

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	The Group		The Company	
		31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
ASSETS					
Cash and short-term funds	A8	44,937,223	41,667,884	2,048,126	182,809
Reverse repurchase agreements		6,157,201	6,484,687	-	-
Deposits and placements with banks and other financial institutions	A8	4,745,707	4,055,330	16,420	-
Financial assets at fair value through profit or loss	A9	26,011,726	-	-	-
Debt instruments at fair value through other comprehensive income	A10	31,167,088	-	1,451,148	-
Equity instruments at fair value through other comprehensive income	A11	698,143	-	-	-
Debt Instruments at amortised cost	A12	37,196,555	-	4,228,540	-
Financial assets held for trading	A13	-	21,657,212	-	-
Derivative financial instruments	A28	9,511,035	8,447,957	-	-
Financial investments available-for-sale	A14	-	32,403,986	-	1,433,024
Financial investments held-to-maturity	A15	-	36,921,215	-	3,518,264
Loans, advances and financing	A16	316,601,527	316,557,012	-	-
Other assets	A17	11,133,361	12,147,332	92,847	42,195
Tax recoverable		130,108	129,072	109,259	109,243
Deferred tax assets		889,348	386,850	-	-
Statutory deposits with central banks		8,594,037	8,630,454	-	-
Investment in subsidiaries		-	-	27,300,704	27,052,448
Investment in associates and joint ventures		814,606	259,930	3,834	3,834
Property, plant and equipment		1,977,090	1,991,646	1,064	1,117
Investment properties		-	-	414	417
Prepaid lease payments		99,372	101,913	-	-
Goodwill		7,803,054	8,225,745	-	-
Intangible assets		1,723,168	1,820,369	-	-
		510,190,349	501,888,594	35,252,356	32,343,351
Non-current assets held for sale		1,029,215	4,610,938	7,862	1,038,859
TOTAL ASSETS		511,219,564	506,499,532	35,260,218	33,382,210
LIABILITIES AND EQUITY					
Deposits from customers	A18	353,834,748	348,518,277	-	-
Investment accounts of customers	A19	1,967,292	907,763	-	-
Deposits and placements of banks and other financial institutions	A20	20,746,459	19,751,576	-	-
Repurchase agreements		10,497,764	6,122,273	-	-
Financial liabilities designated at fair value through profit or loss	A21	5,006,406	4,773,440	-	-
Derivative financial instruments	A28	9,505,411	8,751,383	-	-
Bills and acceptances payable		2,495,222	3,177,182	-	-
Other liabilities	A22	16,590,457	17,789,579	2,110	1,717
Recourse obligation on loans and financing sold to Cagamas		5,036,151	5,195,248	-	-
Provision for taxation		265,977	507,940	-	-
Deferred tax liabilities		118,818	80,943	362	361
Bonds, sukuk and debentures	B6(i)	14,450,791	14,895,625	-	-
Other borrowings	B6(ii)	8,303,262	10,057,295	3,557,105	3,553,113
Subordinated obligations	B6(iii)	13,378,410	12,532,965	7,702,322	6,904,556
		462,197,168	453,061,489	11,261,899	10,459,747
Non-current liabilities held for sale		582,813	3,631,608	-	-
TOTAL LIABILITIES		462,779,981	456,693,097	11,261,899	10,459,747
Ordinary share capital		22,183,226	22,183,226	22,183,226	22,183,226
Reserves		24,768,892	26,062,859	1,815,136	739,280
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(43)	(43)	(43)
		46,951,512	48,245,479	23,998,319	22,922,463
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		1,288,071	1,360,956	-	-
TOTAL EQUITY		48,439,583	49,806,435	23,998,319	22,922,463
TOTAL EQUITY AND LIABILITIES		511,219,564	506,499,532	35,260,218	33,382,210
COMMITMENTS AND CONTINGENCIES	A29 (a)	959,794,561	875,879,316	-	-
Net assets per share attributable to owners of the Parent (RM)		5.09	5.23	2.60	2.48

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	Note	The Group			
		1st quarter ended		Three months ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		RM'000	RM'000	RM'000	RM'000
Interest income	A23	4,633,017	4,842,877	4,633,017	4,842,877
Interest expense	A24	<u>(2,213,234)</u>	<u>(2,197,332)</u>	<u>(2,213,234)</u>	<u>(2,197,332)</u>
Net interest income		2,419,783	2,645,545	2,419,783	2,645,545
Income from Islamic Banking operations	A33(c)	590,899	473,956	590,899	473,956
Net non-interest income	A25	<u>1,139,335</u>	<u>1,238,342</u>	<u>1,139,335</u>	<u>1,238,342</u>
		4,150,017	4,357,843	4,150,017	4,357,843
Gain on deemed disposal/disposal of subsidiary, joint venture and associate		<u>153,294</u>	<u>2,654</u>	<u>153,294</u>	<u>2,654</u>
		4,303,311	4,360,497	4,303,311	4,360,497
Overheads	A26	<u>(2,141,121)</u>	<u>(2,295,732)</u>	<u>(2,141,121)</u>	<u>(2,295,732)</u>
Profit before expected credit losses/allowances		2,162,190	2,064,765	2,162,190	2,064,765
Expected credit losses/allowance for impairment losses on loans, advances and financing	A27(a)	(401,288)	(424,517)	(401,288)	(424,517)
Expected credit losses/allowance for commitments and contingencies		222	(4,960)	222	(4,960)
Other Expected credit losses/allowance for other impairment losses	A27(b)	<u>(24,024)</u>	<u>(25,972)</u>	<u>(24,024)</u>	<u>(25,972)</u>
		1,737,100	1,609,316	1,737,100	1,609,316
Share of results of joint ventures		3,321	3,094	3,321	3,094
Share of results of associates		<u>2,472</u>	<u>1,188</u>	<u>2,472</u>	<u>1,188</u>
Profit before taxation and zakat		1,742,893	1,613,598	1,742,893	1,613,598
Taxation and zakat	B4	<u>(403,421)</u>	<u>(402,597)</u>	<u>(403,421)</u>	<u>(402,597)</u>
Profit for the financial period		<u>1,339,472</u>	<u>1,211,001</u>	<u>1,339,472</u>	<u>1,211,001</u>
Profit for the financial period attributable to :					
Owners of the Parent		1,305,874	1,180,258	1,305,874	1,180,258
Non-controlling interests		<u>33,598</u>	<u>30,743</u>	<u>33,598</u>	<u>30,743</u>
		<u>1,339,472</u>	<u>1,211,001</u>	<u>1,339,472</u>	<u>1,211,001</u>
Earnings per share (sen):					
- Basic	B8(a)	14.15	13.31	14.15	13.31
- Fully diluted	B8(b)	N/A	N/A	N/A	N/A

