

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	The Group		The Bank	
		31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
ASSETS					
Cash and short term funds	A6	14,394,040	12,577,466	14,393,994	12,577,420
Deposits and placements with banks and other financial institutions	A6	33,219	50,046	33,219	50,046
Financial investments at fair value through profit or loss	A7	7,102,646	5,034,429	7,102,646	5,034,429
Debt instruments at fair value through other comprehensive income	A8	3,588,547	3,670,899	3,588,547	3,670,899
Debt instruments at amortised cost	A9	8,921,732	8,501,654	8,921,732	8,501,654
Islamic derivative financial instruments	A27(i)	413,288	522,847	413,288	522,847
Financing, advances and other financing/loans	A10	85,829,780	84,916,816	85,829,780	84,916,816
Other assets	A11	497,108	412,506	678,708	573,186
Tax recoverable		11,746	3,007	11,746	3,007
Deferred taxation		142,676	85,777	142,676	85,777
Amount due from holding company and ultimate holding company		564,478	311,109	564,478	311,109
Amount due from related companies		129	167	129	167
Investment in subsidiaries		-	-	11	11
Property, plant and equipment		1,229	1,348	1,229	1,348
Right-of-use assets		2,081	2,220	2,081	2,220
Intangible assets		54,112	56,112	54,112	56,112
Goodwill		136,000	136,000	136,000	136,000
TOTAL ASSETS		121,692,811	116,282,403	121,874,376	116,443,048
LIABILITIES AND EQUITY					
Deposits from customers	A12	100,981,590	96,302,909	101,330,722	96,649,535
Investment accounts of customers	A13	3,033,161	2,678,870	3,033,161	2,678,870
Deposits and placements of banks and other financial institutions	A14	3,112,956	2,799,014	3,112,956	2,799,014
Collateralised Commodity Murabahah		495,349	299,236	495,349	299,236
Investment accounts due to designated financial institutions	A15	4,512,450	4,751,241	4,512,450	4,751,241
Financial liabilities designated at fair value through profit or loss	A16	150,432	71,610	150,432	71,610
Islamic derivative financial instruments	A27(i)	376,780	557,847	376,780	557,847
Amount due to related companies		218	8,643	218	8,643
Other liabilities	A17	581,207	470,405	579,909	469,317
Lease liabilities		2,239	2,365	2,239	2,365
Provision for taxation		-	3,000	-	3,000
Sukuk		168,140	186,155	-	-
Subordinated Sukuk	A18	1,114,219	1,118,336	1,114,219	1,118,336
TOTAL LIABILITIES		114,528,741	109,249,631	114,708,435	109,409,014
EQUITY					
Capital and reserves attributable to equity holder of the Bank					
Ordinary share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		5,744,070	5,612,772	5,745,941	5,614,034
		6,744,070	6,612,772	6,745,941	6,614,034
Perpetual preference shares		420,000	420,000	420,000	420,000
TOTAL EQUITY		7,164,070	7,032,772	7,165,941	7,034,034
TOTAL EQUITY AND LIABILITIES		121,692,811	116,282,403	121,874,376	116,443,048
RESTRICTED AGENCY INVESTMENT ACCOUNT (*)	A29	8,779,643	8,730,980	8,779,643	8,730,980
TOTAL ISLAMIC BANKING ASSET		130,472,454	125,013,383	130,654,019	125,174,028
COMMITMENTS AND CONTINGENCIES	A27(ii)	46,814,171	51,459,641	46,814,171	51,459,641
Net assets per ordinary share attributable to owners of the Parent (RM)		6.74	6.61	6.75	6.61

* The disclosure is in accordance with the requirements of Bank Negara Malaysia guideline on Financial Reporting for Islamic Banking Institutions.
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 ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD 31 MARCH 2021

	Note	The Group			
		1st Quarter Ended		Three Months Ended	
		31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Income derived from investment of depositors' funds and others	A19	901,491	1,039,960	901,491	1,039,960
Income derived from investment of investment account	A20	67,031	110,099	67,031	110,099
Income derived from investment of shareholder's funds	A21	172,453	114,947	172,453	114,947
Expected credit losses on financing, advances and other financing/loans	A22(a)	(74,745)	(60,793)	(74,745)	(60,793)
Expected credit losses made for commitments and contingencies		(3,492)	(4,839)	(3,492)	(4,839)
Other expected credit losses	A22(b)	(244)	(2,454)	(244)	(2,454)
Total distributable income		1,062,494	1,196,920	1,062,494	1,196,920
Income attributable to depositors and others	A23	(439,685)	(625,523)	(439,685)	(625,523)
Profit distributed to investment account holder	A24	(35,038)	(78,583)	(35,038)	(78,583)
Total net income		587,771	492,814	587,771	492,814
Personnel expenses	A25	(6,347)	(6,358)	(6,347)	(6,358)
Other overheads and expenditures	A26	(262,330)	(230,909)	(262,330)	(230,909)
Profit before taxation and zakat		319,094	255,547	319,094	255,547
Taxation		(76,966)	(60,497)	(76,966)	(60,497)
Profit for the financial period		242,128	195,050	242,128	195,050

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 31 MARCH 2021

	The Group			
	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	242,128	195,050	242,128	195,050
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(110,267)	(23,744)	(110,267)	(23,744)
- Net gain/(loss) from change in fair value	(99,527)	1,594	(99,527)	1,594
- Realised gain transferred to statement of income on disposal	(27,396)	(35,938)	(27,396)	(35,938)
- Changes in expected credit losses	306	2,358	306	2,358
- Income tax effects	16,350	8,242	16,350	8,242
Other comprehensive income for the period, net of tax	(110,267)	(23,744)	(110,267)	(23,744)
Total comprehensive income for the financial period	131,861	171,306	131,861	171,306
Earnings per share (sen)	B3	24.21	19.50	24.21

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 ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD 31 MARCH 2021

The Bank

	Note	1st Quarter Ended		Three Months Ended	
		31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Income derived from investment of depositors' funds and others	A19	901,491	1,039,960	901,491	1,039,960
Income derived from investment of investment account	A20	67,031	110,099	67,031	110,099
Income derived from investment of shareholder's funds	A21	172,711	115,311	172,711	115,311
Expected credit losses on financing, advances and other financing/loans	A22(a)	(74,745)	(60,793)	(74,745)	(60,793)
Expected credit losses made for commitments and contingencies		(3,492)	(4,839)	(3,492)	(4,839)
Other expected credit losses	A22(b)	(244)	(2,454)	(244)	(2,454)
Total distributable income		1,062,752	1,197,284	1,062,752	1,197,284
Income attributable to depositors and others	A23	(439,360)	(625,106)	(439,360)	(625,106)
Profit distributed to investment account holder	A24	(35,038)	(78,583)	(35,038)	(78,583)
Total net income		588,354	493,595	588,354	493,595
Personnel costs	A25	(6,347)	(6,358)	(6,347)	(6,358)
Other overheads and expenditures	A26	(262,304)	(230,877)	(262,304)	(230,877)
Profit before taxation and zakat		319,703	256,360	319,703	256,360
Taxation		(76,966)	(60,497)	(76,966)	(60,497)
Profit for the financial period		242,737	195,863	242,737	195,863

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 31 MARCH 2021

The Bank

	1st Quarter Ended		Three Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Profit for the financial period	242,737	195,863	242,737	195,863
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(110,267)	(23,744)	(110,267)	(23,744)
- Net gain/(loss) from change in fair value	(99,527)	1,594	(99,527)	1,594
- Realised gain transferred to statement of income on disposal	(27,396)	(35,938)	(27,396)	(35,938)
- Changes in expected credit losses	306	2,358	306	2,358
- Income tax effects	16,350	8,242	16,350	8,242
Other comprehensive income for the period, net of tax	(110,267)	(23,744)	(110,267)	(23,744)
Total comprehensive income for the financial period	132,470	172,119	132,470	172,119
Earnings per share basis (sen)	24.27	19.59	24.27	19.59

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 ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

The Group	← Attributable to owners of the Parent →									
	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
31 March 2021										
At 1 January 2021	1,000,000	31,312	(2,457)	458	213,032	1,225	5,369,202	6,612,772	420,000	7,032,772
Profit for the financial period	-	-	-	-	-	-	242,128	242,128	-	242,128
Other comprehensive expense (net of tax)	-	(110,267)	-	-	-	-	-	(110,267)	-	(110,267)
- debt instruments at fair value through other comprehensive income	-	(110,267)	-	-	-	-	-	(110,267)	-	(110,267)
Total comprehensive income for the financial period	-	(110,267)	-	-	-	-	242,128	131,861	-	131,861
Share-based payment expense	-	-	-	-	-	293	-	293	-	293
Shares released under Equity Ownership Plan	-	-	-	-	-	(856)	-	(856)	-	(856)
Total transactions with owners recognised directly in equity	-	-	-	-	-	(563)	-	(563)	-	(563)
Transfer to regulatory reserve	-	-	-	-	(103,391)	-	103,391	-	-	-
At 31 March 2021	1,000,000	(78,955)	(2,457)	458	109,641	662	5,714,721	6,744,070	420,000	7,164,070

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 ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

