

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 195601000197 (50841-W))  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	Note	The Group		The Company	
		31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>ASSETS</b>					
Cash and short-term funds	A8	37,765,092	35,528,934	370,546	197,548
Reverse repurchase agreements		9,014,453	11,276,089	-	-
Deposits and placements with banks and other financial institutions	A8	4,799,169	4,373,818	-	-
Financial investments at fair value through profit or loss	A9	38,137,273	29,511,069	-	-
Debt instruments at fair value through other comprehensive income	A10	33,318,413	32,276,304	2,493,362	2,467,071
Equity instruments at fair value through other comprehensive income	A11	455,760	583,524	-	-
Debt instruments at amortised cost	A12	39,833,491	39,269,202	6,183,386	5,397,933
Derivative financial instruments	A25	11,589,897	8,634,633	-	-
Loans, advances and financing	A13	360,340,100	337,148,268	-	-
Other assets	A14	10,101,213	12,206,211	133,440	135,486
Tax recoverable		312,126	317,020	182,089	180,853
Deferred tax assets		882,623	1,052,808	-	-
Statutory deposits with central banks		11,499,998	8,139,164	-	-
Amount due from a subsidiary		-	-	12	-
Investment in subsidiaries		-	-	32,158,313	29,833,969
Investment in associates and joint ventures		2,427,761	1,714,366	-	3,834
Property, plant and equipment		2,343,507	2,257,200	5,898	1,703
Right-of-use assets		775,842	-	-	-
Investment properties		17,334	-	381	399
Prepaid lease payments		81,428	91,686	-	-
Goodwill		7,857,539	7,680,096	-	-
Intangible assets		1,685,169	1,708,484	-	-
		<b>573,238,188</b>	<b>533,768,876</b>	<b>41,527,427</b>	<b>38,218,796</b>
Non-current assets held for sale		7,467	320,167	-	7,862
<b>TOTAL ASSETS</b>		<b>573,245,655</b>	<b>534,089,043</b>	<b>41,527,427</b>	<b>38,226,658</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A15	392,349,467	370,193,085	-	-
Investment accounts of customers	A16	3,448,964	1,769,270	-	-
Deposits and placements of banks and other financial institutions	A17	23,666,722	20,232,880	-	-
Repurchase agreements		14,320,131	14,279,476	-	-
Financial liabilities designated at fair value through profit or loss	A18	3,650,740	5,880,707	-	-
Derivative financial instruments	A25	11,337,869	8,407,981	-	-
Bills and acceptances payable		2,584,169	2,521,372	-	-
Other liabilities	A19	16,740,317	15,047,292	3,223	2,450
Lease liabilities		711,188	-	-	-
Recourse obligation on loans and financing sold to Cagamas		4,503,184	6,007,447	-	-
Amount due to subsidiaries		-	-	9,826	1,819
Provision for taxation and zakat		215,429	539,823	-	-
Deferred tax liabilities		36,578	30,175	377	374
Bonds, Sukuk and debentures	B5(i)	18,232,710	13,715,181	-	-
Other borrowings	B5(ii)	10,458,242	9,306,640	4,205,331	3,353,526
Subordinated obligations	B5(iii)	13,520,869	13,482,272	10,265,228	9,841,811
		<b>515,776,579</b>	<b>481,413,601</b>	<b>14,483,985</b>	<b>13,199,980</b>
Non-current liabilities held for sale		-	87,471	-	-
<b>TOTAL LIABILITIES</b>		<b>515,776,579</b>	<b>481,501,072</b>	<b>14,483,985</b>	<b>13,199,980</b>
Ordinary share capital		25,843,808	24,131,750	25,843,808	24,131,750
Reserves		30,393,969	27,243,151	1,199,677	894,971
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(43)	(43)	(43)
		<b>56,237,171</b>	<b>51,374,295</b>	<b>27,043,442</b>	<b>25,026,678</b>
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		1,031,905	1,013,676	-	-
<b>TOTAL EQUITY</b>		<b>57,469,076</b>	<b>52,587,971</b>	<b>27,043,442</b>	<b>25,026,678</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>573,245,655</b>	<b>534,089,043</b>	<b>41,527,427</b>	<b>38,226,658</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A26 (a)	<b>1,146,023,486</b>	<b>1,129,138,654</b>	<b>-</b>	<b>-</b>
<b>Net assets per share attributable to owners of the Parent (RM)</b>		<b>5.67</b>	<b>5.37</b>	<b>2.73</b>	<b>2.62</b>

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

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 195601000197 (50841-W))  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Note	The Group			
		4th quarter ended		Twelve months ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Interest income	A20(a)	<b>4,881,707</b>	4,836,882	<b>19,330,536</b>	18,571,333
Interest income for financial assets at fair value through profit or loss	A20(b)	<b>231,439</b>	180,258	<b>913,259</b>	667,458
Interest expense	A21	<b>(2,435,292)</b>	(2,583,266)	<b>(10,159,877)</b>	(9,604,351)
Net interest income		<b>2,677,854</b>	2,433,874	<b>10,083,918</b>	9,634,440
Income from Islamic Banking operations	A30(c)	<b>758,038</b>	680,342	<b>3,040,663</b>	2,610,161
Net non-interest income	A22	<b>1,086,722</b>	960,599	<b>4,419,485</b>	4,045,954
		<b>4,522,614</b>	4,074,815	<b>17,544,066</b>	16,290,555
(Loss)/gain on disposal of subsidiaries, joint venture and associate		<b>(177)</b>	(272)	<b>251,813</b>	1,091,413
Overheads	A23	<b>(2,490,471)</b>	(2,269,038)	<b>(9,872,905)</b>	(8,655,821)
Profit before expected credit losses		<b>2,031,966</b>	1,805,505	<b>7,922,974</b>	8,726,147
Expected credit losses on loans, advances and financing	A24(a)	<b>(606,120)</b>	(288,062)	<b>(1,638,785)</b>	(1,432,661)
Expected credit losses (made)/written back for commitments and contingencies		<b>(50,315)</b>	(1,758)	<b>12,019</b>	7,427
Other expected credit losses made	A24(b)	<b>(297,285)</b>	(10,894)	<b>(352,018)</b>	(134,500)
Share of results of joint ventures		<b>1,078,246</b>	1,504,791	<b>5,944,190</b>	7,166,413
Share of results of associates		<b>2,296</b>	7,414	<b>31,401</b>	30,678
		<b>(1,540)</b>	8	<b>(751)</b>	3,576
Profit before taxation and zakat		<b>1,079,002</b>	1,512,213	<b>5,974,840</b>	7,200,667
Taxation and zakat	B3	<b>(312,903)</b>	(394,440)	<b>(1,519,653)</b>	(1,537,314)
Profit for the financial period/year		<b>766,099</b>	1,117,773	<b>4,455,187</b>	5,663,353
Profit for the financial period attributable to :					
Owners of the Parent		<b>848,641</b>	1,117,135	<b>4,559,656</b>	5,583,510
Non-controlling interests		<b>(82,542)</b>	638	<b>(104,469)</b>	79,843
		<b>766,099</b>	1,117,773	<b>4,455,187</b>	5,663,353
Earnings per share (sen):					
- Basic	B7(a)	<b>8.56</b>	11.67	<b>46.98</b>	59.67
- Fully diluted	B7(b)	<b>N/A</b>	N/A	<b>N/A</b>	N/A

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**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 195601000197 (50841-W))*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED**  
**31 DECEMBER 2019**

	The Group			
	4th quarter ended 31 December 2019 RM'000	31 December 2018 RM'000	Twelve months ended 31 December 2019 RM'000	31 December 2018 RM'000
Profit for the financial period/year	766,099	1,117,773	4,455,187	5,663,353
Other comprehensive (expense)/ income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation	(35,090)	59,824	(34,295)	58,527
- Actuarial (loss)/gain	(34,902)	78,760	(33,250)	77,902
- Income tax effects	784	(19,190)	784	(19,190)
- Currency translation difference	(972)	254	(1,829)	(185)
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	2,292	(1,357)	421	6,171
Equity instruments at fair value through other comprehensive income	(9,476)	23,918	(23,981)	(8,335)
- Net (loss)/gain from change in fair value	(10,339)	43,707	(22,136)	13,057
- Income tax effects	(439)	(19,902)	(181)	(19,770)
- Currency translation difference	1,302	113	(1,664)	(1,622)
	(42,274)	82,385	(57,855)	56,363
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(85,302)	(10,630)	472,424	(226,943)
- Net (loss)/gain from change in fair value	(3,262)	(12,056)	948,897	(221,195)
- Realised gain transferred to statement of income on disposal	(77,001)	(5,471)	(376,100)	(46,686)
- Changes in expected credit losses	(2,934)	(3,955)	1,715	(2,600)
- Income tax effects	(2,827)	14,921	(98,002)	43,999
- Currency translation difference	722	(4,069)	(4,086)	(461)
Net investment hedge	89,012	324	42,990	(19,506)
Hedging reserve - cash flow hedge	5,297	2,726	473	6,436
- Net gain from change in fair value	6,924	3,452	492	8,052
- Income tax effects	(1,627)	(726)	(19)	(1,616)
Deferred hedging cost	9,366	10,416	48,167	47,318
Exchange fluctuation reserve	(141,913)	332,380	832,609	9,068
Share of other comprehensive income/(expense) of associates and joint ventures	1,179	(7,312)	14,447	56,699
	(122,361)	327,904	1,411,110	(126,928)
Total other comprehensive (expense)/income for the financial period/year, net of tax	(164,635)	410,289	1,353,255	(70,565)
Total comprehensive income for the financial period/year	601,464	1,528,062	5,808,442	5,592,788
Total comprehensive income for the financial period/year attributable to:				
Owners of the Parent	682,934	1,505,378	5,860,814	5,546,872
Non-controlling interests	(81,470)	22,684	(52,372)	45,916
	601,464	1,528,062	5,808,442	5,592,788

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

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 195601000197 (50841-W))  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Note	The Company			
		4th quarter ended		Twelve months ended	
		31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Interest income	A20(a)	116,227	108,223	425,559	339,575
Interest expense	A21	(169,842)	(166,699)	(665,215)	(582,755)
Net interest expense		(53,615)	(58,476)	(239,656)	(243,180)
Net non-interest income	A22	54,790	160,653	3,080,592	3,318,423
Loss on disposal of a subsidiary		1,175	102,177	2,840,936	3,075,243
Overheads	A23	(15,442)	(6,151)	(29,675)	(35,205)
(Loss)/profit before expected credit losses		(14,267)	96,026	2,811,261	2,511,368
Other expected credit losses made	A24(b)	(14,223)	(10,522)	(22,186)	(31,477)
(Loss)/profit before taxation		(28,490)	85,504	2,789,075	2,479,891
Taxation	B3	(2,410)	(3,054)	(5,092)	(6,968)
(Loss)/profit for the financial period/year		(30,900)	82,450	2,783,983	2,472,923

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 195601000197 (50841-W))  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	The Company			
	4th quarter ended		Twelve months ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
(Loss)/profit for the financial period/year	(30,900)	82,450	2,783,983	2,472,923
Other comprehensive (expense)/income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(5,467)	35,540	30,297	33,940
- Net (loss)/gain from change in fair value	(7,235)	26,482	26,072	23,472
- Changes in expected credit losses	1,768	9,058	4,225	10,468
Other comprehensive (expense)/income	(5,467)	35,540	30,297	33,940
Total comprehensive (expense)/income for the financial period/year	(36,367)	117,990	2,814,280	2,506,863

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

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 195601000197 (50841-W))  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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

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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