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2018

	The Group			
	1st quarter ended		Three months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	1,339,472	1,211,001	1,339,472	1,211,001
Other comprehensive income/(expense):				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation	(346)	(776)	(346)	(776)
- Actuarial loss	(516)	(501)	(516)	(501)
- Currency translation difference	170	(275)	170	(275)
Equity instruments at fair value through other comprehensive income	(16,087)	-	(16,087)	-
- Net loss from change in fair value	(18,840)	-	(18,840)	-
- Income tax effects	467	-	467	-
- Currency translation difference	2,286	-	2,286	-
	(16,433)	(776)	(16,433)	(776)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	-	196,399	-	196,399
- Net gain from change in fair value	-	258,783	-	258,783
- Realised gain transferred to statement of income on disposal and impairment	-	(29,682)	-	(29,682)
- Income tax effects	-	(29,520)	-	(29,520)
- Currency translation difference	-	(3,182)	-	(3,182)
Debt instruments at fair value through other comprehensive income	(51,770)	-	(51,770)	-
- Net loss from change in fair value	(57,552)	-	(57,552)	-
- Realised gain transferred to statement of income on disposal	(32,979)	-	(32,979)	-
- Changes in expected credit losses	16,167	-	16,167	-
- Income tax effects	25,557	-	25,557	-
- Currency translation difference	(2,963)	-	(2,963)	-
Net investment hedge	274,466	501	274,466	501
Hedging reserve - cash flow hedge	649	(42)	649	(42)
- Net gain from change in fair value	649	217	649	217
- Income tax effects	-	(259)	-	(259)
Deferred hedging cost	12,817	-	12,817	-
Exchange fluctuation reserve	(888,419)	55,649	(888,419)	55,649
- Disposal of joint ventures and associates	-	(237)	-	(237)
- Currency translation differences in respect of foreign operations	(888,419)	55,886	(888,419)	55,886
Share of other comprehensive income of associates and joint ventures	52,771	208	52,771	208
	(599,486)	252,715	(599,486)	252,715
Total other comprehensive (expense)/income for the financial period, net of tax	(615,919)	251,939	(615,919)	251,939
Total comprehensive income for the financial period	723,553	1,462,940	723,553	1,462,940
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	736,905	1,425,708	736,905	1,425,708
Non-controlling interests	(13,352)	37,232	(13,352)	37,232
	723,553	1,462,940	723,553	1,462,940

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	Note	The Company			
		1st quarter ended		Three months ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		RM'000	RM'000	RM'000	RM'000
Interest income	A23	65,906	49,082	65,906	49,082
Interest expense	A24	(131,239)	(116,149)	(131,239)	(116,149)
Net interest expense		(65,333)	(67,067)	(65,333)	(67,067)
Net non-interest income	A25	1,716,841	8	1,716,841	8
Loss on disposal of a subsidiary		1,651,508	(67,059)	1,651,508	(67,059)
		(534,192)	-	(534,192)	-
Overheads	A26	1,117,316	(67,059)	1,117,316	(67,059)
		(6,145)	(4,190)	(6,145)	(4,190)
Profit/(loss) before expected credit losses/allowances		1,111,171	(71,249)	1,111,171	(71,249)
Expected credit losses/allowance for other impairment losses	A27(b)	(7,426)	-	(7,426)	-
Profit/(loss) before taxation		1,103,745	(71,249)	1,103,745	(71,249)
Taxation	B4	(297)	(38,464)	(297)	(38,464)
Profit/(loss) for the financial period		1,103,448	(109,713)	1,103,448	(109,713)

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	The Company			
	1st quarter ended		Three months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the financial period	1,103,448	(109,713)	1,103,448	(109,713)
Other comprehensive income/(expense):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	-	5,851	-	5,851
- Net gain from change in fair value	-	5,851	-	5,851
Debt instruments at fair value through other comprehensive income	(1,038)	-	(1,038)	-
- Net loss from change in fair value	(1,601)	-	(1,601)	-
- Changes in expected credit losses	563	-	563	-
Other comprehensive (expense)/income, net of tax	(1,038)	5,851	(1,038)	5,851
Total comprehensive income/(expense) for the financial period	1,102,410	(103,862)	1,102,410	(103,862)

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

The Group
31 March 2018

← Attributable to owners of the Parent →

	Ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Fair value reserve		Revaluation reserve - financial investments available- for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
							Debt instruments at fair value through other comprehensive income RM'000	Equity instruments at fair value through other comprehensive income RM'000									
At 1 January 2018	22,183,226	131,155	137,104	423,263	(563)	(43)	-	-	499,476	(1,374,602)	60,002	1,502,520	24,683,941	48,245,479	200,000	1,360,956	49,806,435
Effect of adopting MFRS 9 (Note 35)	-	-	-	-	-	-	(72,914)	(198,038)	(499,476)	(4,157)	-	16,511	(1,056,366)	(1,814,440)	-	(77,722)	(1,892,162)
1 January 2018, as restated	22,183,226	131,155	137,104	423,263	(563)	(43)	(72,914)	(198,038)	-	(1,378,759)	60,002	1,519,031	23,627,575	46,431,039	200,000	1,283,234	47,914,273
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	1,305,874	1,305,874	-	33,598	1,339,472
Other comprehensive (expense)/income (net of tax)	-	(54)	-	(789,331)	-	-	(49,121)	(16,577)	-	287,586	(1,472)	-	(568,969)	-	(46,950)	(615,919)	
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	(49,121)	-	-	-	-	-	(49,121)	-	(2,649)	(51,770)	
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(16,087)	-	-	-	-	(16,087)	-	-	(16,087)	
- net investment hedge	-	-	-	-	-	-	-	-	274,466	-	-	-	274,466	-	-	274,466	
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	649	-	-	-	649	-	-	649	
- deferred hedging cost	-	-	-	-	-	-	-	-	12,817	-	-	-	12,817	-	-	12,817	
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	(346)	-	-	-	(346)	-	-	(346)	
- currency translation difference	-	(33)	-	(843,210)	-	-	-	-	-	(875)	-	-	(844,118)	-	(44,301)	(888,419)	
- share of other comprehensive (expense)/income of associate and joint venture	-	(21)	-	53,879	-	-	-	(490)	-	-	(597)	-	-	52,771	-	-	52,771
Total comprehensive (expense)/income for the financial period	-	(54)	-	(789,331)	-	-	(49,121)	(16,577)	-	287,586	(1,472)	-	1,305,874	736,905	-	(13,352)	723,553
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13)	(13)
Transfer to statutory reserve	-	32	-	-	-	-	-	-	-	-	-	-	(32)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	-	65,742	(65,742)	-	-	-	-
Disposal of a subsidiary	-	(1,650)	-	(233,642)	-	-	-	-	-	-	(3,106)	(12)	-	(238,410)	-	(14,861)	(253,271)
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,386	38,386
Non-controlling interest share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,323)	(5,323)
Share-based payment expense	-	-	-	-	-	-	-	-	-	15,787	-	-	-	15,787	-	-	15,787
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	41,340	(35,149)	-	-	-	6,191	-	-	6,191
At 31 March 2018	22,183,226	129,483	137,104	(599,710)	(563)	(43)	(122,035)	(214,615)	-	(1,049,833)	36,062	1,584,761	24,867,675	46,951,512	200,000	1,288,071	48,439,583

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

The Group 31 March 2017	← Attributable to owners of the Parent →															
	Ordinary share capital RM'000	Share premium- ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available- for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2017	8,868,384	11,476,201	6,576,724	137,104	2,447,052	(563)	(43)	134,247	(1,710,752)	51,447	1,321,640	16,006,734	45,308,175	200,000	1,570,983	47,079,158
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	1,180,258	1,180,258	-	30,743	1,211,001	
Other comprehensive(expense)/ income (net of tax)	-	-	177	-	53,156	-	-	191,996	(317)	438	-	245,450	-	6,489	251,939	
- financial investments available-for-sales	-	-	-	-	-	-	191,996	-	-	-	-	191,996	-	4,403	196,399	
- net investment hedge	-	-	-	-	-	-	-	501	-	-	-	501	-	-	501	
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	(42)	-	-	-	(42)	-	-	(42)	
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	(776)	-	-	-	(776)	-	-	(776)	
- currency translation difference	-	-	177	-	52,948	-	-	-	438	-	-	53,563	-	2,086	55,649	
- share of other comprehensive income of associate and joint ventures	-	-	-	-	208	-	-	-	-	-	-	208	-	-	208	
Total comprehensive income for the financial period	-	-	177	-	53,156	-	-	191,996	(317)	438	1,180,258	1,425,708	-	37,232	1,462,940	
Transition to no-par value regime on 31 January 2017 ^	11,476,201	(11,476,201)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	78,256	(78,256)	-	-	-	-	
Arising from increase in capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	14	14	
Share-based payment expense	-	-	-	-	-	-	-	-	10,598	-	-	10,598	-	-	10,598	
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	37,607	(27,675)	-	-	9,932	-	-	9,932	
At 31 March 2017	20,344,585	-	6,576,901	137,104	2,500,208	(563)	(43)	326,243	(1,673,462)	34,808	1,399,896	17,108,736	46,754,413	200,000	1,608,229	48,562,642