← Attributable to owners of the Parent →

The Group	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve * RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'001	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
31 March 2020											
At 1 January 2020	1,000,000	22,839	(2,457)	458	513,533	(31)	1,231	4,575,241	6,110,814	220,000	6,330,814
Profit for the financial period	-	-	-	-	-	-	-	195,050	195,050	-	195,050
Other comprehensive income (net of tax)	-	(23,744)	-	-	-	31	-	-	(23,713)	-	(23,713)
- debt instruments at fair value through other comprehensive income	-	(23,744)	-	-	-	-	-	-	(23,744)	-	(23,744)
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	31	-	-	31	-	31
Total comprehensive income for the financial period	-	(23,744)	-	-	-	31	-	195,050	171,337	-	171,337
Share-based payment expense	-	-	-	-	-	-	352	-	352	-	352
Issuance new shares	-	-	-	-	-	-	-	-	-	200,000	200,000
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(905)	-	(905)	-	(905)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(553)	-	(553)	200,000	199,447
Transfer to regulatory reserve	-	-	-	-	(513,533)	-	-	513,533	-	-	-
At 31 March 2020	1,000,000	(905)	(2,457)	458	-	-	678	5,283,824	6,281,598	420,000	6,701,598

* 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 ISLAMIC BANK BERHAD
 Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	← Non-distributable					Distributable →				
The Bank	Ordinary share capital RM'000	Fair value reserve-debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
31 March 2021										
At 1 January 2021	1,000,000	31,312	(2,457)	458	213,032	1,225	5,370,464	6,614,034	420,000	7,034,034
Profit for the financial period	-	-	-	-	-	-	242,737	242,737	-	242,737
Other comprehensive expense (net of tax)	-	(110,267)	-	-	-	-	-	(110,267)	-	(110,267)
- debt instruments at fair value through other comprehensive income	-	(110,267)	-	-	-	-	-	(110,267)	-	(110,267)
Total comprehensive income for the financial period	-	(110,267)	-	-	-	-	242,737	132,470	-	132,470
Share-based payment expense	-	-	-	-	-	293	-	293	-	293
Shares released under Equity Ownership Plan	-	-	-	-	-	(856)	-	(856)	-	(856)
Total transactions with owners recognised directly in equity	-	-	-	-	-	(563)	-	(563)	-	(563)
Transfer to regulatory reserve	-	-	-	-	(103,391)	-	103,391	-	-	-
At 31 March 2021	1,000,000	(78,955)	(2,457)	458	109,641	662	5,716,592	6,745,941	420,000	7,165,941

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CIMB ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

The Bank	← Non-distributable					→ Distributable					Total Equity RM'000
	Ordinary share capital RM'000	Fair value reserve-debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve * RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'001	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	
31 March 2020											
At 1 January 2020	1,000,000	22,839	(2,457)	458	513,533	(31)	1,231	4,576,294	6,111,867	220,000	6,331,867
Profit for the financial period	-	-	-	-	-	-	-	195,863	195,863	-	195,863
Other comprehensive income (net of tax)	-	(23,744)	-	-	-	31	-	-	(23,713)	-	(23,713)
- debt instruments at fair value through other comprehensive income	-	(23,744)	-	-	-	-	-	-	(23,744)	-	(23,744)
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	31	-	-	31	-	31
Total comprehensive income for the period	-	(23,744)	-	-	-	31	-	195,863	172,150	-	172,150
Share-based payment expense	-	-	-	-	-	-	352	-	352	-	352
Issuance new shares	-	-	-	-	-	-	-	-	-	200,000	200,000
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(905)	-	(905)	-	(905)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(553)	-	(553)	200,000	199,447
Transfer to regulatory reserve	-	-	-	-	(513,533)	-	-	513,533	-	-	-
At 31 March 2020	1,000,000	(905)	(2,457)	458	-	-	678	5,285,690	6,283,464	420,000	6,703,464

* 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 ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	The Group		The Bank	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Profit before taxation and zakat	319,094	255,547	319,703	256,360
Adjustments for non-cash items	<u>(75,420)</u>	<u>(45,357)</u>	<u>(77,507)</u>	<u>(48,327)</u>
Operating profit before changes in working capital	243,674	210,190	242,196	208,033
Net changes in operating assets	(3,397,226)	934,316	(3,418,146)	934,316
Net changes in operating liabilities	5,424,382	(589,123)	5,426,678	(610,953)
Tax paid	<u>(111,374)</u>	<u>(110,475)</u>	<u>(111,374)</u>	<u>(110,475)</u>
Net cash generated from operating activities	2,159,456	444,908	2,139,354	420,921
Net cash flows generated (used in)/from investing activities	(324,354)	218,300	(324,354)	218,300
Net cash flows generated (used in)/from financing activities	<u>(35,355)</u>	150,677	<u>(15,253)</u>	174,665
Net change in cash and cash equivalents	1,799,747	813,885	1,799,747	813,886
Cash and cash equivalents at beginning of the financial period	<u>12,627,512</u>	<u>7,782,122</u>	<u>12,627,466</u>	<u>7,782,076</u>
Cash and cash equivalents at end of the financial period	<u>14,427,259</u>	<u>8,596,007</u>	<u>14,427,213</u>	<u>8,595,962</u>
Cash and cash equivalents comprise :				
Cash and short-term funds	14,394,040	8,545,935	14,393,994	8,545,890
Deposits and placements with banks and other financial institutions	33,219	50,072	33,219	50,072
Cash and cash equivalents at end of the financial year	<u>14,427,259</u>	<u>8,596,007</u>	<u>14,427,213</u>	<u>8,595,962</u>

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 31 March 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, derivative financial instruments, 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 Bank'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 Bank 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 June 2020 and 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 except for Interest rate benchmark reform-Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16) where the Group is still in the midst of assessing the impact of the above amendments to published standards.

- b) The Covid-19 pandemic is expected to persist in 2021, although global and regional economies are projected to recover meaningfully on the back of positive developments of the Covid-19 vaccines and the various stimulus measures undertaken by government.

Financial institutions continue to provide economic stimulus and financing payment programs as economic headwinds remain within the uncertain environment. Bank Negara Malaysia is implementing fiscal measures to address market disruptions and disparities.

The Bank has been supporting customers impacted by the economic downturn over the past year and continues to provide targeted assistance programs particularly to those within the directly impacted sectors.

The Bank will continuously assess the extent of the impact of the Covid-19 pandemic given the potential disruptions from its possible resurgence.

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 Bank'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

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.

PART A - EXPLANATORY NOTES (CONTINUED)

A3. Issuance and repayment of debt equity securities

During the period, Ziya Capital Bhd ("Ziya") undertook a partial redemption of its Sukuk amounting to RM18 million.

A4. Proposed dividend

There were no dividends paid or proposed for the financial period ended 31 March 2021.

A5. Significant events after the reporting period

There were no significant events other than those disclosed under issuance and repayment of debt equity securities that had occurred between 31 March 2021 and the date of this announcement.

A6 Cash and short-term funds and Deposits and placements with banks and other financial institutions

As at 31 March 2021, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are both RMNil respectively (2020: both RMNil respectively). The 12-month expected credit losses made in the income statement during the financial period is amounting to RMNil (2020: RMNil).

A7 Financial assets at fair value through profit or loss

Money market instruments

Unquoted

In Malaysia

Malaysian Government treasury bills	458,158	288,829
Islamic negotiable instruments of deposits	2,694,112	1,195,653
Islamic commercial papers	2,875,355	2,809,208
Government Investment Issues	702,162	396,416
Islamic Cagamas bonds	7,499	7,545
	<u>6,737,286</u>	<u>4,697,651</u>

Unquoted securities

In Malaysia

Corporate Sukuk	365,360	336,778
	<u>7,102,646</u>	<u>5,034,429</u>

The Group and the Bank
31 March **31 December**
2021 **2020**
RM'000 **RM'000**

PART A - EXPLANATORY NOTES (CONTINUED)

A8 Debt instruments at fair value through other comprehensive income

	The Group and the Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Government Investment Issues	688,186	628,152
Islamic Cagamas bonds	15,587	57,150
Malaysian Government Sukuk	15,735	20,997
Islamic commercial papers	24,959	24,803
	744,467	731,102
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	2,798,309	2,893,404
<u>Outside Malaysia</u>		
Corporate Sukuk	45,771	46,393
	3,588,547	3,670,899

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

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.

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses- not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
At 1 January 2021	1,914	-	-	1,914
Total charge to Income Statement:	306	-	-	306
New financial assets purchased	3,062	-	-	3,062
Financial assets that have been derecognised	(162)	-	-	(162)
Change in credit risk	(2,594)	-	-	(2,594)
At 31 March 2021	2,220	-	-	2,220

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses- not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
At 1 January 2020	1,749	99	-	1,848
Changes in expected credit losses due to transferred within stages:	117	(117)	-	-
Transferred to Stage 1	117	(117)	-	-
Total charge to Income Statement:	48	18	-	66
New financial assets purchased	14,376	-	-	14,376
Financial assets that have been derecognised	(450)	-	-	(450)
Change in credit risk	(13,878)	18	-	(13,860)
At 31 December 2020	1,914	-	-	1,914

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
A9 Debt instruments at amortised cost		
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Government Investment Issues	3,035,765	2,926,780
Islamic Cagamas bonds	53,311	52,912
Malaysian Government Sukuk	100,234	101,341
Khazanah bonds	89,047	89,047
	<u>3,278,357</u>	<u>3,170,080</u>
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	5,647,317	5,333,167
Amortisation of premium net of accretion of discount	(3,821)	(1,409)
Less: Expected credit loss	(121)	(184)
	<u>8,921,732</u>	<u>8,501,654</u>

(a) Included in debt instruments at amortised cost is exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), as part of an arrangement between CIMB Islamic Bank Berhad and third party amounting to RM144,434,000 (31 December 2020: RM Nil).