← Attributable to owners of the Parent →

The Group  
31 December 2018

	Ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Fair value reserve Debt instruments at fair value through other comprehensive income RM'000	Fair value reserve Equity instruments at fair value through other comprehensive income RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
<b>At 1 January 2018</b>	22,183,226	131,155	137,104	423,263	(563)	(43)	(72,914)	(198,038)	(1,378,759)	60,002	1,519,031	23,627,575	46,431,039	200,000	1,283,234	47,914,273
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	5,583,510	5,583,510	-	79,843	5,663,353
Other comprehensive income/(expense) (net of tax)	-	161	-	91,056	-	-	(215,380)	(8,671)	96,936	(740)	-	-	(36,638)	-	(33,927)	(70,565)
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	(215,379)	-	-	-	-	-	(215,379)	-	(11,564)	(226,943)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(8,181)	-	-	-	-	(8,181)	-	(154)	(8,335)
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	6,171	-	-	-	6,171	-	-	6,171
- net investment hedge	-	-	-	-	-	-	-	-	(19,506)	-	-	-	(19,506)	-	-	(19,506)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	6,436	-	-	-	6,436	-	-	6,436
- deferred hedging cost	-	-	-	-	-	-	-	-	47,318	-	-	-	47,318	-	-	47,318
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	58,527	-	-	-	58,527	-	-	58,527
- currency translation difference	-	161	-	31,254	-	-	-	-	(135)	(3)	-	-	31,277	-	(22,209)	9,068
- share of other comprehensive (expense)/ income of associate and joint venture	-	-	-	59,802	-	-	(1)	(490)	(1,875)	(737)	-	-	56,699	-	-	56,699
Total comprehensive income/(expense) for the financial year	-	161	-	91,056	-	-	(215,380)	(8,671)	96,936	(740)	-	5,583,510	5,546,872	-	45,916	5,592,788
Dividend for the financial year ended 31 December 2017	-	-	-	-	-	-	-	-	-	-	-	(1,107,065)	(1,107,065)	-	-	(1,107,065)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	(1,107,065)	(1,107,065)	-	-	(1,107,065)
Dividend for the financial year ended 31 December 2018	-	-	-	-	-	-	-	-	-	-	-	(1,217,553)	(1,217,553)	-	-	(1,217,553)
- single tier first interim dividend	-	-	-	-	-	-	-	-	-	-	-	(1,217,553)	(1,217,553)	-	-	(1,217,553)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,798)	(12,798)	
Transfer to statutory reserve	-	649	-	-	-	-	-	-	-	-	-	(649)	-	-	-	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	23,957	(23,957)	-	-	-	
Disposal of subsidiaries	-	(1,681)	-	(231,926)	-	-	-	(977)	-	(3,576)	(12)	(3,779)	(241,951)	-	(371,503)	(613,454)
Arising from accretion of equity interests in subsidiary	-	-	-	-	-	-	-	-	-	-	-	6,880	6,880	-	(6,880)	-
Contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,392	79,392
Right issues of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,845	1,845
Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,530)	(5,530)
Share-based payment expense	-	-	-	-	-	-	-	-	-	80,247	-	-	80,247	-	-	80,247
Shares released under employee benefit schemes	-	-	-	-	-	-	-	-	59,437	(61,940)	-	-	(2,503)	-	-	(2,503)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(70,195)	-	-	-	(70,195)	-	-	(70,195)
Issuance of shares through dividend reinvestment scheme	1,948,524	-	-	-	-	-	-	-	-	-	-	-	1,948,524	-	-	1,948,524
<b>At 31 December 2018</b>	24,131,750	130,284	137,104	282,393	(563)	(43)	(288,294)	(207,686)	(1,292,581)	73,993	1,542,976	26,864,962	51,374,295	200,000	1,013,676	52,587,971

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

**CIMB GROUP HOLDINGS BERHAD**  
(Company Number 195601000197 (50841-W))  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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

	← Non-distributable →			Distributable		Total RM'000
	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve - debt instruments at fair value through other comprehensive income RM'000	Retained earnings RM'000	
<b>The Company</b>						
<b>At 1 January 2018</b>	22,183,226	55,982	(43)	37,195	619,549	22,895,909
Profit for the financial year	-	-	-	-	2,472,923	2,472,923
Other comprehensive income (net of tax)	-	-	-	33,940	-	33,940
- Debt instruments at fair value through other comprehensive income	-	-	-	33,940	-	33,940
Total comprehensive income for the financial year	-	-	-	33,940	2,472,923	2,506,863
Dividend for the financial year ended 31 December 2017	-	-	-	-	(1,107,065)	(1,107,065)
- single tier second interim dividend	-	-	-	-	(1,107,065)	(1,107,065)
Dividend for the financial year ended 31 December 2018	-	-	-	-	(1,217,553)	(1,217,553)
- single tier first interim dividend	-	-	-	-	(1,217,553)	(1,217,553)
Issuance of shares through dividend reinvestment scheme	1,948,524	-	-	-	-	1,948,524
<b>At 31 December 2018</b>	<b>24,131,750</b>	<b>55,982</b>	<b>(43)</b>	<b>71,135</b>	<b>767,854</b>	<b>25,026,678</b>

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

**CIMB GROUP HOLDINGS BERHAD**  
*(Company Number 195601000197 (50841-W))*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	<b>The Group</b>		<b>The Company</b>	
	<b>31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Profit before taxation and zakat	<b>5,974,840</b>	7,200,667	<b>2,789,075</b>	2,479,891
Adjustments for non-operating and non-cash items	<b>1,271,341</b>	602,368	<b>(2,796,752)</b>	(2,486,052)
Operating profit/(loss) before changes in working capital	<b>7,246,181</b>	7,803,035	<b>(7,677)</b>	(6,161)
Net changes in operating assets	<b>(33,228,320)</b>	(35,370,238)	<b>143,816</b>	(988,253)
Net changes in operating liabilities	<b>28,584,950</b>	31,000,892	<b>(33,618)</b>	(2,466)
	<b>(4,643,370)</b>	(4,369,346)	<b>110,198</b>	(990,719)
Cash flows generated from/(used in) operations	<b>2,602,811</b>	3,433,689	<b>102,521</b>	(996,880)
Taxation paid	<b>(1,748,167)</b>	(1,656,679)	<b>(6,325)</b>	(78,565)
Net cash flows generated from/(used in) operating activities	<b>854,644</b>	1,777,010	<b>96,196</b>	(1,075,445)
Net cash flows (used in)/generated from investing activities	<b>(534,890)</b>	(5,892,269)	<b>229,909</b>	(690,933)
Net cash flows generated from/ (used in) financing activities	<b>1,185,450</b>	(1,827,984)	<b>(153,107)</b>	1,781,117
Net increase/(decrease) in cash and cash equivalents during the financial year	<b>1,505,204</b>	(5,943,243)	<b>172,998</b>	14,739
Effects of exchange rate changes	<b>730,954</b>	(193,382)	-	-
Cash and short-term funds at beginning of the financial year	<b>35,528,934</b>	41,667,843	<b>197,548</b>	182,809
Cash and cash equivalent for asset classified as held for sale	-	(2,284)	-	-
<b>Cash and short-term funds at end of the financial year</b>	<b>37,765,092</b>	35,528,934	<b>370,546</b>	197,548
Statutory deposits with Bank Indonesia*	-	(2,984,851)	-	-
Monies held in trust	<b>(157,327)</b>	(142,347)	-	-
<b>Cash and cash equivalents at end of the financial year</b>	<b>37,607,765</b>	32,401,736	<b>370,546</b>	197,548

\* This represent non-interest bearing statutory deposits of a foreign subsidiary maintained with Bank Indonesia in compliance with their applicable legislation which is not readily available for use by the Group. In 2019, statutory deposits maintained with Bank Indonesia is presented in Statutory deposits with central banks.

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

## **PART A - EXPLANATORY NOTES**

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

The unaudited condensed interim financial statements for the financial year ended 31 December 2019 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, derivative financial instruments and non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

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

The unaudited condensed interim financial statements should be read in conjunction with the Group's and the Company's audited financial statements for the financial year ended 31 December 2018. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Company since the financial year ended 31 December 2018.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2018, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2019:

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

The adoption of MFRS 16 has required additional disclosure of leases. Other than that, the adoption of the above new standards, amendments to published standards and interpretation are not expected to give rise to significant impact on the financial results of the Group and the Company. The impact of adoption of MFRS 16 to the Group is disclosed in Note A31.

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

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

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

There were no material changes to financial estimates made in respect of the current financial period that had previously been announced or disclosed.

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

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the financial year ended 31 December 2019:-

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

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

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

(c) On 13 March 2019, CIMB Bank Berhad ("CIMB Bank") has redeemed its USD2.65 million credit linked notes issued under its MYR5.0 billion Multi-Currency (excluding Ringgit) Structured Note Programme established on 12 May 2014.

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

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

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

(f) During the financial year, Merdeka Kapital Berhad ("MKB"), a special purpose vehicle consolidated by CIMB Bank, undertook a partial redemption of the Medium Term Note amounting to RM74.4 million.

(g) During the financial year, Ziya Capital Bhd ("Ziya"), an Islamic special purpose vehicle consolidated by CIMB Islamic Bank, undertook a partial redemption of its Sukuk amounting to RM92.0 million.

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

(i) On 25 April 2019, Touch N' Go Sdn Bhd ("TnG"), a subsidiary of CIMBGH, proposed increase of its share via an issuance and allotment of ordinary shares in two tranches to the shareholders of TnG proportionate to their shareholdings ("Capital Call").

CIMBGH fully subscribed to the first tranche of the Capital Call on 17 May 2019 which included the subscription of excess shares not taken up by the other TnG shareholders. Subsequent to the completion of the first tranche of the Capital Call, the Group's effective shareholding in TnG increased from 52.22% to 66.58%.

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

On 24 October 2019, CIMBGH entered into a Share Purchase Agreement to purchase 13.99% of TnG shares from PLUS Malaysia Berhad ("PLUS"). The transaction was completed on the same day, resulting in TnG being a wholly owned subsidiary of the Group.

On 29 October 2019, CIMBGH had fully subscribed to the second tranche of the Capital Call.

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

(k) On 10 May 2019, CIMBGH issued RM550 million 3-month Conventional Commercial Papers ("CPs") under its Conventional Commercial Papers Programme. The CPs bear a discount rate of 3.76%. CIMBGH has redeemed the RM550 million Conventional CPs on 9 August 2019.

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

(m) On 15 May 2019, CIMB Bank PLC issued USD15 million subordinated loan which qualified as Tier 2 capital for CIMB Bank PLC for the purpose of computation of minimum Solvency Requirements by the National Bank of Cambodia ("NBC"). The subordinated loan was issued as a single tranche at a fixed rate of 4.5% per annum with a maturity of 10 years from the issue date with a call option starting at the end of year 5 and on each relevant coupon payment date thereafter. The redemption of the subordinated loan will be subject to NBC's approval.

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

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

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

(q) On 28 June 2019, CIMBGH completed an issuance of RM1.0 billion Basel III-compliant Additional Tier 1 Capital Securities under the RM10 billion Basel III AT1 Programme, at 4.88% per annum with an Issuer's call option to redeem at the end of year 5 and on each coupon payment date thereafter, subject to approval from BNM.

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

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

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

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

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

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

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

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

(y) On 21 August 2019, CIMB Niaga issued IDR2,000,000 million Sukuk. The Sukuk is divided into 3 series. Nominal value of 1-year Series A Sukuk, 3-year Series B Sukuk, and 5-year Series C Sukuk amounted to IDR635,000 million, IDR936,000 million, and IDR429,000 million respectively, with fixed interest rate of 7.10%, 7.90% and 8.25% per annum respectively.

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

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

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

(ac) On 25 September 2019, CIMB Bank PLC issued a USD15 million subordinated loan which qualified as Tier 2 capital for CIMB Bank PLC for the purpose of computation of minimum Solvency Requirements by the National Bank of Cambodia ("NBC"). The subordinated loan was issued as a single tranche at a fixed rate of 4.0% per annum, with a maturity of 10 years from the issue date with a call option starting at the end of year 5 and on each relevant coupon payment date thereafter. The redemption of the subordinated loan will be subject to NBC's approval.

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

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

(af) On 15 November 2019, CIMB Bank issued USD40 million in nominal value 3-year floating rate notes (the "Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of USD 3-months LIBOR + 0.58% per annum payable quarterly, will mature on the interest payment date falling in or nearest to 15 November 2022.

(ag) On 20 November 2019, CIMB Bank has redeemed its HKD1,130 million 5-year senior fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.

(ah) On 25 November 2019, CIMB Niaga issued RM800 million 10 years non-callable 5 years Tier 2 Subordinated debt bearing a fixed rate coupon of 3.85% p.a., payable on a semi-annual basis. The said subordinated debt was issued out of the RM10.0 billion Tier 2 subordinated debt programme. The proceeds from the issuance were used to subscribe to the RM800 million Tier 2 subordinated notes issued by CIMB Bank Berhad on the same day, based on similar terms.

(ai) On 25 November 2019, CIMB Niaga redeemed its 1-year Series A Sukuk amounted to IDR441,000 million.

(aj) On 19 December 2019, CIMB Niaga issued IDR83,000 million bonds with fixed interest rate of 8.05% per annum and maturity date of 19 December 2024.

(ak) On 19 December 2019, CIMB Niaga issued IDR1,823,000 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 IDR276,000 million, IDR1,066,000 million, and IDR481,000 million respectively, with fixed interest rate of 6.50%, 7.55% and 7.80% per annum respectively.

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

(al) On 11 December 2019, CIMB Bank issued 100.4 million Rights Issue at RM5.68 for each Rights Share. The issuance has resulted in an increase in ordinary shares of RM570.2 million.

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

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

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

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

The Directors have proposed a single-tier second interim dividend of 12.00 sen per ordinary share, on 9,922,966,350 ordinary shares amounting to RM1,191 million in respect of the financial year ended 31 December 2019.

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

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

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

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

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

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

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

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

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

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

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

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

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

**A6. EVENTS DURING THE REPORTING PERIOD**

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

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

There is no significant events that had occurred between 31 December 2019 and the date of this announcement, other than those disclosed under Issuance and Repayment of Debts and Equity Securities.

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

As at 31 December 2019, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM8,617,000 (2018: RM4,322,000) and RM178,000 (2018: RM1,278,000) respectively. The 12-month expected credit losses made in the income statement during the financial year is amounting to RM3,134,000 (2018: RM981,000).

