

CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Note	The Group		The Company	
		30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
ASSETS					
Cash and short-term funds	A8	44,294,028	39,563,368	583,035	344,603
Reverse repurchase agreements		6,098,996	6,832,920	-	-
Deposits and placements with banks and other financial institutions	A8	4,471,068	3,562,564	18,041	-
Financial investments at fair value through profit or loss	A9	46,466,812	42,713,133	-	-
Debt instruments at fair value through other comprehensive income	A10	58,323,426	47,725,782	2,188,927	3,246,974
Equity instruments at fair value through other comprehensive income	A11	324,744	308,971	-	-
Debt instruments at amortised cost	A12	56,046,609	56,128,085	6,697,516	6,701,694
Derivative financial instruments	A26	16,547,028	16,008,365	-	-
Loans, advances and financing	A13	359,127,053	353,915,966	-	-
Other assets	A14	14,753,349	14,103,938	84,402	83,516
Tax recoverable		268,223	714,620	185,371	184,023
Deferred tax assets		1,504,411	1,039,057	-	-
Statutory deposits with central banks		4,189,049	4,411,589	-	-
Amount due from a subsidiary		-	-	16	12
Investment in subsidiaries		-	-	32,591,854	32,468,575
Investment in associates and joint ventures		3,746,428	2,496,523	-	-
Property, plant and equipment		2,243,750	2,366,359	4,130	4,573
Right-of-use assets		637,117	669,221	594	603
Investment properties		34,000	41,000	351	363
Goodwill		6,442,900	7,758,423	-	-
Intangible assets		1,852,193	1,986,610	-	-
		627,371,184	602,346,494	42,354,237	43,034,936
Non-current assets held for sale		4,206	8,405	-	-
TOTAL ASSETS		627,375,390	602,354,899	42,354,237	43,034,936
LIABILITIES AND EQUITY					
Deposits from customers	A15	426,201,660	403,050,637	-	-
Investment accounts of customers	A16	7,273,574	2,678,870	-	-
Deposits and placements of banks and other financial institutions	A17	31,368,686	31,791,245	-	-
Repurchase agreements/Collateralised commodity murabahah		24,706,006	28,146,581	-	-
Financial liabilities designated at fair value through profit or loss	A18	2,940,851	4,016,930	-	-
Derivative financial instruments	A26	14,886,773	16,340,770	-	-
Bills and acceptances payable		2,129,363	2,209,716	-	-
Other liabilities	A19	22,591,941	18,456,349	14,701	6,647
Lease liabilities		516,853	543,224	-	-
Recourse obligation on loans and financing sold to Cagamas		1,820,089	2,110,668	-	-
Amount due to subsidiaries		-	-	1,725	427
Provision for taxation and zakat		215,533	120,999	-	-
Deferred tax liabilities		43,912	35,881	227	374
Bonds, Sukuk and debentures	B5(i)	14,587,655	12,463,964	-	-
Other borrowings	B5(ii)	8,070,812	10,405,959	4,723,880	4,708,893
Subordinated obligations	B5(iii)	10,512,393	12,808,510	9,971,478	10,916,708
		567,866,101	545,180,303	14,712,011	15,633,049
Non-current liabilities held for sale		68	474	-	-
TOTAL LIABILITIES		567,866,169	545,180,777	14,712,011	15,633,049
Ordinary share capital		26,210,504	25,843,808	26,210,504	25,843,808
Reserves		32,074,625	30,082,439	1,431,765	1,558,122
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(43)	(43)	(43)
		58,284,523	55,925,641	27,642,226	27,401,887
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		1,024,698	1,048,481	-	-
TOTAL EQUITY		59,509,221	57,174,122	27,642,226	27,401,887
TOTAL EQUITY AND LIABILITIES		627,375,390	602,354,899	42,354,237	43,034,936
COMMITMENTS AND CONTINGENCIES	A27 (a)	1,251,883,831	1,123,995,768	-	-
Net assets per share attributable to owners of the Parent (RM)		5.82	5.64	2.76	2.76

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Note	The Group			
		3rd quarter ended		Nine months ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	3,922,019	4,117,154	11,707,967	13,320,284
Interest income for financial assets at fair value through profit or loss	A20(b)	141,857	129,951	427,072	510,329
Interest expense	A21, A32	<u>(1,293,195)</u>	<u>(1,733,206)</u>	<u>(3,936,678)</u>	<u>(6,141,254)</u>
Net interest income (before modification loss)		2,770,681	2,513,899	8,198,361	7,689,359
Modification loss	A22	<u>(43,805)</u>	<u>(11,868)</u>	<u>(50,704)</u>	<u>(224,134)</u>
Net interest income (after modification loss)		2,726,876	2,502,031	8,147,657	7,465,225
Income from Islamic Banking operations	A31(c), A32	845,604	803,830	2,617,901	2,109,421
Net non-interest income	A23	<u>820,931</u>	<u>1,108,524</u>	<u>3,002,826</u>	<u>2,747,516</u>
		4,393,411	4,414,385	13,768,384	12,322,162
Gain on disposal and deemed disposal of subsidiaries and joint venture	A5	<u>2,344</u>	<u>-</u>	<u>1,157,893</u>	<u>-</u>
		4,395,755	4,414,385	14,926,277	12,322,162
Overheads	A24, A32	<u>(2,266,769)</u>	<u>(2,154,744)</u>	<u>(6,960,105)</u>	<u>(6,497,068)</u>
Profit before expected credit losses		2,128,986	2,259,641	7,966,172	5,825,094
Expected credit losses on loans, advances and financing	A25(a)	<u>(528,579)</u>	<u>(1,520,337)</u>	<u>(1,896,469)</u>	<u>(3,957,769)</u>
Expected credit losses made for commitments and contingencies		(44,100)	(65,060)	(41,996)	(116,182)
Other expected credit losses and impairment allowances made	A25(b)	<u>(17,128)</u>	<u>(255,343)</u>	<u>(71,252)</u>	<u>(467,681)</u>
Impairment of goodwill	A25(c)	<u>(1,215,197)</u>	<u>-</u>	<u>(1,215,197)</u>	<u>-</u>
		323,982	418,901	4,741,258	1,283,462
Share of results of joint ventures		8,679	34,889	67,006	80,971
Share of results of associates		<u>133</u>	<u>208</u>	<u>(35)</u>	<u>(86)</u>
Profit before taxation and zakat		332,794	453,998	4,808,229	1,364,347
Taxation and zakat	B3	<u>(407,981)</u>	<u>(274,925)</u>	<u>(1,297,285)</u>	<u>(413,580)</u>
(Loss)/profit for the financial period		<u>(75,187)</u>	<u>179,073</u>	<u>3,510,944</u>	<u>950,767</u>
(Loss)/profit for the financial period attributable to :					
Owners of the Parent		(100,593)	194,444	3,440,823	979,448
Non-controlling interests		<u>25,406</u>	<u>(15,371)</u>	<u>70,121</u>	<u>(28,681)</u>
		<u>(75,187)</u>	<u>179,073</u>	<u>3,510,944</u>	<u>950,767</u>
Earnings per share (sen):					
- Basic	B7(a)	(1.07)	1.96	34.49	9.87
- Fully diluted	B7(b)	N/A	N/A	N/A	N/A

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CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2021

	The Group			
	3rd quarter ended		Nine months ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
(Loss)/profit for the financial period	(75,187)	179,073	3,510,944	950,767
Other comprehensive expense:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation	1,548	2,588	1,925	1,812
- Actuarial gain/(loss)	81	50	(852)	(230)
- Currency translation difference	1,467	2,538	2,777	2,042
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(6,563)	(9,400)	(46,307)	(6,922)
- Net loss from change in fair value attributable to own credit risk	(9,810)	(9,220)	(49,941)	(6,777)
- Currency translation difference	3,247	(180)	3,634	(145)
Equity instruments at fair value through other comprehensive income	12,521	3,317	26,163	(40,386)
- Net gain/(loss) from change in fair value	12,310	(1,002)	31,061	(40,210)
- Income tax effects	(72)	168	(3,157)	(256)
- Currency translation difference	283	4,151	(1,741)	80
	7,506	(3,495)	(18,219)	(45,496)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(117,795)	148,952	(880,716)	28,266
- Net (loss)/gain from change in fair value	(35,935)	321,840	(621,801)	395,425
- Realised gain transferred to statement of income on disposal	(156,602)	(156,797)	(443,082)	(377,458)
- Changes in expected credit losses	1,368	29,086	(18,876)	43,456
- Income tax effects	70,228	(45,347)	197,166	(33,543)
- Currency translation difference	3,146	170	5,877	386
Net investment hedge	(26,981)	145,199	(193,695)	(82,935)
Hedging reserve - cash flow hedge	(14,722)	3,560	(13,939)	6,362
- Net (loss)/gain from change in fair value	(17,868)	3,574	(16,844)	7,661
- Income tax effects	3,146	(14)	2,905	(1,299)
Deferred hedging cost	47,422	11,613	68,037	5,222
- Net gain from change in fair value	50,383	11,903	72,772	4,553
- Income tax effects	(2,961)	(290)	(4,735)	669
Exchange fluctuation reserve	(1,077)	(1,545,416)	64,742	(880,218)
Share of other comprehensive expense of associates and joint ventures	(9,643)	(20,919)	(11,671)	(18,062)
	(122,796)	(1,257,011)	(967,242)	(941,365)
Total other comprehensive expense for the financial period, net of tax	(115,290)	(1,260,506)	(985,461)	(986,861)
Total comprehensive (expense)/income for the financial period	(190,477)	(1,081,433)	2,525,483	(36,094)
Total comprehensive (expense)/income for the financial period attributable to:				
Owners of the Parent	(220,863)	(998,110)	2,477,775	41,358
Non-controlling interests	30,386	(83,323)	47,708	(77,452)
	(190,477)	(1,081,433)	2,525,483	(36,094)

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

CIMB GROUP HOLDINGS BERHAD
 (Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Note	The Company			
		3rd quarter ended		Nine months ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	96,348	111,311	309,508	332,122
Interest expense	A21	(141,541)	(156,421)	(442,753)	(480,908)
Net interest expense		(45,193)	(45,110)	(133,245)	(148,786)
Net non-interest income	A23	531,962	464,684	584,277	1,760,733
Overheads	A24	486,769 (11,030)	419,574 (6,567)	451,032 (25,531)	1,611,947 (14,216)
Profit before expected credit losses		475,739	413,007	425,501	1,597,731
Other expected credit losses and impairment allowances written back/(made)	A25(b)	6,238	15,269	(13,798)	13,594
Profit before taxation		481,977	428,276	411,703	1,611,325
Taxation	B3	452	(1,478)	530	(5,498)
Profit for the financial period		482,429	426,798	412,233	1,605,827

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	The Company			
	3rd quarter ended		Nine months ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	482,429	426,798	412,233	1,605,827
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	(13,076)	1,506	(80,899)	9,405
- Net (loss)/gain from change in fair value	(11,630)	5,809	(78,046)	13,335
- Changes in expected credit losses	(1,446)	(4,303)	(2,853)	(3,930)
Other comprehensive (expense)/income	(13,076)	1,506	(80,899)	9,405
Total comprehensive income for the financial period	469,353	428,304	331,334	1,615,232

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

Attributable to owners of the Parent

The Group
30 September 2021

	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								
At 1 January 2021	25,843,808	148,117	207,419	421,265	(563)	(43)	465,293	(248,084)	(1,171,120)	75,612	233,441	29,950,496	55,925,641	200,000	1,048,481	57,174,122
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	3,440,823	3,440,823	-	70,121	3,510,944
Other comprehensive (expense)/income (net of tax)	-	(25)	-	60,018	-	-	(864,458)	25,860	(184,677)	240	(6)	-	(963,048)	-	(22,413)	(985,461)
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	(864,461)	-	-	-	-	-	(864,461)	-	(16,255)	(880,716)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	25,860	-	-	-	-	25,860	-	303	26,163
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	(43,913)	-	-	-	(43,913)	-	(2,394)	(46,307)
- net investment hedge	-	-	-	-	-	-	-	-	(193,695)	-	-	-	(193,695)	-	-	(193,695)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(13,369)	-	-	-	(13,369)	-	(570)	(13,939)
- deferred hedging cost	-	-	-	-	-	-	-	-	68,037	-	-	-	68,037	-	-	68,037
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	1,769	-	-	-	1,769	-	156	1,925
- currency translation difference	-	-	-	70,101	-	-	-	-	(1,947)	241	-	-	68,395	-	(3,653)	64,742
- share of other comprehensive (expense)/income of associates and joint ventures	-	(25)	-	(10,083)	-	-	3	-	(1,559)	(1)	(6)	-	(11,671)	-	-	(11,671)
Total comprehensive (expense)/income for the financial period	-	(25)	-	60,018	-	-	(864,458)	25,860	(184,677)	240	(6)	3,440,823	2,477,775	-	47,708	2,525,483
Dividend for the financial year ended 31 December 2020	-	-	-	-	-	-	-	-	-	-	-	(477,295)	(477,295)	-	-	(477,295)
- single tier interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(24,609)	(24,609)
Transfer to statutory reserve	-	4,959	-	-	-	-	-	-	-	-	-	(4,959)	-	-	-	-
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	-	(215,732)	215,732	-	-	-	-
Disposal and deemed disposal of subsidiaries	-	-	-	(24,821)	-	-	-	-	-	(2,858)	-	-	(27,679)	-	(46,890)	(74,569)
Net Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	62	62
Share-based payment expense	-	-	-	-	-	-	-	-	-	60,636	-	-	60,636	-	-	60,636
Shares released under employee benefit schemes	-	-	-	-	-	-	-	-	45,489	(58,463)	-	-	(12,974)	-	(54)	(13,028)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(28,277)	-	-	-	(28,277)	-	-	(28,277)
Issuance of shares through dividend reinvestment scheme	366,696	-	-	-	-	-	-	-	-	-	-	-	366,696	-	-	366,696
At 30 September 2021	26,210,504	153,051	207,419	456,462	(563)	(43)	(399,165)	(222,224)	(1,338,585)	75,167	17,703	33,124,797	58,284,523	200,000	1,024,698	59,509,221

* The regulatory reserve is maintained to meet the local regulatory requirement of the foreign branch's general provision and the Malaysian subsidiary of the Group.

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

← Attributable to owners of the Parent →

The Group
30 September 2020

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

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020

CIMB GROUP HOLDINGS BERHAD
 (Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2021

	← Non-distributable →				Distributable		
	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	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000
The Company							
At 1 January 2021	25,843,808	55,982	(43)	103,514	-	1,398,626	27,401,887
Profit for the financial period	-	-	-	-	-	412,233	412,233
Other comprehensive expense (net of tax)	-	-	-	(80,899)	-	-	(80,899)
- Debt instruments at fair value through other comprehensive income	-	-	-	(80,899)	-	-	(80,899)
Total comprehensive expense for the financial period	-	-	-	(80,899)	-	412,233	331,334
Dividend for the financial year ended 31 December 2020	-	-	-	-	-	(477,295)	(477,295)
- single tier interim dividend	-	-	-	-	-	(477,295)	(477,295)
Issuance of shares through dividend reinvestment scheme	366,696	-	-	-	-	-	366,696
Capital contribution to subsidiaries	-	-	-	-	19,604	-	19,604
At 30 September 2021	26,210,504	55,982	(43)	22,615	19,604	1,333,564	27,642,226

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

CIMB GROUP HOLDINGS BERHAD
(Company Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	The Group		The Company	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Profit before taxation and zakat	4,808,229	1,364,347	411,703	1,611,325
Adjustments for non-operating and non-cash items	565,290	3,327,026	(433,549)	(1,619,143)
Operating profit before changes in working capital	5,373,519	4,691,373	(21,846)	(7,818)
Net changes in operating assets	(13,373,205)	4,562,959	(134)	109,114
Net changes in operating liabilities	27,284,327	30,592,201	67,372	8,629
	13,911,122	35,155,160	67,238	117,743
Cash flows generated from operations	19,284,641	39,846,533	45,392	109,925
Taxation paid	(1,026,752)	(728,731)	(966)	(2,597)
Net cash flows generated from operating activities	18,257,889	39,117,802	44,426	107,328
Cash flows from investing activities				
Dividend income from subsidiaries	-	-	582,565	1,760,104
Interest income received from financial investments	2,630,320	2,069,363	275,001	197,801
Net (purchase)/proceed from disposal of financial investments	(12,330,486)	(27,658,995)	1,000,000	-
Net purchase of property, plant and equipment	(202,335)	(567,361)	(110)	-
Net purchase of intangible assets	(309,847)	(154,352)	-	-
Other investing activities	(37,971)	108,887	(103,674)	(315,799)
Net cash flows (used in)/generated from investing activities	(10,250,319)	(26,202,458)	1,753,782	1,642,106
Cash flows from financing activities				
Dividend paid to shareholders	(110,599)	(1,190,756)	(110,599)	(1,190,756)
Interest paid on bonds, Sukuk and debentures	(162,928)	(597,365)	-	-
Interest paid on subordinated obligations	(265,055)	(353,150)	(341,790)	(298,731)
Interest paid on term loan facility and other borrowings	(110,102)	(176,520)	(53,690)	(67,107)
Proceeds from issuance of bonds, Sukuk and debentures	3,236,340	293,341	-	-
Proceeds from issuance of subordinated obligations	440,000	-	-	-
Proceeds from term loan facility and other borrowings	438,685	2,218,127	-	-
Redemption of bonds, Sukuk and debentures	(1,145,889)	(5,226,948)	-	-
Redemption of subordinated obligations	(2,920,215)	(531,312)	(1,005,879)	(608,977)
Repayment of term loan facility and other borrowings	(3,041,136)	(2,762,474)	-	-
Other financing activities	(517,454)	750,626	(30,430)	472,830
Net cash flows used in financing activities	(4,158,353)	(7,576,431)	(1,542,388)	(1,692,741)
Net increase in cash and cash equivalents during the financial period	3,849,217	5,338,913	255,820	56,693
Effects of exchange rate changes	372,665	(493,135)	-	-
Cash and cash equivalents at beginning of the financial period	41,194,144	37,765,092	344,603	370,546
	45,416,026	42,610,870	600,423	427,239
Monies held in trust	(637,444)	(834,056)	-	-
Cash and cash equivalents at end of the financial period	44,778,582	41,776,814	600,423	427,239
Cash and cash equivalents comprise:				
Cash and short-term funds	44,294,028	38,937,618	583,035	410,152
Deposits and placements with banks and other financial institutions	4,471,068	7,620,541	18,041	17,725
	48,765,096	46,558,159	601,076	427,877
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(3,349,070)	(3,947,289)	(653)	(638)
Monies held in trust	(637,444)	(834,056)	-	-
Cash and cash equivalents at end of financial period	44,778,582	41,776,814	600,423	427,239

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

(a) The unaudited condensed interim financial statements for the financial period ended 30 September 2021 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 2020. 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 2020.