^ The new Companies Act, 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, any amount standing to the credit of the share premium account of RM11,476,201,000 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition. Prior to 31 January 2017, the application of the share premium account was governed by Sections 60 and 61 of the Companies Act, 1965. In accordance with the transitional provisions set out in Section 618 (2) of the new Companies Act, 2016 (the "Act"), on 31 January 2017 any amount standing to the credit of the Company's share premium account has become part of the Company's share capital. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account for purposes as set out in Section 618 (3) of the Act.

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CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	← Non-distributable →					Distributable	Total RM'000
	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve - debt instruments at fair value through other comprehensive income RM'000	Revaluation reserve - financial investments available- for-sale RM'000	Retained earnings RM'000	
The Company							
At 1 January 2018	22,183,226	55,982	(43)	-	26,619	656,679	22,922,463
Effect of adopting MFRS 9	-	-	-	37,195	(26,619)	(37,130)	(26,554)
1 January 2018, as restated	22,183,226	55,982	(43)	37,195	-	619,549	22,895,909
Profit for the financial period	-	-	-	-	-	1,103,448	1,103,448
Other comprehensive expense (net of tax)	-	-	-	(1,038)	-	-	(1,038)
- Debt instruments at fair value through other comprehensive income	-	-	-	(1,038)	-	-	(1,038)
Total comprehensive income for the financial period	-	-	-	(1,038)	-	1,103,448	1,102,410
At 31 March 2018	22,183,226	55,982	(43)	36,157	-	1,722,997	23,998,319

	← Non-distributable →					Distributable	Total RM'000
	Ordinary share capital RM'000	Share premium RM'000	Capital reserve RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available- for-sale RM'000	Retained earnings RM'000	
The Company							
At 1 January 2017	8,868,384	11,476,201	55,982	(43)	25,406	1,370,304	21,796,234
Loss for the financial period	-	-	-	-	-	(109,713)	(109,713)
Other comprehensive income (net of tax)	-	-	-	-	5,851	-	5,851
- financial investments available-for-sales	-	-	-	-	5,851	-	5,851
Total comprehensive income for the financial period	-	-	-	-	5,851	(109,713)	(103,862)
Transition to no-par value regime on 31 January 2017 ^	11,476,201	(11,476,201)	-	-	-	-	-
At 31 March 2017	20,344,585	-	55,982	(43)	31,257	1,260,591	21,692,372

* denote RM478

^ The new Companies Act, 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, any amount standing to the credit of the share premium account of RM11,476,201,000 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition. Prior to 31 January 2017, the application of the share premium account was governed by Sections 60 and 61 of the Companies Act, 1965. In accordance with the transitional provisions set out in Section 618 (2) of the new Companies Act, 2016 (the "Act"), on 31 January 2017 any amount standing to the credit of the Company's share premium account has become part of the Company's share capital. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account for purposes as set out in Section 618 (3) of the Act.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	The Group		The Company	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Profit/(Loss) before taxation and zakat	1,742,893	1,613,598	1,103,745	(71,249)
Adjustments for non-operating and non-cash items	196,057	227,521	(1,071,015)	(8,179)
Operating profit/(loss) before changes in working capital	1,938,950	1,841,119	32,730	(79,428)
Net changes in operating assets	(4,682,786)	(9,137,614)	(43,072)	(56,979)
Net changes in operating liabilities	10,462,310	15,528,158	(5,602)	(1,218)
	5,779,524	6,390,544	(48,674)	(58,197)
Cash flows generated from/(used in) operations	7,718,474	8,231,663	(15,944)	(137,625)
Taxation paid	(347,732)	(383,333)	(312)	(1,086)
Net cash flows generated from/(used in) from operating activities	7,370,742	7,848,330	(16,256)	(138,711)
Net cash flows generated (used in)/from investing activities	(1,491,221)	(755,120)	1,207,834	(112,388)
Net cash flows (used in)/generated from financing activities	(954,249)	5,699,640	673,739	(27,284)
Net increase/(decrease) in cash and cash equivalents during the financial period	4,925,272	12,792,850	1,865,317	(278,383)
Effects of exchange rate changes	(1,489,104)	(96,593)	-	-
Cash and short-term funds at beginning of the financial period	41,667,884	26,709,687	182,809	587,828
Cash and cash equivalent for asset classified as held for sale	(166,829)	-	-	-
Cash and short-term funds at end of the financial period	44,937,223	39,405,944	2,048,126	309,445
Statutory deposits with Bank Indonesia*	(3,810,234)	(4,127,437)	-	-
Monies held in trust	(77,954)	(70,145)	-	-
Cash and cash equivalents at end of the financial period	41,049,035	35,208,362	2,048,126	309,445

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 31 March 2018 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, derivative financial instruments, investment properties and non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

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

The unaudited condensed interim financial statements should be read in conjunction with the Group's and the Company's audited financial statements for the financial year ended 31 December 2017. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Company since the financial year ended 31 December 2017.

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 2017, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2018:

- MFRS 9 "Financial Instruments"
- MFRS 15 "Revenue from Contracts with Customers" and "Clarifications to MFRS 15"
- Amendments to MFRS 2 "Classification and Measurement of Share-based Payment Transactions"
- Amendments to MFRS 140 "Transfers of Investment Property"
- Annual improvement to MFRSs 2014 - 2016 Cycle:
 - Amendments to MFRS 1
 - Amendments to MFRS 128
- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"

With the effect from the financial year beginning on/after 1 January 2018, the Group and the Company apply MFRS 9 "Financial Instruments", replacing MFRS 139 "Financial Instruments: Recognition and Measurement", and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedging relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The new standard also introduces expanded disclosure requirements and changes in presentation. Comparatives for 2017 will not be restated. The impact of adoption of MFRS 9 to the Group and the Company are disclosed in Note 35.

The adoption of the above new standards, amendments to published standards and interpretation are not expected to give rise to significant impact on the financial results of the Group and the Company, except for the cumulative impact on the adoption of MFRS 9 which is recognised in the retained earnings as at 1 January 2018.

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

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the financial period ended 31 March 2018:-

(a) On 28 February 2018, the Company announced that it will seek its shareholders' approval at its 61th Annual General Meeting ("AGM") to be convened on a later announced date for the proposed renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up capital of the Company. Shareholders' approval was subsequently obtained at the AGM which was held on 26 April 2018.

(b) The entitlement date pursuant to Single Tier Second Interim Dividend for financial year ended 31 December 2017 and the corresponding DRS was fixed for 30 March 2018. The Group had, on 30 April 2018, issued and allotted 140,251,847 new ordinary shares ("New CIMB Shares"). The New CIMB Shares were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m., Tuesday, 2 May 2018. With the listing of the New Shares, the enlarged issued and paid-up share capital of CIMBGH is 9,365,799,289 shares.