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

	<b>The Group</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government Securities	1,460,392	1,856,675
Cagamas bonds	686,798	626,157
Khazanah bonds	4,493	4,395
Malaysian Government treasury bills	482,267	9,967
Bank Negara Malaysia monetary notes	5,506,911	738,413
Negotiable instruments of deposit	5,018,451	7,663,918
Other Government securities	5,968,401	4,527,434
Government Investment Issues	1,924,283	237,414
Other Government treasury bills	6,911,837	5,667,495
Commercial papers	1,793,489	1,139,868
Bankers' acceptance	-	102,325
Promissory Notes	414,063	413,965
	<b>30,171,385</b>	<b>22,988,026</b>
<b>Quoted securities:</b>		
<i>In Malaysia:</i>		
Shares	741,166	340,872
<i>Outside Malaysia:</i>		
Shares	116,414	59,114
	<b>857,580</b>	<b>399,986</b>
<b>Unquoted securities:</b>		
<i>In Malaysia:</i>		
Corporate bond and Sukuk	1,555,599	2,626,873
Shares	882,496	860,454
Unit trusts	100,209	10,410
<i>Outside Malaysia:</i>		
Corporate bond	3,660,524	1,752,278
Private equity and unit trusts funds	300,603	398,925
Other Government bonds	608,877	474,117
	<b>7,108,308</b>	<b>6,123,057</b>
	<b>38,137,273</b>	<b>29,511,069</b>

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

	The Group		The Company	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>Fair value</b>				
<b>Money market instruments:</b>				
<b>Unquoted</b>				
Malaysian Government Securities	295,061	748,002	-	-
Cagamas bonds	302,629	280,390	-	-
Khazanah bonds	-	41,185	-	-
Negotiable instruments of deposit	321,570	448,425	-	-
Other Government securities	3,525,035	3,585,795	-	-
Government investment Issues	1,538,791	1,146,627	-	-
Other Government treasury bills	115,609	105,406	-	-
Commercial Papers	226,453	24,271	-	-
	<b>6,325,148</b>	<b>6,380,101</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities:</b>				
<i>In Malaysia:</i>				
Corporate bond and Sukuk	15,146,955	13,270,963	2,493,362	2,467,071
<i>Outside Malaysia:</i>				
Corporate bond and Sukuk	8,206,057	8,571,418	-	-
Bank Indonesia certificates	297,364	423,805	-	-
Other Government bonds	3,342,888	3,630,016	-	-
Unit trusts	1	1	-	-
	<b>26,993,265</b>	<b>25,896,203</b>	<b>2,493,362</b>	<b>2,467,071</b>
	<b>33,318,413</b>	<b>32,276,304</b>	<b>2,493,362</b>	<b>2,467,071</b>

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

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

	The Group			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
<b>At 1 January 2019</b>	23,219	2,002	30,306	55,527
Changes in expected credit losses due to transfer within stages:	115,139	(115,139)	-	-
Transferred to Stage 1	115,427	(115,427)	-	-
Transferred to Stage 2	(288)	288	-	-
<b>Total charge to Income Statement:</b>	<b>(111,050)</b>	<b>113,314</b>	<b>(549)</b>	<b>1,715</b>
New financial assets purchased	50,724	-	-	50,724
Financial assets that have been derecognised	(6,378)	-	(549)	(6,927)
Change in credit risk	(155,396)	113,314	-	(42,082)
Write-offs	-	-	(8,727)	(8,727)
Exchange fluctuation	139	2	-	141
<b>At 31 December 2019</b>	<b>27,447</b>	<b>179</b>	<b>21,030</b>	<b>48,656</b>
<b>At 1 January 2018</b>	26,790	4,143	133,306	164,239
Changes in expected credit losses due to transferred within stages:	17,194	(17,194)	-	-
Transferred to Stage 1	17,276	(17,276)	-	-
Transferred to Stage 2	(82)	82	-	-
<b>Total charge to Income Statement:</b>	<b>(20,550)</b>	<b>15,056</b>	<b>2,894</b>	<b>(2,600)</b>
New financial assets purchased	51,355	66	-	51,421
Financial assets that have been derecognised	(8,190)	(4,536)	-	(12,726)
Change in credit risk	(63,715)	19,526	2,894	(41,295)
Write-offs	-	-	(65,679)	(65,679)
Exchange fluctuation	(215)	(3)	88	(130)
Other movements	-	-	(40,303)	(40,303)
<b>At 31 December 2018</b>	<b>23,219</b>	<b>2,002</b>	<b>30,306</b>	<b>55,527</b>

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

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

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

	<b>The Company</b>				
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000	
	<b>At 1 January 2019</b>	21,044	-	-	21,044
	<b>Total charge to Income Statement:</b>	4,225	-	-	4,225
Change in credit risk	4,225	-	-	4,225	
<b>At 31 December 2019</b>	<b>25,269</b>	<b>-</b>	<b>-</b>	<b>25,269</b>	
<b>At 1 January 2018</b>	10,576	-	-	10,576	
<b>Total charge to Income Statement:</b>	10,468	-	-	10,468	
New financial assets purchased	8,526	-	-	8,526	
Change in credit risk	1,942	-	-	1,942	
<b>At 31 December 2018</b>	<b>21,044</b>	<b>-</b>	<b>-</b>	<b>21,044</b>	

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

	<b>The Group</b>	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
	<b>At 1 January 2019</b>	30,306
Write-offs	(8,727)	(8,727)
Financial assets that have been derecognised	(549)	(549)
<b>At 31 December 2019</b>	<b>21,030</b>	<b>21,030</b>
<b>At 1 January 2018</b>	140,715	140,715
Write-offs	(65,679)	(65,679)
Financial assets that have been derecognised	(44,783)	(44,783)
Exchange fluctuation	53	53
<b>At 31 December 2018</b>	<b>30,306</b>	<b>30,306</b>

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

	<b>The Group</b>		<b>The Company</b>	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
	<b>Quoted securities</b>			
<i>In Malaysia</i>				
Shares	39,934	39,580	-	-
<i>Outside Malaysia</i>				
Shares	1,988	2,350	-	-
Unit trust	6,761	5,376	-	-
	<b>48,683</b>	<b>47,306</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities</b>				
<i>In Malaysia</i>				
Shares	252,032	253,883	-	-
Property funds	182	178	-	-
Perpetual corporate bonds	76,432	177,034	-	-
<i>Outside Malaysia</i>				
Shares	10,998	6,243	-	-
Private equity funds and unit trusts funds	67,433	98,880	-	-
	<b>407,077</b>	<b>536,218</b>	<b>-</b>	<b>-</b>
	<b>455,760</b>	<b>583,524</b>	<b>-</b>	<b>-</b>

**A12. DEBT INSTRUMENTS AT AMORTISED COST**

	The Group		The Company	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>Money market instruments:</b>				
<b>Unquoted</b>				
Malaysian Government securities	3,542,926	3,188,569	-	-
Cagamas bonds	207,203	242,008	-	-
Other Government treasury bills	1,603,163	2,263,502	-	-
Other Government securities	1,853,422	1,746,272	-	-
Malaysian Government investment issue	8,676,235	8,492,547	-	-
Khazanah bonds	312,269	364,199	-	-
Commercial papers	172,819	-	-	-
	<b>16,368,037</b>	<b>16,297,097</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities</b>				
<i>In Malaysia</i>				
Corporate bond and Sukuk	17,506,206	16,865,348	6,248,910	5,445,496
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	2,938,318	3,211,629	-	-
Bank Indonesia certificates	232,611	169,210	-	-
Other Government bonds	2,689,333	2,702,917	-	-
	<b>23,366,468</b>	<b>22,949,104</b>	<b>6,248,910</b>	<b>5,445,496</b>
Total	<b>39,734,505</b>	<b>39,246,201</b>	<b>6,248,910</b>	<b>5,445,496</b>
Amortisation of premium, net of accretion of discount	175,838	143,738	-	-
Less : Expected credit losses	(76,852)	(120,737)	(65,524)	(47,563)
	<b>39,833,491</b>	<b>39,269,202</b>	<b>6,183,386</b>	<b>5,397,933</b>

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

	The Group			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
<b>At 1 January 2019</b>	<b>9,115</b>	<b>100,148</b>	<b>11,474</b>	<b>120,737</b>
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 1	72,604	(72,604)	-	-
Transferred to Stage 2	(48)	48	-	-
<b>Total charge to Income Statement:</b>	<b>(72,362)</b>	<b>27,811</b>	<b>-</b>	<b>(44,551)</b>
New financial assets purchased	11,989	-	-	11,989
Financial assets that have been derecognised	(899)	-	-	(899)
Change in credit risk	(83,452)	27,811	-	(55,641)
Write-offs	-	-	(10)	(10)
Exchange fluctuation	527	-	149	676
<b>At 31 December 2019</b>	<b>9,884</b>	<b>55,355</b>	<b>11,613</b>	<b>76,852</b>
<b>At 1 January 2018</b>	<b>11,691</b>	<b>9,876</b>	<b>11,664</b>	<b>33,231</b>
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 2	(2,921)	2,921	-	-
<b>Total charge to Income Statement:</b>	<b>442</b>	<b>87,351</b>	<b>-</b>	<b>87,793</b>
New financial assets purchased	22,842	-	-	22,842
Financial assets that have been derecognised	(374)	(11,673)	-	(12,047)
Change in credit risk	(22,026)	99,024	-	76,998
Exchange fluctuation	(97)	-	(190)	(287)
<b>At 31 December 2018</b>	<b>9,115</b>	<b>100,148</b>	<b>11,474</b>	<b>120,737</b>

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

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

	<b>The Company</b>			
	<b>12-month expected credit losses (Stage 1) RM'000</b>	<b>Lifetime expected credit losses - not credit impaired (Stage 2) RM'000</b>	<b>Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
	<b>At 1 January 2019</b>	47,563	-	-
<b>Total charge to Income Statement:</b>	<b>17,961</b>	<b>-</b>	<b>-</b>	<b>17,961</b>
New financial assets purchased	8,465	-	-	8,465
Change in credit risk	9,496	-	-	9,496
<b>At 31 December 2019</b>	<b>65,524</b>	<b>-</b>	<b>-</b>	<b>65,524</b>
<b>At 1 January 2018</b>	26,554	-	-	26,554
<b>Total charge to Income Statement:</b>	<b>21,009</b>	<b>-</b>	<b>-</b>	<b>21,009</b>
New financial assets purchased	15,644	-	-	15,644
Change in credit risk	5,365	-	-	5,365
<b>At 31 December 2018</b>	<b>47,563</b>	<b>-</b>	<b>-</b>	<b>47,563</b>

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

	<b>The Group</b>	
	<b>Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
	<b>At 1 January 2019</b>	11,474
Write-offs	(10)	(10)
Exchange fluctuation	149	149
<b>At 31 December 2019</b>	<b>11,613</b>	<b>11,613</b>
<b>At 1 January 2018</b>	11,664	11,664
Exchange fluctuation	(190)	(190)
<b>At 31 December 2018</b>	<b>11,474</b>	<b>11,474</b>

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

	The Group	
	31 December 2019 RM'000	31 December 2018 RM'000
<b>At amortised cost</b>		
Overdrafts	5,616,337	5,315,592
Term loans/financing		
- Housing loans/financing	106,700,354	95,812,651
- Syndicated term loans	15,933,611	17,141,144
- Hire purchase receivables	23,619,588	20,818,624
- Lease receivables	221,544	166,102
- Factoring receivables	4,379	12,898
- Other term loans/financing	150,679,676	143,246,139
Bills receivable	9,640,557	8,198,220
Trust receipts	1,723,214	2,028,200
Claims on customers under acceptance credits	4,849,992	5,212,364
Staff loans *	1,516,800	1,464,094
Credit card receivables	9,830,984	9,462,104
Revolving credits	37,974,859	35,893,597
Share margin financing	74,873	715,119
Gross loans, advances and financing	368,386,768	345,486,848
Fair value changes arising from fair value hedges	8,428	30,104
	<b>368,395,196</b>	<b>345,516,952</b>
Less:		
- Expected credit losses	(9,159,831)	(9,172,365)
	<b>(9,159,831)</b>	<b>(9,172,365)</b>
Net loans, advances and financing at amortised cost	<b>359,235,365</b>	<b>336,344,587</b>
<b>At fair value through profit or loss</b>		
Term loans/financing		
- Syndicated term loan	1,104,735	803,501
- Other term loans/financing	-	180
	<b>1,104,735</b>	<b>803,681</b>
<b>Total net loans, advances and financing</b>	<b>360,340,100</b>	<b>337,148,268</b>
<b>Total Gross loans, advances and financing:</b>		
- At amortised cost	368,386,768	345,486,848
- At fair value through profit or loss	1,104,735	803,681
	<b>369,491,503</b>	<b>346,290,529</b>

\* Included in staff loans of the Group are loans to Directors amounting to RM6,680,170 (2018: RM6,367,622).

(a) Included in the Group's loans, advances and financing balances are RM28,568,000 (2018: RM34,633,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

(b) The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM2,082,954,000 (2018: RM3,492,615,000), using interest rate swaps.