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 2020, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2021:

- Amendments to MFRS 16 “COVID-19 Related Rent Concessions” (1 June 2020)
- Interest rate benchmark reform-Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)(1 January 2021)

The adoption of the above amendments to published standards did not give rise to material financial impact to the Group’s financial statements.

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

(b) The financial statements have been prepared against the backdrop of the ongoing Covid-19 pandemic. The beginning of the year saw a resurgence of Covid-19 cases which led to several countries implementing lockdown measures. As a consequence, economic activity across the region was disrupted. Throughout this period, many financial institutions have provided economic stimulus and loan repayment programs and central banks have implemented fiscal measures to address market disruptions. More recently, with lower case numbers and higher vaccination rates, economies in the region are gradually opening up. However, economic headwinds have not fully abated, and with continuing uncertainties prevailing economic recovery regionally and globally is expected to be uneven.

The Group has supported its customers impacted by the economic downturn over the past year and continues to provide targeted assistance programs, as well as continuously monitor the extent of the impact of the Covid-19 pandemic as the potential disruption and speed of recovery remain uncertain.

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the financial period ended 30 September 2021:-

(a) On 5 March 2021, the Company announced that it will seek its shareholders' approval at its 64th 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 15 April 2021.

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

(c) On 27 April 2021, CIMB Bank issued USD20.0 million 5-year fixed rate notes under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 1.60% per annum payable semi-annually, will mature on 27 April 2026 (subject to adjustment in accordance with the modified following business day convention).

(d) On 5 May 2021, CIMB Bank issued HKD610 million 3-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 0.88% per annum payable annually, will mature on 5 May 2024 (subject to adjustment in accordance with the modified following business day convention).

(e) On 9 May 2021, CIMB Bank has redeemed its HKD874 million 4-years senior fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.

(f) On 25 May 2021, CIMBGH redeemed its existing RM1.0 billion Additional Tier 1 Capital securities issued from the RM10 billion AT1 Capital Securities Programme on the first optional redemption date.

(g) On 25 May 2021, CIMB Bank redeemed its existing RM1.0 billion Additional Tier 1 Capital securities issued from the RM10 billion AT1 Capital Securities Programme on the first optional redemption date.

(h) On 12 July 2021, CIMB Thai exercised its option to early redeem the RM570 million Basel III compliant Tier 2 subordinated notes on its first call date.

(i) On 12 July 2021, CIMB Thai issued RM660 million Basel III compliant Tier 2 subordinated notes. The subordinated notes carry fixed interest rate of 3.90% per annum payable every six months. The subordinated notes will mature on 11 July 2031. 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")

(j) On 21 July 2021, CIMB Bank Berhad issued USD20.0 million 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 1.35% per annum payable semi-annually, will mature on 21 July 2026 (subject to adjustment in accordance with the modified following business day convention).

(k) On 23 July 2021, Ziya Capital Bhd ("Ziya"), an Islamic special purpose vehicle consolidated by CIMB Islamic Bank, has fully redeemed its Sukuk amounting to RM186.0 million.

(l) On 27 July 2021, CIMB Bank Berhad issued HKD640.0 million 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 1.12% per annum payable annually, will mature on 17 July 2026 (subject to adjustment in accordance with the modified following business day convention).

(m) On 4 August 2021, CIMB Bank Berhad issued HKD128.0 million fixed rate notes ("the Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014 and the Notes were consolidated to form a single series with the existing HKD640.0 million 1.12% fixed rate notes issued on 27 July 2021. The Notes, which bear a coupon rate of 1.12% per annum payable annually, will mature on 17 July 2026 (subject to adjustment in accordance with the modified following business day convention).

(n) On 9 August 2021, CIMB Bank redeemed its existing RM1.35 billion Tier 2 Subordinated Debt issued from the RM10.0 billion Tier 2 Subordinated Debt Programme on the first call date.

(o) On 9 August 2021, CIMB Bank redeemed its existing RM150 million Tier 2 Subordinated Debt issued from the RM5.0 billion Tier 2 Subordinated Debt Programme on the first call date.

(p) On 3 September 2021, CIMB Bank PLC redeemed its existing USD7 million subordinated loan on its call date.

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

(q) On 3 September 2021, CIMB Bank PLC issued USD7 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 at a fixed rate of 2.74% 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.

(r) On 21 September 2021, CIMB Islamic redeemed its existing RM10 million Tier 2 Junior Sukuk issued from the RM5.0 billion Tier 2 Junior Sukuk Programme on the first call date.

A4. DIVIDENDS PAID AND PROPOSED

A single-tier interim dividend of 4.81 sen per ordinary share, on 9,922,966,350 ordinary shares amounting to RM477,294,681 in respect of the financial year ended 31 December 2020 was approved by the Board of Directors on 24 February 2021. The dividend consists of an electible portion of 4.81 sen which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Scheme ("DRS"). Following the completion of DRS, a total cash dividend of RM110,599,172 was paid on 22 April 2021.

A single-tier interim dividend of 10.44 sen per ordinary share, on 10,014,184,139 ordinary shares amounting to RM1,045,480,824 in respect of the financial year ending 31 December 2021 was approved by the Board of Directors on 24 August 2021. The dividend consists of an electible portion of 10.44 sen which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Scheme ("DRS"). Following the completion of DRS, a total cash dividend of RM156,303,386 was paid on 27 October 2021.

A5. STATUS OF CORPORATE PROPOSAL

(a) On 27 January 2021, Bow Wave Capital Management ("Bow Wave"), a New York-based investment firm had completed the subscription of new ordinary shares in TNGD, a subsidiary of TnG. Following the investment by Bow Wave, TNG's shareholding in TNGD will dilute from 51.0% to approximately 47.0%. Consequently, TnGD will cease to become a subsidiary of TnG and cease to become an indirect subsidiary of the Group.

On 30 July 2021, AIA Berhad ("AIA") had completed the subscription of new ordinary shares in TNGD. Following the investment by AIA, TnG's shareholding in TNGD has further diluted from 47.0% to 46.1%

(b) On 4 February 2021, CIMB Group Sdn Bhd ("CIMBG"), a direct subsidiary of CIMBGH, has completed its disposal of 100% equity interest in CIMB Southeast Asia Research Sdn Bhd ("CARI").

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

A6. EVENTS DURING THE REPORTING PERIOD

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

A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There is no significant events that had occurred between 30 September 2021 and the date of this announcement.

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

As at 30 September 2021, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM2,490,000 (2020: RM2,357,000) and RM399,000 (2020: RM78,000) respectively. The 12-month expected credit losses written back in the income statement during the financial period is amounting to RM2,084,000 (2020: RM6,409,000).

A9. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	30 September 2021	31 December 2020
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	1,721,833	1,653,243
Cagamas bonds	948,843	862,050
Khazanah bonds	63,023	62,457
Malaysian Government treasury bills	541,965	289,567
Bank Negara Malaysia monetary notes	2,465,587	-
Negotiable instruments of deposit	3,904,068	2,650,577
Other Government securities	7,986,210	7,448,307
Government Investment Issues	1,666,873	1,113,392
Other Government treasury bills	12,077,981	12,082,414
Commercial papers	2,532,681	4,086,026
Promissory Notes	400,456	433,546
	34,309,520	30,681,579
Quoted securities:		
<i><u>In Malaysia:</u></i>		
Shares	1,133,504	1,161,338
<i><u>Outside Malaysia:</u></i>		
Shares	372,632	138,069
	1,506,136	1,299,407
Unquoted securities:		
<i><u>In Malaysia:</u></i>		
Corporate bond and Sukuk	3,047,298	1,956,881
Shares	993,695	959,488
Unit trusts	96,587	99,549
<i><u>Outside Malaysia:</u></i>		
Corporate bond	4,372,798	5,142,453
Shares	451	-
Private equity funds	184,871	266,273
Other Government bonds	1,955,456	2,307,503
	10,651,156	10,732,147
	46,466,812	42,713,133

A10. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Company	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Fair value				
Money market instruments:				
Unquoted				
Malaysian Government Securities	4,678,900	4,347,217	-	-
Cagamas bonds	161,693	212,655	-	-
Negotiable instruments of deposit	306,652	572,682	-	-
Other Government securities	3,945,479	3,609,745	-	-
Government investment Issues	5,559,303	2,863,367	-	-
Other Government treasury bills	16,672	-	-	-
Commercial Papers	24,933	41,866	-	-
	14,693,632	11,647,532	-	-
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bond and Sukuk	21,040,606	17,893,352	2,188,927	3,246,974
<i>Outside Malaysia:</i>				
Corporate bond and Sukuk	10,388,686	9,325,010	-	-
Bank Indonesia certificates	-	140,513	-	-
Other Government bonds	12,200,501	8,719,374	-	-
Unit trusts	1	1	-	-
	43,629,794	36,078,250	2,188,927	3,246,974
	58,323,426	47,725,782	2,188,927	3,246,974

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			Total RM'000
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	
	RM'000	RM'000	RM'000	
At 1 January 2021	40,076	24,223	20,849	85,148
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 2	(369)	369	-	-
Total charge to Income Statement:	2,870	(21,746)	-	(18,876)
New financial assets purchased	84,645	-	-	84,645
Financial assets that have been derecognised	(26,753)	(24,465)	-	(51,218)
Change in credit risk	(55,022)	2,719	-	(52,303)
Exchange fluctuation	13,620	454	-	14,074
At 30 September 2021	56,197	3,300	20,849	80,346
At 1 January 2020	27,447	179	21,030	48,656
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 1	(1)	1	-	-
Transferred to Stage 2	141	(141)	-	-
Transferred to Stage 2	(142)	142	-	-
Total charge to Income Statement:	12,808	25,495	(181)	38,122
New financial assets purchased	93,180	-	-	93,180
Financial assets that have been derecognised	(5,701)	(77)	-	(5,778)
Change in credit risk	(74,671)	25,572	(181)	(49,280)
Exchange fluctuation	(178)	(1,452)	-	(1,630)
At 31 December 2020	40,076	24,223	20,849	85,148

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

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

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

The Company

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	25,947	-	-	25,947
Total charge to Income Statement:	(2,853)	-	-	(2,853)
Change in credit risk	(2,853)	-	-	(2,853)
At 30 September 2021	23,094	-	-	23,094
At 1 January 2020	25,269	-	-	25,269
Total charge to Income Statement:	678	-	-	678
Change in credit risk	678	-	-	678
At 31 December 2020	25,947	-	-	25,947

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

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January/30 September 2021	20,849	20,849
At 1 January 2020	21,030	21,030
Other changes in debts instruments	(181)	(181)
At 31 December 2020	20,849	20,849

A11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group	
	30 September 2021 RM'000	31 December 2020 RM'000
Quoted securities		
<u>In Malaysia</u>		
Shares	32,159	30,745
<u>Outside Malaysia</u>		
Shares	2,181	2,012
Unit trust	5,380	5,178
	39,720	37,935
Unquoted securities		
<u>In Malaysia</u>		
Shares	264,860	252,380
Property funds	187	187
<u>Outside Malaysia</u>		
Shares	12,718	10,010
Private equity funds	7,259	8,459
	285,024	271,036
	324,744	308,971

A12. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Company	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Money market instruments:				
Unquoted				
Malaysian Government securities	7,038,485	7,143,519	-	-
Cagamas bonds	237,629	110,960	-	-
Other Government treasury bills	3,254,683	2,735,065	-	-
Other Government securities	1,962,746	2,240,121	-	-
Malaysian Government investment issue	16,255,892	15,739,078	-	-
Khazanah bonds	235,345	401,316	-	-
Negotiable instruments of deposit	201,895	193,005	-	-
	29,186,675	28,563,064	-	-
Unquoted securities				
<i>In Malaysia</i>				
Corporate bond and Sukuk	18,268,343	18,817,337	6,769,189	6,756,716
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	3,978,507	4,048,298	-	-
Bank Indonesia certificates	-	162,769	-	-
Other Government bonds	5,057,026	5,137,278	-	-
	27,303,876	28,165,682	6,769,189	6,756,716
Total	56,490,551	56,728,746	6,769,189	6,756,716
Amortisation of premium, net of accretion of discount	83,884	155,828	-	-
Less : Expected credit losses	(527,826)	(756,489)	(71,673)	(55,022)
	56,046,609	56,128,085	6,697,516	6,701,694

Expected credit losses movement for debt instruments at amortised cost:

	The Group			
	12-month expected credit losses	Lifetime expected credit losses - not credit impaired	Lifetime expected credit losses - Credit impaired	Total
	(Stage 1)	(Stage 2)	(Stage 3)	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	9,096	735,922	11,471	756,489
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 1	228	(228)	-	-
Transferred to Stage 2	(93)	93	-	-
Total charge to Income Statement:	1,896	66,594	-	68,490
New financial assets purchased	11,414	-	-	11,414
Financial assets that have been derecognised	(532)	-	-	(532)
Change in credit risk	(8,986)	66,594	-	57,608
Write-offs	-	-	(7,020)	(7,020)
Exchange fluctuation	39	-	87	126
Other movements	-	(290,259)	-	(290,259)
At 30 September 2021	11,166	512,122	4,538	527,826
At 1 January 2020	9,884	55,355	11,613	76,852
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 2	(5,430)	5,430	-	-
Total charge to Income Statement:	17,457	675,137	-	692,594
New financial assets purchased	6,581	-	-	6,581
Financial assets that have been derecognised	(287)	-	-	(287)
Change in credit risk	11,163	675,137	-	686,300
Exchange fluctuation	(12,815)	-	(142)	(12,957)
At 31 December 2020	9,096	735,922	11,471	756,489

A12. DEBT INSTRUMENTS AT AMORTISED COST (Continued)

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

	The Company				
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000	
	At 1 January 2021	55,022	-	-	55,022
	Total charge to Income Statement:	16,651	-	-	16,651
Change in credit risk	16,651	-	-	16,651	
At 30 September 2021	71,673	-	-	71,673	
At 1 January 2020	65,524	-	-	65,524	
Total charge to Income Statement:	(10,502)	-	-	(10,502)	
Change in credit risk	(10,502)	-	-	(10,502)	
At 31 December 2020	55,022	-	-	55,022	

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

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
	At 1 January 2021	11,471
Write-offs	(7,020)	(7,020)
Exchange fluctuation	87	87
At 30 September 2021	4,538	4,538
At 1 January 2020	11,613	11,613
Exchange fluctuation	(142)	(142)
At 31 December 2020	11,471	11,471

A13. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	30 September 2021	31 December 2020
	RM'000	RM'000
At amortised cost		
Overdrafts	4,882,009	4,861,624
Term loans/financing		
- Housing loans/financing	118,728,345	113,351,042
- Syndicated term loans	17,135,419	16,162,906
- Hire purchase receivables	23,382,930	24,285,568
- Lease receivables	161,422	182,150
- Factoring receivables	40,712	3,594
- Other term loans/financing	149,036,195	149,553,388
Bills receivable	8,365,547	7,062,222
Trust receipts	2,873,866	2,151,261
Claims on customers under acceptance credits	3,338,121	3,369,336
Staff loans *	1,668,115	1,559,344
Credit card receivables	7,842,105	8,402,871
Revolving credits	34,401,690	34,134,850
Share margin financing	63,778	54,010
Gross loans, advances and financing at amortised cost	371,920,254	365,134,166
Fair value changes arising from fair value hedges	(11,877)	6,497
	371,908,377	365,140,663
Less:		
- Expected credit losses	(13,220,671)	(11,934,932)
	(13,220,671)	(11,934,932)
Net loans, advances and financing at amortised cost	358,687,706	353,205,731
At fair value through profit or loss		
Term loans/financing		
- Syndicated term loan	439,347	710,235
	439,347	710,235
Total net loans, advances and financing	359,127,053	353,915,966
Total Gross loans, advances and financing:		
- At amortised cost	371,920,254	365,134,166
- At fair value through profit or loss	439,347	710,235
	372,359,601	365,844,401

* Included in staff loans of the Group are loans to Directors amounting to RM2,992,485 (2020: RM4,041,922).

