(5,032)
Currency spot	6,245,367	7,712	(4,977)
- Less than 1 year	6,245,367	7,712	(4,977)
Currency options	10,492,369	328,893	(369,589)
- Less than 1 year	6,613,945	132,881	(146,224)
- 1 year to 3 years	1,934,692	132,338	(150,724)
- More than 3 years	1,943,732	63,674	(72,641)
Cross currency interest rate swaps	95,648,699	2,503,077	(2,022,844)
- Less than 1 year	27,361,674	575,525	(455,514)
- 1 year to 3 years	30,353,435	716,289	(559,357)
- More than 3 years	37,933,590	1,211,263	(1,007,973)
	496,082,236	5,178,522	(5,286,466)
<u>Interest rate derivative</u>			
Interest rate swaps	457,196,883	6,933,118	(6,390,914)
- Less than 1 year	173,620,343	568,486	(651,893)
- 1 year to 3 years	142,863,786	1,752,664	(1,620,395)
- More than 3 years	140,712,754	4,611,968	(4,118,626)
Interest rate futures	13,561,282	5,530	(28,742)
- Less than 1 year	13,253,756	5,475	(28,669)
- 1 year to 3 years	307,526	55	(73)
Interest rate options	7,290	-	(87)
- Less than 1 year	7,290	-	(87)
	470,765,455	6,938,648	(6,419,743)
<u>Equity related derivatives</u>			
Equity futures	38,796	128	(18)
- Less than 1 year	38,796	128	(18)
Index futures	69,272	367	(642)
- Less than 1 year	69,272	367	(642)
Equity options	5,341,883	324,597	(571,383)
- Less than 1 year	4,902,798	297,776	(569,494)
- 1 year to 3 years	385,412	26,122	(1,190)
- More than 3 years	53,673	699	(699)
Equity swaps	147,720	4,325	(2,353)
- 1 year to 3 years	59,405	4,129	(2,345)
- More than 3 years	88,315	196	(8)
	5,597,671	329,417	(574,396)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 30 September 2020	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Commodity related derivatives</u>			
Commodity swaps	1,322,128	208,288	(168,742)
- Less than 1 year	1,242,547	173,488	(137,050)
- 1 year to 3 years	79,581	34,800	(31,692)
Commodity futures	482,308	7,157	(89,975)
- Less than 1 year	482,308	7,157	(89,975)
Commodity options	6,730,166	243,370	(226,769)
- Less than 1 year	5,492,480	127,517	(113,011)
- 1 year to 3 years	1,237,686	115,853	(113,758)
	8,534,602	458,815	(485,486)
<u>Credit related contract</u>			
Credit default swaps	3,421,789	35,410	(43,464)
- Less than 1 year	62,336	416	-
- 1 year to 3 years	544,433	2,901	(860)
- More than 3 years	2,815,020	32,093	(42,604)
Total return swaps	26,275	-	(2,331)
- 1 year to 3 years	5,525	-	(341)
- More than 3 years	20,750	-	(1,990)
	3,448,064	35,410	(45,795)
Bond contract			
Bond Forward	2,760,415	23,835	(341,998)
- Less than 1 year	787,695	1,451	(99,162)
- 1 year to 3 years	1,438,857	10,364	(217,367)
- More than 3 years	533,863	12,020	(25,469)
	2,760,415	23,835	(341,998)
<u>Hedging derivatives</u>			
Interest rate swaps	24,248,770	620,415	(713,759)
- Less than 1 year	4,934,370	70,484	(4,254)
- 1 year to 3 years	9,443,540	230,133	(151,556)
- More than 3 years	9,870,860	319,798	(557,949)
Currency swaps	2,025,869	65,386	(41,553)
- Less than 1 year	2,025,869	65,386	(41,553)
Cross currency interest rate swaps	4,695,252	59,974	(129,798)
- Less than 1 year	1,620,877	8,706	(76,450)
- 1 year to 3 years	1,057,934	5,884	(18,779)
- More than 3 years	2,016,441	45,384	(34,569)
	30,969,891	745,775	(885,110)
Total derivative assets/(liabilities)	1,018,158,334	13,710,422	(14,038,994)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2020, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM13,710,422,000 (2019: RM11,589,897,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 September 2020, the Group has posted cash collateral of RM3,609,036,000 (2019: RM3,086,528,000) on their derivative contracts.

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

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

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

A27. COMMITMENTS AND CONTINGENCIES

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

	30 September 2020 Principal Amount RM'000	31 December 2019 Principal Amount RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	6,623,687	6,834,852
Certain transaction-related contingent items	7,616,336	8,540,770
Short-term self-liquidating trade-related contingencies	3,405,259	5,590,237
Obligations under underwriting agreement	403,200	-
Irrevocable commitments to extend credit		
- maturity not exceeding one year	71,751,555	61,502,883
- maturity exceeding one year	32,489,594	34,992,846
Miscellaneous commitments and contingencies	3,197,501	2,215,223
Total credit-related commitments and contingencies	125,487,132	119,676,811
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	420,640,637	380,413,430
- one year to five years	63,119,972	61,238,807
- more than five years	19,042,748	19,793,744
	502,803,357	461,445,981
<u>Interest rate related contracts</u>		
- less than one year	191,815,759	210,316,293
- one year to five years	239,922,696	275,796,670
- more than five years	63,275,770	60,154,426
	495,014,225	546,267,389
<u>Equity related contracts</u>		
- less than one year	5,010,866	3,766,213
- one year to five years	520,611	953,175
- more than five years	66,194	60,322
	5,597,671	4,779,710
<u>Credit related contracts</u>		
- less than one year	62,336	393,986
- one year to five years	1,065,591	2,660,214
- more than five years	2,320,137	1,030,363
	3,448,064	4,084,563
<u>Commodity related contracts</u>		
- less than one year	7,217,335	6,707,438
- one year to five years	1,317,267	319,486
	8,534,602	7,026,924
<u>Bond contracts</u>		
- less than one year	787,695	782,049
- one year to five years	1,942,720	1,870,059
- more than five years	30,000	90,000
	2,760,415	2,742,108
Total treasury-related commitments and contingencies	1,018,158,334	1,026,346,675
	1,143,645,466	1,146,023,486