(c) Included in the loans, advances and financing of the Group at 31 December 2019 are financing which are disclosed as "Restricted Agency Investment Account" ("RAIA") in the financial statements of CIMB Islamic amounting to RM6,231,742,000 (2018: RM5,530,998,000). RAIA arrangement is with CIMB Bank's wholly owned subsidiary, CIMB Islamic, and the contract is based on the Wakalah principle where CIMB Bank solely provide the funds, whilst the assets are managed by CIMB Islamic (as the Wakeel or agent). In the arrangement, CIMB Islamic has transferred substantially all the risk and rewards of ownership of the Investment (i.e the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and expected credit losses arising thereon, if any, are recognised and accounted for by CIMB Bank.

**(ii) By type of customers**

	The Group	
	31 December 2019 RM'000	31 December 2018 RM'000
Domestic banking institutions	235,071	44,287
Domestic non-bank financial institutions		
- stockbroking companies	11,158	162
- others	5,112,261	4,305,076
Domestic business enterprises		
- small medium enterprises	50,626,877	49,648,698
- others	67,513,024	62,330,354
Government and statutory bodies	8,282,375	10,188,407
Individuals	186,024,831	170,414,963
Other domestic entities	10,573,517	8,804,883
Foreign entities	41,112,389	40,553,699
Gross loans, advances and financing	<b>369,491,503</b>	<b>346,290,529</b>

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

	The Group	
	31 December 2019	31 December 2018
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	2,312,496	2,824,425
- Hire-purchase receivables	17,446,300	14,158,936
- Other fixed rate loans	37,225,079	37,936,768
Variable rate		
- BLR plus	138,649,711	139,167,886
- Cost plus	57,389,592	53,493,540
- Other variable rates	116,468,325	98,708,974
Gross loans, advances and financing	<b>369,491,503</b>	<b>346,290,529</b>

**(iv) By economic purpose**

	The Group	
	31 December 2019	31 December 2018
	RM'000	RM'000
Personal use	20,449,002	17,262,248
Credit card	9,830,984	9,462,104
Purchase of consumer durables	92,706	79,705
Construction	15,438,083	13,970,730
Residential property (Housing)	107,330,786	98,067,579
Non-residential property	29,210,702	27,477,657
Purchase of fixed assets other than land and building	15,644,141	13,994,503
Mergers and acquisitions	2,718,911	2,648,296
Purchase of securities	25,835,806	25,756,162
Purchase of transport vehicles	23,898,884	21,898,596
Working capital	85,646,730	86,861,644
Other purposes	33,394,768	28,811,305
Gross loans, advances and financing	<b>369,491,503</b>	<b>346,290,529</b>

**(v) By geographical distribution**

	The Group	
	31 December 2019	31 December 2018
	RM'000	RM'000
Malaysia	220,789,619	207,395,558
Indonesia	61,368,318	58,370,263
Thailand	37,432,449	31,453,674
Singapore	29,577,312	29,485,975
United Kingdom	4,427,631	4,866,634
Hong Kong	1,418,757	2,287,259
China	3,832,132	3,766,611
Other countries	10,645,285	8,664,555
Gross loans, advances and financing	<b>369,491,503</b>	<b>346,290,529</b>

**(vi) By economic sector**

	The Group	
	31 December 2019	31 December 2018
	RM'000	RM'000
Primary agriculture	13,121,135	12,116,038
Mining and quarrying	6,297,286	7,284,772
Manufacturing	29,015,451	24,520,102
Electricity, gas and water supply	5,998,603	5,714,682
Construction	13,582,106	14,610,895
Transport, storage and communications	10,360,957	11,521,589
Education, health and others	16,254,329	15,424,718
Wholesale and retail trade, and restaurants and hotels	30,552,748	29,988,840
Finance, insurance/takaful, real estate and business activities	51,040,767	46,882,321
Household	174,978,092	161,798,791
Others	18,290,029	16,427,781
Gross loans, advances and financing	<b>369,491,503</b>	<b>346,290,529</b>

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

	The Group	
	31 December 2019	31 December 2018
	RM'000	RM'000
Within one year	93,505,979	100,548,785
One year to less than three years	30,859,641	25,779,218
Three years to less than five years	34,417,884	33,324,101
Five years and more	210,707,999	186,638,425
Gross loans, advances and financing	<u>369,491,503</u>	<u>346,290,529</u>

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

	The Group	
	31 December 2019	31 December 2018
	RM'000	RM'000
Personal use	457,443	412,999
Credit card	147,712	151,609
Purchase of consumer durables	1,017	715
Construction	1,481,518	1,518,618
Residential property (Housing)	1,895,947	1,488,236
Non-residential property	402,209	305,923
Purchase of fixed assets other than land and building	1,017,105	647,471
Mergers and acquisitions	50,833	51,242
Purchase of securities	126,078	136,610
Purchase of transport vehicles	239,419	221,504
Working capital	4,555,951	4,158,030
Other purpose	968,616	983,756
Gross credit impaired loans, advances and financing	<u>11,343,848</u>	<u>10,076,713</u>

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

	The Group	
	31 December 2019	31 December 2018
	RM'000	RM'000
Malaysia	4,600,622	3,622,639
Indonesia	3,475,766	3,176,570
Thailand	2,209,126	2,323,355
Singapore	848,895	676,323
United Kingdom	8,967	8,462
China	158	16,051
Other countries	200,314	253,313
Gross credit impaired loans, advances and financing	<u>11,343,848</u>	<u>10,076,713</u>

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

	The Group	
	31 December 2019	31 December 2018
	RM'000	RM'000
Primary agriculture	254,633	173,272
Mining and quarrying	1,263,292	1,554,409
Manufacturing	2,590,026	1,746,217
Electricity, gas and water supply	273,370	54,667
Construction	255,427	278,582
Transport, storage and communications	1,078,941	1,152,509
Education, health and others	455,821	199,830
Wholesale and retail trade, and restaurants and hotels	1,573,334	1,702,513
Finance, insurance/takaful, real estate and business activities	635,650	760,464
Household	2,671,744	2,149,216
Others	291,610	305,034
Gross credit impaired loans, advances and financing	<u>11,343,848</u>	<u>10,076,713</u>

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

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

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

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

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

	<b>The Group</b>				
	<b>12-month expected credit losses (Stage 1) RM'000</b>	<b>Lifetime expected credit losses - not credit impaired (Stage 2) RM'000</b>	<b>Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Purchased credit impaired RM'000</b>	<b>Total RM'000</b>
<b><u>Loans, advances and financing at amortised cost</u></b>					
<b>At 1 January 2018</b>	2,595,298	1,271,097	6,063,509	7,561	9,937,465
Changes in expected credit losses due to transfer within stages:	985,923	(829,533)	(156,390)	-	-
Transferred to Stage 1	1,437,380	(1,116,539)	(320,841)	-	-
Transferred to Stage 2	(391,963)	753,896	(361,933)	-	-
Transferred to Stage 3	(59,494)	(466,890)	526,384	-	-
<b>Total charge to Income Statement:</b>	(775,864)	793,187	2,008,486	(3,121)	2,022,688
New financial assets originated	1,257,216	235,185	99,833	-	1,592,234
Financial assets that have been derecognised	(915,501)	(384,548)	-	-	(1,300,049)
Writeback in respect of full recoveries	-	-	(211,584)	-	(211,584)
Change in credit risk	(1,117,579)	942,550	2,120,237	(3,121)	1,942,087
Write-offs	(2,072)	(84,261)	(2,399,383)	(2,011)	(2,487,727)
Exchange fluctuation	(395,787)	56,614	173,624	123	(165,426)
Other movements	63	11,460	(146,158)	-	(134,635)
<b>At 31 December 2018</b>	<b>2,407,561</b>	<b>1,218,564</b>	<b>5,543,688</b>	<b>2,552</b>	<b>9,172,365</b>

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

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

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

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

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

	The Group	
	31 December 2019	31 December 2018
Ratio of credit impaired loans to total loans, advances and financing	<b>3.07%</b>	2.91%

**A14. OTHER ASSETS**

	The Group		The Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Due from brokers and clients net of expected credit losses	69,261	524,649	-	-
Other debtors, net of expected credit losses on deposits and prepayments	4,352,266	6,648,849	133,440	135,486
Due from joint ventures	1,324,765	1,004,758	-	-
Structured financing	1,018,852	1,187,605	-	-
Foreclosed assets net of allowance for impairment losses	150,558	172,382	-	-
Collateral pledged for derivative transactions	3,086,528	2,511,732	-	-
Deferred consideration	98,983	156,236	-	-
	<b>10,101,213</b>	<b>12,206,211</b>	<b>133,440</b>	<b>135,486</b>

**A15. DEPOSITS FROM CUSTOMERS**

	The Group	
	31 December 2019	31 December 2018
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	86,750,438	79,085,839
Savings deposits	50,899,104	44,720,070
Fixed deposits	180,046,303	165,742,429
Negotiable instruments of deposit	116,121	304,083
Others	74,537,501	80,340,664
	<b>392,349,467</b>	<b>370,193,085</b>
<u>By type of customer</u>		
Government and statutory bodies	11,939,258	10,566,326
Business enterprises	131,117,482	138,181,711
Individuals	183,864,980	164,157,280
Others	65,427,747	57,287,768
	<b>392,349,467</b>	<b>370,193,085</b>

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

Due within six months	147,756,119	133,532,948
Six months to less than one year	30,201,941	30,374,069
One year to less than three years	2,111,227	2,025,308
Three years to less than five years	93,137	114,122
Five years and more	-	65
	<b>180,162,424</b>	<b>166,046,512</b>

**A16. INVESTMENT ACCOUNTS OF CUSTOMERS**

	The Group	
	31 December 2019	31 December 2018
	RM'000	RM'000
Unrestricted investment accounts	3,448,964	1,769,270

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

	The Group	
	31 December 2019	31 December 2018
	RM'000	RM'000
Licensed banks	20,678,566	17,163,634
Licensed finance companies	747,051	993,543
Licensed investment banks	237,091	157,684
Bank Negara Malaysia	5,423	292
Other financial institutions	1,998,591	1,917,727
	<b>23,666,722</b>	<b>20,232,880</b>

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

Due within six months	23,194,098	19,489,750
Six months to less than one year	371,516	641,868
One year to less than three years	101,108	101,262
	<b>23,666,722</b>	<b>20,232,880</b>

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

	The Group	
	31 December 2019	31 December 2018
	RM'000	RM'000
Deposits from customers - structured investments	299,930	1,355,488
Debentures	1,534	1,873,520
Bills payables	3,349,276	2,651,699
	<b>3,650,740</b>	<b>5,880,707</b>

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

The carrying amount of financial liabilities designated at fair value of the Group at 31 December 2019 were RM27,583,000 (2018: RM147,262,000) lower than the contractual amount at maturity for the structured investments, RM19,000 higher (2018: RM31,214,000 lower) than the contractual amount at maturity for the debentures and RM640,856,000 (2018: RM377,634,000) higher than the contractual amount at maturity for the bills payable.

**A19. OTHER LIABILITIES**

	The Group		The Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	61,062	475,959	-	-
Expenditure payable	2,606,502	2,310,996	2,405	2,381
Provision for legal claims	65,840	60,062	-	-
Sundry creditors	2,640,224	1,221,327	818	-
Structured deposits	6,366,281	7,055,128	-	-
Post employment benefit obligations	491,269	358,740	-	-
Credit card expenditure payable	277,591	263,934	-	-
Collateral received for derivative transactions	2,272,687	1,307,759	-	-
Expected credit losses for loan commitments and financial guarantee contracts	(a) 498,392	502,337	-	-
Collateral for securities lending	-	85,213	-	-
Prepayment	622,579	528,138	-	-
Others	837,890	877,699	-	69
	<b>16,740,317</b>	<b>15,047,292</b>	<b>3,223</b>	<b>2,450</b>

A19. OTHER LIABILITIES (Continued)

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

	The Group			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
<b>At 1 January 2019</b>	333,672	58,862	109,803	502,337
Changes in expected credit losses due to transfer within stages:	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	-
<b>Total charge to Income Statement:</b>	(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)
<b>At 31 December 2019</b>	<b>304,686</b>	<b>43,046</b>	<b>150,660</b>	<b>498,392</b>

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
<b>At 1 January 2018</b>	320,175	77,738	112,512	510,425
Changes in expected credit losses due to transfer within stages:	121,101	(97,802)	(23,299)	-
Transferred to Stage 1	133,076	(110,689)	(22,387)	-
Transferred to Stage 2	(11,618)	20,079	(8,461)	-
Transferred to Stage 3	(357)	(7,192)	7,549	-
<b>Total charge to Income Statement:</b>	(107,272)	80,678	19,167	(7,427)
New exposures	149,897	2,107	1,128	153,132
Exposures derecognised or matured	(74,537)	(45,286)	(9,812)	(129,635)
Change in credit risk	(182,632)	123,857	27,851	(30,924)
Exchange fluctuation	(233)	(2,024)	1,338	(919)
Other movements	(99)	272	85	258
<b>At 31 December 2018</b>	<b>333,672</b>	<b>58,862</b>	<b>109,803</b>	<b>502,337</b>

As at 31 December 2019, the gross exposures of loan commitments and financial guarantee contracts that are credit impaired is RM228,338,000 (2018: RM174,597,000).