(a) Included in the Group's loans, advances and financing balances are RM25,592,000 (2020: RM26,839,000) 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 RM1,367,076,000 (2020: RM392,508,000), using interest rate swaps.

(c) Included in the loans, advances and financing of the Group at 30 September 2021 are financing which are disclosed as "Restricted Agency Investment Account" ("RAIA") in the financial statements of CIMB Islamic amounting to RM8,795,706,000 (2020: RM5,030,980,000). RAIA arrangement is with CIMB Bank's wholly owned subsidiary, CIMB Islamic, and the contract is based on the Wakalah principle where CIMB Bank solely provide the funds, whilst the assets are managed by CIMB Islamic (as the Wakeel or agent). In the arrangement, CIMB Islamic has transferred substantially all the risk and rewards of ownership of the Investment (i.e the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and expected credit losses arising thereon, if any, are recognised and accounted for by CIMB Bank.

(ii) By type of customers

	The Group	
	30 September 2021	31 December 2020
	RM'000	RM'000
Domestic banking institutions	827,345	804,586
Domestic non-bank financial institutions		
- stockbroking companies	8,004	139,043
- others	5,414,260	5,956,144
Domestic business enterprises		
- small medium enterprises	50,647,848	49,710,154
- others	62,157,743	60,886,556
Government and statutory bodies	8,368,466	8,053,764
Individuals	194,672,776	190,815,561
Other domestic entities	11,495,370	9,950,233
Foreign entities	38,767,789	39,528,360
Gross loans, advances and financing	372,359,601	365,844,401

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

	The Group	
	30 September	31 December
	2021	2020
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	5,017,273	4,027,481
- Hire-purchase receivables	18,292,653	18,852,955
- Other fixed rate loans	39,949,991	36,132,877
Variable rate		
- BLR plus/BFR plus	127,221,285	129,644,383
- Cost plus	50,426,196	50,761,558
- Other variable rates	131,452,203	126,425,147
Gross loans, advances and financing	372,359,601	365,844,401

(iv) By economic purpose

	The Group	
	30 September	31 December
	2021	2020
	RM'000	RM'000
Personal use	21,633,593	20,851,531
Credit card	7,842,104	8,402,871
Purchase of consumer durables	193,283	154,415
Construction	14,592,623	14,813,140
Residential property (Housing)	119,153,837	114,174,338
Non-residential property	31,431,850	30,268,939
Purchase of fixed assets other than land and building	12,001,626	12,880,836
Mergers and acquisitions	3,460,594	3,089,307
Purchase of securities	24,138,483	24,712,110
Purchase of transport vehicles	23,366,077	24,262,083
Working capital	84,657,414	81,372,027
Other purposes	29,888,117	30,862,804
Gross loans, advances and financing	372,359,601	365,844,401

(v) By geographical distribution

	The Group	
	30 September	31 December
	2021	2020
	RM'000	RM'000
Malaysia	232,899,811	226,808,035
Indonesia	55,451,730	53,791,508
Thailand	30,842,084	34,193,244
Singapore	32,182,870	29,661,648
United Kingdom	4,594,095	4,887,590
Hong Kong	1,181,301	1,467,910
China	3,165,289	4,065,305
Other countries	12,042,421	10,969,161
Gross loans, advances and financing	372,359,601	365,844,401

(vi) By economic sector

	The Group	
	30 September	31 December
	2021	2020
	RM'000	RM'000
Primary agriculture	11,070,928	12,414,462
Mining and quarrying	5,246,678	4,727,278
Manufacturing	27,872,153	26,359,046
Electricity, gas and water supply	5,149,472	5,593,468
Construction	14,138,511	13,864,622
Transport, storage and communications	10,670,153	9,630,242
Education, health and others	16,743,845	15,890,873
Wholesale and retail trade, and restaurants and hotels	33,583,447	31,938,904
Finance, insurance/takaful, real estate and business activities	45,267,613	47,144,075
Household	183,359,926	179,953,874
Others	19,256,875	18,327,557
Gross loans, advances and financing	372,359,601	365,844,401

A13. LOANS, ADVANCES AND FINANCING (Continued)

(vii) By residual contractual maturity

	The Group	
	30 September 2021 RM'000	31 December 2020 RM'000
Within one year	88,354,784	84,796,499
One year to less than three years	25,128,779	31,196,200
Three years to less than five years	34,391,074	29,310,907
Five years and more	224,484,964	220,540,795
Gross loans, advances and financing	372,359,601	365,844,401

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

	The Group	
	30 September 2021 RM'000	31 December 2020 RM'000
Personal use	432,401	529,728
Credit card	230,175	141,049
Purchase of consumer durables	1,493	737
Construction	1,477,927	1,472,079
Residential property (Housing)	1,882,723	2,257,797
Non-residential property	495,484	544,050
Purchase of fixed assets other than land and building	1,204,457	1,170,038
Mergers and acquisitions	336,439	310,512
Purchase of securities	225,852	289,926
Purchase of transport vehicles	475,989	253,514
Working capital	4,988,875	5,231,998
Other purpose	822,897	825,631
Gross credit impaired loans, advances and financing	12,574,712	13,027,059

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

	The Group	
	30 September 2021 RM'000	31 December 2020 RM'000
Malaysia	4,507,463	5,586,430
Indonesia	4,956,578	4,090,533
Thailand	1,465,616	1,766,911
Singapore	1,446,153	1,424,273
United Kingdom	9,970	9,618
Hong Kong	2,563	3,167
China	11,883	15,311
Other countries	174,486	130,816
Gross credit impaired loans, advances and financing	12,574,712	13,027,059

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

	The Group	
	30 September 2021 RM'000	31 December 2020 RM'000
Primary agriculture	143,181	123,808
Mining and quarrying	731,724	765,199
Manufacturing	1,468,591	2,116,127
Electricity, gas and water supply	249,860	257,463
Construction	268,756	290,279
Transport, storage and communications	1,494,745	1,429,520
Education, health and others	198,608	210,998
Wholesale and retail trade, and restaurants and hotels	3,308,492	3,123,828
Finance, insurance/takaful, real estate and business activities	1,090,099	1,012,592
Household	2,880,521	3,252,921
Others	740,135	444,324
Gross credit impaired loans, advances and financing	12,574,712	13,027,059

A13. LOANS, ADVANCES AND FINANCING (Continued)

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

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
<u>Loans, advances and financing at amortised cost</u>					
At 1 January 2021	2,284,597	2,789,443	6,857,633	3,259	11,934,932
Changes in expected credit losses due to transfer within stages:	818,037	(794,013)	(24,024)	-	-
Transferred to Stage 1	1,402,093	(1,297,883)	(104,210)	-	-
Transferred to Stage 2	(575,965)	1,341,849	(765,884)	-	-
Transferred to Stage 3	(8,091)	(837,979)	846,070	-	-
Total charge to Income Statement:	(923,814)	1,552,892	1,731,263	-	2,360,341
New financial assets originated	639,601	470,497	84,846	-	1,194,944
Financial assets that have been derecognised	(333,807)	(835,750)	-	-	(1,169,557)
Writeback in respect of full recoveries	-	-	(164,234)	-	(164,234)
Change in credit risk	(1,229,608)	1,918,145	1,810,651	-	2,499,188
Write-offs	(711)	(1,119)	(1,177,698)	-	(1,179,528)
Disposal of loans, advances and financing	(533)	(386)	(385,144)	-	(386,063)
Exchange fluctuation	(10,960)	21,300	84,865	(250)	94,955
Other movements	5,167	356,242	34,625	-	396,034
At 30 September 2021	2,171,783	3,924,359	7,121,520	3,009	13,220,671

A13. LOANS, ADVANCES AND FINANCING (Continued)

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

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	The Group Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
<u>Loans, advances and financing at amortised cost</u>					
At 1 January 2020	1,905,723	1,814,592	5,436,768	2,748	9,159,831
Changes in expected credit losses due to transfer within stages:	(251,612)	(229,003)	480,615	-	-
Transferred to Stage 1	904,885	(757,647)	(147,238)	-	-
Transferred to Stage 2	(1,146,027)	1,595,287	(449,260)	-	-
Transferred to Stage 3	(10,470)	(1,066,643)	1,077,113	-	-
Total charge to Income Statement:	1,041,172	1,182,839	3,642,446	574	5,867,031
New financial assets originated	707,835	84,707	131,001	-	923,543
Financial assets that have been derecognised	(470,951)	(162,785)	-	-	(633,736)
Writeback in respect of full recoveries	-	-	(191,185)	-	(191,185)
Change in credit risk	804,288	1,260,917	3,702,630	574	5,768,409
Write-offs	(665)	(728)	(2,390,047)	-	(2,391,440)
Disposal of loans, advances and financing	-	-	(361,487)	-	(361,487)
Exchange fluctuation	(402,521)	21,922	(40,373)	(63)	(421,035)
Other movements	(7,500)	(179)	89,711	-	82,032
At 31 December 2020	2,284,597	2,789,443	6,857,633	3,259	11,934,932

Total ECL movements in 2020 is also affected by the changes in forward-looking economic inputs, increased weighting of a downside economic scenario and increased overlay provisions from estimated impacts of Covid-19 pandemic. For the period ended 30 September 2021, the overlays and post-model adjustments have been applied to determine a sufficient overall level of ECL. These overlays and post-model adjustments were taken to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact to delinquencies and defaults arising from the escalation of credit risk on certain segments of the targeted repayment assistance loans.

A13. LOANS, ADVANCES AND FINANCING (Continued)

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

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

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000
At 1 January 2021	13,019,243	7,816	13,027,059
Transfer within stages	1,585,073	-	1,585,073
New financial assets originated	243,979	-	243,979
Write-offs	(1,178,791)	-	(1,178,791)
Amount fully recovered	(687,796)	-	(687,796)
Other changes in loans, advances and financing	106,025	(48)	105,977
Disposal of loans, advances and financing	(588,450)	-	(588,450)
Exchange fluctuation	68,258	(598)	67,660
At 30 September 2021	12,567,541	7,170	12,574,711

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000
At 1 January 2020	11,335,824	8,024	11,343,848
Transfer within stages	5,621,052	-	5,621,052
New financial assets originated	449,831	-	449,831
Write-offs	(2,390,544)	-	(2,390,544)
Amount fully recovered	(681,932)	-	(681,932)
Other changes in loans, advances and financing	(893,801)	(28)	(893,829)
Disposal of loans, advances and financing	(431,602)	-	(431,602)
Exchange fluctuation	10,415	(180)	10,235
At 31 December 2020	13,019,243	7,816	13,027,059

	The Group	
	30 September 2021	31 December 2020
Ratio of credit impaired loans to total loans, advances and financing	3.38%	3.56%

A14. OTHER ASSETS

	The Group		The Company	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Due from brokers	9,284	16,498	-	-
Other debtors net of expected credit losses, deposits and prepayments	4,382,136	4,086,157	84,402	83,516
Settlement accounts	485,461	2,147,072	-	-
Treasury related receivables	2,802,168	1,206,091	-	-
Due from joint ventures	1,901,960	1,815,458	-	-
Structured financing	604,297	677,899	-	-
Foreclosed assets net of allowance for impairment losses	206,197	212,891	-	-
Collateral pledged for derivative transactions	4,361,846	3,916,392	-	-
Deferred consideration	-	25,480	-	-
	14,753,349	14,103,938	84,402	83,516

A15. DEPOSITS FROM CUSTOMERS

	The Group	
	30 September 2021 RM'000	31 December 2020 RM'000
<u>By type of deposit</u>		
Demand deposits	108,838,117	102,464,353
Savings deposits	73,443,868	66,289,180
Fixed deposits	158,032,391	156,085,535
Negotiable instruments of deposit	66,294	199,022
Others	85,820,990	78,012,547
	426,201,660	403,050,637
<u>By type of customer</u>		
Government and statutory bodies	14,163,525	13,374,541
Business enterprises	159,800,608	128,933,199
Individuals	173,625,260	182,755,722
Others	78,612,267	77,987,175
	426,201,660	403,050,637

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

Due within six months	128,024,082	130,126,679
Six months to less than one year	28,816,799	25,689,520
One year to less than three years	1,142,877	380,773
Three years to less than five years	114,927	87,585
	158,098,685	156,284,557

A16. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	30 September 2021 RM'000	31 December 2020 RM'000
Unrestricted investment accounts	7,273,574	2,678,870

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 September 2021	31 December 2020
	RM'000	RM'000
Licensed banks	25,234,415	25,865,604
Licensed finance companies	2,018,324	2,138,885
Licensed investment banks	294,961	23,761
Bank Negara Malaysia	1,048,031	671,953
Other financial institutions	2,772,955	3,091,042
	31,368,686	31,791,245

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

Due within six months	27,693,155	29,166,993
Six months to less than one year	1,198,683	1,806,872
One year to less than three years	1,282,408	-
Three years to less than five years	157,284	155,517
Five years and more	1,037,156	661,863
	31,368,686	31,791,245

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

	The Group	
	30 September 2021	31 December 2020
	RM'000	RM'000
Deposits from customers - structured investments	741,267	134,285
Debentures	1,898	1,072,150
Bills payables	2,197,686	2,810,495
	2,940,851	4,016,930

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

The carrying amount of financial liabilities designated at fair value of the Group at 30 September 2021 were RM25,431,000 lower (2020: RM479,000 higher) than the contractual amount at maturity for the structured investments, RM37,000 (2020: RM1,611,000) higher than the contractual amount at maturity for the debentures and RM379,801,000 (2020: RM520,836,000) higher than the contractual amount at maturity for the bills payable.

A19. OTHER LIABILITIES

	The Group		The Company	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Due to brokers	40,442	9,856	-	-
Expenditure payable	2,634,940	2,305,158	14,633	5,829
Provision for legal claims	56,013	52,069	-	-
Sundry creditors	1,397,905	1,266,006	68	818
Treasury related payables	3,789,409	2,957,041	-	-
Structured deposits	7,562,258	5,920,785	-	-
Post employment benefit obligations	487,484	492,882	-	-
Credit card expenditure payable	181,566	158,023	-	-
Collateral received for derivative transactions	3,267,257	2,888,876	-	-
Expected credit losses for loan commitments and financial guarantee contracts	(a) 712,733	668,621	-	-
Prepayment	522,271	694,863	-	-
Others	1,939,663	1,042,169	-	-
	22,591,941	18,456,349	14,701	6,647

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	
		Lifetime expected credit losses - Credit impaired (Stage 3) RM'000			
		Lifetime expected credit losses - Credit impaired (Stage 3) RM'000			
At 1 January 2021	364,382	137,978	166,261	668,621	
Changes in expected credit losses due to transfer within stages:	100,444	(83,639)	(16,805)	-	
Transferred to Stage 1	138,432	(123,663)	(14,769)	-	
Transferred to Stage 2	(37,765)	62,237	(24,472)	-	
Transferred to Stage 3	(223)	(22,213)	22,436	-	
Total charge to Income Statement:	(65,659)	105,175	2,480	41,996	
New exposures	161,234	5,930	2,837	170,001	
Exposures derecognised or matured	(98,058)	(23,738)	(2,095)	(123,891)	
Change in credit risk	(128,835)	122,983	1,738	(4,114)	
Exchange fluctuation	1,020	(2,583)	(6,842)	(8,405)	
Other movements	905	9,531	85	10,521	
At 30 September 2021	401,092	166,462	145,179	712,733	

	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	
		Lifetime expected credit losses - Credit impaired (Stage 3) RM'000			
		Lifetime expected credit losses - Credit impaired (Stage 3) RM'000			
At 1 January 2020	304,686	43,046	150,660	498,392	
Changes in expected credit losses due to transfer within stages:	19,652	(23,675)	4,023	-	
Transferred to Stage 1	131,745	(84,651)	(47,094)	-	
Transferred to Stage 2	(76,584)	93,955	(17,371)	-	
Transferred to Stage 3	(35,509)	(32,979)	68,488	-	
Total charge to Income Statement:	65,140	113,048	13,332	191,520	
New exposures	302,168	41,662	40,124	383,954	
Exposures derecognised or matured	(188,462)	(34,426)	(42,326)	(265,214)	
Change in credit risk	(48,566)	105,812	15,534	72,780	
Exchange fluctuation	(24,234)	7,776	(1,899)	(18,357)	
Other movements	(862)	(2,217)	145	(2,934)	
At 31 December 2020	364,382	137,978	166,261	668,621	

As at 30 September 2021, the gross exposures of loan commitments and financial guarantee contracts that are credit impaired is RM278,506,000 (2020: RM294,844,000).