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

Irrevocable commitments to extend credit :

- maturity not exceeding one year

3,700,000

-

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

A28. CAPITAL ADEQUACY

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

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

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

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

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

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

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

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

A28. CAPITAL ADEQUACY (Continued)**30 September 2020**

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

	The Group
Common equity tier 1 ratio	12.876%
Tier 1 ratio	13.957%
Total capital ratio	<u>16.584%</u>

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

	The Group
	RM'000
Credit risk ⁽¹⁾	274,469,511
Market risk	20,612,144
Large exposure risk requirements	943,691
Operational risk	<u>31,071,026</u>
Total risk-weighted assets	<u>327,096,372</u>

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

	The Group
	RM'000
Under Restricted Agency Investment Account arrangement	<u>218,839</u>

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

	The Group
	RM'000
Common Equity Tier I capital	
Ordinary share capital	25,843,808
Other reserves	28,723,316
Qualifying non-controlling interests	<u>457,075</u>
Common Equity Tier I capital before regulatory adjustments	<u>55,024,199</u>
<u>Less: Regulatory adjustments</u>	
Goodwill	(7,691,910)
Intangible assets	(1,830,775)
Deferred tax assets	(1,066,540)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(2,309,495)
Regulatory reserve	(15,442)
Others	<u>6,311</u>
Common Equity Tier I capital after regulatory adjustments	<u>42,116,348</u>
Additional Tier I capital	
Perpetual subordinated capital securities	3,400,000
Qualifying capital instruments held by third parties	<u>145,152</u>
	3,545,152
<u>Less: Regulatory adjustments</u>	
Investments in own Additional Tier 1 capital instruments	<u>(8,400)</u>
Additional Tier I capital after regulatory adjustments	<u>3,536,752</u>
Total Tier I capital	<u>45,653,100</u>

A28. CAPITAL ADEQUACY (Continued)

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

	The Group RM'000
Tier II capital	
Subordinated notes	6,200,000
Qualifying capital instruments held by third parties	995,926
Surplus eligible provisions over expected loss	149,432
General provisions [√]	<u>1,247,598</u>
Tier II capital before regulatory adjustments	<u>8,592,956</u>
<u>Less: Regulatory adjustments</u>	
Investments in own Tier II capital instruments	<u>-</u>
Total Tier II capital	<u>8,592,956</u>
Total capital	<u>54,246,056</u>

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

	CIMB Bank Group	CIMB Bank **	CIMB Islamic Bank	CIMB Investment Bank Group	CIMB Thai Bank	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	13.395%	13.012%	12.891%	26.314%	14.185%	19.009%	N/A	N/A
Tier 1 ratio	14.360%	14.222%	13.688%	26.314%	14.185%	19.009%	N/A	N/A
Total capital ratio	<u>17.924%</u>	<u>18.276%</u>	<u>16.269%</u>	<u>26.314%</u>	<u>19.809%</u>	<u>20.236%</u>	<u>18.483%</u>	<u>59.073%</u>

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

[√] Total Capital of CIMB Group as at 30 September 2020 has excluded general provisions restricted from Tier II capital of RM440 million.

A28. CAPITAL ADEQUACY (Continued)

31 December 2019

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

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

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

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

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

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

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

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

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

A28. CAPITAL ADEQUACY (Continued)

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

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

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

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

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

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

A29. SEGMENTAL REPORT

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

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

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

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

Commercial Banking

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

Wholesale Banking

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

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

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

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

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

A29. SEGMENTAL REPORT (Continued)

Wholesale Banking (Continued)

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

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

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.

A29. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Ventures & Partnerships and Funding RM'000	Total RM'000
30 September 2020					
Net interest income - after modification loss					
- external income	3,324,523	1,649,602	1,994,438	631,391	7,599,954
- inter-segment income/(expense)	225,416	(9,034)	61,758	(278,140)	-
	3,549,939	1,640,568	2,056,196	353,251	7,599,954
Income from Islamic Banking operations	785,483	458,930	547,144	333,938	2,125,495
Net non-interest income	1,037,209	350,420	872,832	487,055	2,747,516
Net income	5,372,631	2,449,918	3,476,172	1,174,244	12,472,965
Overheads	(3,207,079)	(1,295,664)	(1,535,033)	(610,095)	(6,647,871)
of which:					
- Depreciation of property, plant and equipment	(87,855)	(3,801)	(11,789)	(102,795)	(206,240)
- Amortisation of intangible assets	(62,856)	(4,517)	(23,924)	(169,851)	(261,148)
Profit before expected credit losses	2,165,552	1,154,254	1,941,139	564,149	5,825,094
Expected credit losses made on loans, advances and financing	(1,248,190)	(1,244,782)	(1,450,745)	(14,052)	(3,957,769)
Expected credit losses (made)/written back for commitments and contingencies	(44,878)	5,774	(77,083)	5	(116,182)
Other expected credit losses made	(118,668)	(7,454)	(316,020)	(25,539)	(467,681)
Segment results	753,816	(92,208)	97,291	524,563	1,283,462
Share of results of joint ventures	(11,581)	-	49,170	43,382	80,971
Share of results of associates	-	-	-	(86)	(86)
Profit/(loss) before taxation and zakat	742,235	(92,208)	146,461	567,859	1,364,347
% of profit/(loss) before taxation and zakat	54.4	(6.7)	10.7	41.6	100.0
Taxation and zakat					(413,580)
Profit for the financial period					950,767