**A20(a). INTEREST INCOME**

	4th quarter ended		Twelve months ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>The Group</b>				
Loans, advances and financing				
- Interest income	3,911,873	3,831,330	15,499,247	14,884,455
- Unwinding income <sup>^</sup>	117,476	36,435	252,928	146,276
Money at call and deposit placements with financial institutions	182,506	250,984	754,126	818,140
Reverse repurchase agreements	52,606	66,415	292,258	192,111
Debt instruments at fair value through other comprehensive income	275,321	311,964	1,093,862	1,223,536
Debt instruments at amortised cost	336,205	304,714	1,387,466	1,236,114
Equity instruments at fair value through other comprehensive income	2,892	4,709	11,556	21,892
Others	105	20,703	30,041	39,120
	<b>4,878,984</b>	<b>4,827,254</b>	<b>19,321,484</b>	<b>18,561,644</b>
Accretion of discounts, net of amortisation of premiums	2,723	9,628	9,052	9,689
	<b>4,881,707</b>	<b>4,836,882</b>	<b>19,330,536</b>	<b>18,571,333</b>
<b>The Company</b>				
Money at call and deposit placements with financial institutions	6,078	9,607	18,272	28,225
Debt instruments at fair value through other comprehensive income	33,775	30,520	134,000	90,356
Debt instruments at amortised cost	76,374	68,096	273,287	220,994
	<b>116,227</b>	<b>108,223</b>	<b>425,559</b>	<b>339,575</b>

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

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

	4th quarter ended		Twelve months ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>The Group</b>				
Financial investments at fair value through profit or loss	157,194	139,266	677,055	538,842
Reverse repurchase agreements at fair value through profit or loss	-	4,692	4,540	16,319
Loan, advances and financing at fair value through profit or loss	10,633	-	43,888	-
	<b>167,827</b>	<b>143,958</b>	<b>725,483</b>	<b>555,161</b>
Accretion of discounts, net of amortisation of premiums	63,612	36,300	187,776	112,297
	<b>231,439</b>	<b>180,258</b>	<b>913,259</b>	<b>667,458</b>

**A21. INTEREST EXPENSE**

	4th quarter ended		Twelve months ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>The Group</b>				
Deposits and placements of banks and other financial institutions	116,150	134,011	523,270	480,759
Deposits from customers	1,701,860	1,769,520	6,971,933	6,578,221
Repurchase agreements	87,030	90,022	397,446	303,695
Bonds, sukuk and debentures	137,776	143,215	559,027	557,833
Subordinated obligations	156,565	180,081	675,251	712,401
Financial liabilities designated at fair value through profit or loss	17,808	33,308	107,578	126,669
Negotiable certificates of deposits	24,207	25,194	105,433	104,406
Other borrowings	86,819	85,583	355,051	335,557
Recourse obligation on loan and financing sold to Cagamas	28,841	41,734	123,557	140,744
Structured deposits	64,410	75,381	291,459	246,989
Lease liabilities	7,639	-	30,893	-
Others	6,187	5,217	18,979	17,077
	<b>2,435,292</b>	<b>2,583,266</b>	<b>10,159,877</b>	<b>9,604,351</b>
<b>The Company</b>				
Subordinated obligations	126,783	133,497	519,062	449,735
Other borrowings	43,059	33,202	146,153	133,020
	<b>169,842</b>	<b>166,699</b>	<b>665,215</b>	<b>582,755</b>

**A22. NET NON-INTEREST INCOME**

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
(a) Net fee income and commission income:				
Commissions	291,730	313,343	1,159,958	1,255,211
Fee on loans, advances and financing	191,787	151,594	660,936	596,676
Service charges and fees	167,673	184,619	654,424	702,573
Corporate advisory and arrangement fees	4,642	5,338	19,555	19,987
Guarantee fees	22,678	17,959	73,171	63,246
Other fee income	73,633	55,892	292,368	241,232
Placement fees	3,365	1,051	12,730	4,139
Underwriting commission	28,430	11,461	97,141	61,101
Fee and commission income	783,938	741,257	2,970,283	2,944,165
Fee and commission expense	(197,910)	(135,521)	(752,008)	(687,824)
Net fee and commission income	586,028	605,736	2,218,275	2,256,341
(b) Gross dividend income from:				
<i>In Malaysia</i>				
- Financial investments at fair value through profit or loss	12,459	17,771	63,038	53,281
- Equity instruments at fair value through other comprehensive income	-	11	3,757	3,160
<i>Outside Malaysia</i>				
- Financial investments at fair value through profit or loss	-	-	-	231
- Debt instruments at fair value through other comprehensive income	-	-	-	16
- Equity instruments at fair value through other comprehensive income	271	236	1,125	1,296
	12,730	18,018	67,920	57,984
(c) Net (loss)/gain arising from financial investments at fair value through profit or loss	(73,843)	(118,224)	858,426	(531,332)
- realised	9,874	(126,872)	205,303	(637,363)
- unrealised	(83,717)	8,648	653,123	106,031
(d) Net (loss)/gain arising from derivative financial instruments	(68,472)	412,299	590,334	1,884,572
- realised	(505,216)	400,954	963,205	1,339,859
- unrealised	436,744	11,345	(372,871)	544,713
(e) Net gain/(loss) arising from financial liability designated at fair value through profit or loss	6,556	(125,735)	(315,248)	(91,332)
- realised	18,150	(13,090)	51,885	71,255
- unrealised	(11,594)	(112,645)	(367,133)	(162,587)
(f) Net (loss)/gain arising from hedging activities	(34,749)	20,443	(31,870)	(13,955)
(g) Net gain from sale of investment in debt instruments at fair value through other comprehensive income	63,488	3,443	283,011	38,448
(h) Net loss from redemption of debt instruments at amortised cost	-	(811)	-	(811)
(i) Net gain/(loss) arising from loans, advances and financing at fair value through profit or loss:				
- unrealised	650	-	(1,626)	-
	650	-	(1,626)	-
(j) Income from assets management and securities services	4,105	4,716	16,564	188,308
(k) Brokerage income	561	23,550	54,355	115,983
(l) Other non-interest income:				
Foreign exchange gain	519,526	106,995	394,575	75,159
Rental income	8,879	6,642	36,019	27,773
Gain on disposal of property, plant and equipment/ assets held for sale	752	3,880	19,274	20,785
Gain on disposal of loans, advances and financing	41,311	-	178,151	-
Gain/(loss) on disposal of foreclosed assets	1,885	(14,816)	6,195	(70,267)
Other non-operating income	17,315	14,463	45,130	88,298
	589,668	117,164	679,344	141,748
	1,086,722	960,599	4,419,485	4,045,954

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

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Company</b>				
(a) Gross dividend income from:				
<u>In Malaysia</u>				
- Subsidiaries	54,000	160,000	3,079,584	3,318,627
(b) Other non-interest income:				
Foreign exchange gain/(loss)	5	141	(7)	(929)
Rental income	77	102	307	315
Gain on disposal of property, plant and equipment	708	-	708	-
Other non-operating income	-	410	-	410
	790	653	1,008	(204)
	54,790	160,653	3,080,592	3,318,423

**A23. OVERHEADS**

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Personnel costs				
- Salaries, allowances and bonus	1,071,369	992,511	4,309,096	3,917,197
- Pension cost	103,331	99,287	449,342	402,646
- Transformation initiative expenses	16,952	-	365,806	-
- Overtime	7,040	7,798	28,335	27,868
- Staff incentives and other staff payments	90,498	59,510	281,857	234,455
- Medical expenses	31,344	28,683	118,510	110,663
- Others	28,097	66,766	211,728	233,918
	1,348,631	1,254,555	5,764,674	4,926,747
Establishment costs				
- Depreciation of property, plant and equipment	75,175	76,718	288,971	296,558
- Depreciation of right-of-use assets	64,084	-	238,960	-
- Amortisation of intangible assets	77,794	82,281	306,332	356,587
- Amortisation of prepaid lease payments	2,590	2,572	10,268	10,230
- Rental	43,813	125,294	169,270	493,691
- Repair and maintenance	142,332	118,480	542,191	485,746
- Outsourced services	23,747	16,057	83,111	59,302
- Security expenses	25,667	31,189	108,095	111,622
- Others	70,732	40,745	261,236	132,764
	525,934	493,336	2,008,434	1,946,500
Marketing expenses				
- Advertisement	136,259	137,187	363,784	292,485
- Others	17,100	12,768	60,151	58,817
	153,359	149,955	423,935	351,302
Administration and general expenses				
- Legal and professional fees	113,872	34,192	311,481	131,205
- Stationery	12,662	18,806	50,542	55,529
- Communication	25,892	29,913	105,328	99,086
- Incidental expenses on banking operations	12,852	11,766	48,570	47,918
- Insurance	80,607	76,028	317,899	295,185
- Others	216,662	200,487	842,042	802,349
	462,547	371,192	1,675,862	1,431,272
	2,490,471	2,269,038	9,872,905	8,655,821

**A23. OVERHEADS (CONTINUED)**

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Company</b>				
Personnel costs				
- Staff incentives and other staff payments	-	24	3	113
	-	24	3	113
Establishment costs				
- Depreciation of property, plant and equipment	158	24	3,415	104
- Depreciation of investment properties	5	4	18	18
- Rental	-	-	-	2
- Repair and maintenance	-	184	313	521
- Others	(22)	4	98	94
	141	216	3,844	739
Marketing expenses				
- Others	106	12	116	12
	106	12	116	12
Administration and general expenses				
- Legal and professional fees	9,032	3,447	15,051	17,267
- Communication	-	-	19	38
- Insurance	840	488	2,831	3,149
- Others	5,323	1,964	7,811	13,887
	15,195	5,899	25,712	34,341
	15,442	6,151	29,675	35,205

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

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	762,767	432,991	2,219,681	2,022,688
Credit impaired loans, advances and financing:				
- recovered	(159,371)	(148,892)	(592,101)	(608,258)
- written off	2,724	3,963	11,205	18,231
	606,120	288,062	1,638,785	1,432,661

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

	4th quarter ended		Twelve months ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Expected credit losses made/(written back) on:				
- Debt instrument at fair value through other comprehensive income	(2,934)	(3,955)	1,715	(2,600)
- Debt instrument at amortised cost	(11,942)	(7,720)	(44,551)	87,793
- Money at call and deposits and placements with banks and other financial institutions	1,102	(2,489)	3,134	981
- Other assets	39,873	25,058	120,534	48,326
- Intangible assets	271,186	-	271,186	-
	297,285	10,894	352,018	134,500
<b>The Company</b>				
Expected credit losses made on:				
- Debt instrument at fair value through other comprehensive income	1,768	9,058	4,225	10,468
- Debt instrument at amortised cost	12,455	1,464	17,961	21,009
	14,223	10,522	22,186	31,477

## A25. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

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

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

### **Market Risk**

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

### **Credit Risk**

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 December 2019, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM11,589,897,000 (2018: RM8,634,633,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

### **Liquidity Risk**

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

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

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 December 2019, the Group has posted cash collateral of RM3,086,528,000 (2018: RM2,511,732,000) on their derivative contracts.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group are disclosed in the audited annual financial statements for the financial year ended 31 December 2018 and the Risk Management section of the 2018 Annual Report.

## A26. COMMITMENTS AND CONTINGENCIES

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

	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>Principal Amount RM'000</b>	<b>Principal Amount RM'000</b>
<b>The Group</b>		
<u>Credit-related</u>		
Direct credit substitutes	6,834,852	6,637,881
Certain transaction-related contingent items	8,540,770	7,985,779
Short-term self-liquidating trade-related contingencies	5,590,237	3,432,622
Obligations under underwriting agreement	-	250,000
Irrevocable commitments to extend credit		
- maturity not exceeding one year	61,502,883	62,748,922
- maturity exceeding one year	34,992,846	32,058,573
Miscellaneous commitments and contingencies	2,215,223	966,685
Total credit-related commitments and contingencies	<b>119,676,811</b>	<b>114,080,462</b>
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	380,413,430	350,065,681
- one year to five years	61,238,807	54,253,458
- more than five years	19,793,744	19,442,368
	<b>461,445,981</b>	<b>423,761,507</b>
<u>Interest rate related contracts</u>		
- less than one year	210,316,294	217,400,783
- one year to five years	275,796,670	279,690,635
- more than five years	60,154,425	66,965,936
	<b>546,267,389</b>	<b>564,057,354</b>
<u>Equity related contracts</u>		
- less than one year	3,766,213	4,840,134
- one year to five years	953,175	3,223,895
- more than five years	60,322	679,704
	<b>4,779,710</b>	<b>8,743,733</b>
<u>Credit related contracts</u>		
- less than one year	393,986	418,816
- one year to five years	2,660,214	1,835,065
- more than five years	1,030,363	1,215,514
	<b>4,084,563</b>	<b>3,469,395</b>
<u>Commodity related contracts</u>		
- less than one year	6,707,439	11,590,876
- one year to five years	319,485	960,507
	<b>7,026,924</b>	<b>12,551,383</b>
<u>Bond contracts</u>		
- less than one year	782,049	598,899
- one year to five years	1,870,059	1,755,921
- more than five years	90,000	120,000
	<b>2,742,108</b>	<b>2,474,820</b>
Total treasury-related commitments and contingencies	<b>1,026,346,675</b>	<b>1,015,058,192</b>
	<b>1,146,023,486</b>	<b>1,129,138,654</b>
Included under irrevocable commitments to extend credit are the amount related to the Restricted Agency Investment Account, as follows:		
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	-	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.