A20(a). INTEREST INCOME

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Loans, advances and financing				
- Interest income	2,949,004	3,216,439	8,866,933	10,677,832
- Unwinding income [^]	43,099	25,122	118,695	139,175
Money at call and deposit placements with financial institutions	84,894	94,897	249,955	393,218
Reverse repurchase agreements	18,368	28,993	71,896	121,108
Debt instruments at fair value through other comprehensive income	483,402	376,272	1,348,604	931,613
Debt instruments at amortised cost	424,812	452,313	1,281,716	1,137,750
Equity instruments at fair value through other comprehensive income	-	-	-	1,266
Others	8,460	7,638	24,232	22,979
	4,012,039	4,201,674	11,962,031	13,424,941
Accretion of discounts, net of amortisation of premiums	(90,020)	(84,520)	(254,064)	(104,657)
	3,922,019	4,117,154	11,707,967	13,320,284
The Company				
Money at call and deposit placements with financial institutions	450	1,675	2,033	5,600
Debt instruments at fair value through other comprehensive income	26,163	33,776	100,519	100,592
Debt instruments at amortised cost	69,735	75,860	206,955	225,930
	96,348	111,311	309,507	332,122
Accretion of discounts, net of amortisation of premiums	-	-	1	-
	96,348	111,311	309,508	332,122

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

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

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Financial investments at fair value through profit or loss	159,749	150,853	486,003	439,250
Loan, advances and financing at fair value through profit or loss	3,819	7,720	11,485	25,468
	163,568	158,573	497,488	464,718
Accretion of discounts, net of amortisation of premiums	(21,711)	(28,622)	(70,416)	45,611
	141,857	129,951	427,072	510,329

A21. INTEREST EXPENSE

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits and placements of banks and other financial institutions	45,316	54,428	133,654	255,376
Deposits from customers	869,228	1,240,159	2,633,499	4,361,413
Repurchase agreements	78,114	68,291	230,370	205,500
Bonds, sukuk and debentures	71,627	83,781	212,430	354,741
Subordinated obligations	106,489	139,897	344,652	452,484
Financial liabilities designated at fair value through profit or loss	5,927	9,177	20,681	33,988
Negotiable certificates of deposits	1,773	912	7,009	13,194
Other borrowings	48,050	58,338	157,213	198,302
Recourse obligation on loan and financing sold to Cagamas	11,171	18,056	36,217	70,351
Structured deposits	47,981	51,439	135,248	163,906
Lease liabilities	4,898	6,131	15,897	21,222
Others	2,621	2,597	9,808	10,777
	1,293,195	1,733,206	3,936,678	6,141,254
The Company				
Subordinated obligations	108,096	121,820	343,646	372,521
Other borrowings	33,445	34,601	99,107	108,387
	141,541	156,421	442,753	480,908

A22. MODIFICATION LOSS

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

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

A23. NET NON-INTEREST INCOME

	3rd quarter ended		Nine months ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
The Group				
(a) Net fee income and commission income:				
Commissions	285,589	275,205	924,045	774,092
Fee on loans, advances and financing	98,207	98,780	330,689	301,097
Service charges and fees	88,377	139,427	275,751	422,289
Corporate advisory and arrangement fees	5,460	6,273	24,455	13,706
Guarantee fees	19,282	17,569	60,454	52,170
Other fee income	53,142	26,861	168,543	133,165
Placement fees	6,198	219	8,869	9,163
Underwriting commission	4,216	19,839	25,871	63,552
Fee and commission income	560,471	584,173	1,818,677	1,769,234
Fee and commission expense	(110,559)	(154,469)	(314,691)	(494,228)
Net fee and commission income	449,912	429,704	1,503,986	1,275,006
(b) Gross dividend income from:				
<i>In Malaysia</i>				
- Financial investments at fair value through profit or loss	14,758	23,784	47,290	50,056
- Equity instruments at fair value through other comprehensive income	-	1,232	1,000	1,232
<i>Outside Malaysia</i>				
- Equity instruments at fair value through other comprehensive income	180	218	1,311	1,080
	14,938	25,234	49,601	52,368
(c) Net (loss)/gain arising from financial investments at fair value through profit or loss	(133,239)	366,858	(856,320)	142,879
- realised	(799)	(22,518)	(163,414)	(185,896)
- unrealised	(132,440)	389,376	(692,906)	328,775
(d) Net gain/(loss) arising from derivative financial instruments	793,792	(586,682)	3,112,215	853,717
- realised	812,487	487,891	1,577,488	640,375
- unrealised	(18,695)	(1,074,573)	1,534,727	213,342
(e) Net gain/(loss) arising from financial liability designated at fair value through profit or loss	24,070	18,453	68,671	(106,019)
- realised	(3,550)	(98,622)	(114,671)	(88,262)
- unrealised	27,620	117,075	183,342	(17,757)
(f) Net gain/(loss) arising from hedging activities	2,719	(3,995)	7,190	(20,192)
(g) Net gain from sale of investment in debt instruments at fair value through other comprehensive income	144,005	115,177	385,859	279,588
(h) Net gain from redemption of debt instruments at amortised cost	-	-	7,020	-
Net gain arising from loans, advances and financing at				
(i) fair value through profit or loss:	1,635	373	2,282	939
- unrealised gain	1,635	373	2,282	939
(j) Income from assets management and securities services	6,444	4,213	18,384	11,058
(k) Brokerage income	405	685	1,406	2,098
(l) Other non-interest income:				
Foreign exchange (loss)/gain	(502,305)	679,720	(1,391,087)	118,772
Rental income	9,883	11,474	22,906	27,350
Gain on disposal of property, plant and equipment/ assets held for sale	3,694	7,123	10,052	17,753
Gain on disposal of loans, advances and financing	(1,303)	-	31,491	-
(Loss)/gain on disposal of foreclosed assets	(410)	5,718	(3,458)	4,854
Other non-operating income	6,691	34,469	32,628	87,345
	(483,750)	738,504	(1,297,468)	256,074
	820,931	1,108,524	3,002,826	2,747,516

A23. NET NON-INTEREST INCOME (CONTINUED)

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Company				
(a) Gross dividend income from:				
<u>In Malaysia</u>				
- Subsidiaries	531,745	465,000	582,565	1,760,104
(b) Other non-interest income:				
Foreign exchange gain/(loss)	109	(392)	471	311
Rental income	108	76	261	230
Other non-operating income	-	-	980	88
	217	(316)	1,712	629
	531,962	464,684	584,277	1,760,733

A24. OVERHEADS

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonus	1,059,361	1,020,142	3,181,222	3,121,856
- Pension cost	114,329	110,301	352,512	338,140
- Share-based expense ¹	14,584	-	19,531	-
- Overtime	3,183	3,790	10,571	14,976
- Staff incentives and other staff payments	76,487	68,027	303,817	197,904
- Medical expenses	18,925	18,299	59,984	64,418
- Others	35,380	63,059	144,401	187,998
	1,322,249	1,283,618	4,072,038	3,925,292
Establishment costs				
- Depreciation of property, plant and equipment	64,366	69,709	203,605	206,240
- Depreciation of right-of-use assets	57,663	62,538	174,150	191,668
- Amortisation of intangible assets	189,490	94,613	524,366	261,148
- Intangible assets written off	24,680	-	118,259	-
- Rental	49,561	36,502	152,342	109,367
- Repair and maintenance	167,247	137,165	512,730	433,548
- Outsourced services	3,633	31,973	26,838	74,487
- Security expenses	26,284	27,336	81,296	84,285
- Others	47,194	52,565	136,012	151,565
	630,118	512,401	1,929,598	1,512,308
Marketing expenses				
- Advertisement	38,177	21,209	91,797	133,251
- Others	8,499	5,118	17,407	28,410
	46,676	26,327	109,204	161,661
Administration and general expenses				
- Legal and professional fees	56,056	62,637	156,890	193,924
- Stationery	7,222	7,067	21,309	23,291
- Communication	20,991	35,358	64,600	121,112
- Incidental expenses on banking operations	8,803	8,419	30,463	31,352
- Insurance	18,646	1,595	56,000	34,736
- Others	156,008	217,322	520,003	493,392
	267,726	332,398	849,265	897,807
	2,266,769	2,154,744	6,960,105	6,497,068

¹ The long term incentive plan ("LTIP") was implemented by CIMBGH in June 2021. The LTIP awards ordinary shares and share options of the Company to eligible employees of the Group. The eligibility of participation in the LTIP shall be at the discretion of the LTIP Committee of CIMBGH, and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions.

A24. OVERHEADS (CONTINUED)

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Company				
Establishment costs				
- Depreciation of property, plant and equipment	147	149	443	451
- Depreciation of investment properties	5	5	14	14
- Depreciation of right-of-use assets	3	3	8	8
- Repair and maintenance	160	-	160	-
- Others	8	21	47	48
	323	178	672	521
Marketing expenses				
- Others	17	-	17	-
	17	-	17	-
Administration and general expenses				
- Legal and professional fees	2,159	1,849	8,044	3,073
- Communication	39	-	51	2
- Insurance	734	715	2,628	2,970
- Others	7,758	3,825	14,119	7,650
	10,690	6,389	24,842	13,695
	11,030	6,567	25,531	14,216

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

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses on loans, advances and financing at amortised cost	655,806	1,649,123	2,360,341	4,332,640
Credit impaired loans, advances and financing:				
- recovered	(128,844)	(133,550)	(470,407)	(384,330)
- written off	1,617	4,764	6,535	9,459
	528,579	1,520,337	1,896,469	3,957,769

A25(b). OTHER EXPECTED CREDIT LOSSES AND IMPAIRMENT ALLOWANCES

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Other expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	1,368	29,086	(18,876)	43,456
- Debt instrument at amortised cost	16,658	192,038	68,490	292,480
- Money at call and deposits and placements with banks and other financial institutions	308	(714)	(2,084)	(6,409)
Other impairment allowances made/(written back):				
- Other assets	9,699	34,933	23,722	138,154
- Intangible assets	(10,905)	-	-	-
	17,128	255,343	71,252	467,681
The Company				
Other expected credit losses and impairment allowances (written back)/made:				
- Debt instrument at fair value through other comprehensive income	(1,446)	(4,303)	(2,853)	(3,930)
- Debt instrument at amortised cost	(4,792)	(10,966)	16,651	(9,664)
	(6,238)	(15,269)	13,798	(13,594)

A25(c). IMPAIRMENT OF GOODWILL

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. As at 30 September 2021, a goodwill impairment indicator was triggered as the operation and earnings of CIMB Thai ("the CGU"), a subsidiary of CIMB Bank continue to be affected by the prolonged impact of the Covid-19 pandemic in Thailand. In addition, the CGU has also implemented a more focused strategy by reshaping its portfolio and has performed a review of its underperforming businesses. Annual impairment test was performed by comparing the estimated recoverable amount of CIMB Thai CGU carrying goodwill, determined by a Value In Use ("VIU") calculation, with its carrying amount. Cash flow projections were revised to reflect the change in strategy and current macroeconomic conditions whereas the discount rate increased to reflect the heightened country risk when determining the VIU. With the revisions in these assumptions and/or inputs, the impairment test resulted in a goodwill impairment of RM1,215 million. No asset other than goodwill was impaired.

The assumptions used in performing the annual impairment test have been updated to reflect budgeted earnings in 2022-2025 and a delay in the return to the pre-crisis levels of earnings and profitability.

The recoverable amount of CIMB Thai was based on its VIU, calculated based on financial budgets and business plans prepared by management that was updated to reflect the most recent developments as at the interim reporting date. In view of the uncertainty in the economic outlook as a result of Covid-19, the VIU estimated as at 30 September 2021 was based on the discounted cash flow ("DCF") method with multiple cash flow projections taking into consideration assumed probabilities of different future events and/or scenarios. In the annual impairment testing, management has considered using 3 scenarios to reflect a representative sample of possible outcomes, namely the best case scenario, base case scenario and worst case scenario. The best case scenario reflects the budgeted earnings without any hair cut to the cash flow projections, base case scenario with 10% hair-cut and worst case scenario with 20% hair-cut.

The goodwill impairment charge to the Group's Statements of Income is a non-cash item. The impairment charge will not have an impact to regulatory capital ratios and future earnings.