A29. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Ventures & Partnerships and Funding RM'000	Total RM'000
30 September 2019					
Net interest income					
- external income	3,477,938	1,896,785	1,875,791	155,550	7,406,064
- inter-segment (expense)/income	(146,552)	(250,206)	(60,232)	456,990	-
	3,331,386	1,646,579	1,815,559	612,540	7,406,064
Income from Islamic Banking operations	817,570	419,495	549,216	496,344	2,282,625
Net non-interest income	1,296,465	499,003	1,290,866	246,429	3,332,763
Gain on disposal of subsidiary and associate	-	-	-	251,990	251,990
Net income	5,445,421	2,565,077	3,655,641	1,607,303	13,273,442
Overheads	(3,376,872)	(1,347,521)	(1,734,304)	(923,737)	(7,382,434)
of which:					
- Depreciation of property, plant and equipment	(95,223)	(3,597)	(11,980)	(102,996)	(213,796)
- Amortisation of prepaid lease payments	-	(36)	-	(7,642)	(7,678)
- Amortisation of intangible assets	(51,058)	(1,820)	(20,078)	(155,582)	(228,538)
Profit before expected credit losses	2,068,549	1,217,556	1,921,337	683,566	5,891,008
Expected credit losse (made)/written back on loans, advances and financing	(661,717)	130,347	(503,284)	1,989	(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 (written back)/made	(97,657)	11,824	30,113	987	(54,733)
Segment results	1,287,603	1,375,324	1,516,335	686,682	4,865,944
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	1,291,983	1,375,324	1,508,266	720,265	4,895,838
% of profit before taxation and zakat	26.4	28.1	30.8	14.7	100.0
Taxation and zakat					(1,206,750)
Profit for the financial period					3,689,088

A29. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Ventures & Partnerships and Funding RM'000	Total RM'000
30 September 2020					
Group					
Segment assets	185,984,479	61,858,089	246,925,052	86,402,569	581,170,189
Investment in associates and joint ventures	138,819	-	1,377,992	935,723	2,452,534
	186,123,298	61,858,089	248,303,044	87,338,292	583,622,723
Unallocated assets	-	-	-	-	16,874,207
Total assets	186,123,298	61,858,089	248,303,044	87,338,292	600,496,930
Segment liabilities	170,787,141	71,331,507	248,907,620	33,784,627	524,810,895
Unallocated liabilities	-	-	-	-	19,393,752
Total liabilities	170,787,141	71,331,507	248,907,620	33,784,627	544,204,647
Other segment items					
Capital expenditure	271,032	16,274	46,212	429,406	762,924
Investment in joint ventures	138,819	-	1,377,992	888,125	2,404,936
Investment in associates	-	-	-	47,598	47,598
31 December 2019					
Group					
Segment assets	184,739,646	64,198,919	240,391,766	67,798,402	557,128,733
Investment in associates and joint ventures	175,400	-	1,300,096	952,265	2,427,761
	184,915,046	64,198,919	241,691,862	68,750,667	559,556,494
Unallocated assets	-	-	-	-	13,689,161
Total assets	184,915,046	64,198,919	241,691,862	68,750,667	573,245,655
Segment liabilities	171,502,959	65,865,217	224,949,122	35,509,855	497,827,153
Unallocated liabilities	-	-	-	-	17,949,426
Total liabilities	171,502,959	65,865,217	224,949,122	35,509,855	515,776,579
Other segment items					
Capital expenditure	392,612	13,562	72,158	478,886	957,218
Investment in joint ventures	175,400	-	1,300,096	906,509	2,382,005
Investment in associates	-	-	-	45,756	45,756

A30. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

Valuation Model Review and Approval

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

A30. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and the Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 September 2020 and 31 December 2019.

The Group	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
30 September 2020	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial investments at fair value through profit or loss					
- Money market instruments	30,231,086	-	29,810,675	420,411	30,231,086
- Quoted securities	2,351,307	2,351,307	-	-	2,351,307
- Unquoted securities	8,577,285	-	7,437,059	1,140,226	8,577,285
Debt instruments at fair value through other comprehensive income					
- Money market instruments	11,167,756	-	11,167,756	-	11,167,756
- Unquoted securities	32,657,196	-	32,657,195	1	32,657,196
Equity instruments at fair value through other comprehensive income					
- Quoted securities	29,191	29,191	-	-	29,191
- Unquoted securities	308,448	-	-	308,448	308,448
Derivative financial instruments					
- Trading derivatives	12,964,647	23,441	12,628,164	313,042	12,964,647
- Hedging derivatives	745,775	-	745,775	-	745,775
Loans, advances and financing at fair value through profit or loss					
	1,001,990	-	1,001,990	-	1,001,990
Total	100,034,681	2,403,939	95,448,614	2,182,128	100,034,681
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	13,153,884	867,624	12,267,469	18,791	13,153,884
- Hedging derivatives	885,110	-	885,110	-	885,110
Financial liabilities designated at fair value through profit or loss					
	3,754,494	-	3,754,494	-	3,754,494
Total	17,793,488	867,624	16,907,073	18,791	17,793,488

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

A30. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 September 2020 and 31 December 2019

The Company 30 September 2020	Carrying amount RM'000	Level 1 RM'000	Fair Value		Total RM'000
			Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Debt instruments at fair value through other comprehensive income					
- Unquoted securities	2,539,947	-	2,539,947	-	2,539,947
Total	2,539,947	-	2,539,947	-	2,539,947

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

A30. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial year ended 30 September 2020 and 31 December 2019 for the Group.

	Financial Assets				Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Derivative financial instruments Trading derivatives		Derivative financial instruments Trading derivatives	Total
	Money market instruments and unquoted securities	Unquoted securities					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2020							
At 1 January	1,553,626	1	330,642	69,119	1,953,388	(15,552)	(15,552)
Total gains/(losses) recognised in Statement of Income	37,222	-	-	238,479	275,701	(2,105)	(2,105)
Total losses recognised in Other Comprehensive Income	-	-	(22,972)	-	(22,972)	-	-
Purchases	1,576	-	299	8,048	9,923	(7,448)	(7,448)
Sales and redemptions	(43,834)	-	(758)	-	(44,592)	-	-
Settlements	-	-	-	(2,549)	(2,549)	6,280	6,280
Exchange fluctuation	12,047	-	1,237	(55)	13,229	34	34
At 30 September	1,560,637	1	308,448	313,042	2,182,128	(18,791)	(18,791)
Total gains/(losses) recognised in Statement of Income for the financial period ended 30 September 2020 under:							
- net non-interest income	37,222	-	-	238,479	275,701	(2,105)	(2,105)
Total losses recognised in Other Comprehensive Income for the financial period ended 30 September 2020 under "revaluation reserves"	-	-	(22,972)	-	(22,972)	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 30 September 2020 under "net non-interest income"	38,728	-	-	454,528	493,256	(61,572)	(61,572)

A30. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial year ended 30 September 2020 and 31 December 2019 for the Group.