Expected credit losses movement for debt instruments at amortised cost:

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (not credit impaired - Stage 2)	Lifetime	Total
			expected credit losses (Credit impaired - Stage 3)	
The Group and the Bank				
At 1 January 2021	184	-	-	184
Total charge to Income Statement:	(63)	-	-	(63)
New financial assets purchased	135	-	-	135
Change in credit risk	(198)	-	-	(198)
At 31 March 2021	<u>121</u>	<u>-</u>	<u>-</u>	<u>121</u>

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (not credit impaired - Stage 2)	Lifetime	Total
			expected credit losses (Credit impaired - Stage 3)	
The Group and the Bank				
At 1 January 2020	395	-	-	395
Total charge to Income Statement:	(211)	-	-	(211)
New financial assets purchased	1,113	-	-	1,113
Change in credit risk	(1,324)	-	-	(1,324)
At 31 December 2020	<u>184</u>	<u>-</u>	<u>-</u>	<u>184</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10 (i) By type and Shariah contract

31 March 2021

	Sale-based contracts				The Group and the Bank			Loan contract	Others	Total
	Murabahah	Bai' Bithaman		Bai' al-Dayn	Tawarruq	Lease-based contracts				
		Ajil	Bai' al-'inah			Ijarah	Al-Ijarah			
RM'000	RM'000	RM'000	RM'000	RM'000	Muntahiah Bi-al-Tamlik *	Thumma Al-Bai' #	Qard	Ujrah	RM'000	
At amortised cost										
Cash line [^]	-	213	696	-	1,075,428	-	-	6,864	-	1,083,201
Term financing										
House Financing	-	4,808,329	-	-	23,002,245	1,203,894	-	-	-	29,014,468
Syndicated Financing	-	-	39,036	-	1,869,542	-	-	-	-	1,908,578
Hire purchase receivables	-	-	-	-	-	-	11,895,227	-	-	11,895,227
Other term financing	-	1,136,846	4,927,640	-	30,562,143	43,705	-	-	-	36,670,334
Bills receivable	419,990	-	-	39,290	-	-	-	-	-	459,280
Islamic trust receipts	87,065	-	-	-	-	-	-	-	-	87,065
Claims on customers under acceptance credits	739,713	-	-	86,452	-	-	-	-	-	826,165
Staff financing**	-	-	-	-	186,875	-	-	-	-	186,875
Revolving credits	-	-	-	-	4,587,239	-	-	-	-	4,587,239
Credit card receivables	-	-	-	-	-	-	-	-	131,598	131,598
Gross financing, advances and other financing/loans, at amortised cost	1,246,768	5,945,388	4,967,372	125,742	61,283,472	1,247,599	11,895,227	6,864	131,598	86,850,030
Fair value changes arising from fair value hedge										3,032
										86,853,062
Less: Expected credit losses										(1,023,282)
Net financing, advances and other financing/loans, at amortised cost										85,829,780
Total net financing, advances and other financing/loans										85,829,780

[^] Includes current account in excess

* The Bank is the beneficial owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

The Bank 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.

** Includes financing to Directors of the Group and the Bank amounting to RM2,075,164 (2020:RM2,081,719).

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans

(i) By type and Shariah contract (continued)

31 December 2020

	The Group and the Bank									
	Sale-based contracts					Lease-based contracts		Loan contract	Others	Total
	Bai' Bithaman		Bai' al-'inah	Bai' al-Dayn	Tawarruq	Ijarah	Al-Ijarah			
	Murabahah	Ajil				Muntahiah Bi al- Tamlik *	Thumma Al-Bai' #	Qard	Ujrah	
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	-	1,036,198	-	-	8,907	-	1,046,215
Term financing										
House Financing	-	4,937,835	-	-	21,574,218	1,227,897	-	-	-	27,739,950
Syndicated Financing	-	-	39,111	-	2,082,395	-	-	-	-	2,121,506
Hire purchase receivables	-	-	-	-	-	-	11,380,856	-	-	11,380,856
Other term financing	-	1,168,761	5,004,003	-	31,036,109	44,811	-	-	-	37,253,684
Bills receivable	334,959	-	-	31,043	-	-	-	-	-	366,002
Islamic trust receipts	96,492	-	-	-	-	-	-	-	-	96,492
Claims on customers under acceptance credits	691,902	-	-	84,911	-	-	-	-	-	776,813
Staff financing**	-	-	-	-	171,716	-	-	-	-	171,716
Revolving credits	-	-	-	-	4,603,440	-	-	-	-	4,603,440
Credit card receivables	-	-	-	-	-	-	-	-	134,389	134,389
Gross financing, advances and other, at amortised cost financing/loans	1,123,353	6,106,864	5,043,956	115,954	60,504,076	1,272,708	11,380,856	8,907	134,389	85,691,063
Fair value changes arising from fair value hedges										3,835
Less: Expected credit losses										85,694,898
Net financing, advances and other financing/loans, at amortised cost										(975,403)
										84,719,495
At fair value through profit or loss:										
Term financing										
Syndicated Financing	-	-	-	-	197,321	-	-	-	-	197,321
Gross financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	197,321	-	-	-	-	197,321
Total net financing, advances and other financing/loans										<u>84,916,816</u>

^ Includes current account in excess

* The Bank is the beneficial owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing

The Bank 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.

** Includes financing to Directors of the Group and the Bank amounting to RM2,075,164 (2020:RM2,081,719).

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

(i) By type and Shariah contract (continued)

	The Group and the Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Total Gross financing, advances and other financing/loans		
- At amortised cost	86,850,030	85,691,063
- At fair value through profit or loss	-	197,321
	86,850,030	85,888,384

(a) The Group and the Bank have undertaken fair value hedges on the profit rate risk of financing, advances and other financing/loans of RM76,834,000 (2020: RM78,322,000) using Islamic profit rate swaps.

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

As at 31 March 2021, the gross carrying amount to RPSIA financing is RM4,455,923,000 (31 December 2020: RM4,703,553,000) and the 12-month expected credit losses relating to this RPSIA amounting to RM109,356,000 (31 December 2020: RM104,169,000) is recognised in the Financial Statements of CIMB Bank Berhad.

(c) Movement of Qard financing

	The Group and the Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
At 1 January 2021/2020	8,907	5,910
New disbursement	5,244	5,072
Repayment	(7,287)	(2,075)
As at 31 March/31 December	6,864	8,907
Sources of Qard fund:		
Depositors' fund	6,409	8,401
Shareholders' fund	455	506
	6,864	8,907
Uses of Qard fund:		
Personal use	2,661	469
Business purpose	4,203	8,438
	6,864	8,907

(ii) By geographical distribution:

Malaysia	86,850,030	85,888,384
	86,850,030	85,888,384

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

	The Group and the Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
(iii) By type of customer :		
Domestic non-bank financial institutions	2,385,490	2,307,114
Domestic business enterprises		
- Small medium enterprises	11,914,981	11,717,859
- Others	9,126,038	9,675,087
Government and statutory bodies	3,479,998	3,485,484
Individuals	59,104,107	57,876,284
Other domestic entities	235,264	227,451
Foreign entities	604,152	599,105
Gross financing, advances and other financing/loans	<u>86,850,030</u>	<u>85,888,384</u>
(iv) By profit rate sensitivity :		
Fixed rate		
- House financing	182,592	171,776
- Hire purchase receivables	10,786,816	10,220,238
- Others	2,401,023	2,460,723
Variable rate		
- House financing	28,831,876	27,568,174
- Others	44,647,723	45,467,473
Gross financing, advances and other financing/loans	<u>86,850,030</u>	<u>85,888,384</u>
(v) By economic purpose :		
Personal use	2,220,511	2,318,285
Credit card	131,598	134,389
Construction	1,802,979	1,801,730
Residential property	29,804,907	28,484,583
Non-residential property	7,919,968	7,885,765
Purchase of fixed assets other than land and building	350,271	340,901
Merger and acquisition	480	532
Purchase of securities	13,466,515	14,019,757
Purchase of transport vehicles	12,144,209	11,635,714
Working capital	16,163,476	15,992,835
Other purpose	2,845,116	3,273,893
Gross financing, advances and other financing/loans	<u>86,850,030</u>	<u>85,888,384</u>
(vi) By economic sector:		
Primary agriculture	3,114,484	3,131,487
Mining and quarrying	433,094	654,850
Manufacturing	3,237,621	3,109,434
Electricity, gas and water supply	88,678	283,688
Construction	1,672,619	1,647,676
Transport, storage and communications	2,309,964	2,335,206
Education, health and others	4,257,211	4,207,790
Wholesale and retail trade, and restaurants and hotels	3,577,678	3,547,681
Finance, insurance/takaful, real estate and business activities	8,629,174	8,688,348
Household	59,447,650	58,200,960
Others	81,857	81,264
Gross financing, advances and other financing/loans	<u>86,850,030</u>	<u>85,888,384</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