(c) On 22 January 2018, CIMB Bank has redeemed its HKD171 million 5-year senior unsecured fixed rate notes issued under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011.

(d) On 22 March 2018, CIMB Bank has redeemed its SGD20 million senior unsecured notes issued under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011.

(e) On 29 March 2018, CIMB Group Holdings Berhad issued MYR700.0 Million 10 years non-callable 5 years Tier 2 subordinated debt bearing a fixed rate coupon of 4.95% p.a.. The said subordinated debt was issued out of the RM10 billion Tier 2 subordinated debt programme. The proceeds from the issuance were used to subscribe to a RM700.0 Million Tier 2 subordinated notes issued by CIMB Bank Berhad on the same day, based on similar terms.

(f) During the financial period, Ziya Capital Bhd ("Ziya"), an Islamic special purpose vehicle consolidated by CIMB Islamic Bank, undertook a partial redemption of its Sukuk amounting to RM27 million.

(g) During the financial period, Merdeka Kapital Berhad ("MKB"), a special purpose vehicle consolidated by CIMB Bank, undertook a partial redemption of the Medium Term Note amounting to RM18.6 million.

(h) On 13 February 2018, CIMB Bank completed the capital injection of USD6.2 million into new ordinary shares of CIMB Bank PLC. The new ordinary shares were issued by CIMB Bank PLC at an issue price of USD1 each to CIMB Bank.

(i) On 29 March 2018, CIMB Thai Bank issued RM390 million 10-years non callable 5 years Basel III compliant Tier II subordinated notes to their overseas investors. The RM390 million Notes carry fixed interest rate of 5.20% per annum payable every six months. The RM390 million Notes will mature on 29 March 2028. CIMB Thai Bank may exercise its right to early redeem the subordinated notes 5 years after issue date, and on each coupon payment date thereafter, subject to approval by the Bank of Thailand. CIMB Thai Bank has an approval from Bank of Thailand to classify the RM390 million Notes (equivalent to THB3,157,479,000) as Tier II capital according to the correspondence For Kor Kor. 221/ 2561.

A4. DIVIDENDS PAID AND PROPOSED

A single-tier second interim dividend of 12.00 sen per ordinary share, on 9,225,542,534 ordinary shares amounting to RM1,107,065,104 in respect of the financial year ended 31 December 2017 was approved by the Board of Directors on 29 January 2018. The dividend consists of an electable portion of 12.00 sen which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Scheme ("DRS"). Following the completion of the DRS, a total cash dividend of RM209,453,238 was paid on 30 April 2018.

A5. STATUS OF CORPORATE PROPOSAL

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

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

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

On 6 September 2017, CIMBG signed a conditional Share Purchase Agreement to acquire 100% equity interest in Jupiter Securities Sdn Bhd (“Jupiter Securities”) for a cash consideration of RM55 million (“Proposed Acquisition”). The proposed acquisition is in connection with the proposed partnership with CGI, wherein Jupiter Securities shall be the platform for the partnership’s operations in Malaysia.

The Securities Commission has on 2 April 2018 approved the Proposed Acquisition and the proposed sale of CIMBG’s Malaysia cash equities business including the sale of 100% equity interest in CIMB Futures Sdn Bhd to Jupiter Securities Sdn Bhd (“Jupiter Securities”) in connection with the Proposed Partnership.

(b) On 24 July 2017, Touch 'n Go Sdn. Bhd (“TnG”), a 52.22% subsidiary of CIMB Group has entered into an Investment Agreement with Alipay Singapore E-commerce Pte Ltd (“Alipay”), a subsidiary of Ant Financial Services Group to set up a joint venture entity to be incorporated in Malaysia, where TnG will participate as a majority shareholder and Alipay will participate as a minority shareholder to launch a new mobile platform for payments and other related financial services in Malaysia. On 8 November 2017, BNM has approved the incorporation of TNG Digital Sdn Bhd (“TNG Digital”) which is intended to become the joint venture entity.

On 8 January 2018, BNM has granted to TNG Digital the approval to issue Designated Payment Instrument under Section 11 of the Financial Services Act 2013. On 14 February 2018, the Proposed joint venture has been completed.

(c) On 11 January 2018, CIMB Group Sdn Bhd (“CIMBG”) entered into sale and purchase agreements to divest 20% equity stake in CIMB-Principal Asset Management Bhd (“CPAM”) to Principal International (Asia) Limited (“PIA”) and 10% equity stake in CIMB-Principal Islamic Asset Management Sdn Bhd (“CPIAM”) to Principal Financial Services Inc. (“PFI”) for a total consideration of RM470,294,050 (“Proposed Divestment”). PIA and PFI are the existing shareholders of CPAM and CPIAM respectively, and are subsidiaries of Principal Financial Group Inc. Upon the completion of the Proposed Divestment, CPAM will cease to be a subsidiary of the Group and the Group is expected to recognise a gain on disposal of approximately RM950 million and a Common Equity Tier 1 (“CET1”) ratio improvement of approximately 18 bps.

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

CPAM and CPIAM had obtained the Securities Commission Malaysia’s approval on the proposed changes of its controlling shareholder on 9 April 2018. On 25 May 2018, the proposed divestment was completed.

A6. EVENTS DURING THE REPORTING PERIOD

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

A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There is no significant events that had occurred between 31 March 2018 and the date of this announcement, other than those disclosed under Issuance and Repayment of Debts and Equity Securities, and Status of Corporate Proposal.

PART A - EXPLANATORY NOTES

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

As at 31 March 2018, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM190,000 and RM646,000 respectively. The 12-month expected credit losses written back in the income statement during the financial period is amounting to RM735,000.

A9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 March 2018 RM'000	31 December 2017 RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	586,672	-
Cagamas bonds	364,769	-
Khazanah bonds	4,447	-
Malaysian Government treasury bills	223,879	-
Bank Negara Malaysia monetary notes	410,455	-
Negotiable instruments of deposit	6,602,705	-
Other Government securities	3,183,798	-
Government Investment Issues	602,103	-
Other Government treasury bills	5,194,555	-
Commercial papers	39,976	-
Bankers' acceptances	71,319	-
	17,284,678	-
Quoted securities:		
<i>In Malaysia:</i>		
Shares	710,192	-
<i>Outside Malaysia:</i>		
Shares	177,720	-
Corporate bond	344,991	-
Other Government bonds	830,819	-
Unit trusts	1,994	-
	2,065,716	-
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bond and Sukuk	2,386,322	-
Shares	846,398	-
Unit trusts	18,422	-
<i>Outside Malaysia:</i>		
Corporate bond	3,018,456	-
Private equity and unit trusts funds	391,734	-
	6,661,332	-
	26,011,726	-

A10. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Company	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Fair value				
Money market instruments:				
Unquoted				
Malaysian Government Securities	380,775	-	-	-
Cagamas bonds	168,113	-	-	-
Khazanah bonds	128,775	-	-	-
Negotiable instruments of deposit	431,903	-	-	-
Other Government securities	1,020,814	-	-	-
Government investment Issues	980,544	-	-	-
Other Government treasury bills	73,795	-	-	-
Commercial Papers	154,657	-	-	-
	3,339,376	-	-	-
Quoted debt securities:				
<i>Outside Malaysia:</i>				
Corporate bond	2,419,727	-	-	-
Other Government bonds	5,158,437	-	-	-
	7,578,164	-	-	-
Unquoted debt securities:				
<i>In Malaysia:</i>				
Corporate bond and Sukuk	11,773,456	-	1,451,148	-
<i>Outside Malaysia:</i>				
Corporate bond and Sukuk	8,476,092	-	-	-
	20,249,548	-	1,451,148	-
	31,167,088	-	1,451,148	-