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

A30. FAIR VALUE ESTIMATION (Continued)

The following represents the Group's and the Company's non-financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 September 2020 and 31 December 2019.

Investment properties (Recurring)

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

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

In accordance with MFRS 5, the non-current assets held for sales were stated at the lower of carrying amount and fair value less cost to sell. As at 30 September 2020, the property plant and equipment held for sale of the Group that were stated at fair value less cost to sell was RM7,709,000 (2019: RM7,467,000). This is a non-recurring fair value which has been measured using observable inputs under sales comparison approach performed by independent valuers. Sales prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. Therefore, it is within level 2 of the fair value hierarchy.

A31. OPERATIONS OF ISLAMIC BANKING

A31a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 September 2020

		The Group	
		30 September 2020	31 December 2019
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		12,976,687	8,415,481
Deposits and placements with banks and other financial institutions		3,054,265	2,652,505
Financial investments at fair value through profit or loss		3,400,785	5,158,036
Debt instruments at fair value through other comprehensive income		4,571,555	4,508,828
Debt instruments at amortised cost		9,409,403	8,594,615
Islamic derivative financial instruments		510,741	497,609
Financing, advances and other financing/loans	A31d(i)	95,640,248	93,049,318
Other assets		1,788,627	1,759,967
Deferred tax assets		76,479	22,238
Tax recoverable		-	8,547
Amount due from conventional operations		6,644,330	6,146,418
Statutory deposits with central banks		122,123	2,506,166
Property, plant and equipment		5,164	5,003
Right-of-use assets		3,689	3,986
Goodwill		136,000	136,000
Intangible assets		61,218	66,698
TOTAL ASSETS		138,401,314	133,531,415
LIABILITIES AND ISLAMIC BANKING			
CAPITAL FUNDS			
Deposits from customers	A31(e)	105,733,603	99,505,430
Investment accounts of customers	A31(f)	2,853,839	3,448,964
Deposits and placements of banks and other financial institutions		2,132,935	2,572,666
Investment accounts due to designated financial institutions	A31(g)	4,813,951	5,021,974
Financial liabilities designated at fair value through profit or loss	A31(h)	55,414	95,499
Islamic derivative financial instruments		510,722	504,605
Bills and acceptances payable		29,197	36,331
Other liabilities		6,803,481	6,851,238
Lease liability		3,218	3,619
Recourse obligation on loans and financing sold to Cagamas		1,513,369	1,510,390
Amount due to conventional operations		1,834,529	2,620,453
Provision for taxation		116,104	55,749
Sukuk		1,024,067	1,025,994
Subordinated Sukuk		1,114,135	1,118,255
TOTAL LIABILITIES		128,538,564	124,371,167
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,696	55,696
Perpetual preference shares		420,000	220,000
Reserves		8,308,723	7,821,684
		9,784,419	9,097,380
Non-controlling interests		78,331	62,868
TOTAL ISLAMIC BANKING CAPITAL FUNDS		9,862,750	9,160,248
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		138,401,314	133,531,415
RESTRICTED AGENCY INVESTMENT ACCOUNT(*)		8,778,843	6,231,742
TOTAL ISLAMIC BANKING ASSETS		147,180,157	139,763,157

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

**A31b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2020**

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	1,180,883	1,362,888	3,806,979	3,932,934
Income derived from investment of investment account	83,733	101,752	292,759	311,229
Net income derived from investment of shareholders' funds	135,370	114,231	312,367	406,847
Modification loss ^^	(459)	-	(185,804)	-
Expected credit losses made on financing, advances and other financing/loans	(264,511)	(6,315)	(491,358)	(35,208)
Expected credit losses (made)/written back for commitments and contingencies	(1,214)	(4,790)	(20,889)	38,100
Other expected credit losses (made)/written back	(706)	(1)	(1,159)	694
Total distributable income	1,133,096	1,567,765	3,712,895	4,654,596
Income attributable to depositors and others	(589,772)	(766,201)	(2,061,206)	(2,404,218)
Profit distributed to investment account holder	(41,268)	(74,145)	(182,046)	(233,206)
Total net income	502,056	727,419	1,469,643	2,017,172
Other operating expenses	(232,484)	(207,201)	(756,146)	(633,874)
Profit before taxation and zakat	269,572	520,218	713,497	1,383,298
Taxation and zakat	(55,578)	(111,015)	(114,317)	(256,797)
Profit for the financial period	213,994	409,203	599,180	1,126,501
Profit for the financial period attributable to:				
Owners of the Parent	205,251	402,343	579,441	1,106,928
Non-controlling interests	8,743	6,860	19,739	19,573
	213,994	409,203	599,180	1,126,501

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

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

**A31c. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2020**

	The Group			
	3rd quarter ended		Nine months ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	213,994	409,203	599,180	1,126,501
Other comprehensive income/(expense):				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	1	30	(32)
	-	1	30	(32)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	10,385	2,630	19,511	51,529
- Net gain from change in fair value	51,949	34,732	118,897	141,233
- Realised gain transferred to statement of income on disposal	(39,758)	(32,381)	(94,242)	(79,436)
- Changes in expected credit losses	433	(70)	1,182	358
- Income tax effects	(2,239)	349	(6,326)	(10,626)
Exchange fluctuation reserve	(78,446)	2,490	(56,329)	18,881
Other comprehensive (expense)/income for the financial period, net of tax	(68,061)	5,121	(36,788)	70,378
Total comprehensive income for the financial period	145,933	414,324	562,392	1,196,879
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	142,869	407,003	546,929	1,175,761
Non-controlling interests	3,064	7,321	15,463	21,118
	145,933	414,324	562,392	1,196,879
<u>Income from Islamic operations (per page 2)</u>				
Total net income	502,056	727,419	1,469,643	2,017,172
Add: Expected credit losses made on financing, advances and other financing/loans	264,511	6,315	491,358	35,208
Add: Expected credit losses made/(written back) for commitments and contingencies	1,214	4,790	20,889	(38,100)
Add: Other expected credit losses made/(written back)	706	1	1,159	(694)
	768,487	738,525	1,983,049	2,013,586
Elimination for transaction with conventional operations	40,513	82,077	142,446	269,039
	809,000	820,602	2,125,495	2,282,625