## A27. CAPITAL ADEQUACY

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

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

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

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

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

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

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

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

**A27. CAPITAL ADEQUACY (Continued)**

**31 December 2019**

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

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

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

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

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

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

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

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

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

**A27. CAPITAL ADEQUACY (Continued)**

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

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

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

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

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

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

**A27. CAPITAL ADEQUACY (Continued)**

**31 December 2018**

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

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

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

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

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

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

**A27. CAPITAL ADEQUACY (Continued)**

**31 December 2018**

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

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

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

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

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

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

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

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

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

## A28. SEGMENTAL REPORT

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

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

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

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

### Business segment reporting

#### Definition of segments:

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

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

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

#### **Commercial Banking**

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

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

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

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

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

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

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

**A28. SEGMENTAL REPORT (Continued)**

***Wholesale Banking (Continued)***

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

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

***Group Ventures & Partnerships and Funding***

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

**A28. SEGMENTAL REPORT (Continued)**

	<b>Consumer Banking RM'000</b>	<b>Commercial Banking RM'000</b>	<b>Wholesale Banking RM'000</b>	<b>Group Ventures &amp; Partnerships and Funding RM'000</b>	<b>Total RM'000</b>
<b>31 December 2019</b>					
Net interest income					
- external income	4,759,539	2,526,641	2,492,113	305,625	10,083,918
- inter-segment (expense)/income	(204,396)	(305,738)	(21,007)	531,141	-
	4,555,143	2,220,903	2,471,106	836,766	10,083,918
Income from Islamic Banking operations	1,114,330	571,279	739,207	615,847	3,040,663
Net non-interest income	1,740,964	620,290	1,716,294	341,937	4,419,485
Gain on disposal of subsidiary and associate	-	-	-	251,813	251,813
Net income	7,410,437	3,412,472	4,926,607	2,046,363	17,795,879
Overheads	(4,389,024)	(1,811,224)	(2,322,865)	(1,349,792)	(9,872,905)
of which:					
- Depreciation of property, plant and equipment	(125,624)	(5,078)	(15,998)	(142,271)	(288,971)
- Amortisation of prepaid lease payments	-	(49)	-	(10,219)	(10,268)
- Amortisation of intangible assets	(68,045)	(2,494)	(26,288)	(209,505)	(306,332)
Profit before expected credit losses	3,021,413	1,601,248	2,603,742	696,571	7,922,974
Expected credit losses made on loans, advances and financing	(883,992)	(27,736)	(726,590)	(467)	(1,638,785)
Expected credit losses (made)/written back for commitments and contingencies	(44,529)	24,822	31,586	140	12,019
Other expected credit losses (made)/written back	(137,952)	11,014	39,860	(264,940)	(352,018)
Segment results	1,954,940	1,609,348	1,948,598	431,304	5,944,190
Share of results of joint ventures	3,536	-	(20,707)	48,572	31,401
Share of results of associates	-	-	-	(751)	(751)
Profit before taxation and zakat	1,958,476	1,609,348	1,927,891	479,125	5,974,840
% of profit before taxation and zakat	32.8	26.9	32.3	8.0	100.0
Taxation and zakat					(1,519,653)
<b>Profit for the financial year</b>					<b>4,455,187</b>

**A28. SEGMENTAL REPORT (Continued)**

	<b>Consumer Banking RM'000</b>	<b>Commercial Banking RM'000</b>	<b>Wholesale Banking RM'000</b>	<b>Group Ventures &amp; Partnerships and Funding RM'000</b>	<b>Total RM'000</b>
<b>31 December 2018</b>					
Net interest income					
- external income	4,997,035	2,325,631	1,644,663	667,111	9,634,440
- inter-segment (expense)/income	(409,046)	(136,826)	680,702	(134,830)	-
	4,587,989	2,188,805	2,325,365	532,281	9,634,440
Income from Islamic Banking operations	943,881	480,125	715,076	471,079	2,610,161
Net non-interest income	1,709,908	526,443	1,469,840	339,763	4,045,954
Gain on disposal of subsidiary and joint venture	-	-	-	1,091,413	1,091,413
Net income	7,241,778	3,195,373	4,510,281	2,434,536	17,381,968
Overheads	(4,114,379)	(1,705,632)	(2,223,085)	(612,725)	(8,655,821)
of which:					
- Depreciation of property, plant and equipment	(128,470)	(4,822)	(19,502)	(143,764)	(296,558)
- Amortisation of prepaid lease payments	-	(46)	-	(10,184)	(10,230)
- Amortisation of intangible assets	(63,166)	(3,376)	(30,073)	(259,972)	(356,587)
Profit before expected credit losses	3,127,399	1,489,741	2,287,196	1,821,811	8,726,147
Expected credit losses (made)/written back on loans, advances and financing	(439,578)	(597,768)	(403,770)	8,455	(1,432,661)
Expected credit losses (made)/written back for commitments and contingencies	(28,511)	(11,963)	47,918	(17)	7,427
Other expected credit losses made	(2,128)	(19,710)	(87,630)	(25,032)	(134,500)
Segment results	2,657,182	860,300	1,843,714	1,805,217	7,166,413
Share of results of joint ventures	2,176	-	(9,243)	37,745	30,678
Share of results of associates	-	-	-	3,576	3,576
Profit before taxation and zakat	2,659,358	860,300	1,834,471	1,846,538	7,200,667
% of profit before taxation and zakat	36.9	12.0	25.5	25.6	100.0
Taxation and zakat					(1,537,314)
<b>Profit for the financial year</b>					<b>5,663,353</b>

**A28. SEGMENTAL REPORT (Continued)**

	<b>Consumer Banking RM'000</b>	<b>Commercial Banking RM'000</b>	<b>Wholesale Banking RM'000</b>	<b>Group Ventures &amp; Partnerships and Funding RM'000</b>	<b>Total RM'000</b>
<b>31 December 2019</b>					
<b>Group</b>					
Segment assets	184,739,646	64,198,919	240,391,766	67,798,402	557,128,733
Investment in associates and joint ventures	175,400	-	1,300,096	952,265	2,427,761
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>559,556,494</b>
Unallocated assets	-	-	-	-	13,689,161
<b>Total assets</b>	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
Segment liabilities	171,502,959	65,865,217	224,949,122	35,509,855	497,827,153
Unallocated liabilities	-	-	-	-	17,949,426
<b>Total liabilities</b>	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
<b>Other segment items</b>					
Capital expenditure	266,984	5,857	66,870	617,507	957,218
Investment in joint ventures	175,400	-	1,300,096	906,509	2,382,005
Investment in associates	-	-	-	45,756	45,756
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>	<b>64,198,919</b>	<b>241,691,862</b>	<b>68,750,667</b>	<b>573,245,655</b>
	<b>171,502,959</b>	<b>65,865,217</b>	<b>224,949,122</b>	<b>35,509,855</b>	<b>515,776,579</b>
	<b>442,384</b>	<b>5,857</b>	<b>1,366,966</b>	<b>1,569,772</b>	<b>2,388,005</b>
	<b>184,915,046</b>				

## A29. FAIR VALUE ESTIMATION

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

### Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

### Valuation Model Review and Approval

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

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

- (i). The following table represents the Group's and the Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 December 2019 and 31 December 2018.

The Group	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Financial assets 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
<b>Total</b>	<b>84,606,078</b>	<b>965,222</b>	<b>81,687,468</b>	<b>1,953,388</b>	<b>84,606,078</b>
<b>Financial liabilities</b>					
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
<b>Total</b>	<b>14,988,609</b>	<b>122,146</b>	<b>14,850,911</b>	<b>15,552</b>	<b>14,988,609</b>
<b>31 December 2018</b>					
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Reverse repurchased agreements at fair value through profit or loss					
	500,134	-	500,134	-	500,134
Financial assets at fair value through profit or loss					
- Money market instruments	22,988,026	-	22,574,061	413,965	22,988,026
- Quoted securities	399,986	399,986	-	-	399,986
- Unquoted securities	6,123,057	-	4,908,353	1,214,704	6,123,057
Debt instruments at fair value through other comprehensive income					
- Money market instruments	6,380,101	-	6,380,101	-	6,380,101
- Unquoted securities	25,896,203	-	25,896,202	1	25,896,203
Equity instruments at fair value through other comprehensive income					
- Quoted securities	47,306	47,306	-	-	47,306
- Unquoted securities	536,218	-	177,036	359,182	536,218
Derivative financial instruments					
- Trading derivatives	8,522,983	17,150	8,289,553	216,280	8,522,983
- Hedging derivatives	111,650	-	111,650	-	111,650
Loans, advances and financing at fair value through profit or loss					
	803,681	-	803,681	-	803,681
<b>Total</b>	<b>72,309,345</b>	<b>464,442</b>	<b>69,640,771</b>	<b>2,204,132</b>	<b>72,309,345</b>
<b>Financial liabilities</b>					
Derivative financial instruments					
- Trading derivatives	7,744,551	531,062	7,104,345	109,144	7,744,551
- Hedging derivatives	663,430	-	663,430	-	663,430
Financial liabilities designated at fair value through profit or loss					
	5,880,707	-	5,880,707	-	5,880,707
<b>Total</b>	<b>14,288,688</b>	<b>531,062</b>	<b>13,648,482</b>	<b>109,144</b>	<b>14,288,688</b>

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

- (i). The following table represents the Group's and Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 December 2019 and 31 December 2018

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

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

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

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

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

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

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

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

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

The following represents the Group's and the Company's non-financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 December 2019 and 31 December 2018.

Investment properties (Recurring)

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

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

In accordance with MFRS 5, the non-current assets held for sales were stated at the lower of carrying amount and fair value less cost to sell. As at 31 December 2019, the property plant and equipment held for sale of the Group that were stated at fair value less cost to sell was RM7,467,000 (2018: RM13,775,000). This is a non-recurring fair value which has been measured using observable inputs under sales comparison approach performed by independent valuers. Sales prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. Therefore, it is within level 2 of the fair value hierarchy.

**A30. OPERATIONS OF ISLAMIC BANKING**

**A30a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

		<b>The Group</b>	
		<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
Cash and short-term funds		8,415,481	12,595,979
Deposits and placements with banks and other financial institutions		2,652,505	1,748,523
Financial investments at fair value through profit or loss		5,158,036	3,033,103
Debt instruments at fair value through other comprehensive income		4,508,828	3,499,105
Equity instruments at fair value through other comprehensive income		-	575
Debt instruments at amortised cost		8,594,615	6,959,658
Islamic derivative financial instruments		497,609	599,095
Financing, advances and other financing/loans	A30d(i)	93,049,318	84,026,755
Other assets		1,759,967	2,477,919
Deferred tax assets		22,238	81,882
Tax recoverable		8,547	8,907
Amount due from conventional operations		6,146,418	3,747,396
Statutory deposits with central banks		2,506,166	2,076,422
Property, plant and equipment		5,003	4,841
Right-of-use assets		3,986	-
Goodwill		136,000	136,000
Intangible assets		66,698	71,895
<b>TOTAL ASSETS</b>		<b>133,531,415</b>	<b>121,068,055</b>
<b>LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>			
<b>CAPITAL FUNDS</b>			
Deposits from customers	A30(e)	99,505,430	86,851,108
Investment accounts of customers	A30(f)	3,448,964	1,769,270
Deposits and placements of banks and other financial institutions		2,572,666	3,164,963
Investment accounts due to designated financial institutions	A30(g)	5,021,974	8,216,809
Financial liabilities designated at fair value through profit or loss	A30(h)	95,499	21,918
Islamic derivative financial instruments		504,605	628,361
Bills and acceptances payable		36,331	27,428
Other liabilities		6,851,238	4,675,622
Lease liability		3,619	-
Recourse obligation on loans and financing sold to Cagamas		1,510,390	1,915,503
Amount due to conventional operations		2,620,453	4,326,549
Provision for taxation		55,749	140,353
Sukuk		1,025,994	645,773
Other borrowings		-	28,604
Subordinated Sukuk		1,118,255	615,033
		<b>124,371,167</b>	<b>113,027,294</b>
Non-current liabilities held for sale		-	143
<b>TOTAL LIABILITIES</b>		<b>124,371,167</b>	<b>113,027,437</b>
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,696	55,696
Perpetual preference shares		220,000	220,000
Reserves		7,821,684	6,727,382
		<b>9,097,380</b>	<b>8,003,078</b>
Non-controlling interests		62,868	37,540
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>9,160,248</b>	<b>8,040,618</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>133,531,415</b>	<b>121,068,055</b>
<b>RESTRICTED AGENCY INVESTMENT ACCOUNT(*)</b>		<b>6,231,742</b>	<b>6,230,998</b>
<b>TOTAL ISLAMIC BANKING ASSETS</b>		<b>139,763,157</b>	<b>127,299,053</b>