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			
	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 2018	-	-	-	-
Effect of adopting MFRS 9	20,580	4,050	133,306	157,936
Adjusted 1 January 2018	20,580	4,050	133,306	157,936
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 2	(26)	26	-	-
	10,530	4,320	1,317	16,167
Total charge to Income Statement:				
New financial assets originated or purchased	13,342	-	-	13,342
Financial assets that have been derecognised	(1,029)	-	-	(1,029)
Change in credit risk	(1,783)	4,320	1,317	3,854
Write-offs	-	-	(65,679)	(65,679)
Exchange fluctuation	(1,973)	(1)	(1,064)	(3,038)
At 31 March 2018	29,111	8,395	67,880	105,386

A10. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

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

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

	The Company				
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000	
	At 1 January 2018	-	-	-	-
	Effect of adopting MFRS 9	10,577	-	-	10,577
Adjusted 1 January 2018	10,577	-	-	10,577	
Total charge to Income Statement:	563	-	-	563	
Change in credit risk	563	-	-	563	
At 31 March 2018	11,140	-	-	11,140	

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

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000	
	At 1 January 2018	-	-
	Effect of adopting MFRS 9	140,715	140,715
Adjusted 1 January 2018	140,715	140,715	
Write-offs	(65,679)	(65,679)	
Exchange fluctuation	(1,260)	(1,260)	
At 31 March 2018	73,776	73,776	

A11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Company	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
	Quoted equity securities			
<i>In Malaysia</i>				
Shares	56,643	-	-	-
<i>Outside Malaysia</i>				
Shares	3,747	-	-	-
Unit trust	5,514	-	-	-
	65,904	-	-	-
Unquoted equity securities				
<i>In Malaysia</i>				
Shares	192,517	-	-	-
Property funds	175	-	-	-
Perpetual corporate bonds	330,718	-	-	-
<i>Outside Malaysia</i>				
Shares	4,499	-	-	-
Private equity funds and unit trusts funds	104,330	-	-	-
	632,239	-	-	-
	698,143	-	-	-

A12. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Company	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Money market instruments:				
Unquoted				
Malaysian Government securities	2,852,674	-	-	-
Cagamas bonds	182,213	-	-	-
Other Government treasury bills	2,289,999	-	-	-
Other Government securities	1,048,243	-	-	-
Malaysian Government investment issue	8,413,726	-	-	-
Khazanah bonds	443,597	-	-	-
	15,230,452	-	-	-
Quoted debts securities				
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	323,633	-	-	-
Bank Indonesia certificates	191,920	-	-	-
Other Government bonds	2,355,900	-	-	-
	2,871,453	-	-	-
Unquoted debts securities				
<i>In Malaysia</i>				
Corporate bond and Sukuk	16,085,175	-	4,261,957	-
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	2,944,370	-	-	-
	19,029,545	-	4,261,957	-
Total	37,131,450	-	4,261,957	-
Amortisation of premium, net of accretion of discount	108,098	-	-	-
Less : Expected credit losses	(42,993)	-	(33,417)	-
	37,196,555	-	4,228,540	-

Expected credit losses movement for debt instruments at amortised cost:

	The Group			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2018	-	-	-	-
Effect of adopting MFRS 9	16,175	9,876	7,180	33,231
Adjusted 1 January 2018	16,175	9,876	7,180	33,231
Total charge to Income Statement:	9,972	(465)	-	9,507
New financial assets purchased	5,597	-	-	5,597
Financial assets that have been derecognised	(456)	-	-	(456)
Change in credit risk	4,831	(465)	-	4,366
Exchange fluctuation	255	-	-	255
At 31 March 2018	26,402	9,411	7,180	42,993

A12. DEBT INSTRUMENTS AT AMORTISED COST (Continued)

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

	The Company			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2018	-	-	-	-
Effect of adopting MFRS 9	26,554	-	-	26,554
Adjusted 1 January 2018	26,554	-	-	26,554
Total charge to Income Statement:	6,863	-	-	6,863
Change in credit risk	6,863	-	-	6,863
At 31 March 2018	33,417	-	-	33,417

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

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2018	-	-
Effect of adopting MFRS 9	7,180	7,180
Adjusted 1 January 2018/ At 31 March 2018	7,180	7,180

A13. FINANCIAL ASSETS HELD FOR TRADING

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	-	365,484
Cagamas bonds	-	188,085
Malaysian Government treasury bills	-	25,298
Bank Negara Malaysia Monetary Notes	-	99,343
Negotiable instruments of deposit	-	6,288,869
Bankers' acceptances	-	22,149
Other Government securities	-	2,273,146
Other Government treasury bills	-	4,099,551
Commercial papers	-	72,816
Government Investment Issues	-	451,167
	-	13,885,908
Quoted securities:		
<i>In Malaysia:</i>		
Shares	-	819,147
<i>Outside Malaysia:</i>		
Shares	-	511,385
Corporate bond and Sukuk	-	289,339
Other Government bonds	-	942,214
Investment linked funds	-	18,133
	-	2,580,218
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bond and Sukuk	-	2,087,738
Shares	-	1
<i>Outside Malaysia:</i>		
Corporate bond and Sukuk	-	2,939,105
Private equity funds	-	164,242
	-	5,191,086
	-	21,657,212

A14. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	The Group		The Company	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Money market instruments:				
Unquoted				
Malaysian Government Securities	-	289,569	-	-
Cagamas bonds	-	140,874	-	-
Khazanah bonds	-	132,052	-	-
Other Government securities	-	598,316	-	-
Government Investment Issues	-	696,373	-	-
Commercial papers	-	39,825	-	-
Negotiable instruments of deposit	-	482,401	-	-
Malaysian Government Sukuk	-	22,107	-	-
	-	2,401,517	-	-
Quoted securities:				
<i>In Malaysia:</i>				
Shares	-	159,003	-	-
<i>Outside Malaysia:</i>				
Shares	-	82,267	-	-
Corporate bond and Sukuk	-	2,051,746	-	-
Other Government bonds	-	5,602,641	-	-
Unit trusts	-	24,511	-	-
	-	7,920,168	-	-
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bond and Sukuk	-	13,763,383	-	1,433,024
Shares	-	1,172,471	-	-
Loan stocks	-	10,087	-	-
Property funds	-	355	-	-
Unit trusts	-	10,274	-	-
<i>Outside Malaysia:</i>				
Shares	-	52,734	-	-
Private equity funds and unit trust funds	-	480,263	-	-
Corporate bond and Sukuk	-	7,164,958	-	-
Loan stocks	-	1,105	-	-
	-	22,655,630	-	1,433,024
	-	32,977,315	-	1,433,024
Allowance for impairment losses:				
Corporate bond	-	(67,809)	-	-
Private equity funds	-	(124,472)	-	-
Quoted shares	-	(170,361)	-	-
Unquoted shares	-	(184,020)	-	-
Unit trusts	-	(16,580)	-	-
Loan stocks	-	(10,087)	-	-
	-	(573,329)	-	-
	-	32,403,986	-	1,433,024