A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS
(i) By type and Shariah contract
30 September 2020

	The Group												Total
	Sale-based contracts					Lease-based contracts		Profit sharing contracts		Loan contract	Others		
	Murabahah	Bai' Bithaman Ajil	Bai' al-'Inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai' #	Mudharabah	Musharakah	Qard	Rahnu	Ujrah	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost													
Cash line^	-	285	1,795	-	1,001,226	-	-	-	-	2,175	-	-	1,005,481
Term financing													
House Financing	296,510	5,063,441	-	-	20,011,762	1,252,933	-	-	3,444,956	-	-	-	30,069,602
Syndicated Financing	-	-	26,753	-	2,217,749	-	-	568	-	-	-	-	2,245,070
Hire purchase receivables	79,741	-	-	-	-	-	10,685,868	-	-	-	-	-	10,765,609
Other term financing	957,303	1,201,784	5,079,498	-	32,304,837	45,545	-	103,272	4,610,571	-	5	-	44,302,815
Lease receivable	-	-	-	-	-	169,780	-	-	-	-	-	-	169,780
Bills receivable	590,434	-	-	313,509	-	-	-	-	-	-	-	-	903,943
Islamic Trust receipts	47,777	-	-	-	-	-	-	-	-	-	-	-	47,777
Claims on customers under acceptance credits	669,318	-	-	62,825	591,762	-	-	29,197	-	-	-	-	1,353,102
Staff financing	-	-	-	-	161,615	-	-	-	14,200	-	-	-	175,815
Revolving credits	-	-	-	-	5,177,532	-	-	12,689	-	-	-	-	5,190,221
Credit card receivables	-	-	-	-	-	-	-	-	-	233,574	-	131,320	364,894
Gross financing, advances and other financing/loans, at amortised cost	<u>2,641,083</u>	<u>6,265,510</u>	<u>5,108,046</u>	<u>376,334</u>	<u>61,466,483</u>	<u>1,468,258</u>	<u>10,685,868</u>	<u>145,726</u>	<u>8,069,727</u>	<u>235,749</u>	<u>5</u>	<u>131,320</u>	<u>96,594,109</u>
Fair value changes arising from fair value hedge													4,430
													<u>96,598,539</u>
Less: Expected credit losses													<u>(1,157,839)</u>
Net financing, advances and other financing/loans at amortised cost													<u>95,440,700</u>
At fair value through profit or loss													
Term financing													
Syndicated Financing	-	-	-	-	199,548	-	-	-	-	-	-	-	199,548
Net financing, advances and other financing/loans, at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,548</u>
Net financing, advances and other financing/loans													<u>95,640,248</u>

^ Includes current account in excess

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

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

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

(i) By type and Shariah contract (Continued)

31 December 2019

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

^ Includes current account in excess

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

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

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

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Gross financing, advances and other financing/loans		
- At amortised cost	96,594,109	93,609,811
- At fair value through profit or loss	199,548	200,181
	96,793,657	93,809,992

(a) During the financial period, the Group has undertaken fair value hedges on RM84,409,000 (2019: RM1,993,931,000) financing using profit rate swaps.

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

As at 30 September 2020, the gross carrying amount to RPSIA financing is RM4,786,986,000 (2019: RM4,958,745,000) and expected credit losses relating to this RPSIA amounting to RM106,477,000 (2019: RM93,758,000) is recognised in the Financial Statements of CIMB Bank Berhad.

c) Movement of Qard financing

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
At 1 January	238,702	185,083
New disbursement	99,494	122,051
Repayment	(89,379)	(74,645)
Exchange fluctuation	(13,068)	6,213
At 30 September/31 December	235,749	238,702
Sources of Qard fund:		
Depositors' fund	235,620	238,358
Shareholders' fund	129	344
	235,749	238,702
Uses of Qard fund:		
Personal use	233,797	233,072
Business use	1,952	5,630
	235,749	238,702

(ii) By geographical distribution

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Malaysia	84,155,525	79,452,003
Indonesia	9,206,846	9,863,925
Singapore	2,434,055	2,719,276
China	171,145	663,873
Other countries	826,086	1,110,915
Gross financing, advances and other financing/loans	96,793,657	93,809,992

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

	The Group	
	30 September	31 December
	2020	2019
	RM'000	RM'000
Primary agriculture	3,866,065	3,937,616
Mining and quarrying	1,213,792	1,675,978
Manufacturing	4,327,200	3,995,625
Electricity, gas and water supply	933,195	1,478,551
Construction	2,763,438	2,480,818
Transport, storage and communications	2,454,259	3,447,094
Education, health and others	4,746,523	4,504,328
Wholesale and retail trade, and restaurants and hotels	4,340,592	4,784,083
Finance, insurance/takaful, real estate and business activities	11,995,430	12,037,316
Household	55,781,620	51,308,988
Others	4,371,543	4,159,595
	96,793,657	93,809,992

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

	The Group	
	30 September	31 December
	2020	2019
	RM'000	RM'000
Malaysia	1,171,654	1,254,274
Indonesia	96,532	116,160
Singapore	65,528	60,296
Other countries	80,030	91,490
Gross impaired financing, advances and other financing/loans	1,413,744	1,522,220

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

	The Group	
	30 September	31 December
	2020	2019
	RM'000	RM'000
Primary agriculture	21,186	37,012
Mining and quarrying	152,557	168,796
Manufacturing	741,655	747,255
Construction	13,325	9,705
Transport, storage and communications	16,018	19,706
Education, health and others	3,601	4,576
Wholesale and retail trade, and restaurants and hotels	98,865	62,902
Finance, insurance/takaful, real estate and business activities	39,338	47,080
Household	288,722	366,235
Others	38,477	58,953
	1,413,744	1,522,220