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

**A30b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2019**

	<b>The Group</b>			
	<b>4th quarter ended 31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>Twelve months ended 31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Income derived from investment of depositors' funds and others	<b>1,300,622</b>	1,155,082	<b>5,233,556</b>	4,205,758
Income derived from investment of investment account	<b>104,441</b>	147,550	<b>415,670</b>	555,563
Net income derived from investment of shareholders' funds	<b>166,989</b>	132,133	<b>573,836</b>	560,828
Expected credit losses on financing, advances and other financing/loans	<b>(36,095)</b>	(71,474)	<b>(71,303)</b>	(250,738)
Expected credit losses (made)/written back for commitments and contingencies	<b>(16,159)</b>	49	<b>21,941</b>	(8,277)
Other expected credit losses written back /(made)	<b>118</b>	(5)	<b>812</b>	776
<b>Total distributable income</b>	<b>1,519,916</b>	1,363,335	<b>6,174,512</b>	5,063,910
Income attributable to depositors and others	<b>(805,547)</b>	(742,900)	<b>(3,209,765)</b>	(2,668,144)
Profit distributed to investment account holder	<b>(74,762)</b>	(113,539)	<b>(307,968)</b>	(438,686)
<b>Total net income</b>	<b>639,607</b>	506,896	<b>2,656,779</b>	1,957,080
Other operating expenses	<b>(405,062)</b>	(180,138)	<b>(1,038,936)</b>	(682,210)
<b>Profit before taxation and zakat</b>	<b>234,545</b>	326,758	<b>1,617,843</b>	1,274,870
Taxation and zakat	<b>(85,701)</b>	(54,052)	<b>(342,498)</b>	(193,333)
<b>Profit for the financial period/year</b>	<b>148,844</b>	272,706	<b>1,275,345</b>	1,081,537
Profit for the financial period/year attributable to:				
Owners of the Parent	<b>144,562</b>	269,399	<b>1,251,490</b>	1,069,765
Non-controlling interests	<b>4,282</b>	3,307	<b>23,855</b>	11,772
	<b>148,844</b>	272,706	<b>1,275,345</b>	1,081,537

**A30c. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2019**

	<b>The Group</b>			
	<b>4th quarter ended 31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>Twelve months ended 31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Profit for the financial period/year	<b>148,844</b>	272,706	<b>1,275,345</b>	1,081,537
Other comprehensive income/(expense):				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	<b>1</b>	-	<b>(31)</b>	-
Equity instruments at fair value through other comprehensive income	-	-	-	(130)
- Net loss from change in fair value	<b>-</b>	-	<b>-</b>	(130)
	<b>1</b>	-	<b>(31)</b>	(130)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	<b>(12,745)</b>	(6,694)	<b>38,784</b>	(3,359)
- Net (loss)/gain from change in fair value	<b>(2,491)</b>	(5,460)	<b>138,742</b>	5,473
- Realised gain transferred to statement of income on disposal	<b>(12,244)</b>	(2,072)	<b>(91,680)</b>	(7,456)
- Changes in expected credit losses	<b>4</b>	98	<b>362</b>	563
- Income tax effects	<b>1,986</b>	740	<b>(8,640)</b>	(1,939)
Exchange fluctuation reserve	<b>2,373</b>	(12,852)	<b>21,254</b>	(4,716)
Other comprehensive (expense)/income for the financial period/year, net of tax	<b>(10,371)</b>	(19,546)	<b>60,007</b>	(8,205)
Total comprehensive income for the financial period/year	<b>138,473</b>	253,160	<b>1,335,352</b>	1,073,332
Total comprehensive income for the financial period/year attributable to:				
Owners of the Parent	<b>134,263</b>	250,842	<b>1,310,024</b>	1,061,959
Non-controlling interests	<b>4,210</b>	2,318	<b>25,328</b>	11,373
	<b>138,473</b>	253,160	<b>1,335,352</b>	1,073,332
<u>Income from Islamic operations (per page 2)</u>				
Total net income	<b>639,607</b>	506,896	<b>2,656,779</b>	1,957,080
Add: Expected credit losses on financing, advances and other financing/loans	<b>36,095</b>	71,474	<b>71,303</b>	250,738
Add: Expected credit losses made/(written back) for commitments and contingencies	<b>16,159</b>	(49)	<b>(21,941)</b>	8,277
Add: Other expected credit losses (written back)/made	<b>(118)</b>	5	<b>(812)</b>	(776)
	<b>691,743</b>	578,326	<b>2,705,329</b>	2,215,319
Elimination for transaction with conventional operations	<b>66,295</b>	102,016	<b>335,334</b>	394,842
	<b>758,038</b>	680,342	<b>3,040,663</b>	2,610,161

**A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS**
**(i) By type and Shariah contract**
**31 December 2019**
**The Group**

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

^ Includes current account in excess

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

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

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

(i) By type and Shariah contract (Continued)

31 December 2018

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

^ Includes current account in excess

\* 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.

**A30d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)****(i) By type and Shariah contract (Continued)**

	<b>The Group</b>	
	<b>31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Gross financing, advances and other financing/loans		
- At amortised cost	<b>93,609,811</b>	84,305,832
- At fair value through profit or loss	<b>200,181</b>	491,566
	<b>93,809,992</b>	84,797,398

(a) During the financial year, the Group has undertaken fair value hedges on RM1,993,931,000 (2018: RM3,384,006,000) financing using profit rate swaps.

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

As at 31 December 2019, the gross carrying amount to RPSIA financing is RM4,958,745,000 (2018: RM6,907,549,000) and expected credit losses relating to this RPSIA amounting to RM93,758,000 (2018: RM25,658,000) is recognised in the Financial Statements of CIMB Bank Berhad.

**c) Movement of Qard financing**

	<b>The Group</b>	
	<b>31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
At 1 January	<b>185,083</b>	197,097
New disbursement	<b>122,051</b>	90,047
Repayment	<b>(74,645)</b>	(93,626)
Exchange fluctuation	<b>6,213</b>	(8,435)
At 31 December	<b>238,702</b>	185,083
Sources of Qard fund:		
Depositors' fund	<b>238,358</b>	184,999
Shareholders' fund	<b>344</b>	84
	<b>238,702</b>	185,083
Uses of Qard fund:		
Personal use	<b>233,072</b>	183,800
Business use	<b>5,630</b>	1,283
	<b>238,702</b>	185,083

**(ii) By geographical distribution**

	<b>The Group</b>	
	<b>31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Malaysia	<b>79,452,003</b>	71,137,309
Indonesia	<b>9,863,925</b>	7,683,084
Singapore	<b>2,719,276</b>	2,774,847
Hong Kong	<b>-</b>	38,487
China	<b>663,873</b>	1,993,083
Other countries	<b>1,110,915</b>	1,170,588
Gross financing, advances and other financing/loans	<b>93,809,992</b>	84,797,398

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

**(iii) By economic sector**

	The Group	
	31 December 2019 RM'000	31 December 2018 RM'000
Primary agriculture	3,937,616	3,161,986
Mining and quarrying	1,675,978	2,299,551
Manufacturing	3,995,625	3,248,065
Electricity, gas and water supply	1,478,551	1,874,337
Construction	2,480,818	3,160,719
Transport, storage and communications	3,447,094	4,184,459
Education, health and others	4,504,328	5,973,245
Wholesale and retail trade, and restaurants and hotels	4,784,083	4,144,368
Finance, insurance/takaful, real estate and business activities	12,037,316	11,204,877
Household	51,308,988	42,444,984
Others	4,159,595	3,100,807
	<b>93,809,992</b>	<b>84,797,398</b>

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

	The Group	
	31 December 2019 RM'000	31 December 2018 RM'000
Malaysia	1,254,274	483,673
Indonesia	116,160	89,794
Singapore	60,296	68,319
Other countries	91,490	118,813
Gross impaired financing, advances and other financing/loans	<b>1,522,220</b>	<b>760,599</b>

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

	The Group	
	31 December 2019 RM'000	31 December 2018 RM'000
Primary agriculture	37,012	19,049
Mining and quarrying	168,796	184,612
Manufacturing	747,255	28,146
Construction	9,705	26,145
Transport, storage and communications	19,706	124,127
Education, health and others	4,576	10,613
Wholesale and retail trade, and restaurants and hotels	62,902	16,466
Finance, insurance/takaful, real estate and business activities	47,080	44,369
Household	366,235	255,247
Others	58,953	51,825
	<b>1,522,220</b>	<b>760,599</b>

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

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

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

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

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

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

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

	<b>The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2019</b>	<b>760,599</b>	<b>760,599</b>
Transfer within stages	436,712	436,712
New financial assets originated	935,851	935,851
Write-offs	(202,073)	(202,073)
Amount fully recovered	(385,419)	(385,419)
Other changes in financing, advances and other financing/loans	(32,326)	(32,326)
Exchange fluctuation	8,876	8,876
<b>At 31 December 2019</b>	<b>1,522,220</b>	<b>1,522,220</b>
	<b>The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2018</b>	713,797	713,797
Transfer within stages	260,774	260,774
New financial assets originated	2,576	2,576
Write-offs	(141,185)	(141,185)
Amount fully recovered	(57,250)	(57,250)
Other changes in financing, advances and other financing/loans	(26,075)	(26,075)
Exchange fluctuation	7,962	7,962
<b>At 31 December 2018</b>	<b>760,599</b>	<b>760,599</b>
	<b>The Group 31 December 2019</b>	<b>31 December 2018</b>
Ratio of credit impaired financing to total financing, advances and other financing	<b>1.62%</b>	<b>0.90%</b>

**A30e. DEPOSITS FROM CUSTOMERS**

**(i) By type of deposits**

	The Group	
	31 December 2019 RM'000	31 December 2018 RM'000
Savings deposit	6,443,594	5,048,242
Wadiah	778,815	713,640
Mudharabah	1,399,429	904,678
Commodity Murabahah (via Tawarruq arrangement) *	4,265,350	3,429,924
Demand deposit	17,987,989	12,848,746
Wadiah	702,456	666,732
Qard	14,237,532	10,069,627
Mudharabah	128,940	116,974
Commodity Murabahah (via Tawarruq arrangement) *	2,919,061	1,995,413
Term deposit	68,309,729	64,436,553
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	34,825,284	39,946,997
Fixed Return Income Account-i (via Tawarruq arrangement)*	33,484,445	24,489,556
General investment account	6,634,666	4,392,620
Mudharabah	6,634,666	4,392,620
Specific investment account	101,368	104,791
Mudharabah	101,368	104,791
Others	28,084	20,156
Qard	28,084	20,156
	<b>99,505,430</b>	<b>86,851,108</b>

\*included Qard contract of RM1,657,518,000 (2018: RM1,368,862,000)

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

	The Group	
	31 December 2019 RM'000	31 December 2018 RM'000
Due within six months	65,520,389	59,824,647
Six months to one year	9,213,033	8,932,231
One year to three years	208,523	71,667
Three years to five years	78,735	80,363
More than five years	25,083	25,056
	<b>75,045,763</b>	<b>68,933,964</b>

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

	<b>The Group</b>	
	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	4,577,868	3,827,034
Business enterprises	35,328,906	36,689,863
Individuals	35,319,728	25,430,926
Others	24,278,928	20,903,285
	<b>99,505,430</b>	<b>86,851,108</b>

**A30f. INVESTMENT ACCOUNTS OF CUSTOMERS**

	<b>The Group</b>	
	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Unrestricted investment accounts (Mudharabah)		
- without maturity		
Special Mudharabah Investment Account	694,396	465,733
- with maturity		
Term Investment Account-i	2,754,568	1,303,537
	<b>3,448,964</b>	<b>1,769,270</b>

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

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

	<b>The Group</b>	
	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Restricted investment accounts		
Mudharabah	5,021,974	8,216,809
By type of counterparty		
Licensed banks	5,021,974	8,216,809

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

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

	<b>The Group</b>	
	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers - structured investments	95,499	21,918

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

The carrying amount of the financial liabilities designated at fair value of the Group as at 31 December 2019 was RM3,044,000 (2018: RM1,235,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

### A31. CHANGE IN ACCOUNTING POLICIES

#### CHANGE IN ACCOUNTING POLICIES

The impact of the adoption of MFRS 16 on the financial statement of the Group is set out as follows:

Impact on the Group's Statement of Financial Position as at 31 December 2018 and 1 January 2019:

	Audited as at 31 December 2018 RM'000	The Group Effects of adopting MFRS 9		Total RM'000	Adjusted 1 January 2019 RM'000
		Remeasure- ment RM'000	Reclassifi- cation RM'000		
<b>Assets</b>					
Right-of-use assets	-	798,274	75,740	874,014	874,014
Other assets	12,206,211	-	(75,740)	(75,740)	12,130,471
<b>Liabilities</b>					
Lease liabilities	-	796,221	-	796,221	796,221
Other liabilities	15,047,292	2,053	-	2,053	15,049,345

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

	<b>The Group</b>	
	<b>31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Outstanding credit exposures with connected parties	<b>11,521,577</b>	11,185,199
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	<b>2.5%</b>	2.5%
Percentage of outstanding credit exposures to connected parties which is impaired or in default	<b>0.0%</b>	0.0%

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

### **B1. GROUP PERFORMANCE REVIEW**

#### **(i) CIMB Group 12M19 Y-o-Y Performance**

	<b>31 December 2019 RM'mil</b>	<b>The Group Twelve months ended 31 December 2018 RM'mil</b>	<b>Variance RM'mil</b>	<b>%</b>
<b>Key Profit or Loss Items:</b>				
Operating income	17,796	16,454 *	1,342	8.2
Profit before taxation and zakat	6,618 @	6,273 *	345	5.5
Net profit for the financial year attributable to Owners of the Parent	5,014 @	4,656 *	358	7.7

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

\* Excludes CPAM and CPIAM gain of RM928mil

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) reported a Profit Before Tax (“PBT”) of RM5.97 billion for financial year 2019 (“FY19”), translating to a net Earnings Per Share (“EPS”) of 47.0 sen. This was underpinned by stronger operating income and steady loan growth. The Group declared a second interim net dividend of 12.00 sen per share to be paid via cash. For FY19, the total dividend amounted to 26.00 sen per share or RM2.55 billion, translating to a dividend payout ratio of 55.9% of FY19 net profits (cf. 42.4% in FY18).