A26. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

	The Group		
	Principal amount	Fair values	
	RM'000	Assets RM'000	Liabilities RM'000
At 30 September 2021			
<u>Trading derivatives</u>			
<u>Foreign exchange derivatives</u>			
Currency forward	47,949,468	634,366	(518,703)
- Less than 1 year	44,399,126	597,832	(349,443)
- 1 year to 3 years	2,634,848	25,712	(94,734)
- More than 3 years	915,494	10,822	(74,526)
Currency swaps	516,933,420	7,763,336	(6,774,696)
- Less than 1 year	512,850,442	7,693,061	(6,743,224)
- 1 year to 3 years	3,956,200	68,612	(30,329)
- More than 3 years	126,778	1,663	(1,143)
Currency spot	5,266,812	9,216	(5,459)
- Less than 1 year	5,266,812	9,216	(5,459)
Currency options	10,426,432	142,915	(134,327)
- Less than 1 year	5,998,560	38,260	(51,587)
- 1 year to 3 years	3,244,720	76,186	(45,185)
- More than 3 years	1,183,152	28,469	(37,555)
Cross currency interest rate swaps	97,948,161	2,675,729	(3,066,867)
- Less than 1 year	28,817,775	527,497	(1,092,446)
- 1 year to 3 years	31,344,339	1,023,171	(756,389)
- More than 3 years	37,786,047	1,125,061	(1,218,032)
	678,524,293	11,225,562	(10,500,052)
<u>Interest rate derivative</u>			
Interest rate swaps	395,292,805	3,775,158	(3,180,649)
- Less than 1 year	144,194,866	298,823	(285,261)
- 1 year to 3 years	127,249,035	987,017	(1,002,394)
- More than 3 years	123,848,904	2,489,318	(1,892,994)
Interest rate futures	7,038,942	26,150	(5,218)
- Less than 1 year	4,547,230	25,609	(4,875)
- 1 year to 3 years	2,177,631	322	(271)
- More than 3 years	314,081	219	(72)
Interest rate options	421,670	-	-
- 1 year to 3 years	421,670	-	-
	402,753,417	3,801,308	(3,185,867)
<u>Equity related derivatives</u>			
Index futures	84,209	559	(802)
- Less than 1 year	84,209	559	(802)
Equity options	3,289,207	241,177	(96,455)
- Less than 1 year	3,101,684	234,380	(87,583)
- 1 year to 3 years	97,267	4,752	(6,827)
- More than 3 years	90,256	2,045	(2,045)
Equity swaps	367,588	33,149	(19,933)
- Less than 1 year	40,387	11,366	-
- 1 year to 3 years	156,713	20,762	(128)
- More than 3 years	170,488	1,021	(19,805)
	3,741,004	274,885	(117,190)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 30 September 2021	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Commodity related derivatives</u>			
Commodity swaps	1,315,806	105,002	(119,803)
- Less than 1 year	1,295,320	104,998	(118,528)
- 1 year to 3 years	20,486	4	(1,275)
Commodity futures	498,408	12,531	(41,590)
- Less than 1 year	498,408	12,531	(41,590)
Commodity options	1,862,666	397,123	(357,972)
- Less than 1 year	1,862,666	397,123	(357,972)
	3,676,880	514,656	(519,365)
<u>Credit related contract</u>			
Credit default swaps	3,164,526	41,365	(29,131)
- Less than 1 year	255,999	1,176	(17)
- 1 year to 3 years	134,306	2,012	(419)
- More than 3 years	2,774,221	38,177	(28,695)
Total return swaps	26,025	-	(1,377)
- Less than 1 year	5,525	-	(152)
- More than 3 years	20,500	-	(1,225)
	3,190,551	41,365	(30,508)
<u>Bond contract</u>			
Bond Forward	2,979,954	137,070	(155,236)
- Less than 1 year	1,252,164	24,207	(112,815)
- 1 year to 3 years	1,324,990	74,555	(38,493)
- More than 3 years	402,800	38,308	(3,928)
<u>Hedging derivatives</u>			
Interest rate swaps	24,744,148	400,004	(328,487)
- Less than 1 year	5,931,821	49,145	(24,092)
- 1 year to 3 years	6,715,006	142,234	(75,439)
- More than 3 years	12,097,321	208,625	(228,956)
Currency swaps	4,313,909	46,516	(19,319)
- Less than 1 year	4,313,909	46,516	(19,319)
Cross currency interest rate swaps	3,399,690	105,662	(30,749)
- Less than 1 year	84,028	7,788	-
- 1 year to 3 years	1,451,944	68,265	(2,971)
- More than 3 years	1,863,718	29,609	(27,778)
	32,457,747	552,182	(378,555)
Total derivative assets/(liabilities)	1,127,323,846	16,547,028	(14,886,773)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2020	The Group		
	Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	41,186,689	320,615	(968,711)
- Less than 1 year	36,620,159	242,362	(833,533)
- 1 year to 3 years	3,373,897	63,970	(74,125)
- More than 3 years	1,192,633	14,283	(61,053)
Currency swaps	338,308,769	4,133,064	(4,423,256)
- Less than 1 year	335,046,694	4,100,434	(4,359,984)
- 1 year to 3 years	2,968,017	32,483	(56,313)
- More than 3 years	294,058	147	(6,959)
Currency spot	2,584,689	2,472	(3,392)
- Less than 1 year	2,584,689	2,472	(3,392)
Currency options	9,830,683	256,190	(271,938)
- Less than 1 year	5,879,981	103,493	(121,918)
- 1 year to 3 years	2,036,085	98,823	(99,316)
- More than 3 years	1,914,617	53,874	(50,704)
Cross currency interest rate swaps	92,817,949	3,602,989	(3,027,157)
- Less than 1 year	24,226,805	893,823	(665,679)
- 1 year to 3 years	30,090,562	1,111,117	(990,401)
- More than 3 years	38,500,582	1,598,049	(1,371,077)
	484,728,779	8,315,330	(8,694,454)
<u>Interest rate derivative</u>			
Interest rate swaps	463,734,769	6,360,401	(5,846,830)
- Less than 1 year	185,658,690	606,088	(622,753)
- 1 year to 3 years	130,806,893	1,530,814	(1,459,581)
- More than 3 years	147,269,186	4,223,499	(3,764,496)
Interest rate futures	10,195,263	2,327	(16,454)
- Less than 1 year	10,195,263	2,327	(16,454)
Interest rate options	7,085	-	(67)
- Less than 1 year	7,085	-	(67)
	473,937,117	6,362,728	(5,863,351)
<u>Equity related derivatives</u>			
Equity futures	30,563	215	-
- Less than 1 year	30,563	215	-
Index futures	11,286	-	(285)
- Less than 1 year	11,286	-	(285)
Equity options	2,749,143	171,471	(133,985)
- Less than 1 year	2,396,904	163,002	(129,811)
- 1 year to 3 years	265,695	6,618	(2,323)
- More than 3 years	86,544	1,851	(1,851)
Equity swaps	223,354	3,995	(27,065)
- 1 year to 3 years	60,033	3,991	(2,964)
- More than 3 years	163,321	4	(24,101)
	3,014,346	175,681	(161,335)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2020	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Commodity related derivatives</u>			
Commodity swaps	865,341	106,541	(87,016)
- Less than 1 year	796,501	97,197	(74,962)
- 1 year to 3 years	68,840	9,344	(12,054)
Commodity futures	241,897	9,896	(18,472)
- Less than 1 year	241,897	9,896	(18,472)
Commodity options	5,710,668	395,693	(384,511)
- Less than 1 year	5,707,845	394,172	(383,204)
- 1 year to 3 years	2,823	1,521	(1,307)
	6,817,906	512,130	(489,999)
<u>Credit related contract</u>			
Credit default swaps	2,584,541	40,193	(40,167)
- Less than 1 year	60,270	280	-
- 1 year to 3 years	297,064	3,115	(525)
- More than 3 years	2,227,207	36,798	(39,642)
Total return swaps	26,275	-	(2,242)
- Less than 1 year	5,525	-	(218)
- More than 3 years	20,750	-	(2,024)
	2,610,816	40,193	(42,409)
Bond contract			
Bond forward	3,164,544	9,606	(397,770)
- Less than 1 year	1,164,037	61	(164,155)
- 1 year to 3 years	1,381,984	7,208	(203,226)
- More than 3 years	618,523	2,337	(30,389)
<u>Hedging derivatives</u>			
Interest rate swaps	21,925,876	467,034	(589,848)
- Less than 1 year	3,805,462	51,583	(12,388)
- 1 year to 3 years	8,791,102	180,680	(127,783)
- More than 3 years	9,329,312	234,771	(449,677)
Currency forward	7,133	-	(230)
- Less than 1 year	7,133	-	(230)
Currency swaps	2,322,131	78,907	(45,156)
- Less than 1 year	2,322,131	78,907	(45,156)
Cross currency interest rate swaps	1,497,779	46,756	(56,218)
- Less than 1 year	451,459	6,837	-
- 1 year to 3 years	119,800	617	(2,070)
- More than 3 years	926,520	39,302	(54,148)
	25,752,919	592,697	(691,452)
Total derivative assets/(liabilities)	1,000,026,427	16,008,365	(16,340,770)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2021, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM16,547,028,000 (2020: RM16,008,365,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 September 2021, the Group has posted cash collateral of RM4,361,846,000 (2020: RM3,916,392,000) 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 financial statements for the financial year ended 31 December 2020 and the Risk Management section of the 2020 Annual Report.

A27. COMMITMENTS AND CONTINGENCIES

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

	30 September 2021	31 December 2020
	Principal Amount RM'000	Principal Amount RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	6,921,907	7,054,851
Certain transaction-related contingent items	7,108,950	7,557,071
Short-term self-liquidating trade-related contingencies	3,206,897	2,763,854
Irrevocable commitments to extend credit		
- maturity not exceeding one year	72,754,785	72,322,919
- maturity exceeding one year	32,957,333	31,691,945
Miscellaneous commitments and contingencies	1,610,113	2,578,701
Total credit-related commitments and contingencies	124,559,985	123,969,341
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	601,730,652	407,139,051
- one year to five years	64,875,586	63,857,426
- more than five years	19,631,654	17,559,345
	686,237,892	488,555,822
<u>Interest rate related contracts</u>		
- less than one year	154,673,917	199,666,500
- one year to five years	210,114,447	233,544,980
- more than five years	62,709,201	62,651,513
	427,497,565	495,862,993
<u>Equity related contracts</u>		
- less than one year	3,226,280	2,438,753
- one year to five years	424,468	476,829
- more than five years	90,256	98,764
	3,741,004	3,014,346
<u>Credit related contracts</u>		
- less than one year	261,524	65,795
- one year to five years	1,566,314	1,867,323
- more than five years	1,362,713	677,698
	3,190,551	2,610,816
<u>Commodity related contracts</u>		
- less than one year	3,656,394	6,746,243
- one year to five years	20,486	71,663
	3,676,880	6,817,906
<u>Bond contracts</u>		
- less than one year	1,252,164	1,164,037
- one year to five years	1,697,790	1,970,507
- more than five years	30,000	30,000
	2,979,954	3,164,544
Total treasury-related commitments and contingencies	1,127,323,846	1,000,026,427
	1,251,883,831	1,123,995,768
Included under irrevocable commitments to extend credit are the amount related to the Restricted Agency Investment Account, as follows:		
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	3,000,000	3,700,000

A28. CAPITAL ADEQUACY

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

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia (“BNM”) Capital Adequacy Framework (“CAF”) (Capital Components)/Capital Adequacy Framework for Islamic Banks (“CAFIB”) (Capital Components), of which the latest revision was issued on 9 December 2020. The revised guidelines took effect on 9 December 2020 for all banking institutions and financial holding companies and sets up the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

On 5 February 2020, BNM issued the policy document on Domestic Systemically Important Banks (D-SIB) Framework, which sets out BNM’s assessment methodology to identify D-SIBs in Malaysia, following which CIMB Group Holdings Berhad has been identified as a D-SIB. A D-SIB is required to maintain additional capital buffers to regulatory capital requirements that include a higher loss absorbency (HLA) requirement which came into effect on 31 January 2021. The applicable HLA requirements will be in accordance to the list of D-SIBs published and updated by BNM on an annual basis.

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

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

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

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

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

The capital adequacy ratio of CIMB Bank (Vietnam) Ltd. is calculated and managed according to local regulations as per the requirement of State Bank of Vietnam (SBV) in Circular 41/2016/TT-NHNN (dated 30 December 2016), which requires banks and branches of foreign banks to maintain the minimum CAR at 8% which covers credit, market and operational risk.

A28. CAPITAL ADEQUACY (Continued)**30 September 2021**

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

	The Group
Common equity tier 1 ratio	13.136%
Tier 1 ratio	14.127%
Total capital ratio	<u>16.930%</u>

The Group implemented a Dividend Reinvestment Scheme (“DRS”) for the single-Tier First Interim dividend in respect of the financial year ending 31 December 2021, which would increase the capital adequacy ratios of the Group above those stated above.

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

	The Group RM’000
Credit risk ⁽¹⁾	271,898,454
Market risk	20,136,462
Large exposure risk requirements	899,036
Operational risk	<u>31,936,522</u>
Total risk-weighted assets	<u>324,870,474</u>

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

	The Group RM’000
Under Restricted Agency Investment Account arrangement	<u>960,607</u>

(c) Components of Common Equity Tier 1, Additional Tier 1 and Tier 2 capital are as follows:

	The Group RM’000
Common Equity Tier 1 capital	
Ordinary share capital	26,210,504
Other reserves	29,319,173 *
Qualifying non-controlling interests	<u>459,475</u>
Common Equity Tier 1 capital before regulatory adjustments	55,989,152
<u>Less: Regulatory adjustments</u>	
Goodwill	(6,442,900)
Intangible assets	(1,852,193)
Deferred tax assets	(1,460,499)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(3,595,311)
Regulatory reserve	(17,703)
Others	54,600
Common Equity Tier 1 capital after regulatory adjustments	<u>42,675,146</u>
Additional Tier 1 capital	
Perpetual subordinated capital securities	3,150,000
Qualifying capital instruments held by third parties	<u>68,738</u>
	3,218,738
<u>Less: Regulatory adjustments</u>	
Investments in own Additional Tier 1 capital instruments	-
Additional Tier 1 capital after regulatory adjustments	<u>3,218,738</u>
Total Tier 1 capital	<u>45,893,884</u>

A28. CAPITAL ADEQUACY (Continued)

(c) Components of Common Equity Tier 1, Additional Tier 1 and Tier 2 capital are as follows (Continued):

	The Group RM'000
Tier 2 capital	
Subordinated notes	6,700,000
Qualifying capital instruments held by third parties	68,261
Surplus eligible provisions over expected loss	979,208
General provisions [√]	<u>1,358,713</u>
Tier 2 capital before regulatory adjustments	<u>9,106,182</u>
<u>Less: Regulatory adjustments</u>	
Investments in own Tier 1I capital instruments	<u>-</u>
Total Tier 2 capital	<u>9,106,182</u>
Total capital	<u>55,000,066</u>

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

	CIMB Bank Group	CIMB Bank **	CIMB Islamic Bank	CIMB Investment Bank Group	CIMB Thai Bank	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	14.110%	13.098%	13.781%	89.530%	14.525%	20.832%	N/A	N/A
Tier 1 ratio	14.993%	14.164%	14.526%	89.530%	14.525%	20.832%	N/A	N/A
Total capital ratio	<u>18.247%</u>	<u>17.131%</u>	<u>17.258%</u>	<u>89.568%</u>	<u>20.285%</u>	<u>21.917%</u>	<u>18.129%</u>	<u>88.293%</u>

* Includes the proposed single-tier first interim dividend of RM1,045 million in respect of the financial year ending 31 December 2021 which was paid on 27 October 2021.

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

[√] Total Capital of CIMB Group as at 30 September 2021 has excluded general provisions restricted from Tier 1I capital of RM502 million.

A28. CAPITAL ADEQUACY (Continued)**31 December 2020**

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

The Group**Before deducting proposed dividend**

Common equity tier 1 ratio	13.315%
Tier 1 ratio	14.634%
Total capital ratio	17.624%

After deducting proposed dividend

Common equity tier 1 ratio	13.167%
Tier 1 ratio	14.486%
Total capital ratio	17.476%

The Group implemented a Dividend Reinvestment Scheme ("DRS") for the single-Tier Interim dividend in respect of the financial year ended 31 December 2020, which would increase the capital adequacy ratios of the Group above those stated above.

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

The Group**RM'000**

Credit risk ⁽¹⁾	271,321,905
Market risk	19,145,332
Large exposure risk requirements	910,107
Operational risk	31,233,381
Total risk-weighted assets	322,610,725

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

The Group**RM'000**

Under Restricted Agency Investment Account arrangement	209,266
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(c) Components of Common Equity Tier 1, Additional Tier 1 and Tier 2 capital are as follows:

The Group**RM'000****Common Equity Tier 1 capital**

Ordinary share capital	25,843,808
Other reserves	30,081,833
Qualifying non-controlling interests	468,913
Less: Proposed dividends	(477,295)
Common Equity Tier 1 capital before regulatory adjustments	55,917,259

Less: Regulatory adjustments

Goodwill	(7,758,423)
Intangible assets	(1,986,610)
Deferred tax assets	(1,003,176)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(2,354,415)
Regulatory reserve	(233,441)
Others	(101,558)
Common Equity Tier 1 capital after regulatory adjustments	42,479,636

Additional Tier 1 capital

Perpetual subordinated capital securities	4,150,000
Qualifying capital instruments held by third parties	116,948
	4,266,948

Less: Regulatory adjustments

Investments in own Additional Tier 1 capital instruments	(12,400)
Additional Tier 1 capital after regulatory adjustments	4,254,548

Total Tier 1 capital	46,734,184
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A28. CAPITAL ADEQUACY (Continued)

(c) Components of Common Equity Tier 1, Additional Tier 1 and Tier 2 capital are as follows (Continued):

	The Group RM'000
Tier 2 capital	
Subordinated notes	6,700,000
Qualifying capital instruments held by third parties	912,962
Surplus eligible provisions over expected loss	683,264
General provisions [√]	1,348,071
Tier 2 capital before regulatory adjustments	<u>9,644,297</u>
<u>Less: Regulatory adjustments</u>	
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-
Total Tier 2 capital	<u>9,644,297</u>
Total capital	<u>56,378,481</u>

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

	CIMB Bank Group	CIMB Bank **	CIMB Islamic Bank	CIMB Investment Bank Group	CIMB Thai Bank	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
<u>Before deducting proposed dividend</u>								
Common equity tier 1 ratio	13.607%	13.126%	13.307%	91.131%	14.938%	20.115%	N/A	N/A
Tier 1 ratio	14.860%	14.760%	14.100%	91.131%	14.938%	20.115%	N/A	N/A
Total capital ratio	<u>18.571%</u>	<u>18.564%</u>	<u>16.760%</u>	<u>91.131%</u>	<u>20.749%</u>	<u>21.239%</u>	<u>17.491%</u>	<u>73.436%</u>
<u>After deducting proposed dividend</u>								
Common equity tier 1 ratio	13.607%	13.126%	13.307%	83.181%	14.938%	20.115%	N/A	N/A
Tier 1 ratio	14.860%	14.760%	14.100%	83.181%	14.938%	20.115%	N/A	N/A
Total capital ratio	<u>18.571%</u>	<u>18.564%</u>	<u>16.760%</u>	<u>83.181%</u>	<u>20.749%</u>	<u>21.239%</u>	<u>17.491%</u>	<u>73.436%</u>

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

[√] Total Capital of CIMB Group as at 31 December 2020 has excluded general provisions restricted from Tier 2 capital of RM581 million.