	The Group and the Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
(vii) By residual contractual maturity :		
Within one year	10,719,019	10,817,368
One year to less than three years	1,465,771	1,412,871
Three years to less than five years	3,331,683	2,754,591
Five years and more	71,333,557	70,903,554
Gross financing, advances and other financing/loans	86,850,030	85,888,384
(viii) Credit impaired financing by economic purpose :		
Personal use	21,281	36,843
Credit card	1,326	1,762
Construction	3,500	1,312
Residential property	248,242	370,505
Non-residential property	111,583	123,188
Purchase of fixed assets other than land & building	-	65
Purchase of securities	2,283	87,766
Purchase of transport vehicles	76,212	99,852
Working capital	743,083	757,692
Other purpose	23,972	18,257
Gross credit impaired financing, advances and other financing/loans	1,231,482	1,497,242
(ix) Credit impaired financing by geographical distribution:		
Malaysia	1,231,482	1,497,242
	1,231,482	1,497,242
(x) Credit impaired financing by economic sector:		
Primary agriculture	19,680	19,370
Mining and quarrying	-	1,340
Manufacturing	675,620	694,217
Electricity, gas and water supply	1	1
Construction	11,363	16,505
Transport, storage and communications	2,351	3,796
Education, health and others	5,984	3,567
Wholesale and retail trade, and restaurants and hotels	103,544	92,310
Finance, insurance/takaful, real estate and business activities	42,393	39,048
Household	370,544	627,086
Others	2	2
Gross credit impaired financing, advances and other financing/loans	1,231,482	1,497,242

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

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

Financing, advances and other financing/loans at amortised cost:

The Group and the Bank	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	254,404	381,846	339,153	975,403
Changes in expected credit losses due to transferred within stages:	99,753	(37,462)	(62,291)	-
Transferred to Stage 1	130,848	(121,982)	(8,866)	-
Transferred to Stage 2	(31,021)	117,464	(86,443)	-
Transferred to Stage 3	(74)	(32,944)	33,018	-
Total charge to Income Statement:	(59,592)	113,933	37,113	91,454
New financial assets originated	16,262	1,301	18,688	36,251
Financial assets that have been derecognised	(12,049)	(10,667)	-	(22,716)
Writeback in respect of full recoveries	-	-	(21,331)	(21,331)
Change in credit risk	(63,805)	123,299	39,756	99,250
Write-offs	-	(4)	(47,502)	(47,506)
Foreign exchange differences	18	83	-	101
Other movements	-	21	3,809	3,830
	294,583	458,417	270,282	1,023,282

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

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

Financing, advances and other financing/loans at amortised cost:

The Group and the Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not credit impaired (Stage 2) RM'000	Lifetime expected credit losses -Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2020	134,567	132,054	168,027	434,648
Changes in expected credit losses due to transferred within stages:	(126,796)	115,144	11,652	-
Transferred to Stage 1	105,759	(82,281)	(23,478)	-
Transferred to Stage 2	(231,780)	339,942	(108,162)	-
Transferred to Stage 3	(775)	(142,517)	143,292	-
Total charge to Income Statement:	246,643	134,861	244,907	626,411
New financial assets originated	81,920	5,138	61,547	148,605
Financial assets that have been derecognised	(51,255)	(19,025)	-	(70,280)
Writeback in respect of full recoveries	-	-	(60,469)	(60,469)
Change in credit risk	215,978	148,748	243,829	608,555
Write-offs	(221)	(70)	(89,915)	(90,206)
Other movements	211	(143)	4,482	4,550
	254,404	381,846	339,153	975,403

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

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

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

	The Group and the Bank	
	Lifetime expected credit losses	
	-Credit impaired	
	(Stage 3)	Total
	RM'000	RM'000
At 1 January 2021	1,497,242	1,497,242
Transfer within stages	(176,277)	(176,277)
Transferred to Stage 1	(29,007)	(29,007)
Transferred to Stage 2	(396,954)	(396,954)
Transferred to Stage 3	249,684	249,684
New financial assets originated	78,623	78,623
Write-offs	(47,502)	(47,502)
Amount fully recovered	(118,732)	(118,732)
Other movements	(1,872)	(1,872)
At 31 March 2021	1,231,482	1,231,482

	The Group and the Bank	
	Lifetime expected credit losses	
	-Credit impaired (Stage 3)	
	(Stage 3)	Total
	RM'000	RM'000
At 1 January 2020	1,242,097	1,242,097
Transfer within stages	493,309	493,309
Transferred to Stage 1	(156,296)	(156,296)
Transferred to Stage 2	(475,367)	(475,367)
Transferred to Stage 3	1,124,972	1,124,972
New financial assets originated	358,118	358,118
Write-offs	(89,915)	(89,915)
Amount fully recovered	(391,882)	(391,882)
Other changes in financing, advances and other financing/loans	(114,485)	(114,485)
At 31 December 2020	1,497,242	1,497,242

	The Group and the Bank	
	31 March	31 December
	2021	2020
Ratio of credit impaired financing to total financing, advances and other financing/loans	1.42%	1.74%

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Other assets

	The Group		The Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
Deposits and prepayments	6,677	9,069	6,677	9,069
Sundry debtors net of expected credit losses*	208,099	235,912	389,699	396,592
Collateral pledged for derivative transactions	104,700	25,250	104,700	25,250
Treasury related receivables	151,372	35,678	151,372	35,678
Clearing accounts	26,260	106,597	26,260	106,597
	497,108	412,506	678,708	573,186

A12 Deposits from customers

(i) By type of deposit

	The Group		The Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
Savings deposits	6,024,582	5,195,321	6,024,582	5,195,321
Commodity Murabahah (via Tawarruq arrangement)*	6,024,582	5,195,321	6,024,582	5,195,321
Demand deposits	16,131,514	15,123,852	16,131,514	15,123,852
Qard	13,908,679	12,859,028	13,908,679	12,859,028
Commodity Murabahah (via Tawarruq arrangement)*	2,222,835	2,264,824	2,222,835	2,264,824
Term deposits	78,688,985	75,847,891	79,038,117	76,194,517
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	47,993,224	46,720,074	48,342,356	47,066,700
Fixed Return Income Account-i (via Tawarruq arrangement)*	30,347,290	29,028,255	30,347,290	29,028,255
Negotiable Islamic Debt Certificate (NIDC) Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	348,471	99,562	348,471	99,562
Specific investment account	98,869	98,672	98,869	98,672
Mudharabah	98,869	98,672	98,869	98,672
Others	37,640	37,173	37,640	37,173
Qard	37,640	37,173	37,640	37,173
	100,981,590	96,302,909	101,330,722	96,649,535

*included Qard contract of RM302,389,000 (2020:RM429,534,000)

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
A12 Deposits from customers (continued)				
(ii) Maturity structures of term deposits and investment accounts.				
Due within six months	66,701,414	66,419,984	67,050,546	66,766,610
Six months to less than one year	11,909,260	9,365,547	11,909,260	9,365,547
One year to less than three years	150,284	134,341	150,284	134,341
Three years to less than five years	3,743	3,589	3,743	3,589
Five years and more	23,153	23,102	23,153	23,102
	<u>78,787,854</u>	<u>75,946,563</u>	<u>79,136,986</u>	<u>76,293,189</u>

(iii) By type of customer

Government and statutory bodies	6,274,352	4,755,946	6,274,352	4,755,946
Business enterprises	29,477,173	29,739,057	29,477,173	29,739,057
Individuals	31,765,111	29,055,068	31,765,111	29,055,068
Others	33,464,954	32,752,838	33,814,086	33,099,464
	<u>100,981,590</u>	<u>96,302,909</u>	<u>101,330,722</u>	<u>96,649,535</u>

	The Group and the Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
A13 Investment accounts of customers		
Unrestricted investment accounts (Mudharabah)		
-without maturity		
Special Mudharabah Investment Account	873,234	831,454
-with maturity		
Term Investment Account-i	2,015,493	1,847,416
Restricted investment accounts (Mudharabah)		
-with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	144,434	-
	<u>3,033,161</u>	<u>2,678,870</u>

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

A14 Deposits and placements of banks and other financial institutions

Licensed investment banks	820	1,050
Licensed banks	2,638,437	2,536,685
Bank Negara Malaysia	5,000	5,000
Other financial institutions	468,699	256,279
	<u>3,112,956</u>	<u>2,799,014</u>

The maturity structure of deposits and placements from financial institutions are as follows:

Due within six months	2,958,523	2,645,844
Three years to five years	154,433	153,170
	<u>3,112,956</u>	<u>2,799,014</u>

PART A - EXPLANATORY NOTES (CONTINUED)

The Group and the Bank
31 March **31 December**
2021 **2020**
RM'000 **RM'000**

A15 Investment accounts due to designated financial institutions

Restricted investment accounts			
Mudharabah	<u>4,512,450</u>	<u>4,751,241</u>	
By type of counterparty			
Licensed banks	<u>4,512,450</u>	<u>4,751,241</u>	

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

A16 Financial liabilities designated at fair value through profit or loss

Deposits from customers - structured investments			
	<u>150,432</u>	<u>71,610</u>	

The Group and the Bank have issued structured investments, and have designated them at fair value in accordance with MFRS9. The Group and the Bank have the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group and the Bank on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of the Group and the Bank as at 31 March 2021 of financial liabilities designated at fair value were RM 8,522,000 lower (31 December 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.