A15. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group		The Company	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Money market instruments:				
Unquoted				
Malaysian Government Securities	-	2,978,916	-	-
Cagamas bonds	-	203,649	-	-
Other Government securities	-	1,004,223	-	-
Other Government treasury bills	-	2,311,257	-	-
Khazanah bonds	-	448,191	-	-
Government Investment Issues	-	8,328,896	-	-
	-	15,275,132	-	-
Quoted securities				
<i>Outside Malaysia</i>				
Corporate bond	-	193,329	-	-
Islamic bonds	-	7,485	-	-
Other Government bonds	-	2,233,123	-	-
Bank Indonesia certificates	-	157,895	-	-
	-	2,591,832	-	-
Unquoted securities				
<i>In Malaysia</i>				
Corporate bond	-	16,613,688	-	3,518,264
Loan stocks	-	7,020	-	-
<i>Outside Malaysia</i>				
Corporate bond and sukuk	-	2,398,812	-	-
	-	19,019,520	-	3,518,264
	-	36,886,484	-	3,518,264
Amortisation of premium, net of accretion of discount	-	47,031	-	-
Less : Allowance for impairment losses	-	(12,300)	-	-
	-	36,921,215	-	3,518,264

A16. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	31 March 2018 RM'000	31 December 2017 RM'000
At amortised cost		
Overdrafts	5,202,006	5,389,504
Term loans/financing		
- Housing loans/financing	88,867,248	87,868,442
- Syndicated term loans	15,213,566	16,393,012
- Hire purchase receivables	19,713,447	19,672,035
- Lease receivables	42,365	59,395
- Factoring receivables	11,889	13,225
- Other term loans/financing	115,722,639	113,732,153
Bills receivable	10,147,414	9,695,303
Trust receipts	1,748,844	1,822,183
Claims on customers under acceptance credits	5,093,867	5,050,615
Staff loans *	1,319,216	1,337,784
Credit card receivables	9,155,411	9,567,761
Revolving credits	52,021,039	52,726,001
Share margin financing	829,777	888,736
Other loans	1,875	1,905
Gross loans, advances and financing at amortised cost	325,090,603	324,218,054
At Fair value through profit or loss		
- Syndicated term loan	888,643	-
- Other term loans/financing	35,367	-
Gross loans, advances and financing at fair value through profit or loss	924,010	-
Total Gross loans, advances and financing	326,014,613	324,218,054
Fair value changes arising from fair value hedges	65,933	86,537
	326,080,546	324,304,591
Less: Expected credit losses/allowance for impairment losses		
At amortised cost:		
- Expected credit losses on loans, advances and financing	(9,479,019)	-
- Individual impairment allowance	-	(4,613,542)
- Portfolio impairment allowance	-	(3,134,037)
	(9,479,019)	(7,747,579)
Total net loans, advances and financing	316,601,527	316,557,012

* Included in staff loans of the Group are loans to Directors amounting to RM42,709,548 (2017: RM46,704,157).

(a) Included in the Group's loans, advances and financing balances are RM38,738,000 (2017: RM39,767,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

(b) The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with 4,214,293,000 (2017: RM4,271,223,000), using interest rate swaps.

(ii) By type of customers

	The Group	
	31 March 2018 RM'000	31 December 2017 RM'000
Domestic banking institutions	389,327	17,862
Domestic non-bank financial institutions		
- stockbroking companies	17,710	102,604
- others	4,123,387	3,887,681
Domestic business enterprises		
- small medium enterprises	50,030,007	48,873,016
- others	55,890,848	57,184,402
Government and statutory bodies	10,265,928	10,018,671
Individuals	160,152,837	159,515,156
Other domestic entities	5,328,967	5,449,813
Foreign entities	39,815,602	39,168,849
Gross loans, advances and financing	326,014,613	324,218,054

A16. LOANS, ADVANCES AND FINANCING (Continued)**(iii) By interest/profit rate sensitivity**

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	2,517,837	2,523,614
- Hire-purchase receivables	11,945,322	11,684,046
- Other fixed rate loans	37,230,065	37,665,013
Variable rate		
- BLR plus	139,528,383	145,508,709
- Cost plus	45,561,307	41,836,963
- Other variable rates	89,231,699	84,999,709
Gross loans, advances and financing	326,014,613	324,218,054

(iv) By economic purpose

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Personal use	13,070,765	13,116,119
Credit card	9,155,411	9,567,761
Purchase of consumer durables	87,749	90,220
Construction	13,948,355	12,261,920
Residential property (Housing)	91,704,912	90,672,129
Non-residential property	25,762,674	24,942,544
Purchase of fixed assets other than land and building	13,297,943	14,142,544
Mergers and acquisitions	1,905,801	2,241,907
Purchase of securities	26,374,296	25,104,374
Purchase of transport vehicles	21,293,868	21,587,679
Working capital	82,693,965	85,385,032
Other purposes	26,718,874	25,105,825
Gross loans, advances and financing	326,014,613	324,218,054

(v) By geographical distribution

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Malaysia	195,206,173	189,151,339
Indonesia	54,420,614	59,764,044
Thailand	30,806,606	30,691,840
Singapore	26,491,281	26,295,806
United Kingdom	3,791,912	3,890,933
Hong Kong	1,981,236	2,390,059
China	6,356,197	4,601,331
Other countries	6,960,594	7,432,702
Gross loans, advances and financing	326,014,613	324,218,054

(vi) By economic sector

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Primary agriculture	11,485,892	11,519,722
Mining and quarrying	6,938,036	7,301,484
Manufacturing	24,082,883	25,747,633
Electricity, gas and water supply	2,861,404	3,003,778
Construction	12,922,808	12,652,743
Transport, storage and communications	11,762,049	10,549,140
Education, health and others	16,028,647	16,160,301
Wholesale and retail trade, and restaurants and hotels	29,932,734	30,536,772
Finance, insurance/takaful, real estate and business activities	42,072,412	39,772,260
Household	152,435,471	150,715,323
Others	15,492,277	16,258,898
Gross loans, advances and financing	326,014,613	324,218,054

A16. LOANS, ADVANCES AND FINANCING (Continued)

(vii) By residual contractual maturity

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Within one year	83,710,456	82,511,335
One year to less than three years	33,217,761	33,496,186
Three years to less than five years	29,383,062	29,526,751
Five years and more	179,703,334	178,683,782
Gross loans, advances and financing	326,014,613	324,218,054

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

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Personal use	457,301	432,552
Credit card	176,258	175,120
Purchase of consumer durables	407	342
Construction	1,546,125	1,520,589
Residential property (Housing)	1,482,015	1,417,968
Non-residential property	273,396	271,156
Purchase of fixed assets other than land and building	781,777	861,549
Mergers and acquisitions	151,293	152,701
Purchase of securities	141,998	143,268
Purchase of transport vehicles	281,499	296,207
Working capital	4,202,532	4,591,169
Other purpose	1,011,837	1,131,059
Gross credit impaired/impaired loans, advances and financing	10,506,438	10,993,680

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

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Malaysia	3,565,328	3,555,830
Indonesia	3,318,457	3,880,630
Thailand	2,653,347	2,557,106
Singapore	696,500	710,639
United Kingdom	4,176	7,499
China	22,222	23,234
Other countries	246,408	258,742
Gross credit impaired/ impaired loans, advances and financing	10,506,438	10,993,680

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

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Primary agriculture	217,436	224,602
Mining and quarrying	1,305,948	1,368,502
Manufacturing	1,751,338	1,694,369
Electricity, gas and water supply	595	1,724
Construction	278,504	238,215
Transport, storage and communications	1,252,563	1,473,254
Education, health and others	224,952	233,472
Wholesale and retail trade, and restaurants and hotels	2,183,830	2,268,575
Finance, insurance/takaful, real estate and business activities	729,409	892,081
Household	1,847,234	2,248,722
Others	714,629	350,164
Gross credit impaired/ impaired loans, advances and financing	10,506,438	10,993,680