A29. SEGMENTAL REPORT

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

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

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

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

Commercial Banking

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

Wholesale Banking

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

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

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

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

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

A29. SEGMENTAL REPORT (Continued)

Wholesale Banking (Continued)

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

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

CIMB Digital Assets & Group Funding (previously known as *Group Ventures & Partnerships and Funding*)

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

A29. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
30 September 2021					
Net interest income - after modification loss					
- external income	3,524,637	1,462,694	2,308,142	852,184	8,147,657
- inter-segment income/(expense)	50,187	229,973	31,338	(311,498)	-
	3,574,824	1,692,667	2,339,480	540,686	8,147,657
Income from Islamic Banking operations	1,148,615	541,832	483,777	443,677	2,617,901
Net non-interest income	1,256,996	359,787	1,155,138	230,905	3,002,826
Gain on disposal and deemed disposal of subsidiaries and joint venture	-	-	-	1,157,893	1,157,893
Net income	5,980,435	2,594,286	3,978,395	2,373,161	14,926,277
Overheads	(3,269,441)	(1,299,677)	(1,478,668)	(912,319)	(6,960,105)
of which:					
- Depreciation of property, plant and equipment	(81,058)	(3,593)	(12,027)	(106,927)	(203,605)
- Amortisation of intangible assets	(75,509)	(5,265)	(38,710)	(404,882)	(524,366)
Profit before expected credit losses	2,710,994	1,294,609	2,499,727	1,460,842	7,966,172
Expected credit losses made on loans, advances and financing	(887,195)	(567,714)	(411,029)	(30,531)	(1,896,469)
Expected credit losses (made)/written back for commitments and contingencies	(69,370)	8,919	18,440	15	(41,996)
Other expected credit losses and impairment allowances (made)/written back	(95,146)	(5,782)	(17,299)	46,975	(71,252)
Impairment of goodwill	(462,737)	(397,339)	(259,652)	(95,469)	(1,215,197)
Segment results	1,196,546	332,693	1,830,187	1,381,832	4,741,258
Share of results of joint ventures	9,593	-	64,154	(6,741)	67,006
Share of results of associates	-	-	-	(35)	(35)
Profit before taxation and zakat	1,206,139	332,693	1,894,341	1,375,056	4,808,229
% of profit before taxation and zakat	25.1	6.9	39.4	28.6	100.0
Taxation and zakat					(1,297,285)
Profit for the financial period					3,510,944

A29. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
30 September 2020					
Net interest income - after modification loss					
- external income	3,281,061	1,637,737	1,991,333	555,094	7,465,225
- inter-segment income/(expense)	225,412	(9,034)	61,757	(278,135)	-
	3,506,473	1,628,703	2,053,090	276,959	7,465,225
Income from Islamic Banking operations	783,774	459,727	548,057	317,863	2,109,421
Net non-interest income	1,034,921	349,407	876,209	486,979	2,747,516
Net income	5,325,168	2,437,837	3,477,356	1,081,801	12,322,162
Overheads	(3,212,536)	(1,323,336)	(1,448,174)	(513,022)	(6,497,068)
of which:					
- Depreciation of property, plant and equipment	(87,915)	(3,801)	(11,789)	(102,735)	(206,240)
- Amortisation of intangible assets	(62,856)	(4,517)	(23,935)	(169,840)	(261,148)
Profit before expected credit losses	2,112,632	1,114,501	2,029,182	568,779	5,825,094
Expected credit losses made back on loans, advances and financing	(1,248,191)	(1,288,207)	(1,407,319)	(14,052)	(3,957,769)
Expected credit losses (made)/written back for commitments and contingencies	(44,878)	5,774	(77,083)	5	(116,182)
Other expected credit losses and impairment allowances made	(118,668)	(7,454)	(316,136)	(25,423)	(467,681)
Segment results	700,895	(175,386)	228,644	529,309	1,283,462
Share of results of joint ventures	(11,581)	-	49,170	43,382	80,971
Share of results of associates	-	-	-	(86)	(86)
Profit/(loss) before taxation and zakat	689,314	(175,386)	277,814	572,605	1,364,347
% of profit before taxation and zakat	50.5	(12.9)	20.4	42.0	100.0
Taxation and zakat					(413,580)
Profit for the financial period					950,767

A29. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
30 September 2021 Group					
Segment assets	188,454,957	59,479,113	268,595,123	88,153,814	604,683,007
Investment in associates and joint ventures	149,750	-	1,504,980	2,091,698	3,746,428
	188,604,707	59,479,113	270,100,103	90,245,512	608,429,435
Unallocated assets	-	-	-	-	18,945,955
Total assets	188,604,707	59,479,113	270,100,103	90,245,512	627,375,390
Segment liabilities	159,474,114	76,745,419	268,060,093	40,027,547	544,307,173
Unallocated liabilities	-	-	-	-	23,558,996
Total liabilities	159,474,114	76,745,419	268,060,093	40,027,547	567,866,169
Other segment items					
Capital expenditure	187,275	8,299	58,369	412,991	666,934
Investment in joint ventures	149,750	-	1,504,980	2,046,993	3,701,723
Investment in associates	-	-	-	44,705	44,705

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
31 December 2020 Group					
Segment assets	188,176,345	61,392,914	240,955,673	91,542,432	582,067,364
Investment in associates and joint ventures	140,158	-	1,400,853	955,512	2,496,523
	188,316,503	61,392,914	242,356,526	92,497,944	584,563,887
Unallocated assets	-	-	-	-	17,791,012
Total assets	188,316,503	61,392,914	242,356,526	92,497,944	602,354,899
Segment liabilities	171,435,818	71,794,619	245,112,043	38,786,987	527,129,467
Unallocated liabilities	-	-	-	-	18,051,310
Total liabilities	171,435,818	71,794,619	245,112,043	38,786,987	545,180,777
Other segment items					
Capital expenditure	407,446	20,357	73,451	628,127	1,129,381
Investment in joint ventures	140,158	-	1,400,853	910,206	2,451,217
Investment in associates	-	-	-	45,306	45,306

A30. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

Valuation Model Review and Approval

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

A30. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and the Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 September 2021 and 31 December 2020.

The Group	Fair Value			Total
	Level 1	Level 2	Level 3	
30 September 2021	RM'000	RM'000	RM'000	RM'000
Recurring fair value measurements				
Financial assets				
Financial investments at fair value through profit or loss				
- Money market instruments	-	33,909,064	400,456	34,309,520
- Quoted securities	1,506,136	-	-	1,506,136
- Unquoted securities	-	9,472,140	1,179,016	10,651,156
Debt instruments at fair value through other comprehensive income				
- Money market instruments	-	14,693,632	-	14,693,632
- Unquoted securities	-	43,629,793	1	43,629,794
Equity instruments at fair value through other comprehensive income				
- Quoted securities	39,720	-	-	39,720
- Unquoted securities	-	-	285,024	285,024
Derivative financial instruments				
- Trading derivatives	42,484	15,715,507	236,855	15,994,846
- Hedging derivatives	-	552,182	-	552,182
Loans, advances and financing at fair value through profit or loss				
-	-	439,347	-	439,347
Total	1,588,340	118,411,665	2,101,352	122,101,357
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	456,341	14,012,932	38,945	14,508,218
- Hedging derivatives	-	378,555	-	378,555
Financial liabilities designated at fair value through profit or loss				
-	-	2,940,851	-	2,940,851
Total	456,341	17,332,338	38,945	17,827,624

The Group	Fair Value			Total
	Level 1	Level 2	Level 3	
31 December 2020	RM'000	RM'000	RM'000	RM'000
Recurring fair value measurements				
Financial assets				
Financial investments at fair value through profit or loss				
- Money market instruments	-	30,248,033	433,546	30,681,579
- Quoted securities	1,299,407	-	-	1,299,407
- Unquoted securities	-	9,506,386	1,225,761	10,732,147
Debt instruments at fair value through other comprehensive income				
- Money market instruments	-	11,647,532	-	11,647,532
- Unquoted securities	-	36,078,249	1	36,078,250
Equity instruments at fair value through other comprehensive income				
- Quoted securities	37,935	-	-	37,935
- Unquoted securities	-	-	271,036	271,036
Derivative financial instruments				
- Trading derivatives	12,399	15,245,968	157,301	15,415,668
- Hedging derivatives	-	592,697	-	592,697
Loans, advances and financing at fair value through profit or loss				
-	-	710,235	-	710,235
Total	1,349,741	104,029,100	2,087,645	107,466,486
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	522,577	15,118,428	8,313	15,649,318
- Hedging derivatives	-	691,452	-	691,452
Financial liabilities designated at fair value through profit or loss				
-	-	4,016,930	-	4,016,930
Total	522,577	19,826,810	8,313	20,357,700

A30. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 September 2021 and 31 December 2020

The Company	Fair Value			Total
	Level 1	Level 2	Level 3	
30 September 2021	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial assets</u>				
Debt instruments at fair value through other comprehensive income				
- Unquoted securities	-	2,188,927	-	2,188,927
Total	-	2,188,927	-	2,188,927

The Company	Fair Value			Total
	Level 1	Level 2	Level 3	
31 December 2020	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial assets</u>				
Debt instruments at fair value through other comprehensive income				
- Unquoted securities	-	3,246,974	-	3,246,974
Total	-	3,246,974	-	3,246,974

A30. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial period/year ended 30 September 2021 and 31 December 2020 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					
2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	1,659,307	1	271,036	157,301	2,087,645	(8,313)	(8,313)
Total gains/(losses) recognised in Statement of Income	17,137	-	-	80,890	98,027	(23,763)	(23,763)
Total gains recognised in Other Comprehensive Income	-	-	28,509	-	28,509	-	-
Purchases	2,512	-	-	5,224	7,736	(23,041)	(23,041)
Sales and redemptions	(127,100)	-	(14,577)	-	(141,677)	-	-
Settlements	-	-	-	(6,563)	(6,563)	16,172	16,172
Exchange fluctuation	27,616	-	56	3	27,675	-	-
At 30 September	1,579,472	1	285,024	236,855	2,101,352	(38,945)	(38,945)
Total gains/(losses) recognised in Statement of Income for the financial period ended 30 September 2021 under:							
- net non-interest income	17,137	-	-	80,890	98,027	(23,763)	(23,763)
Total gains recognised in Other Comprehensive Income for the financial period ended 30 September 2021 under "revaluation reserves"	-	-	28,509	-	28,509	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 30 September 2021 under "net non-interest income"	14,489	-	-	299,031	313,520	(60,966)	(60,966)

A30. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial period/year ended 30 September 2021 and 31 December 2020 for the Group.

	Financial Assets				Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Derivative financial instruments Trading derivatives		Derivative financial instruments Trading derivatives	Total
	Money market instruments and unquoted securities	Unquoted securities					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2020							
At 1 January	1,597,162	1	330,642	69,119	1,996,924	(15,552)	(15,552)
Total gains recognised in Statement of Income	78,233	-	-	84,930	163,163	4,306	4,306
Total losses recognised in Other Comprehensive Income	-	-	(11,408)	-	(11,408)	-	-
Purchases	2,159	-	297	6,531	8,987	(9,834)	(9,834)
Sales and redemptions	(7,370)	-	(47,501)	-	(54,871)	-	-
Settlements	-	-	-	(3,276)	(3,276)	12,765	12,765
Exchange fluctuation	(10,877)	-	(994)	(3)	(11,874)	2	2
At 31 December	1,659,307	1	271,036	157,301	2,087,645	(8,313)	(8,313)
Total gains recognised in Statement of Income for the financial year ended 31 December 2020 under:							
- net non-interest income	78,233	-	-	84,930	163,163	4,306	4,306
Total losses recognised in Other Comprehensive Income for the financial year ended 31 December 2020 under "revaluation reserves"	-	-	(11,408)	-	(11,408)	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 31 December 2020 under "net non-interest income"	79,729	-	-	450,820	530,549	(65,574)	(65,574)

A30. FAIR VALUE ESTIMATION (Continued)

The following represents the Group's and the Company's non-financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 September 2021 and 31 December 2020.

Investment properties (Recurring)

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

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

In accordance with MFRS 5, the non-current assets held for sales were stated at the lower of carrying amount and fair value less cost to sell. As at 30 September 2021, the property plant and equipment held for sale of the Group that were stated at fair value less cost to sell was RM3,734,000 (2020: RM7,112,000). This is a non-recurring fair value which has been measured using observable inputs under sales comparison approach performed by independent valuers. Sales prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. Therefore, it is within level 2 of the fair value hierarchy.

A31. OPERATIONS OF ISLAMIC BANKING

A31a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Note	The Group	
		30 September 2021 RM'000	31 December 2020 RM'000
ASSETS			
Cash and short-term funds		15,215,314	13,176,836
Deposits and placements with banks and other financial institutions		1,187,264	2,364,137
Financial investments at fair value through profit or loss		6,968,348	5,144,152
Debt instruments at fair value through other comprehensive income		6,575,375	4,623,981
Debt instruments at amortised cost		10,161,479	9,648,264
Islamic derivative financial instruments		324,297	559,340
Financing, advances and other financing/loans	A31d	99,607,137	97,342,038
Other assets		3,059,219	2,105,072
Deferred tax assets		162,246	93,895
Tax recoverable		1,761	4,252
Amount due from conventional operations		9,015,399	7,336,644
Statutory deposits with central banks		348,400	377,067
Property, plant and equipment		3,535	3,037
Right-of-use assets		4,427	5,343
Goodwill		136,000	136,000
Intangible assets		31,980	60,139
TOTAL ASSETS		152,802,181	142,980,197
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS			
CAPITAL FUNDS			
Deposits from customers	A31e	111,932,075	109,001,344
Investment accounts of customers	A31f	7,273,574	2,678,870
Deposits and placements of banks and other financial institutions		4,163,332	2,395,807
Collateralised commodity murabahah		331,433	299,236
Investment accounts due to designated financial institutions	A31g	4,449,939	4,751,241
Financial liabilities designated at fair value through profit or loss	A31h	631,241	71,610
Islamic derivative financial instruments		326,780	595,587
Bills and acceptances payable		24,173	18,897
Other liabilities		8,641,410	8,983,878
Lease liability		4,535	5,067
Amount due to conventional operations		1,942,392	1,970,848
Provision for taxation		21,765	4,918
Sukuk		909,568	1,026,028
Subordinated Sukuk		1,103,999	1,118,336
TOTAL LIABILITIES		141,756,216	132,921,667
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,696	55,696
Perpetual preference shares		420,000	420,000
Reserves		9,451,906	8,495,210
		10,927,602	9,970,906
Non-controlling interests		118,363	87,624
TOTAL ISLAMIC BANKING CAPITAL FUNDS		11,045,965	10,058,530
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		152,802,181	142,980,197
RESTRICTED AGENCY INVESTMENT ACCOUNT(*)		11,795,706	8,730,980
TOTAL ISLAMIC BANKING ASSETS		164,597,887	151,711,177

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

**A31b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2021**

	The Group			
	3rd quarter ended 30 September 2021 RM'000	30 September 2020 RM'000	Nine months ended 30 September 2021 RM'000	30 September 2020 RM'000
Income derived from investment of depositors' funds and others	1,107,491	1,180,883	3,399,975	3,806,979
Income derived from investment of investment account	106,857	83,733	257,790	292,759
Net income derived from investment of shareholders' funds	210,592	135,370	583,444	312,367
Modification loss (note A22)	(73,191)	(459)	(73,191)	(185,804)
Expected credit losses made on financing, advances and other financing/loans	(123,360)	(264,511)	(302,672)	(491,358)
Expected credit losses made for commitments and contingencies	(22,711)	(1,214)	(28,892)	(20,889)
Other expected credit losses and impairment allowances written back/(made)	2,771	(706)	(1,178)	(1,159)
Total distributable income	1,208,449	1,133,096	3,835,276	3,712,895
Income attributable to depositors and others	(476,688)	(594,942)	(1,520,323)	(2,077,280)
Profit distributed to investment account holder	(56,727)	(41,268)	(136,308)	(182,046)
Total net income	675,034	496,886	2,178,645	1,453,569
Other operating expenses	(334,680)	(227,314)	(926,946)	(740,072)
Profit before taxation and zakat	340,354	269,572	1,251,699	713,497
Taxation and zakat	(47,386)	(55,578)	(186,698)	(114,317)
Profit for the financial period	292,968	213,994	1,065,001	599,180
Profit for the financial period attributable to:				
Owners of the Parent	281,479	205,251	1,036,729	579,441
Non-controlling interests	11,489	8,743	28,272	19,739
	292,968	213,994	1,065,001	599,180