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

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

	The Group			
	12-month expected	Lifetime expected	Lifetime expected	Total
	credit losses	credit losses - not	credit losses - Credit	
	(Stage 1)	credit impaired	impaired	
RM'000	(Stage 2)	(Stage 3)		
	RM'000	RM'000	RM'000	RM'000
Financing, advances and other financing/loans at amortised cost				
At 1 January 2020	375,216	165,049	229,484	769,749
Changes in expected credit losses due to transfer within stages:	50,976	(15,432)	(35,544)	-
Transferred to stage 1	71,811	(56,744)	(15,067)	-
Transferred to stage 2	(20,444)	91,666	(71,222)	-
Transferred to stage 3	(391)	(50,354)	50,745	-
Total charge to Income Statement:	177,054	90,975	262,573	530,602
New financial assets originated	94,603	2,642	46,504	143,749
Financial assets that have been derecognised	(73,221)	(12,410)	-	(85,631)
Writeback in respect of full recoveries	-	-	(44,401)	(44,401)
Change in credit risk	155,672	100,743	260,470	516,885
Write-offs	(213)	(70)	(144,294)	(144,577)
Exchange fluctuation	(42,178)	(14,645)	55,323	(1,500)
Other movements	213	120	3,232	3,565
At 30 September 2020	561,068	225,997	370,774	1,157,839

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

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

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

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

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2020	1,522,220	1,522,220
Transfer within stages	74,388	74,388
New financial assets originated	287,196	287,196
Write-offs	(144,294)	(144,294)
Amount fully recovered	(312,316)	(312,316)
Other changes in financing, advances and other financing/loans	(50,481)	(50,481)
Exchange fluctuation	37,031	37,031
At 30 September 2020	1,413,744	1,413,744

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2019	760,599	760,599
Transfer within stages	436,712	436,712
New financial assets originated	935,851	935,851
Write-offs	(202,073)	(202,073)
Amount fully recovered	(385,419)	(385,419)
Other changes in financing, advances and other financing/loans	(32,326)	(32,326)
Exchange fluctuation	8,876	8,876
At 31 December 2019	1,522,220	1,522,220

	The Group	
	30 September 2020	31 December 2019
Ratio of credit impaired financing to total financing, advances and other financing	1.46%	1.62%

A31e. DEPOSITS FROM CUSTOMERS

(i) By type of deposits

	The Group	
	30 September 2020 RM'000	31 December 2019 RM'000
Savings deposit	8,424,931	6,443,594
Wadiah	746,695	778,815
Mudharabah	1,602,396	1,399,429
Commodity Murabahah (via Tawarruq arrangement) *	6,075,840	4,265,350
Demand deposit	18,812,603	17,987,989
Wadiah	1,717,101	702,456
Qard	13,240,305	14,237,532
Mudharabah	219,730	128,940
Commodity Murabahah (via Tawarruq arrangement) *	3,635,467	2,919,061
Term deposit	72,824,427	68,309,729
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	44,409,171	34,825,284
Fixed Return Income Account-i (via Tawarruq arrangement)*	28,415,256	33,484,445
Fixed Deposit-i	122	-
Wadiah	122	-
General investment account	5,536,137	6,634,666
Mudharabah	5,536,137	6,634,666
Specific investment account	98,763	101,368
Mudharabah	98,763	101,368
Others	36,620	28,084
Qard	36,620	28,084
	105,733,603	99,505,430

*included Qard contract of RM398,379,000 (2019: RM1,657,518,000)

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

	The Group	
	30 September 2020 RM'000	31 December 2019 RM'000
Due within six months	68,708,086	65,520,389
Six months to less than one year	9,550,630	9,213,033
One year to less than three years	99,018	208,523
Three years to less than five years	78,583	78,735
Five years and more	23,132	25,083
	78,459,449	75,045,763

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

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Government and statutory bodies	5,610,724	4,577,868
Business enterprises	33,790,577	35,328,906
Individuals	31,492,440	35,319,728
Others	34,839,862	24,278,928
	105,733,603	99,505,430

A31f. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Unrestricted investment accounts (Mudharabah)		
- without maturity		
Special Mudharabah Investment Account	806,911	694,396
- with maturity		
Term Investment Account-i	2,046,928	2,754,568
	2,853,839	3,448,964

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

A31g. INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Restricted investment accounts		
Mudharabah	4,813,951	5,021,974
By type of counterparty		
Licensed banks	4,813,951	5,021,974

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

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

	The Group	
	30 September 2020	31 December 2019
	RM'000	RM'000
Deposits from customers - structured investments	55,414	95,499

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

The carrying amount of the financial liabilities designated at fair value of the Group as at 30 September 2020 was RM276,000 (2019: RM3,044,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

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

B1. GROUP PERFORMANCE REVIEW

(i) CIMB Group 3Q20 Y-o-Y Performance

	30 September 2020 RM'mil	The Group Nine months ended 30 September 2019 RM'mil	Variance RM'mil	%
Key Profit or Loss Items:				
Operating income	12,473	13,273	(800)	(6.0)
Profit before taxation and zakat	1,364	5,245 *	(3,881)	(74.0)
Net profit for the financial year attributable to Owners of the Parent	979	3,969 *	(2,990)	(75.3)

* Excludes one-off transformational costs of RM349 million (before taxation), RM258 million (net of taxation and non-controlling interests)

For the nine months ended 30 September 2020 ("9M20"), CIMB Group Holdings Berhad ("CIMB Group" or the "Group") registered a PBT of RM1.36 billion and net profit of RM979 million. This translates to an annualised ROE of 2.3% and EPS of 9.9 sen for 9M20.

CIMB Group announced a profit before tax ("PBT") of RM454 million for the third quarter ended 30 September 2020 ("3Q20"), up 132% quarter-on-quarter ("QoQ") compared to the second quarter ended 30 June 2020 ("2Q20"). The Group registered a net profit of RM194 million in 3Q20.