		The Group		The Bank	
		31 March	31 December	31 March	31 December
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000

A17 Other liabilities

Accruals and other payables					
Clearing accounts		109,934	53,168	109,934	53,168
Expected credit losses for commitments and contingencies		46,094	170,168	46,094	170,168
Collateral received for derivative transactions	A17(a)	79,962	76,450	79,962	76,450
Structured deposits		21,280	86,100	21,280	86,100
Treasury related payables		22,303	38,448	22,303	38,448
Others		252,185	13,960	252,185	13,960
		49,449	32,111	48,151	31,023
		<u>581,207</u>	<u>470,405</u>	<u>579,909</u>	<u>469,317</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A17 Other liabilities (continued)

(a) Expected credit losses movement of financing commitments and financial guarantee contracts are as follows:

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
At 1 January 2021	46,852	23,066	6,532	76,450
Changes in expected credit losses due to transferred within stages:	13,852	(9,801)	(4,051)	-
Transferred to Stage 1	15,085	(12,873)	(2,212)	-
Transferred to Stage 2	(1,195)	3,917	(2,722)	-
Transferred to Stage 3	(38)	(845)	883	-
Total charge to Income Statement:	(6,240)	7,747	1,985	3,492
New exposures	21,768	-	-	21,768
Exposures derecognised or matured	(9,753)	(1,713)	(98)	(11,564)
Change in credit risk	(18,255)	9,460	2,083	(6,712)
Foreign exchange differences	4	17	-	21
Other movements	(17)	13	3	(1)
At 31 March 2021	54,451	21,042	4,469	79,962

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
At 1 January 2020	36,471	6,572	2,500	45,543
Changes in expected credit losses due to transferred within stages:	1,427	(4,348)	2,921	-
Transferred to Stage 1	7,306	(6,029)	(1,277)	-
Transferred to Stage 2	(5,868)	7,771	(1,903)	-
Transferred to Stage 3	(11)	(6,090)	6,101	-
Total charge to Income Statement:	8,224	21,473	1,235	30,932
New exposures	70,168	183	-	70,351
Exposures derecognised or matured	(30,359)	(4,816)	(1,068)	(36,243)
Change in credit risk	(31,585)	26,106	2,303	(3,176)
Other movements	730	(631)	(124)	(25)
At 31 December 2020	46,852	23,066	6,532	76,450

As at 31 March 2021, the gross carrying amount of financing commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM34,367,000 (2020: RM40,036,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A18 Subordinated sukuk

The Group and the Bank

a) The RM850 million unsecured subordinated Sukuk ("the Sukuk") is part of the Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 May 2009. Under the programme, the Bank is allowed to raise Tier II capital of up to RM2.0 billion in nominal value outstanding at any one time.

The first tranche of the Sukuk of RM300 million under the first issuance was issued at par on 25 September 2009 and is due on 25 September 2024, with optional redemption on 25 September 2019 or any periodic payment date thereafter. The Sukuk bears a profit rate of 5.85% per annum payable semi-annually in arrears.

The Bank redeemed in full, the first tranche of the Sukuk of RM300 million on its first optional redemption date of 25 September 2019.

On 21 April 2011, the second tranche of the Sukuk of RM250 million was issued at par and is due on 21 April 2021, with optional redemption on 21 April 2016 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.2% per annum payable semi-annually in arrears.

The Bank redeemed in full, the second tranche of the Sukuk of RM250 million on its first optional redemption date of 21 April 2016.

On 18 September 2012, the third tranche of the Sukuk of RM300 million was issued at par and is due on 15 September 2022, with the optional redemption on 18 September 2017 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.00% per annum, payable semi-annually in arrears.

The Bank redeemed in full, the third tranche of the Sukuk of RM300 million on its first optional redemption date of 18 September 2017.

The Sukuk qualify as Tier II capital for the purpose of the total capital ratio computation (subject to gradual phase-out treatment under Basel III).

b) On 21 September 2016, the Bank had issued RM10 million Tier II Junior Sukuk ("the Sukuk") at par and is due on 21 September 2026, with optional redemption on 21 September 2021 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.55% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion in nominal value outstanding at any one time.

The RM10 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

c) On 28 December 2017, the Bank had issued RM300 million Tier II Junior Sukuk ("the Sukuk") at par and is due on 28 December 2027, with optional redemption on 28 December 2022 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.70% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion nominal value outstanding at any one time.

The RM300 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

d) On 25 September 2019, the Bank had issued RM800 million Tier II Junior Sukuk ("the Sukuk") at par and is due on 25 September 2029, with optional redemption on 25 September 2024 or any periodic payment date thereafter. The Sukuk bears a profit rate of 3.75% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion nominal value outstanding at any one time.

The RM800 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
A19 Income derived from investment of depositors' funds and others				
The Group and the Bank				
Income derived from investment of :				
a) General investment deposits	671,950	749,488	671,950	749,488
b) Specific investment deposits	473	806	473	806
c) Other deposits	229,068	289,666	229,068	289,666
	901,491	1,039,960	901,491	1,039,960
a) Income derived from investment of general investment deposits				
Financing, advances and other financing/loans				
- Profit income	530,062	556,119	530,062	556,119
- Unwinding income [^]	6,757	7,180	6,757	7,180
Debt instruments at fair value through other comprehensive income	23,177	23,741	23,177	23,741
Debt instrument at amortised cost	61,185	56,327	61,185	56,327
Money at call and deposit with financial institutions	41,797	38,826	41,797	38,826
Reverse Collateralised Commodity Murabahah	3	-	3	-
	662,981	682,193	662,981	682,193
Accretion of discount less amortisation of premium	(5,485)	(2,764)	(5,485)	(2,764)
	657,496	679,429	657,496	679,429
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	10,257	14,032	10,257	14,032
- Financing, advances and other financing/loans	908	1,760	908	1,760
- Net accretion of discount less amortisation of premium	17,957	16,596	17,957	16,596
Total finance income and hibah	29,122	32,388	29,122	32,388
Other operating income				
- Net (loss)/gain arising from financial investments at fair value through profit or loss:				
- realised	(7,766)	3,080	(7,766)	3,080
- unrealised	(588)	3,259	(588)	3,259
	(7,178)	(179)	(7,178)	(179)
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	19,149	24,199	19,149	24,199
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	3,603	207	3,603	207
- Net (loss)/gain from foreign exchange transactions	(32,213)	8,204	(32,213)	8,204
	(17,227)	35,690	(17,227)	35,690
Fee and commission income				
- Guarantee fee	2,559	1,981	2,559	1,981
	671,950	749,488	671,950	749,488
b) Income derived from investment of specific investment deposits				
Money at call and deposit with financial institutions	473	806	473	806

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
A19 Income derived from investment of depositors funds and others (continued)				
The Group and the Bank				
c) Income derived from investment of other deposits				
Financing, advances and other financing/loans				
- Profit income	180,698	214,931	180,698	214,931
- Unwinding income [^]	2,304	2,775	2,304	2,775
Debt instruments at fair value through other comprehensive income	7,901	9,176	7,901	9,176
Debt instrument at amortised cost	20,858	21,769	20,858	21,769
Money at call and deposit with financial institutions	14,249	15,006	14,249	15,006
	<u>226,010</u>	<u>263,657</u>	<u>226,010</u>	<u>263,657</u>
Accretion of discount less amortisation of premium	(1,870)	(1,068)	(1,870)	(1,068)
	<u>224,140</u>	<u>262,589</u>	<u>224,140</u>	<u>262,589</u>
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	3,497	5,423	3,497	5,423
- Financing, advances and other financing/loans	310	680	310	680
- Net accretion of discount less amortisation of premium	6,121	6,414	6,121	6,414
Total finance income and hibah	<u>9,928</u>	<u>12,517</u>	<u>9,928</u>	<u>12,517</u>
Other operating income				
- Net (loss)/gain arising from financial investments at fair value through profit or loss:				
- realised	(2,647)	1,190	(2,647)	1,190
- unrealised	(200)	1,259	(200)	1,259
	<u>(2,447)</u>	<u>(69)</u>	<u>(2,447)</u>	<u>(69)</u>
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	6,528	9,353	6,528	9,353
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	1,228	80	1,228	80
- Net (loss)/gain from foreign exchange transactions	(10,981)	3,171	(10,981)	3,171
	<u>(5,872)</u>	<u>13,794</u>	<u>(5,872)</u>	<u>13,794</u>
Fee and commission income				
- Guarantee fee	872	766	872	766
	<u>229,068</u>	<u>289,666</u>	<u>229,068</u>	<u>289,666</u>