A31c. UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	292,968	213,994	1,065,001	599,180
Other comprehensive (expense)/income:				
<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	(2)	(1)	(2)	30
	(2)	(1)	(2)	30
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(9,227)	10,385	(92,428)	19,511
- Net (loss)/gain from change in fair value	(2,545)	51,949	(80,235)	118,897
- Realised gain transferred to statement of income on disposal	(9,353)	(39,758)	(45,744)	(94,242)
- Changes in expected credit losses	(2,643)	433	1,274	1,182
- Income tax effects	5,314	(2,239)	32,277	(6,326)
Exchange fluctuation reserve	27,370	(78,445)	38,027	(56,329)
Other comprehensive income/(expense) for the financial period, net of tax	18,141	(68,061)	(54,403)	(36,788)
Total comprehensive income for the financial period	311,109	145,933	1,010,598	562,392
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	297,239	142,869	979,859	546,929
Non-controlling interests	13,870	3,064	30,739	15,463
	311,109	145,933	1,010,598	562,392
<u>Income from Islamic operations (per page 2)</u>				
Total net income	675,034	496,886	2,178,645	1,453,569
Add: Expected credit losses made on financing, advances and other financing/loans	123,360	264,511	302,672	491,358
Add: Expected credit losses made for commitments and contingencies	22,711	1,214	28,892	20,889
Add: Other expected credit losses and impairment allowances (written back)/made	(2,771)	706	1,178	1,159
	818,334	763,317	2,511,387	1,966,975
Elimination for transaction with conventional operations	27,270	40,513	106,514	142,446
	845,604	803,830	2,617,901	2,109,421

A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS
(i) By type and Shariah contract
30 September 2021

	The Group												Total
	Sale-based contracts					Lease-based contracts		Profit sharing contracts		Loan contract	Others		
	Murabahah	Bai' Bithaman Ajil	Bai' al-'Inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai' #	Mudharabah	Musharakah	Qard	Rahnu	Ujrah	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost													
Cash line^	-	431	625	-	1,117,123	-	-	-	-	4,485	-	-	1,122,664
Term financing													
House Financing	221,764	4,611,964	-	-	25,432,551	1,169,626	-	-	4,531,938	-	-	-	35,967,843
Syndicated Financing	-	-	29,768	-	2,296,942	-	-	499	-	-	-	-	2,327,209
Hire purchase receivables	232,925	-	-	-	-	-	12,272,404	-	-	-	-	-	12,505,329
Other term financing	728,634	1,063,186	1,712,165	-	33,504,952	40,837	-	108,543	4,803,772	-	25	-	41,962,114
Lease receivable	-	-	-	-	-	158,945	-	-	-	-	-	-	158,945
Bills receivable	523,755	-	-	555,944	-	-	-	-	-	-	-	-	1,079,699
Islamic Trust receipts	30,067	-	-	-	-	-	-	-	-	-	377	-	30,444
Claims on customers under acceptance credits	637,058	-	-	67,776	-	-	-	24,173	-	-	-	-	729,007
Staff financing	-	-	-	-	206,015	-	-	-	22,612	-	-	-	228,627
Revolving credits	-	-	-	-	4,632,526	-	-	21,699	-	-	-	-	4,654,225
Credit card receivables	-	-	-	-	-	-	-	-	-	268,263	-	130,911	399,174
Gross financing, advances and other financing/loans, at amortised cost	<u>2,374,203</u>	<u>5,675,581</u>	<u>1,742,558</u>	<u>623,720</u>	<u>67,190,109</u>	<u>1,369,408</u>	<u>12,272,404</u>	<u>154,914</u>	<u>9,358,322</u>	<u>272,748</u>	<u>402</u>	<u>130,911</u>	<u>101,165,280</u>
Fair value changes arising from fair value hedge													2,403
													<u>101,167,683</u>
Less: Expected credit losses													<u>(1,560,546)</u>
Net financing, advances and other financing/loans at amortised cost													<u>99,607,137</u>
At fair value through profit or loss													
Term financing													
Syndicated Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net financing, advances and other financing/loans, at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net financing, advances and other financing/loans													<u>99,607,137</u>

^ Includes current account in excess

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

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

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

(i) By type and Shariah contract (Continued)

31 December 2020

	The Group												Total
	Sale-based contracts					Lease-based contracts		Profit sharing contracts		Loan contract	Others		
	Murabahah	Bai' Bithaman Ajil	Bai' al-'Inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai' #	Mudharabah	Musharakah	Qard	Rahnu	Ujrah	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost													
Cash line^	-	268	842	-	1,036,202	-	-	-	-	8,907	-	-	1,046,219
Term financing													
House Financing	305,332	4,937,835	-	-	21,574,218	1,227,897	-	-	3,654,536	-	-	-	31,699,818
Syndicated Financing	-	-	39,111	-	2,120,688	-	-	532	-	-	-	-	2,160,331
Hire purchase receivables	80,859	-	-	-	-	-	11,380,856	-	-	-	-	-	11,461,715
Other term financing	760,403	1,168,761	5,004,003	-	32,905,287	44,811	-	98,217	4,479,920	-	12	-	44,461,414
Lease receivable	-	-	-	-	-	177,923	-	-	-	-	-	-	177,923
Bills receivable	334,959	-	-	167,450	-	-	-	-	-	-	-	-	502,409
Islamic Trust receipts	98,889	-	-	-	-	-	-	-	-	-	-	-	98,889
Claims on customers under acceptance credits	691,903	-	-	84,911	-	-	-	18,897	-	-	-	-	795,711
Staff financing	-	-	-	-	171,716	-	-	-	16,979	-	-	-	188,695
Revolving credits	-	-	-	-	5,475,377	-	-	16,681	-	-	-	-	5,492,058
Credit card receivables	-	-	-	-	-	-	-	-	-	245,962	-	134,389	380,351
Gross financing, advances and other financing/loans, at amortised cost	2,272,345	6,106,864	5,043,956	252,361	63,283,488	1,450,631	11,380,856	134,327	8,151,435	254,869	12	134,389	98,465,533
Fair value changes arising from fair value hedge													3,835
													98,469,368
Less: Expected credit losses													(1,324,651)
Net financing, advances and other financing/loans at amortised cost													97,144,717
At fair value through profit or loss													
Term financing													
Syndicated financing	-	-	-	-	197,321	-	-	-	-	-	-	-	197,321
Net financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	197,321	-	-	-	-	-	-	-	197,321
Net financing, advances and other financing/loans													97,342,038

^ Includes current account in excess

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

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

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

	The Group	
	30 September	31 December
	2021	2020
	RM'000	RM'000
Gross financing, advances and other financing/loans		
- At amortised cost	101,165,280	98,465,533
- At fair value through profit or loss	-	197,321
	101,165,280	98,662,854

(a) During the financial period, the Group has undertaken fair value hedges on RM69,809,000 (2020: RM78,322,000) 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 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 arising thereon.

As at 30 September 2021, the gross exposure and expected credit losses relating to RPSIA financing are RM4,406,108,000 (2020: RM4,703,553,000) and RM5,577,000 (2020: RM104,169,000) respectively, which are recognised in the Financial Statements of CIMB Bank Berhad.

c) Movement of Qard financing

	The Group	
	30 September	31 December
	2021	2020
	RM'000	RM'000
At 1 January	254,869	238,702
New disbursement	100,733	118,983
Repayment	(88,763)	(95,314)
Exchange fluctuation	5,909	(7,502)
At 30 September/31 December	272,748	254,869
Sources of Qard fund:		
Depositors' fund	272,458	254,363
Shareholders' fund	290	506
	272,748	254,869
Uses of Qard fund:		
Personal use	268,544	246,431
Business use	4,204	8,438
	272,748	254,869

(ii) By geographical distribution

	The Group	
	30 September	31 December
	2021	2020
	RM'000	RM'000
Malaysia	87,725,658	85,919,565
Indonesia	10,478,273	9,237,388
Singapore	1,763,836	2,767,216
China	125,236	36,292
Other countries	1,072,277	702,393
Gross financing, advances and other financing/loans	101,165,280	98,662,854

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

	The Group	
	30 September	31 December
	2021	2020
	RM'000	RM'000
Primary agriculture	3,498,355	3,640,343
Mining and quarrying	781,365	786,130
Manufacturing	4,316,926	4,057,554
Electricity, gas and water supply	874,722	1,065,903
Construction	2,870,709	2,584,782
Transport, storage and communications	2,221,780	2,445,342
Education, health and others	1,537,518	4,227,834
Wholesale and retail trade, and restaurants and hotels	4,912,398	4,405,309
Finance, insurance/takaful, real estate and business activities	11,234,090	12,165,188
Household	63,501,070	58,743,551
Others	5,416,347	4,540,918
	101,165,280	98,662,854

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

	The Group	
	30 September	31 December
	2021	2020
	RM'000	RM'000
Malaysia	823,517	1,506,615
Indonesia	216,851	109,584
Singapore	6,064	5,141
Gross impaired financing, advances and other financing/loans	1,046,432	1,621,340

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

	The Group	
	30 September	31 December
	2021	2020
	RM'000	RM'000
Primary agriculture	20,405	19,796
Mining and quarrying	4,889	13,408
Manufacturing	63,275	696,192
Electricity, gas and water supply	1	1
Construction	24,294	16,505
Transport, storage and communications	13,567	18,104
Education, health and others	6,209	3,567
Wholesale and retail trade, and restaurants and hotels	129,505	108,977
Finance, insurance/takaful, real estate and business activities	59,200	39,048
Household	612,489	640,650
Others	112,598	65,092
	1,046,432	1,621,340

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

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

	The Group			
	12-month expected	Lifetime expected	Lifetime expected	Total
	credit losses	credit losses - not	credit losses - Credit	
	(Stage 1)	credit impaired	impaired	
RM'000	(Stage 2)	(Stage 3)		
	RM'000	RM'000	RM'000	RM'000
Financing, advances and other financing/loans at amortised cost				
At 1 January 2021	489,055	436,159	399,437	1,324,651
Changes in expected credit losses due to transfer within stages:	292,667	(179,558)	(113,109)	-
Transferred to stage 1	439,891	(416,193)	(23,698)	-
Transferred to stage 2	(146,254)	375,913	(229,659)	-
Transferred to stage 3	(970)	(139,278)	140,248	-
Total charge to Income Statement:	(357,335)	524,082	188,695	355,442
New financial assets originated	59,161	2,099	42,705	103,965
Financial assets that have been derecognised	(35,355)	(22,505)	-	(57,860)
Writeback in respect of full recoveries	-	-	(63,866)	(63,866)
Change in credit risk	(381,141)	544,488	209,856	373,203
Write-offs	-	(4)	(136,328)	(136,332)
Exchange fluctuation	4,682	2,506	1,814	9,002
Other movements	(94)	121	7,756	7,783
At 30 September 2021	428,975	783,306	348,265	1,560,546

	The Group			
	12-month expected	Lifetime expected	Lifetime expected	Total
	credit losses	credit losses - not	credit losses - Credit	
	(Stage 1)	credit impaired	impaired	
RM'000	(Stage 2)	(Stage 3)		
	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	375,216	165,049	229,484	769,749
Changes in expected credit losses due to transfer within stages:	(189,430)	155,754	33,676	-
Transferred to stage 1	112,240	(88,597)	(23,643)	-
Transferred to stage 2	(289,378)	398,048	(108,670)	-
Transferred to stage 3	(12,292)	(153,697)	165,989	-
Total charge to Income Statement:	306,596	112,210	446,094	864,900
New financial assets originated	101,351	6,474	62,084	169,909
Financial assets that have been derecognised	(67,909)	(48,931)	-	(116,840)
Writeback in respect of full recoveries	-	-	(61,450)	(61,450)
Change in credit risk	273,154	154,667	445,460	873,281
Write-offs	(221)	(70)	(315,317)	(315,608)
Exchange fluctuation	(3,292)	3,288	1,020	1,016
Other movements	186	(72)	4,480	4,594
At 31 December 2020	489,055	436,159	399,437	1,324,651

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

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

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

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	1,621,340	1,621,340
Transfer within stages	(282,358)	(282,358)
New financial assets originated	184,006	184,006
Write-offs	(136,328)	(136,328)
Amount fully recovered	(304,163)	(304,163)
Other changes in financing, advances and other financing/loans	(38,724)	(38,724)
Exchange fluctuation	2,659	2,659
At 30 September 2021	1,046,432	1,046,432

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	1,522,220	1,522,220
Transfer within stages	552,146	552,146
New financial assets originated	360,117	360,117
Write-offs	(315,317)	(315,317)
Amount fully recovered	(406,962)	(406,962)
Other changes in financing, advances and other financing/loans	(123,400)	(123,400)
Exchange fluctuation	32,536	32,536
At 31 December 2020	1,621,340	1,621,340

	The Group	
	30 September 2021	31 December 2020
Ratio of credit impaired financing to total financing, advances and other financing	1.03%	1.64%

A31e. DEPOSITS FROM CUSTOMERS

(i) By type of deposits

	The Group	
	30 September 2021 RM'000	31 December 2020 RM'000
Savings deposit	10,906,989	9,216,096
Wadiah	828,799	790,534
Mudharabah	2,576,147	2,205,036
Commodity Murabahah (via Tawarruq arrangement) *	7,502,043	6,220,526
Demand deposit	20,865,833	18,028,514
Wadiah	1,040,635	806,762
Qard	14,101,987	12,869,163
Mudharabah	450,201	243,136
Commodity Murabahah (via Tawarruq arrangement) *	5,273,010	4,109,453
Term deposit	74,126,777	77,113,432
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	46,783,286	47,172,109
Fixed Return Income Account-i (via Tawarruq arrangement)*	27,343,491	29,841,761
Negotiable Islamic Debt Certificate (NIDC)		
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	-	99,562
Fixed Deposit-i	5,887,324	4,507,457
Wadiah	123	123
Mudharabah	5,887,201	4,507,334
Specific investment account	99,632	98,672
Mudharabah	99,632	98,672
Others	45,520	37,173
Qard	45,520	37,173
	111,932,075	109,001,344

*included Qard contract of RM461,287,000 (2020: RM3,148,712,000)

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

	The Group	
	30 September 2021 RM'000	31 December 2020 RM'000
Due within six months	70,592,373	71,877,553
Six months to less than one year	9,381,472	9,680,257
One year to less than three years	121,684	135,060
Three years to less than five years	4,510	3,589
Five years and more	13,694	23,102
	80,113,733	81,719,561

(iii) By type of customer

	The Group	
	30 September 2021 RM'000	31 December 2020 RM'000
Government and statutory bodies	5,551,067	4,756,182
Business enterprises	43,530,468	36,596,864
Individuals	33,974,664	34,512,758
Others	28,875,876	33,135,540
	111,932,075	109,001,344

A31f. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	30 September 2021	31 December 2020
	RM'000	RM'000
Unrestricted investment accounts (Mudharabah)		
- without maturity		
Special Mudharabah Investment Account	860,805	831,454
- with maturity		
Term Investment Account-i	5,950,851	1,847,416
Unrestricted investment accounts (Wakalah)		
- without maturity		
Daily Investment Account-i	1,043	-
Restricted investment accounts (Mudharabah)		
- with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	460,875	-
	7,273,574	2,678,870

A31g. INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group	
	30 September 2021	31 December 2020
	RM'000	RM'000
Restricted investment accounts		
Mudharabah	4,449,939	4,751,241
By type of counterparty		
Licensed banks	4,449,939	4,751,241

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

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

	The Group	
	30 September 2021	31 December 2020
	RM'000	RM'000
Deposits from customers - structured investments	631,241	71,610

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

The carrying amount of the financial liabilities designated at fair value of the Group as at 30 September 2021 was RM23,284,000 (2020: RM650,000) 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.

A32. CHANGE IN COMPARATIVES

Certain comparatives were restated to adjust the interest expense, income from Islamic Banking operations and overheads, due to changes in the interpretation on premium paid on deposits. There was no impact to the financial performance for the financial period ended 30 September 2020.