On a QoQ basis, 3Q20 operating income grew by 15.5% to RM4.47 billion from RM3.87 billion in 2Q20, driven by a 10.0% increase in net interest income ("NII") to RM3.23 billion and 32.9% increase in non-interest income ("NOII") to RM1.24 billion. The strong growth in NOII was due to improved trading and FX activity in 3Q20. Pre-provisioning operating profit ("PPOP") increased by 29.9% to RM2.26 billion QoQ.

The challenging operating environment from the ongoing COVID-19 pandemic continued to affect the Group's performance. Elevated provisions in key markets on specific accounts to strengthen the balance sheet, adjustments due to macro-economic factors ("MEF") and modification loss arising from the moratorium given to borrowers in Malaysia also impacted performance. However, the Group's underlying business remains resilient as operating income grew QoQ across nearly all segments, with gross loans and deposits increasing by 1.6% and 6.1% respectively, while the CASA ratio strengthened to 40.0%..

CIMB Group 3Q20 performance came within expectations due to the continued impact of the pandemic, and the 4Q20 economic outlook remains subdued given the resurgence in COVID-19 cases domestically and globally. Nonetheless, the Group is encouraged to see quarterly improvements with underlying performance remaining resilient despite the impact of elevated provisioning on specific accounts, modification loss and MEF adjustments. The Group also registered strong operating income across nearly all segments amidst a further Overnight Policy Rate ("OPR") cut in 3Q20 to 1.75% in Malaysia and low-interest rate environment in its core markets. This was driven by a strong rebound in Group Consumer Banking's wealth management and bancassurance units, and supported by an improved CASA ratio and stronger loan growth Group-wide. The Group is also pleased to see a significant contribution to 3Q20 performance from Group Wholesale Banking's stronger Treasury & Markets operations and improved Investment Banking activity.

Additionally, CIMB Group has aggressively brought down its operating expenses with a significant improvement in CIR to 49.4% in 3Q20, including modification loss impact. The Group is on track to achieve its aggressive cost reduction target of RM500 million for FY20 to mitigate the impact of the challenging economic environment. CIMB Group has also intensified asset quality monitoring and is proactively taking steps to strengthen its financial position, guided by an enhanced risk management approach.

The Group continues to drive down costs through prudent cost optimisation measures and deferment of non-essential expenditure Group-wide. 9M20 operating expenses have declined by 5.5% to RM6.65 billion year-on-year ("YoY"), with tight cost controls leading to a cost reduction in most segments. Including modification loss, 9M20 cost to income ratio ("CIR") stood at 53.3%.

On a QoQ basis, the CIR improved to 49.4% in 3Q20 compared to 55.0% in the preceding quarter due to the positive JAWS, in addition to the modification loss impact in 2Q20. Excluding the modification loss impact, 3Q20 CIR stood at 50.5% while 9M20 CIR stood at 52.5%.

CIMB Group's total gross loans and total deposits contracted marginally, declining by 0.9% and 0.4% respectively on a QoQ basis as at Sep-20. The Group's loan-to-deposit ("LDR") ratio stood at 87.7%, a slight decrease from 88.2% in the preceding quarter.

However, the CASA ratio continued to strengthen to 40.0% as at Sep-20, up 1.6% QoQ. In addition, 3Q20 net interest margin ("NIM") increased by 16 bps to 2.31% QoQ.

B1. GROUP PERFORMANCE REVIEW (CONTINUED)

(i) CIMB Group 3Q20 Y-o-Y Performance (Continued)

The Group's enhanced risk management approach entailed intensified asset quality monitoring in view of the challenging macroeconomic environment due to COVID-19. The Group's gross impaired loans ("GIL") as at Sep-20 stood at 3.4%, a slight improvement from 3.6% at Jun-20.

However, loan impairments rose by 3.4% QoQ, largely due to additional provisioning overlay and those related to COVID-19, with allowance coverage rising to 93.9% in 3Q20. The Group's annualised 9M20 loan loss charge stood at 1.44%.

The Group remains well-capitalised with an improved CET1 ratio of 13.0%^ and total capital ratio strengthening to 16.7%^ as at Sep-20. The Group's liquidity coverage ratio ("LCR") remains comfortably above 100% for all banking entities within the Group. Capital management and conservation remains a core priority in view of the global economic slowdown and uncertainty.

Group Consumer Banking 3Q20 operating income increased by 25.5% QoQ, with NII and NOII growing by 22.1% and 39.3% compared to 2Q20. The strong growth in NOII was due to improved wealth management and bancassurance fees.

Group Commercial Banking 3Q20 operating income was flat QoQ, due to the combination of a 7.4% increase in NOII and 1.2% decline in NII.

Group Wholesale Banking 3Q20 operating income grew by 7.7% QoQ, driven by 22.3% growth in NOII and 1.7% growth in NII. The improved performance was primarily driven by stronger Treasury & Markets operations and improved Investment Banking activity.

CIMB Digital Assets & Group Funding (previously known as Group Ventures, Partnerships & Funding) 3Q20 operating income increased by 36.2% QoQ, with NII and NOII growing by 9.3% and 63.0% respectively.

Note: ^ Included unaudited profits

(ii) CIMB Group 3Q20 vs. 3Q19 Performance

	The Group 3rd quarter ended			
	30 September 2020	30 September 2019	Variance	
	RM'mil	RM'mil	RM'mil	%
Key Profit or Loss Items:				
Operating income	4,465	4,638	(173)	(3.7)
Profit before taxation and zakat	454	1,686 *	(1,232)	(73.1)
Net profit for the financial period attributable to Owners of the Parent	194	1,268 *	(1,074)	(84.7)

* Excludes one-off transformational costs of RM349 million (before taxation), RM258 million (net of taxation and non-controlling interests)

On a YoY basis, the 3Q20 operating income of RM4.47 billion was 3.7% lower largely due weaker fee-based NOII and lower NIM arising from the OPR cuts in Malaysia and low-interest rate environments in core markets. Consumer Banking PBT declined 47.5% YoY from a combination of lower NIM as well as higher provisions driven by the management overlay in 3Q20. Commercial Banking posted a Loss Before Tax of RM127 million, compared to a PBT of RM357million in 3Q19, attributed to higher provisions across the region. In spite of a 7.7% growth in operating income, Wholesale Banking PBT was lower at RM102 million owing to increased Corporate provisions partially offset by improved Treasury & Markets and Investment Banking performance. CIMB Digital Assets & Group Funding PBT was 21.9% lower YoY mainly due to the decline in NII arising from the lower interest rate environment. In totality, the Group's 3Q20 net profit was 84.7% lower YoY.