On a Business-As-Usual (“BAU”) basis, excluding RM643 million one-off transformational costs in FY19 and the gain from the partial sale of CIMB-Principal Asset Management (“CPAM”) and CIMB-Principal Islamic Asset Management (“CPIAM”) in FY18, the Group’s PBT was RM6.62 billion, representing a 5.5% year-on-year (“YoY”) growth. FY19 operating income grew 8.2% YoY to RM17.80 billion, underpinned by growth in net interest income (“NII”) and non-interest income (“NOII”). NII grew 6.3% YoY to RM12.66 billion from the 6.7% loan growth, while the 12.9% improvement in NOII to RM5.14 billion came largely on the back of improved capital market activity.

Net Interest Margin (“NIM”) was relatively flat at 2.46% (cf. 2.50% in FY18), with some spread compression in Malaysia and Thailand, partially offset by improvement in Indonesia. Loan loss provisions rose 14.5% to RM1.64 billion, equivalent to a loan loss charge of 0.44%. The Group’s BAU FY19 net profit grew by 7.7% YoY to RM5.01 billion, translating to an EPS of 51.7 sen and an annualised BAU Return On average Equity (“ROE”) of 9.3%.

The Group’s total gross loans grew by 6.7% YoY, with strong growth posted by Thailand (+6.1%) and Malaysia (+6.0%). Total deposits were 5.8% higher YoY, contributed by Thailand (+7.5%) and Malaysia (+6.2%). The Loan to Deposit Ratio (“LDR”) stood at 92.0% (cf. 91.2% at Dec-18), reflecting a strong liquidity position, with our CASA ratio strengthening to 34.4%. The Group’s gross impairment ratio stood at 3.1% as at end-December 2019, with an allowance coverage of 99.6%.

The Group’s Commercial Banking PBT rose by 87.1% YoY to RM1.61 billion underpinned by significantly lower provisions and improved operating income. PBT at the Group’s Wholesale Banking division increased by 5.1% YoY to RM1.93 billion from stronger operating income, mainly from improved capital market activity which brought about a 14.1% growth in NOII. The OPR cut in Malaysia and increased provisions from MFRS9-related effects had an impact on the Group’s Consumer Banking with PBT declining 26.3% YoY to RM1.96 billion in FY19. Group Ventures & Partnerships and Funding (“GVPF”) PBT was 22.0% higher YoY due to higher returns from the Group’s fixed income portfolio and a higher gain from the sale of the equities business.

Malaysia saw improved performances at Commercial and Wholesale, offset by weaker Consumer PBT as well as incremental transformational costs. Non-Malaysia PBT contribution to the Group stood at 31% in FY19 compared to 36% in 2018. Indonesia’s PBT was 20.2% lower YoY at RM1,065 million in FY19 from higher Corporate and Commercial provisions. Thailand’s PBT contribution of RM452 million was 24.1% higher YoY driven by loans growth and lower provisions. Total PBT contribution from Singapore was 18.8% higher YoY at RM505 million from better NIM and lower provisions.

As at 31 December 2019, CIMB Group’s total capital ratio stood at 16.8% while the Common Equity Tier 1 (“CET1”) capital ratio stood at 12.9%.

## B1. GROUP PERFORMANCE REVIEW (CONTINUED)

### (ii) CIMB Group 4Q19 vs. 4Q18 Performance

	The Group 4th quarter ended			
	31 December 2019 RM'mil	31 December 2018 RM'mil	Variance RM'mil	%
<b>Key Profit or Loss Items:</b>				
Operating income	4,523	4,075	448	11.0
Profit before taxation and zakat	1,373 <sup>#</sup>	1,512	(139)	(9.2)
Net profit for the financial period attributable to Owners of the Parent	1,045 <sup>#</sup>	1,117	(72)	(6.4)

<sup>#</sup> Excludes one-off transformational costs of RM294 million (before taxation), RM196 million (net of taxation and non-controlling interests)

On a YoY basis, the 11.0% growth in Group operating income was driven by the stronger capital market-driven NOII. Consumer Banking PBT rose 11.9% YoY underpinned by a 10.0% expansion in operating income with relatively flat operating expenses and increased provisions. Commercial Banking improved 31.4% YoY underpinned by a 7.5% growth in operating income. Wholesale Banking fell 22.1% YoY from higher provisions. GVPF was 60.3% lower YoY from higher expenses from Forward23-related investments.

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

	The Group Quarter ended			
	31 December 2019 RM'mil	30 September 2019 RM'mil	Variance RM'mil	%
<b>Key Profit or Loss Items:</b>				
Operating income	4,523	4,638	(115)	(2.5)
Profit before taxation and zakat	1,373 <sup>#</sup>	1,686 <sup>α</sup>	(313)	(18.6)
Net profit for the financial period attributable to Owners of the Parent	1,045 <sup>#</sup>	1,268 <sup>α</sup>	(223)	(17.6)

<sup>#</sup> Excludes one-off transformational costs of RM294 million (before taxation), RM196 million (net of taxation and non-controlling interests)

<sup>α</sup> Excludes one-off transformational costs of RM349 million (before taxation), RM258 million (net of taxation and non-controlling interests)

On a quarter-on-quarter (“QoQ”) basis, 4Q19 operating income was 2.5% lower at RM4.52 billion as the loan growth-driven NII improvement was offset by a 15.3% decline in NOII due to lower gain on NPL sale in 4Q19. Consumer Banking PBT improved 5.0% QoQ attributed to lower expenses, while operating income and provisions remained relatively flat. The 31.5% QoQ drop in Commercial Banking PBT was due to lower NOII from lower gain on NPL sale in 4Q19 and higher provisions. Wholesale Banking PBT was 19.0% lower QoQ mainly due to higher Indonesia provisions. GVPF PBT declined 58.3% QoQ largely due lower NOII and incremental investments. As a result, the Group’s 4Q19 net profit was 17.6% lower QoQ.

#### CIMB Islamic

CIMB Islamic’s FY19 PBT increased by 7.7% YoY to RM1.11 billion, driven by a strong 20.5% growth in operating income and 71.5% lower provisions. CIMB Islamic’s gross financing assets rose 11.8% YoY to RM79.4 billion, accounting for 21.5% of the Group’s total gross loans. Total deposits (including investment account) increased by 14.1% YoY to RM88.7 billion.

## B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Group continues to maintain a cautious stance for 2020 in view of sustained global economic headwinds, trade tensions, threat from the Covid-19 outbreak as well as potential further interest rate cuts across the region. CIMB Malaysia will sustain its prudent balance sheet growth momentum, and will continue to drive the digital agenda particularly in the areas of payments and sales enablement. Prospects for CIMB Singapore are expected to track the regional economic direction. The outlook for CIMB Thai is encouraging following the completion of its transformation program coupled with increased cost discipline. CIMB Niaga expects reasonable loan expansion with sustained focus on cost discipline and asset quality management.

### B3. TAXATION AND ZAKAT

	4th quarter ended		Twelve months ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>The Group</b>				
Major components of tax expense and zakat:				
Current tax expense	464,727	804,271	1,570,336	1,808,962
Deferred tax income	(177,132)	(416,823)	(129,838)	(271,053)
Under/(over) provision in prior years	23,908	5,337	75,455	(3,695)
	<b>311,503</b>	<b>392,785</b>	<b>1,515,953</b>	<b>1,534,214</b>
Zakat	1,400	1,655	3,700	3,100
	<b>312,903</b>	<b>394,440</b>	<b>1,519,653</b>	<b>1,537,314</b>
<b>Reconciliation</b>				
Profit before taxation and zakat	1,079,002	1,512,213	5,974,840	7,200,667
Less: Share of results of joint venture	(2,296)	(7,414)	(31,401)	(30,678)
Share of results of associates	1,540	(8)	751	(3,576)
	<b>1,078,246</b>	<b>1,504,791</b>	<b>5,944,190</b>	<b>7,166,413</b>
Tax at statutory income tax rate of 24%	258,779	361,150	1,426,606	1,719,939
Effect of different tax rates in other countries and change in tax rates	(23,288)	(41,706)	(148,172)	(131,327)
Due to expenses not deductible for tax purposes and income not subject to income tax	52,104	68,004	162,064	(50,703)
Under/(over) provision in prior years	23,908	5,337	75,455	(3,695)
Tax expenses	<b>311,503</b>	<b>392,785</b>	<b>1,515,953</b>	<b>1,534,214</b>
<b>The Company</b>				
Major components of tax expense:				
Current tax expense	2,407	3,045	5,186	6,953
Deferred tax expense	3	7	3	13
Under/(over) provision in prior years	-	2	(97)	2
	<b>2,410</b>	<b>3,054</b>	<b>5,092</b>	<b>6,968</b>
<b>Reconciliation</b>				
(Loss)/profit before taxation	(28,490)	85,504	2,789,075	2,479,891
Tax at statutory income tax rate of 24%	(6,838)	20,521	669,378	595,174
Due to expenses not deductible for tax purposes and income not subject to income tax	9,248	(17,469)	(664,189)	(588,208)
Under/(over) provision in prior years	-	2	(97)	2
Tax expenses	<b>2,410</b>	<b>3,054</b>	<b>5,092</b>	<b>6,968</b>

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

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

### B5. BORROWINGS AND DEBT SECURITIES

	The Group	
	31 December 2019 RM'000	31 December 2018 RM'000
<b>(i) Bonds, sukuk and debentures</b>		
<b>Unsecured</b>		
One year or less (short term)		
- USD	4,010,304	-
- AUD	-	294,339
- IDR	496,389	457,161
- THB	948,842	385,540
- HKD	373,343	812,232
- CNY	-	154,843
More than one year (medium/long term)		
- USD	2,871,993	5,976,483
- RM	4,031,257	4,112,392
- HKD	3,363,256	457,700
- IDR	1,756,424	1,064,491
- THB	380,902	-
	<b>18,232,710</b>	<b>13,715,181</b>

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

	The Group		The Company	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>(ii) Other borrowing</b>				
<b>Unsecured</b>				
One year or less (short term)				
- USD	1,855,858	990,170	-	-
- RM	300,527	350,856	451,012	350,856
- IDR	590,194	31,315	-	-
- HKD	297,525	-	-	-
- THB	-	95,530	-	-
More than one year (medium/long term)				
- RM	3,729,315	3,027,671	3,754,319	3,002,670
- USD	3,492,771	4,791,356	-	-
- IDR	192,052	19,742	-	-
	<b>10,458,242</b>	<b>9,306,640</b>	<b>4,205,331</b>	<b>3,353,526</b>
<b>(iii) Subordinated obligations</b>				
<b>Unsecured</b>				
One year or less (short term)				
- RM	5,635,500	2,080,940	2,611,517	1,380,276
- IDR	473,100	-	-	-
More than one year (medium/long term)				
- RM	7,368,793	10,901,292	7,653,711	8,461,535
- IDR	43,476	500,040	-	-
	<b>13,520,869</b>	<b>13,482,272</b>	<b>10,265,228</b>	<b>9,841,811</b>

**B6. MATERIAL LITIGATION**

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

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

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

	The Group			
	4th quarter ended		Twelve months ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Net profit for the financial period after non-controlling interests	848,641	1,117,135	4,559,656	5,583,510
Weighted average number of ordinary shares in issue ('000)	9,844,322	9,512,630	9,705,987	9,356,695
Basic earnings per share (expressed in sen per share)	8.56	11.67	46.98	59.67

**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.