		3rd quarter ended			Nine months ended		30 September
	Note	30 September 2020 RM'000	Reclassification RM000	30 September 2020 (Restated) RM'000	30 September 2020 RM'000	Reclassification RM000	30 September 2020 (Restated) RM'000
Interest expense	A21	(1,688,147)	(45,059)	(1,733,206)	(6,006,525)	(134,729)	(6,141,254)
Income from Islamic Banking operations	A31(c)	809,000	(5,170)	803,830	2,125,495	(16,074)	2,109,421
Overheads	A24	(2,204,973)	50,229	(2,154,744)	(6,647,871)	150,803	(6,497,068)

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

B1. GROUP PERFORMANCE REVIEW

(i) CIMB Group 3Q21 Y-o-Y Performance

	The Group			
	30 September 2021	30 September 2020	Nine months ended	
	RM'mil	RM'mil	Variance RM'mil	%
Key Profit or Loss Items:				
Operating income	13,768 **	12,322	1,446	11.7
Profit before taxation and zakat	5,262 *	1,364	3,898	285.8
Net profit for the financial year attributable to Owners of the Parent	3,837 *	979	2,858	291.9

**Excludes non-cash accounting gain of RM1.16 billion from the deemed divestment of TNG Digital

* Excludes exceptional expenses of RM454 million (before taxation)/RM396 million (net of taxation)

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) recorded continued improved performance for the nine months ended 30 September 2021 (“9M21”), with core profit before tax (“PBT”) of RM5.26 billion, up 285.7% year-on-year (“YoY”), and core net profit of RM3.84 billion, up 291.8% YoY. This translates to an annualised 9M21 core return on average equity (“ROE”) of 9.0% and reported earnings per share (“EPS”) of 34.5 sen. The recovery in performance was driven by higher operating income, strong cost containment and significantly lower provisions, with improvements seen across all segments and markets.

9M21 core operating income grew to RM13.77 billion, up 11.7% from RM12.32 billion in the nine months ended 30 September 2020 (“9M20”). Of this, net interest income (“NII”) grew by 12.9% to RM10.42 billion, largely driven by improved net interest margins (“NIM”) in Malaysia and Indonesia. Core non-interest income (“NOII”) strengthened by 8.2% year-on-year (“YoY”) to RM3.35 billion, driven by stronger treasury and markets and wealth management income despite slower momentum in the third quarter ended 30 September 2021 (“3Q21”).

Cost remained tightly managed, with the Group’s core cost-to-income ratio (“CIR”) improving to 47.7%, below the target CIR of 50.0% and significantly lower than 9M20 CIR of 52.7%, with only a 1.0% increase in core operating expenses. Accordingly, the Group’s core pre-provisioning operating profit (“PPOP”) strengthened by 23.7% YoY to RM7.21 billion.

However, the Group experienced a weaker quarterly performance in 3Q21 on a quarter-on-quarter (“QoQ”) basis against the second quarter ended 30 June 2021 (“2Q21”) due to the impact of restricted activity caused by the Movement Control Order MCO (“MCO”) and modification loss incurred on the repayment assistance programme under the PEMULIH assistance package.

For 3Q21, the Group registered core operating income of RM4.39 billion and core PBT of RM1.64 billion, lower QoQ than 2Q21 core operating income and core PBT of RM4.62 billion and RM1.84 billion respectively. In comparison, on a YoY basis, 3Q21 core operating income was flat against 3Q20 operating income of RM4.41 billion, but improved against 3Q20 PBT of RM454 million.

The Group’s also recognised exceptional expense in 3Q21 amounting to RM1.31 billion, consisting primarily of a non-cash accounting impairment of goodwill related to the Group’s Thailand business of RM1.22 billion and RM83 million in intangible assets write-off and accelerated amortisation. However, this exceptional expense is non-recurring and has no impact to CIMB Group’s liquidity and capital position, and is expected to help optimise the Group’s ROE going forward. On a 9M basis, the exceptional expense also offsets the exceptional gain of RM1.16 billion recorded earlier in the year arising from the de-consolidation of Touch ‘n Go Digital.

Accordingly, including the exceptional expense, the Group recorded 9M21 reported PBT of RM4.81 billion, still higher YoY than 9M20 reported PBT of RM1.36 billion. 3Q21 reported PBT was RM333 million, lower QoQ compared to 2Q21 reported PBT of RM1.58 billion and YoY against 3Q20 PBT of RM454 million.

The Group remains well-capitalised as it achieved its highest ever common equity tier 1 (“CET1”) ratio of 13.9%[^] as at Sep-21, from 13.3% as at Dec-20, reflecting the Group’s resilience and strengthened capital position.

¹ All figures are core figures unless highlighted as reported:

(a) Core figures exclude one-off exceptional items recorded in 9M21, such as the exceptional expense amounting to RM1.31 billion recorded in 3Q21. This consists primarily of a non-cash accounting impairment of goodwill related to the Group’s Thailand business of RM1.22 billion and RM83 million in intangible assets write-off and accelerated amortisation. On a 9M basis, the exceptional expense also offsets the exceptional gain of RM1.16 billion recorded earlier in the year arising from the de-consolidation of Touch ‘n Go Digital

(b) Reported figures include one-off exceptional items

[^] Post CIMBGH’s first interim dividend, DRS and includes unaudited profits

B1. GROUP PERFORMANCE REVIEW (CONTINUED)

(i) CIMB Group 3Q21 Y-o-Y Performance (Continued)

CIMB Group's performance remained resilient even as the COVID-19 crisis peaked in 3Q21 and governments undertook stricter movement restrictions to manage the pandemic, which affected economic activity. The Group saw slower QoQ momentum due to modification loss as it expanded repayment assistance to help affected borrowers under the PEMULIH programme, and lower NOII due to the weaker trading environment and restricted economic activity. However, the Group's 9M21 performance indicates continued strong YoY recovery across all segments and markets as it makes good progress towards achieving FY21 targets.

3Q21 also saw an impairment of CIMB Thai goodwill amounting to RM1.22 billion. This impairment has no impact on its capital and liquidity position, and will help optimise ROE going forward which will benefit shareholders. The Group remains firmly on track to deliver its FY21 performance targets, which is reflective of loan growth recovery, stringent cost focus, lower provisions as well as positive traction from initiatives under Forward23+ strategic plan.

Meanwhile, the Group is pleased to see its digital businesses continue to register healthy growth. Touch 'n Go Digital's registered users increased to 16.4 million, adding 300,000 users in 3Q21 alone. GO+, the investment offering available in the Touch 'n Go eWallet, has also reached 1.6 million investors from 1.2 million investors in the preceding quarter, with total assets under management ("AUM") of RM136 million as at September 2021. Similarly, in the region, CIMB Philippines reached 4.5 million customers and a deposit book of RM1.16 billion, with over 500,000 customers added in 3Q21.

9M21 total gross loans grew by 1.6% YoY, driven by 2.5% growth in Malaysia and 3.1% growth in Singapore, which was partially offset by contractions in Thailand and Indonesia. Total deposits increased 5.5% YoY whilst CASA continued to grow strongly, up 9.6% YoY, with the CASA ratio reaching 41.5% as at Sep-21. The Group's loan-to-deposit ("LDR") ratio stood at 84.5% as at Sep-21, down by 3.3% from 87.8% in the preceding quarter.

9M21 core total provisions decreased by 55.7% YoY to RM2.01 billion, mainly due to lower credit-related/significant impairment of assets arising from write backs of back-to-performing loans, as well as lower delinquency.

The Group's allowance coverage rose to 105.1% as at 3Q21 compared to 102.2% in the preceding quarter, while the gross impaired loans ("GIL") ratio remained unchanged at 3.4% as at Sep-21. The annualised loan loss charge decreased to 0.62% from 0.68% in the preceding quarter.

The Group remains well-capitalised as it achieved its highest ever CET1 ratio of 13.9%[^] as at Sep-21, from 13.3% as at Dec-20, reflecting the Group's resilience and strengthened capital position. The total capital ratio also strengthened to 17.7%[^] as at Sep-21. The Group's liquidity coverage ratio ("LCR") remains comfortably above 100% for all banking entities within the Group.

Group Consumer Banking 9M21 operating income grew by 12.3% YoY whilst PBT also saw improvement. NII increased by 9.3% YoY whilst NOII increased by 22.8%, despite a QoQ decrease due to modification loss and weaker wealth management income respectively in 3Q21. Consumer loans grew healthily by 3.8% YoY, mainly driven by Malaysia, Indonesia and Singapore, whilst CASA grew by 7.5% YoY despite a 2.3% decrease in deposits.

Group Commercial Banking 9M21 operating income grew by 6.5% YoY whilst PBT increased significantly due to strong PPOP and lower expected credit losses ("ECL"), with NII growth of 6.6% and NOII growth of 6.0%. However, on a QoQ basis, PBT declined due to lower NOII and higher provisions. Commercial loans declined by 0.8% YoY from Indonesia, Singapore and Thailand, which was partially offset by growth in Malaysia. Deposits grew by 10.3%, underpinned by CASA growth of 13.3%.

Group Wholesale Banking 9M21 operating income grew by 14.3% YoY whilst PBT also improved significantly, largely attributable to strong NOII growth of 26.9% from improved Treasury & Markets income and lower provisions. NII increased by 9.7% YoY. Wholesale loans declined by 0.5% YoY due to derisking of the balance sheet, whilst deposits grew strongly by 11.6%.

CIMB Digital Assets & Group Funding 9M21 core operating income increased by 12.4% YoY excluding exceptional items, whilst core PBT also saw improvement supported by improved NII and lower Touch 'n Go Digital losses post-deconsolidation. NII grew by 84.8%, outpacing a decline in core NOII. Digital businesses including Touch 'n Go Digital and CIMB Philippines continued to register strong momentum.

[^] Post CIMBGH's first interim dividend, DRS and includes unaudited profits

(ii) CIMB Group 3Q21 vs. 3Q20 Performance

	The Group 3rd quarter ended			
	30 September 2021 RM'mil	30 September 2020 RM'mil	Variance RM'mil	%
Key Profit or Loss Items:				
Operating income	4,393 **	4,414	(21)	(0.5)
Profit before taxation and zakat	1,639 *	454	1,185	261.0
Net profit for the financial period attributable to Owners of the Parent	1,221 *	194	1,027	529.4

** Excludes non-cash accounting gain of RM2.3 million from the deemed divestment of TNG Digital

* Excludes exceptional expenses of RM1.3 billion before taxation and net of taxation

On a YoY basis, 3Q21 operating income of RM4.39 billion was 0.5% lower mainly due to the weaker NOII as 3Q20 performance was strong due to the recovery in trading & FX activity and wealth management. Consumer Banking posted a PBT of RM499 million in 3Q21 compared to RM279 million in 3Q20 from lower provision. Commercial Banking posted a 192.3% YoY increase to RM131 million due to stronger topline and lower provisions. Wholesale Banking PBT was higher at RM855 million due to significantly lower provisions partially due to a writeback in Malaysia. CIMB Digital Assets & Group Funding PBT was 16.7% lower YoY mainly due to lower NOII. In totality, the Group's 3Q21 net profit was 529.4% higher YoY.

(iii) CIMB Group 3Q21 vs. 2Q21 Performance

	The Group Quarter ended			
	30 September 2021 RM'mil	30 June 2021 RM'mil	Variance RM'mil	%
Key Profit or Loss Items:				
Operating income	4,393 **	4,621	(228)	(4.9)
Profit before taxation and zakat	1,639 *	1,835	(196)	(10.7)
Net profit for the financial period attributable to Owners of the Parent	1,221 *	1,280	(59)	(4.6)

** Excludes non-cash accounting gain of RM2.3 million from the deemed divestment of TNG Digital

* Excludes exceptional expenses of RM1.3 billion before taxation and net of taxation

On a Quarter on Quarter ("QoQ") basis, operating income decreased by 4.9% on a BAU basis to RM4.39 billion from RM4.62 billion in 2Q21. This was due to reduction in NII of 2.3% mainly from the additional modification loss, and reduction in NOII of 13.6% from weaker fees & trading income and wealth management income. Consumer Banking posted a drop in PBT of 10.1% to RM499 million in 3Q21 compared to RM555 million in 2Q21 attributed to the modification loss and weaker wealth management income. Commercial Banking posted a lower PBT of RM131 million, compared to a PBT of RM306 million in 2Q21 from lower NOII and higher provisions. Wholesale Banking PBT expanded by 26.5% QoQ on the back of lower overhead expenses and provisions. As a result, the Group's 3Q21 net profit was 4.6% lower QoQ.

CIMB Islamic

9M21 operating income grew by 27.5% YoY whilst PBT also improved driven by a robust topline along with lower provisions. Net financing income ("NFI") grew by 33.7% on the back of improved NIM driven by lower funding costs, whilst non-financing income ("NOFI") was marginally lower YoY despite improved QoQ performance from fee income. Islamic financing grew by 4.5% YoY, whilst deposits grew by 10.3%. CIMB Islamic remains the no. 2 Islamic bank in Malaysia by total Islamic assets, deposits and financing.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Group is adopting a cautiously optimistic view on business expansion as economies in the region gradually reopen, with anticipated lower number of Covid-19 cases and higher vaccination rates. The Group will continue to focus on assisting impacted customers with the various loan relief programs while also focusing on credit risk management strategies and managing asset quality across segments and geographies. Efforts will continue with its Forward23+ strategies of CASA growth, RAROC optimization, growing Preferred Banking & Wealth Management while prudently managing costs with a digital led focus on the areas of operations, payments, sales enablement and acquisition. Loan growth is expected to remain muted and provisions to be under control for the rest of the year. Overall, the Group expects to record improved financial performance for 2021.

B3. TAXATION AND ZAKAT

	3rd quarter ended		Nine months ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
The Group				
Major components of tax expense and zakat:				
Current tax expense	627,658	449,980	1,568,456	766,602
Deferred tax income	(214,131)	(257,949)	(301,672)	(285,743)
(Over)/under provision in prior years	(10,606)	82,894	25,441	(67,279)
	402,921	274,925	1,292,225	413,580
Zakat	5,060	-	5,060	-
	407,981	274,925	1,297,285	413,580
Reconciliation				
Profit before taxation and zakat	332,794	453,998	4,808,229	1,364,347
Less: Share of results of joint venture	(8,679)	(34,889)	(67,006)	(80,971)
Share of results of associates	(133)	(208)	35	86
	323,982	418,901	4,741,258	1,283,462
Tax at statutory income tax rate of 24%	77,756	100,536	1,137,902	308,031
Effect of different tax rates in other countries and change in tax rates	(23,785)	86,310	(42,620)	65,278
Due to expenses not deductible for tax purposes and income not subject to income tax	359,556	5,185	171,502	107,550
(Over)/under provision in prior years	(10,606)	82,894	25,441	(67,279)
Tax expenses/(income)	402,921	274,925	1,292,225	413,580
The Company				
Major components of tax expense:				
Current tax (income)/expense	(302)	1,478	(233)	5,499
Deferred tax income	-	-	(147)	(1)
Under provision in prior years	(150)	-	(150)	-
	(452)	1,478	(530)	5,498
Reconciliation				
Profit before taxation	481,977	428,276	411,703	1,611,325
Tax at statutory income tax rate of 24%	115,675	102,786	98,809	386,718
Due to expenses not deductible for tax purposes and income not subject to income tax	(115,977)	(101,308)	(99,189)	(381,220)
Under provision in prior years	(150)	-	(150)	-
Tax (income)/expenses	(452)	1,478	(530)	5,498

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

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

B5. BORROWINGS AND DEBT SECURITIES

	The Group	
	30 September 2021	31 December 2020
	RM'000	RM'000
(i) Bonds, sukuk and debentures		
Unsecured		
One year or less (short term)		
- USD	2,172,027	-
- RM	1,026,369	-
- IDR	737,768	345,341
- THB	2,282,669	162,732
- HKD	-	465,990
More than one year (medium/long term)		
- USD	913,939	2,836,798
- RM	2,686,552	3,998,506
- HKD	3,703,523	2,851,481
- IDR	1,061,304	1,543,047
- THB	3,504	260,069
	14,587,655	12,463,964

B5. BORROWINGS AND DEBT SECURITIES (Continued)

	The Group		The Company	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
(ii) Other borrowing				
Unsecured				
One year or less (short term)				
- USD	419,449	2,814,183	-	-
- RM	758,847	-	758,847	-
- IDR	260,457	16,392	-	-
- KHR	177,331	-	-	-
More than one year (medium/long term)				
- RM	3,965,033	4,708,892	3,965,033	4,708,893
- USD	2,306,977	2,615,467	-	-
- IDR	181,122	251,025	-	-
- KHR	1,596	-	-	-
	8,070,812	10,405,959	4,723,880	4,708,893
(iii) Subordinated obligations				
Unsecured				
One year or less (short term)				
- RM	814,597	4,379,755	406,449	1,406,844
More than one year (medium/long term)				
- RM	9,631,169	8,364,035	9,565,029	9,509,864
- IDR	66,627	64,720	-	-
	10,512,393	12,808,510	9,971,478	10,916,708

B6. MATERIAL LITIGATION

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

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

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

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
Net (loss)/profit for the financial period				
after non-controlling interests (RM'000)	(100,593)	194,444	3,440,823	979,448
Weighted average number of ordinary shares in issue ('000)	10,014,184	9,922,966	9,976,761	9,922,966
Basic earnings per share (expressed in sen per share)	(1.07)	1.96	34.49	9.87

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.