(iii) CIMB Group 3Q20 vs. 2Q20 Performance

	30 September 2020 RM'mil	The Group Quarter ended		
		30 June 2020 RM'mil	Variance RM'mil	%
Key Profit or Loss Items:				
Operating income	4,465	3,865	600	15.5
Profit before taxation and zakat	454	196	258	131.6
Net profit for the financial period attributable to Owners of the Parent	194	277	(83)	(30.0)

On a quarter-on-quarter (“QoQ”) basis, 3Q20 operating income grew by 15.5% to RM4.47 billion from RM3.87 billion in 2Q20. This was driven by a 10.0% growth in NII on the back of lower modification loss and an unwinding in 3Q2020. NOII grew 32.9% QoQ underpinned by improved trading and FX activity, as well as wealth management fees during the period. Consumer Banking posted a PBT of RM297 million, compared to a Loss Before Tax of RM82 million in 2Q20, from lower modification loss on NII and stronger NOII. Commercial Banking posted a Loss Before Tax of RM127 million, compared to a PBT of RM120 million in 2Q20, attributed to higher provisions across the region. Wholesale Banking PBT expanded by 429.0% QoQ on the back of stronger Treasury & Markets operations and improved Investment Banking activity. As a result, the Group’s 3Q20 net profit was 30.0% lower QoQ.

CIMB Islamic

CIMB Islamic 3Q20 operating income grew by 68.4% QoQ. Net financing income (“NFI”) grew by 73.7% due to financing growth and lower modification loss, while non-financing income (“NOFI”) rose by 44.5% from improved trading/FX income and higher fee-related income.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Group remains cautious on the prospects for the rest of 2020 given the challenging outlook as operations will likely continue to be adversely impacted by the Covid-19 economic disruption across the region. The Group will focus on supporting impacted vulnerable segments and customers through relief measures and assistance, while management is prioritising risk management and operational digitalisation within this environment. Loan growth is expected to remain relatively subdued across all jurisdictions, with capital markets showing encouraging levels of activity. Given the challenging operating conditions, loan provisions are likely to stay elevated for the rest of the year.

B3. TAXATION AND ZAKAT

	3rd quarter ended		Nine months ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
The Group				
Major components of tax expense and zakat:				
Current tax expense	449,980	415,388	766,602	1,105,609
Deferred tax (income)/expense	(257,949)	(100,260)	(285,743)	47,294
Under provision in prior years	82,894	35,422	(67,279)	51,547
	274,925	350,550	413,580	1,204,450
Zakat	-	-	-	2,300
	274,925	350,550	413,580	1,206,750
Reconciliation				
Profit before taxation and zakat	453,998	1,336,883	1,364,347	4,895,838
Less: Share of results of joint venture	(34,889)	(11,224)	(80,971)	(29,105)
Share of results of associates	(208)	(608)	86	(789)
	418,901	1,325,051	1,283,462	4,865,944
Tax at statutory income tax rate of 24%	100,536	318,013	308,031	1,167,827
Effect of different tax rates in other countries and change in tax rates	86,310	6,555	65,278	13,470
Due to expenses not deductible for tax purposes and income not subject to income tax	5,185	(9,440)	107,550	(28,394)
Under provision in prior years	82,894	35,422	(67,279)	51,547
Tax (income)/expenses	274,925	350,550	413,580	1,204,450

The Company

Major components of tax expense:

Current tax expense	1,478	1,687	5,499	2,779
Deferred tax income	-	(1)	(1)	-
Over provision in prior years	-	(97)	-	(97)
	1,478	1,589	5,498	2,682

Reconciliation

Profit before taxation	428,276	1,504,481	1,611,325	2,817,565
Tax at statutory income tax rate of 24%	102,786	361,076	386,718	676,216
Due to expenses not deductible for tax purposes and income not subject to income tax	(101,308)	(359,390)	(381,220)	(673,437)
Over provision in prior years	-	(97)	-	(97)
Tax expenses	1,478	1,589	5,498	2,682

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 2020	31 December 2019
	RM'000	RM'000
(i) Bonds, sukuk and debentures		
Unsecured		
One year or less (short term)		
- USD	-	4,010,304
- IDR	391,003	496,389
- THB	594,936	948,842
- HKD	472,685	373,343
More than one year (medium/long term)		
- USD	2,923,725	2,871,993
- RM	4,084,340	4,031,257
- HKD	2,947,531	3,363,256
- IDR	1,715,325	1,756,424
- THB	260,069	380,902
	13,389,614	18,232,710

B5. BORROWINGS AND DEBT SECURITIES (Continued)

	The Group		The Company	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
(ii) Other borrowing				
Unsecured				
One year or less (short term)				
- USD	2,916,995	1,855,858	-	-
- RM	-	300,527	-	451,012
- IDR	59,670	590,194	-	-
- HKD	-	297,525	-	-
More than one year (medium/long term)				
- RM	4,724,484	3,729,315	4,724,485	3,754,319
- USD	2,705,421	3,492,771	-	-
- IDR	279,470	192,052	-	-
	10,686,040	10,458,242	4,724,485	4,205,331
(iii) Subordinated obligations				
Unsecured				
One year or less (short term)				
- RM	8,671,954	5,635,500	3,048,400	2,611,517
- IDR	447,717	473,100	-	-
More than one year (medium/long term)				
- RM	3,912,036	7,368,793	6,681,641	7,653,711
- IDR	63,063	43,476	-	-
	13,094,770	13,520,869	9,730,041	10,265,228

B6. MATERIAL LITIGATION

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

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

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

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests	194,444	1,010,348	979,448	3,711,015
Weighted average number of ordinary shares in issue ('000)	9,922,966	9,727,419	9,922,966	9,659,368
Basic earnings per share (expressed in sen per share)	1.96	10.36	9.87	38.42

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.