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

A20 Income derived from investment of investment account

The Group and The Bank

Financing, advances and other financing/loans				
- Profit income	66,025	107,551	66,025	107,551
Money at call and deposit with financial institutions	958	2,545	958	2,545
	<u>66,983</u>	<u>110,096</u>	<u>66,983</u>	<u>110,096</u>
Accretion of discount less amortisation of premium	20	-	20	-
	<u>67,003</u>	<u>110,096</u>	<u>67,003</u>	<u>110,096</u>
Fees and commission income				
- Service charges and fees	28	3	28	3
	<u>67,031</u>	<u>110,099</u>	<u>67,031</u>	<u>110,099</u>

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
A21 Income derived from investment of shareholder's funds				
The Group				
Financing, advances and other financing/loans				
- Profit income	47,573	54,801	47,573	54,801
- Unwinding income [^]	606	708	606	708
Debt instruments at fair value through other comprehensive income	2,080	2,340	2,080	2,340
Debt instrument at amortised cost	5,491	5,550	5,491	5,550
Money at call and deposit with financial institutions	3,751	3,826	3,751	3,826
	59,501	67,225	59,501	67,225
Accretion of discount less amortisation of premium	(492)	(272)	(492)	(272)
	59,009	66,953	59,009	66,953
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	921	1,383	921	1,383
- Financing, advances and other financing/loans	81	173	81	173
- Net accretion of discount less amortisation of premium	1,612	1,635	1,612	1,635
Total finance income and hibah	2,614	3,191	2,614	3,191
Other operating income				
- Net (loss)/gain arising from financial assets at fair value through profit or loss:	(697)	303	(697)	303
- realised	(53)	321	(53)	321
- unrealised	(644)	(18)	(644)	(18)
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	1,719	2,385	1,719	2,385
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	323	20	323	20
- Net (loss)/gain from foreign exchange transactions	(2,891)	808	(2,891)	808
- Net loss arising from hedging activities	(4)	(1,174)	(4)	(1,174)
- Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss	7,651	(3,719)	7,651	(3,719)
- realised	(222)	(113)	(222)	(113)
- unrealised	7,873	(3,606)	7,873	(3,606)
- Net gain/(loss) arising from derivative financial instrument	54,874	7,714	54,874	7,714
- realised	(14,392)	(15,374)	(14,392)	(15,374)
- unrealised	69,266	23,088	69,266	23,088
	60,975	6,337	60,975	6,337
Fee and commission income				
- Guarantee fee	230	195	230	195
- Service charge and fee	14,259	14,208	14,259	14,208
- Commission fee	42,395	28,633	42,395	28,633
Total fee and commission income	56,884	43,036	56,884	43,036
Less : fee and commission expense	(7,142)	(5,139)	(7,142)	(5,139)
Net fee and commission income	49,742	37,897	49,742	37,897
Other income	113	569	113	569
	172,453	114,947	172,453	114,947

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
A21 Income derived from investment of shareholder's funds (continued)				
The Bank				
Financing, advances and other financing/loans				
- Profit income	47,573	54,801	47,573	54,801
- Unwinding income [^]	606	708	606	708
Debt instruments at fair value through other comprehensive income	2,080	2,340	2,080	2,340
Debt instrument at amortised cost	5,491	5,550	5,491	5,550
Money at call and deposit with financial institutions	3,751	3,826	3,751	3,826
	59,501	67,225	59,501	67,225
Accretion of discount less amortisation of premium	(492)	(272)	(492)	(272)
	59,009	66,953	59,009	66,953
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	921	1,383	921	1,383
- Financing, advances and other financing/loans	81	173	81	173
- Net accretion of discount less amortisation of premium	1,612	1,635	1,612	1,635
Total finance income and hibah	2,614	3,191	2,614	3,191
Other operating income				
- Net (loss)/gain arising from financial assets at fair value through profit or loss:	(697)	303	(697)	303
- realised	(53)	321	(53)	321
- unrealised	(644)	(18)	(644)	(18)
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	1,719	2,385	1,719	2,385
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	323	20	323	20
- Net (loss)/gain from foreign exchange transactions	(2,891)	808	(2,891)	808
- Net loss arising from hedging activities	(4)	(1,174)	(4)	(1,174)
- Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss	7,651	(3,719)	7,651	(3,719)
- realised	(222)	(113)	(222)	(113)
- unrealised	7,873	(3,606)	7,873	(3,606)
- Net gain/(loss) arising from derivative financial instrument	54,874	7,714	54,874	7,714
- realised	(14,392)	(15,374)	(14,392)	(15,374)
- unrealised	69,266	23,088	69,266	23,088
	60,975	6,337	60,975	6,337
Fee and commission income				
- Guarantee fee	230	195	230	195
- Service charge and fee	14,518	14,572	14,518	14,572
- Commission fee	42,395	28,633	42,395	28,633
Total fee and commission income	57,143	43,400	57,143	43,400
Less : fee and commission expense	(7,142)	(5,139)	(7,142)	(5,139)
Net fee and commission income	50,001	38,261	50,001	38,261
Other income				
- Sundry income	112	569	112	569
	172,711	115,311	172,711	115,311

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans.

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
A22(a) Expected credit losses on financing, advances and other financing/loans				
The Group and the Bank				
Expected credit losses on financing, advances and other financing/loans at amortised cost:				
-Expected credit losses on financing, advances and other financing/loans	91,454	71,293	91,454	71,293
Credit impaired financing, advances and other financing/loans :				
- recovered	(17,128)	(11,065)	(17,128)	(11,065)
- written off	419	565	419	565
	74,745	60,793	74,745	60,793
A22(b) Other expected credit losses made/(written back)				
The Group and the Bank				
Expected credit losses made/(written back) on:				
- Debt instrument at fair value through other comprehensive income	306	2,358	306	2,358
- Debt instrument at amortised cost	(63)	72	(63)	72
- Other receivables	1	24	1	24
	244	2,454	244	2,454

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
A23 Income attributable to depositors and others				
The Group				
Deposits from customers				
- Mudharabah	473	806	473	806
- Non-Mudharabah	417,953	583,293	417,953	583,293
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	6,291	10,412	6,291	10,412
Others				
- Financial liabilities designated at fair value through profit or loss	348	1,270	348	1,270
- Recourse obligation on loans and financing sold to Cagamas	-	15,394	-	15,394
- Sukuk	2,087	2,970	2,087	2,970
- Subordinated Sukuk	10,987	11,108	10,987	11,108
- Structured deposits	48	233	48	233
- Collateralised Commodity Murabahah	1,477	-	1,477	-
- Others	21	37	21	37
	439,685	625,523	439,685	625,523
The Bank				
Deposits from customers				
- Mudharabah	473	806	473	806
- Non-Mudharabah	417,953	583,293	417,953	583,293
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	6,291	10,412	6,291	10,412
Others				
- Financial liabilities designated at fair value through profit or loss	348	1,270	348	1,270
- Recourse obligation on loans and financing sold to Cagamas	-	15,394	-	15,394
- Subordinated Sukuk	10,987	11,108	10,987	11,108
- Structured deposits	48	233	48	233
- Collateralised Commodity Murabahah	1,477	-	1,477	-
- Others	1,783	2,590	1,783	2,590
	439,360	625,106	439,360	625,106
A24 Profit distributed to investment account holder				
The Group and the Bank				
-Restricted	24,650	41,646	24,650	41,646
-Unrestricted	10,388	36,937	10,388	36,937
	35,038	78,583	35,038	78,583

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
A25 Personnel expenses				
The Group and the Bank				
Salaries, allowances and bonuses	5,220	5,190	5,220	5,190
Pension costs (defined contribution plan)	510	478	510	478
Staff incentives and other staff payments	388	450	388	450
Medical expenses	64	58	64	58
Others	165	182	165	182
	6,347	6,358	6,347	6,358
A26 Other overheads and expenditures				
The Group				
Establishment				
Depreciation of property, plant equipment	127	347	127	347
Depreciation of right-of-use assets	139	185	139	185
Rental	5	13	5	13
Amortisation of intangible assets	2,017	2,099	2,017	2,099
Repairs and maintenance	319	297	319	297
Outsourcing expenses	-	75	-	75
Utility expenses	4	9	4	9
Others	890	277	890	277
	3,501	3,302	3,501	3,302
Marketing				
Advertisement and publicity	(295)	(128)	(295)	(128)
Others	59	2,375	59	2,375
	(236)	2,247	(236)	2,247
General expenses				
Consultancy and professional fees	126	505	126	505
Legal expenses	3	31	3	31
Stationery	1	70	1	70
Postages	68	974	68	974
Donation	-	750	-	750
Incidental expenses on banking operations	1,228	1,237	1,228	1,237
Takaful	3,168	2,294	3,168	2,294
Group service expense	252,416	217,231	252,416	217,231
Others	2,055	2,268	2,055	2,268
	259,065	225,360	259,065	225,360
	262,330	230,909	262,330	230,909