A16. LOANS, ADVANCES AND FINANCING (Continued)

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

	The Group							
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Individual impairment provision under MFRS 139 RM'000	Portfolio impairment provision under MFRS 139 RM'000	Total RM'000	
	Loans, advances and financing at amortised cost							
	At 1 January 2018	-	-	-	-	4,613,542	3,134,037	7,747,579
Effect of adopting MFRS 9	2,599,037	1,271,566	6,066,977	7,561	(4,613,542)	(3,134,037)	2,197,562	
Adjusted 1 January 2018	2,599,037	1,271,566	6,066,977	7,561	-	-	9,945,141	
Changes in expected credit losses due to transferred within stages:	90,015	(164,323)	74,308	-	-	-	-	
Transferred to Stage 1	403,368	(299,482)	(103,886)	-	-	-	-	
Transferred to Stage 2	(269,810)	374,318	(104,508)	-	-	-	-	
Transferred to Stage 3	(43,543)	(239,159)	282,702	-	-	-	-	
Total charge to Income Statement:	37,252	208,191	324,123	(3,109)	-	-	566,457	
New financial assets originated	777,663	1,455	23,264	-	-	-	802,382	
Financial assets that have been derecognised (Writeback) in respect of full recoveries	(408,420)	(252,651)	-	-	-	-	(661,071)	
Change in credit risk	(331,991)	459,387	346,026	(3,109)	-	-	470,313	
Write-offs	(996)	(42)	(728,225)	-	-	-	(729,263)	
Exchange fluctuation	(141,549)	(39,390)	(118,749)	(20)	-	-	(299,708)	
Other movements	(1,660)	9,740	(11,688)	-	-	-	(3,608)	
At 31 March 2018	2,582,099	1,285,742	5,606,746	4,432	-	-	9,479,019	

	CIMB Bank 31 March 2018	CIMB Islamic Bank 31 March 2018	CIMB Investment Bank 31 March 2018
Loss allowance for non-credit-impaired exposures and regulatory reserve	1.0%	1.0%	1.0%

	The Group	
	Individual impairment allowance RM'000	Portfolio impairment allowance RM'000
At 1 January 2017	4,735,298	3,761,178
Net allowance made during the financial year	1,464,245	1,264,288
Amount written off	(1,013,707)	(1,591,550)
Allowance transferred to non-current asset held for sale	(22,223)	-
Allowance for impaired loan disposed to third party	(323,132)	(19,187)
Unwinding income	(35,836)	(47,517)
Exchange fluctuation	(191,103)	(233,175)
At 31 December 2017	4,613,542	3,134,037

Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing (excluding RPSIA financing) less individual impairment allowance

1.49%

A16. LOANS, ADVANCES AND FINANCING (Continued)

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

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

	The Group			Total RM'000
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Impaired loans under MFRS 139 RM'000	
At 1 January 2018	-	-	10,993,680	10,993,680
Effect of adopting MFRS 9	11,108,454	9,431	(10,993,680)	124,205
Adjusted 1 January 2018	11,108,454	9,431	-	11,117,885
Transfer within stages	616,498	-	-	616,498
New financial assets originated	28,292	-	-	28,292
Write-offs	(730,091)	-	-	(730,091)
Amount fully recovered	(73,919)	-	-	(73,919)
Other changes in loans, advances and financing	(201,397)	(44)	-	(201,441)
Exchange fluctuation	(250,743)	(43)	-	(250,786)
At 31 March 2018	10,497,094	9,344	-	10,506,438

The Group
31 March
2018

Ratio of credit impaired loans to total loans, advances and financing

3.22%

Impaired loans under MFRS 139

	The Group RM'000
At 1 January 2017	10,645,339
Classified as impaired during the financial year	6,823,059
Reclassified as not impaired during the financial year	(2,237,254)
Amount written back in respect of recoveries	(1,141,212)
Amount written off	(2,606,446)
Sale of impaired loans	(523,904)
Reclassification to non-current asset held for sale	(21,666)
Exchange fluctuation	55,764
At 31 December 2017	10,993,680
Ratio of gross impaired loans to gross loans, advances and financing	3.39%

A17. OTHER ASSETS

	The Group		The Company	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	RM'000	RM'000	RM'000	RM'000
Due from brokers and clients net of expected credit losses/allowance	1,680,639	1,333,540	-	-
Other debtors, deposits and prepayments, net of expected credit losses/allowance	4,725,210	5,836,209	92,847	42,195
Due from a joint venture	1,020,028	1,060,030	-	-
Structured financing	1,383,111	1,393,843	-	-
Foreclosed assets net of allowance for impairment losses	194,558	225,572	-	-
Collateral for securities borrowings	9,827	65,702	-	-
Collateral pledged for derivative transactions	2,119,988	2,232,436	-	-
	11,133,361	12,147,332	92,847	42,195

A18. DEPOSITS FROM CUSTOMERS

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	82,251,633	79,756,629
Savings deposits	45,058,258	44,866,036
Fixed deposits	150,791,896	152,681,467
Negotiable instruments of deposit	171,655	757,296
Others	75,561,306	70,456,849
	353,834,748	348,518,277

By type of customer

Government and statutory bodies	14,695,407	12,138,585
Business enterprises	131,023,320	125,298,378
Individuals	148,223,383	152,824,739
Others	59,892,638	58,256,575
	353,834,748	348,518,277

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

Due within six months	124,969,712	130,397,967
Six months to less than one year	24,449,309	21,691,798
One year to less than three years	1,138,692	817,391
Three years to less than five years	393,704	503,703
Five years and more	12,134	27,904
	150,963,551	153,438,763

A19. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Unrestricted investment accounts	1,967,292	907,763

A20. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Licensed banks	17,027,831	16,147,617
Licensed finance companies	1,022,854	1,223,313
Licensed investment banks	35,576	28,577
Bank Negara Malaysia	27,216	6,176
Other financial institutions	2,632,982	2,345,893
	20,746,459	19,751,576

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

Due within six months	19,820,423	18,881,063
Six months to less than one year	825,085	768,501
One year to less than three years	100,951	1,581
Three years to less than five years	-	100,431
	20,746,459	19,751,576

A21. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Deposits from customers - structured investments	1,889,068	1,903,205
Debentures	824,316	650,016
Bills payables	2,293,022	2,220,219
	5,006,406	4,773,440

The Group has issued structured investments, bills payable and debentures, and has designated them at fair value in accordance with MFRS139. The Group has the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of the Group at 31 March 2018 of financial liabilities designated at fair value were RM228,468,000 (2017: RM282,365,000) lower than the contractual amount at maturity for the structured investments, RM19,286,000 (2017: RM18,142,000) lower than the contractual amount at maturity for the debentures and RM310,972,000 (2017: RM345,801,000) higher than the contractual amount at maturity for the bills payable. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

A22. OTHER LIABILITIES

	The Group		The Company	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	1,549,400	1,218,166	-	-
Expenditure payable	1,975,870	2,272,653	1,749	1,356
Provision for legal claims	69,654	72,959	-	-
Sundry creditors	1,702,444	3,941,563	-	-
Structured deposits	6,386,155	6,281,745	-	-
Post employment benefit obligations	490,577	469,270	-	-
Credit card expenditure payable	219,181	201,714	-	-
Collateral received for derivative transactions	1,814,610	1,626,637	-	-
Expected credit losses/Allowance for commitments and contingencies	(a) 499,937	49,095	-	-
Collateral for securities lending	65,399	72,023	-	-
Others	1,817,230	1,583,754	361	361
	16,590,457	17,789,579	2,110	1,717