PART A - EXPLANATORY NOTES (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
A26 Other overheads and expenditures (continued)				
The Bank				
Establishment				
Depreciation of property, plant equipment	127	347	127	347
Depreciation of right-of-use assets	139	185	139	185
Rental	5	13	5	13
Amortisation of intangible assets	2,017	2,099	2,017	2,099
Repairs and maintenance	319	297	319	297
Outsourcing expenses	-	75	-	75
Utility expenses	4	9	4	9
Others	890	278	890	278
	3,501	3,303	3,501	3,303
Marketing				
Advertisement and publicity	(295)	(128)	(295)	(128)
Others	59	2,375	59	2,375
	(236)	2,247	(236)	2,247
General expenses				
Consultancy and professional fees	126	505	126	505
Legal expenses	3	31	3	31
Stationery	1	70	1	70
Postages	68	974	68	974
Donation	-	750	-	750
Incidental expenses on banking operations	1,228	1,237	1,228	1,237
Takaful	3,168	2,294	3,168	2,294
Group service expense	252,416	217,231	252,416	217,231
Others	2,029	2,235	2,029	2,235
	259,039	225,327	259,039	225,327
	262,304	230,877	262,304	230,877

PART A - EXPLANATORY NOTES (CONTINUED)

A27 Islamic derivative financial instruments, commitments and contingencies

(i) Islamic derivative financial instruments

The following tables summarise the contractual or underlying principal amounts of trading derivative 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 of risk.

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

The Group and the Bank	31 March 2021			31 December 2020		
	Principal Amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000	Principal amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000
<u>Foreign exchange derivatives</u>						
Currency forwards	9,982,181	194,031	(141,949)	9,784,130	187,192	(256,745)
- Less than one year	9,236,222	112,147	(68,551)	8,850,406	110,178	(188,844)
- One year to three years	339,855	29,316	(27,281)	527,620	30,881	(28,605)
- More than three years	406,104	52,568	(46,117)	406,104	46,133	(39,296)
Currency swaps	9,215,058	52,259	(59,966)	8,318,263	118,983	(83,499)
- Less than one year	9,215,058	52,259	(59,966)	8,318,090	118,983	(83,473)
- One year to three years	-	-	-	173	-	(26)
- More than three years	-	-	-	-	-	-
Currency spots	61,213	26	(149)	59,437	118	(82)
- Less than one year	61,213	26	(149)	59,437	118	(82)
Currency options	156,371	1,156	(1,156)	264,718	947	(939)
- Less than one year	156,371	1,156	(1,156)	264,718	947	(939)
Cross currency profit rate swaps	1,139,708	87,799	(84,266)	1,555,059	87,826	(85,253)
- Less than one year	396,412	49,612	(49,537)	811,391	58,959	(58,891)
- One year to three years	-	-	-	-	-	-
- More than three years	743,296	38,187	(34,729)	743,668	28,867	(26,362)
	20,554,531	335,271	(287,486)	19,981,607	395,066	(426,518)
<u>Islamic profit rate derivatives</u>						
Islamic profit rate swaps	5,286,803	73,558	(82,181)	11,213,722	122,486	(122,309)
- Less than one year	1,170,562	9,401	(9,200)	6,537,030	20,543	(20,301)
- One year to three years	2,440,507	37,311	(40,179)	2,945,961	55,948	(58,438)
- More than three years	1,675,734	26,846	(32,802)	1,730,731	45,995	(43,570)
<u>Equity related derivatives</u>						
Equity options	-	-	-	37,194	1,717	(1,717)
- Less than one year	-	-	-	24,956	1,713	(1,713)
- More than three years	-	-	-	12,238	4	(4)
<u>Credit related contracts</u>						
Total return swaps	41,000	1,203	(1,203)	41,500	2,024	(2,024)
- More than three years	41,000	1,203	(1,203)	41,500	2,024	(2,024)
<u>Commodity related derivatives</u>						
Commodity Swap	7,335	3,237	(2,746)	-	-	-
- Less than one year	7,335	3,237	(2,746)	-	-	-
Commodity options	3,881	19	(19)	7,555	1,554	(1,340)
- Less than one year	3,881	19	(19)	4,732	33	(33)
- One year to three years	-	-	-	2,823	1,521	(1,307)
<u>Hedging derivatives</u>						
Islamic profit rate swaps	76,834	-	(3,145)	78,008	-	(3,939)
- More than three years	76,834	-	(3,145)	78,008	-	(3,939)
Total derivative assets/(liabilities)	25,970,384	413,288	(376,780)	31,359,586	522,847	(557,847)

PART A - EXPLANATORY NOTES (CONTINUED)

A27 Islamic derivative financial instruments, commitments and contingencies (continued)

(i) Islamic derivative financial instruments (continued)

The Group's and the Bank's derivative financial instruments are subject to market, credit 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 profit 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 profit rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2021, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM413,288,000 (31 December 2020: RM522,847,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 March 2021, the Group has posted cash collateral of RM104,700,000 (31 December 2020: RM25,250,000) 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; and
- c) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group and the Bank are disclosed in the audited annual financial statements for the financial year ended 31 December 2020.

PART A - EXPLANATORY NOTES (CONTINUED)

A27 Islamic derivative financial instruments, commitments and contingencies (continued)

(ii) Commitments and contingencies

	31 March 2021 Principal amount	31 December 2020 Principal amount
The Group and the Bank	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	305,086	291,893
Transaction-related contingent items	696,545	697,011
Short-term self-liquidating trade-related contingencies	49,168	75,486
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	11,432,633	11,469,447
- maturity exceeding one year	8,331,794	7,541,999
Miscellaneous commitments and contingencies	28,561	24,219
Total credit-related commitments and contingencies	20,843,787	20,100,055
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	19,065,276	18,304,042
- one year to five years	807,700	825,356
- more than five years	681,555	852,209
Profit rate related contracts :		
- less than one year	1,170,562	6,537,030
- one year to five years	3,138,070	3,683,709
- more than five years	1,055,005	1,070,991
Equity related contracts :		
- less than one year	-	24,956
- more than five years	-	12,238
Credit related contracts:		
- one year to five years	41,000	-
- more than five years	-	41,500
Commodity related contracts :		
- less than one year	11,216	4,732
- one year to five years	-	2,823
Total treasury-related commitments and contingencies	25,970,384	31,359,586
	46,814,171	51,459,641

PART A - EXPLANATORY NOTES (CONTINUED)

A28 Capital Adequacy

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia (“BNM”) 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.

The risk-weighted assets of the Bank Group and the Bank are computed in accordance with the CAFIB (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 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.

(a) The capital adequacy ratios of the Group and Bank are as follows:

	The Group		The Bank	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Common equity tier 1 ratio	11.967%	13.304%	11.970%	13.307%
Tier 1 ratio	12.697%	14.097%	12.700%	14.100%
Total capital ratio	15.111%	16.757%	15.113%	16.760%

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

	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	RM’000	RM’000	RM’000	RM’000
Credit risk	44,407,570	41,382,111	44,407,684	41,382,225
Market risk	727,295	869,519	727,295	869,519
Operational risk	3,782,200	3,633,392	3,782,694	3,633,429
Total risk-weighted assets	48,917,064	45,885,022	48,917,673	45,885,173

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

	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	RM’000	RM’000	RM’000	RM’000
Common Equity Tier I capital				
Ordinary share capital	1,000,000	1,000,000	1,000,000	1,000,000
Other reserves	5,398,552	5,612,772	5,399,813	5,614,034
Common Equity Tier I capital before regulatory adjustments	6,398,552	6,612,772	6,399,813	6,614,034
<u>Less: Regulatory adjustments</u>				
Goodwill	(136,000)	(136,000)	(136,000)	(136,000)
Intangible assets	(53,448)	(55,420)	(53,448)	(55,420)
Deferred tax assets	(143,340)	(86,469)	(143,340)	(86,469)
Regulatory reserve	(109,641)	(213,032)	(109,641)	(213,032)
Others	(102,000)	(17,221)	(102,002)	(17,222)
Common Equity Tier I capital after regulatory adjustments	5,854,122	6,104,630	5,855,382	6,105,891
Additional Tier I capital				
Perpetual preference shares	357,000	364,000	357,000	364,000
Total Tier I capital	6,211,122	6,468,630	6,212,382	6,469,891
Tier II capital				
Subordinated notes	1,110,000	1,110,000	1,110,000	1,110,000
Surplus eligible provisions over expected loss	-	40,649	-	40,647
General provisions ^	70,595	69,727	70,596	69,729
Total Tier II capital	1,180,595	1,220,376	1,180,596	1,220,376
Total capital	7,391,717	7,689,006	7,392,978	7,690,267

^ Total capital of the Group and the Bank has excluded general provisions from Tier II capital of RM28.4 million (2020: RM49.5 million).

PART A - EXPLANATORY NOTES (CONTINUED)

A29 Restricted Agency Investment Account -RAIA

The details of the Restricted Agency Investment Account (“RAIA”) financing are as below. The exposures and corresponding risk weighted amount are reported in investors’ financial statements.

	The Group and the Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
<u>RAIA arrangement</u>		
Financing and advances	5,779,643	5,030,980
Commitments and contingencies	3,000,000	3,700,000
	<u>8,779,643</u>	<u>8,730,980</u>

	The Group and the Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Total RWA for Credit Risk	326,101	209,266
	<u>326,101</u>	<u>209,266</u>

RAIA arrangement is with the Bank’s holding company, CIMB Bank, and the contract is based on the Wakalah principle where CIMB Bank provides the funds, whilst the assets are managed by the Bank (as the Wakeel or agent). In the arrangement, the Bank 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 allowance for impairment arising thereon, if any, are recognised and accounted for by CIMB Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting

Definition of segments

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.

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:

The Group has four major operation divisions that form the basis on which the Group reports its segment information.

Consumer Banking

Consumer Banking provides everyday banking solutions to individual customers covering Islamic financial products and services such as residential property financing, non-residential property financing, personal financing, hire purchase financing, credit cards, wealth management, bancatakaful, 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 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 debt restructuring, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking offers a broad spectrum of 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 financings, to derivatives, structured products and debt capital market.

Treasury and Markets 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.

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.

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting (continued)

The Group	Wholesale Banking	Consumer Banking	Commercial Banking	CIMB Digital Assets & Group Funding	Total
31 March 2021	RM'000	RM'000	RM'000	RM'000	RM'000
Net financing income:					
- external	(133,342)	440,023	121,341	147,037	575,059
- inter-segment	238,351	(147,514)	4,923	(95,760)	-
	105,009	292,509	126,264	51,277	575,059
Other operating income	(2,130)	47,455	16,997	28,871	91,193
Total income	102,879	339,964	143,261	80,148	666,252
Overhead expenses	(33,369)	(150,749)	(24,154)	(60,405)	(268,677)
Consist of :					
Depreciation of property, plant and equipment	(11)	-	-	(116)	(127)
Amortisation of intangible assets	(386)	(15)	-	(1,616)	(2,017)
Profit/(loss) before allowances	69,510	189,215	119,107	19,743	397,575
Expected credit losses written back/(made) on financing, advances and other financing/loans	893	(68,518)	(7,114)	(6)	(74,745)
Expected credit losses written back/(made) for commitments and contingencies	401	(2,768)	(1,125)	-	(3,492)
Other expected credit losses written back/(made)	226	-	-	(470)	(244)
Segment results	71,030	117,929	110,868	19,267	319,094
Taxation					(76,966)
Net profit for the financial period					242,128

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting (continued)

The Group	Wholesale	Consumer	Commercial	CIMB Digital	Total
31 March 2020	Banking	Banking	Banking	Assets & Group	
	RM'000	RM'000	RM'000	Funding	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Net financing income:					
- external	(133,537)	360,151	120,862	116,386	463,862
- inter-segment	238,177	(139,299)	(9,330)	(89,548)	-
	104,640	220,852	111,532	26,838	463,862
Other operating income	6,266	37,043	18,551	35,178	97,038
Total income	110,906	257,895	130,083	62,016	560,900
Overhead expenses	(37,547)	(111,402)	(25,274)	(63,044)	(237,267)
Consist of :					
Depreciation of property, plant and equipment	(11)	(214)	-	(122)	(347)
Amortisation of intangible assets	(459)	(20)	(3)	(1,617)	(2,099)
Profit/(loss) before allowances	73,359	146,493	104,809	(1,028)	323,633
Expected credit losses made on financing, advances and other financing/loans	(9,482)	(45,952)	(5,350)	(9)	(60,793)
Expected credit losses made for commitments and contingencies	(622)	(340)	(3,877)	-	(4,839)
Other expected credit losses made	(74)	-	-	(2,380)	(2,454)
Segment results	63,181	100,201	95,582	(3,417)	255,547
Taxation					(60,497)
Net profit for the financial period					195,050

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting (continued)

The Group	Wholesale Banking	Consumer Banking	Commercial Banking	CIMB Digital Assets & Group Funding	Total
31 March 2021	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	36,197,658	58,441,727	14,736,545	11,043,322	120,419,252
Unallocated assets					<u>1,273,559</u>
Total assets					<u><u>121,692,811</u></u>
Segment liabilities	59,167,884	34,835,122	12,554,424	7,389,886	113,947,316
Unallocated liabilities					<u>581,425</u>
Total liabilities					<u><u>114,528,741</u></u>
Other segment items					
Capital expenditure	4	-	-	23	27
The Group	Wholesale Banking	Consumer Banking	Commercial Banking	CIMB Digital Assets & Group Funding	Total
31 December 2020	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	32,600,783	57,236,022	14,457,243	11,116,109	115,410,157
Unallocated assets					<u>872,246</u>
Total assets					<u><u>116,282,403</u></u>
Segment liabilities	57,926,268	31,780,767	12,246,536	6,814,012	108,767,583
Unallocated liabilities					<u>482,048</u>
Total liabilities					<u><u>109,249,631</u></u>
Other segment items					
Capital expenditure	103	1,157	-	709	1,969

PART A - EXPLANATORY NOTES (CONTINUED)

A31 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 Group Market Risk Committee ("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 and liabilities are recorded at fair value.

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Fair Value Estimation (continued)

- (i) The following table represents the assets and liabilities measured at fair value and classified by level with the following fair value hierarchy as at 31 March 2021 and 31 December 2020.

The Group and the Bank	31 March 2021		31 December 2020	
	Fair Value		Fair Value	
	(Level 2)	Total	(Level 2)	Total
	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial assets</u>				
Financial assets at fair value through profit or loss				
-Money market instruments	6,737,286	6,737,286	4,697,651	4,697,651
-Unquoted securities	365,360	365,360	336,778	336,778
Debt instruments at fair value through other comprehensive income				
-Money market instruments	744,467	744,467	731,102	731,102
-Unquoted securities	2,844,080	2,844,080	2,939,797	2,939,797
Derivative financial instruments				
-Trading derivatives	413,288	413,288	522,847	522,847
-Hedging derivatives	-	-	-	-
Financing, advances and other financing/loans at fair value through profit or loss				
	-	-	197,321	197,321
Total	11,104,481	11,104,481	9,425,496	9,425,496
<i>Recurring fair value measurements</i>				
<u>Financial liabilities</u>				
Derivative financial instruments				
-Trading derivatives	373,635	373,635	553,908	553,908
-Hedging derivatives	3,145	3,145	3,939	3,939
Financial liabilities designated at fair value through profit or loss				
	150,432	150,432	71,610	71,610
Total	527,212	527,212	629,457	629,457

PART B

B1 Group performance review

The Group recorded a pre-tax profit of RM319.1 million for the financial period ended 31 March 2021, an increase of RM63.5 million or 24.9% compared to the previous corresponding period.

Total income reduced by RM124 million or 9.8% to RM1,141 million from previous corresponding period, comprising of decrease of income derived from investments of depositors funds and others and income derived from investment of investment account by RM138.5 million and RM43.1 million respectively.

For the three months ended 31 March 2021, the Group recorded net expected credit losses made on financing, advances and other financing/loans of RM74.7 million compared to RM60.8 million in the corresponding period last year. The increase in net allowance charged was mainly due to higher expected credit losses made on financing by RM20.2 million and it was partly offset with higher impaired financings recovered by RM6.1 million.

The income attributable to depositors and profit distributed to investment account holder are both decreased by RM185.8 million and RM43.5 million respectively.

The Group's gross financing, advances and other financing/loans increased by 1.12% to RM86.9 billion for the three months period ended 31 March 2021. As at 31 March 2021, deposits from customers and investment accounts of customers stood at RM101.0 billion and RM3.0 billion, an increase of RM4.7 billion and RM0.4 billion respectively as compared to 31 December 2020.

The Group's Common Equity Tier 1, Tier 1 Capital Ratio and Total Capital Ratio stood at 11.967%, 12.697% and 15.111% respectively.

B2 Prospects for the current financial year

The Bank expects a meaningful recovery for the full year 2021 although remains cautious in view of potential economic disruptions from resurgence of the Covid-19 pandemic. Against this backdrop, the Bank will continue to manage asset quality through enhanced credit risk management across segments and geographies and remains committed to support its impacted customers.

Execution of the Forward23+ Strategic Plan initiatives continues to be a key focus including RAROC optimisation, CASA accumulation and other operating income growth, while prudently managing costs. The Bank will maintain its focus in rolling out its digital strategies particularly in the areas of operational digitalisation, payments, sales enablement and acquisition, whilst continuing to spearhead the sustainability agenda. Financing growth will likely be gradual in line with the Bank's cautious stance, while capital market activity is expected to improve in tandem with the economic recovery. Accordingly, with the anticipated lower provisions and the consequent impact of the initiatives undertaken, the Bank expects better financial performance in 2021.

B3 Computation of earnings per share (EPS)

a) Basic EPS

The Group and Bank basic EPS is calculated by dividing the net profit for the financial period by the weighted average number of ordinary shares in issue during the financial period.

	The Group			
	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	242,128	195,050	242,128	195,050
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	24.21	19.50	24.21	19.50

	The Bank			
	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	242,737	195,863	242,737	195,863
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	24.27	19.59	24.27	19.59

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 31 March 2021 and 31 March 2020.