A22. OTHER LIABILITIES (Continued)

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

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Individual impairment provision under MFRS 139 RM'000	Total RM'000
At 1 January 2018	-	-	-	49,095	49,095
Effect of adopting MFRS 9	312,898	77,265	112,588	(49,095)	453,656
Adjusted 1 January 2018	312,898	77,265	112,588	-	502,751
Changes in ECL due to transferred within stages:	36,406	(18,404)	(18,002)	-	-
Transferred to Stage 1	41,702	(22,539)	(19,163)	-	-
Transferred to Stage 2	(4,306)	6,787	(2,481)	-	-
Transferred to Stage 3	(990)	(2,652)	3,642	-	-
Total charge to Income Statement:	(19,097)	10,854	8,021	-	(222)
New exposures	43,368	233	(4)	-	43,597
Exposures derecognised or matured	(21,599)	(2,157)	(5,469)	-	(29,225)
Change in credit risk	(40,866)	12,778	13,494	-	(14,594)
Exchange fluctuation	(1,005)	(77)	(279)	-	(1,361)
Other movements	(1,063)	(195)	27	-	(1,231)
At 31 March 2018	328,139	69,443	102,355	-	499,937

As at 31 March 2018, the gross carrying amount of loan commitments and financial guarantee contracts that are credit impaired is RM590,597,000.

A23. INTEREST INCOME

	1st quarter ended		Three months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
The Group				
Loans, advances and financing				
- Interest income	3,625,719	3,947,024	3,625,719	3,947,024
- Unwinding income [^]	44,721	30,868	44,721	30,868
Money at call and deposit placements with financial institutions	179,178	149,970	179,178	149,970
Reverse repurchase agreements	41,101	42,858	41,101	42,858
Financial assets at fair value through profit or loss	124,613	-	124,613	-
Debt instruments at fair value through other comprehensive income	296,938	-	296,938	-
Debt instruments at amortised cost	300,960	-	300,960	-
Equity instruments at fair value through other comprehensive income	6,892	-	6,892	-
Financial assets held for trading	-	100,169	-	100,169
Financial investments available-for-sale	-	291,693	-	291,693
Financial investments held-to-maturity	-	276,764	-	276,764
Others	686	12,163	686	12,163
	4,620,808	4,851,509	4,620,808	4,851,509
Accretion of discounts, net of amortisation of premiums	12,209	(8,632)	12,209	(8,632)
	4,633,017	4,842,877	4,633,017	4,842,877

The Company

Money at call and deposit placements with financial institutions	2,262	3,847	2,262	3,847
Debt instruments at fair value through other comprehensive income	19,726	-	19,726	-
Debt instruments at amortised cost	43,918	-	43,918	-
Financial investments available-for-sale	-	19,726	-	19,726
Financial investments held-to-maturity	-	25,509	-	25,509
	65,906	49,082	65,906	49,082

[^] Unwinding income is interest income earned on credit impaired/impaired financial assets

A24. INTEREST EXPENSE

	1st quarter ended		Three months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits and placements of banks and other financial institutions	83,117	85,408	83,117	85,408
Deposits from other customers	1,579,875	1,646,850	1,579,875	1,646,850
Repurchase agreements	46,398	24,411	46,398	24,411
Bonds, sukuk and debentures	121,047	59,560	121,047	59,560
Subordinated obligations	168,053	226,970	168,053	226,970
Financial liabilities designated at fair value through profit or loss	28,909	30,636	28,909	30,636
Negotiable certificates of deposits	18,522	35,656	18,522	35,656
Other borrowings	79,141	37,475	79,141	37,475
Recourse obligation on loan and financing sold to Cagamas	30,640	29,763	30,640	29,763
Structured deposits	49,767	13,314	49,767	13,314
Others	7,765	7,289	7,765	7,289
	2,213,234	2,197,332	2,213,234	2,197,332
The Company				
Subordinated obligations	97,766	79,358	97,766	79,358
Other borrowings	33,473	36,791	33,473	36,791
	131,239	116,149	131,239	116,149

A25. NET NON-INTEREST INCOME

	1st quarter ended		Three months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
The Group				
(a) Net fee income and commission income:				
Commissions	358,347	263,843	358,347	263,843
Fee on loans, advances and financing	144,741	147,225	144,741	147,225
Service charges and fees	158,014	174,588	158,014	174,588
Corporate advisory and arrangement fees	6,837	6,439	6,837	6,439
Guarantee fees	12,748	17,047	12,748	17,047
Other fee income	73,418	53,134	73,418	53,134
Placement fees	102	4,356	102	4,356
Underwriting commission	16,915	10,160	16,915	10,160
Fee and commission income	771,122	676,792	771,122	676,792
Fee and commission expense	(184,645)	(157,523)	(184,645)	(157,523)
Net fee and commission income	586,477	519,269	586,477	519,269
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets at fair value through profit or loss	3,268	-	3,268	-
- Equity instruments at fair value through other comprehensive income	968	-	968	-
- Financial assets held for trading	-	1,814	-	1,814
- Financial investments available-for-sale	-	2,000	-	2,000
<i>Outside Malaysia</i>				
- Financial assets at fair value through profit or loss	184	-	184	-
- Financial assets held for trading	-	327	-	327
- Financial investments available-for-sale	-	229	-	229
	4,420	4,370	4,420	4,370
(c) Net loss arising from financial assets at fair value through profit or loss:				
- realised	(254,017)	-	(254,017)	-
- unrealised	134,475	-	134,475	-
	(388,492)	-	(388,492)	-
(d) Net gain arising from financial assets held for trading				
- realised	-	408,259	-	408,259
- unrealised	-	85,138	-	85,138
	-	323,121	-	323,121
(e) Net loss arising from derivative financial instruments				
- realised	(9,101)	(184,866)	(9,101)	(184,866)
- unrealised	(649,717)	335,201	(649,717)	335,201
	640,616	(520,067)	640,616	(520,067)
(f) Net gain/(loss) arising from financial liability designated at fair value through profit or loss				
- realised	18,683	(22,891)	18,683	(22,891)
- unrealised	(8,956)	(7,744)	(8,956)	(7,744)
	27,639	(15,147)	27,639	(15,147)
(g) Net (loss)/gain arising from hedging activities	(14,994)	4,194	(14,994)	4,194
(h) Net gain from sale of investment in debt instruments at fair value through other comprehensive income	30,429	-	30,429	-
(i) Net gain from maturity of debt instruments at amortised cost	464	-	464	-
(j) Net gain from sale of financial investments available-for-sale	-	28,034	-	28,034
(k) Income from assets management and securities services	110,169	86,560	110,169	86,560
(l) Brokerage income	36,307	92,825	36,307	92,825
(m) Other non-interest income:				
Foreign exchange gain	602,155	235,400	602,155	235,400
Rental income	5,166	5,956	5,166	5,956
Gain on disposal of property, plant and equipment/ assets held for sale	14,887	5,591	14,887	5,591
Loss on disposal of foreclosed properties	(20,837)	(3,005)	(20,837)	(3,005)
Other non-operating income	29,127	58,646	29,127	58,646
	630,498	302,588	630,498	302,588
	1,139,335	1,238,342	1,139,335	1,238,342

A25. NET NON-INTEREST INCOME (CONTINUED)

	1st quarter ended		Three months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
The Company				
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Subsidiaries	1,719,553	-	1,719,553	-
(j) Other non-interest income:				
Foreign exchange loss	(2,783)	(63)	(2,783)	(63)
Rental income	71	71	71	71
	(2,712)	8	(2,712)	8
	1,716,841	8	1,716,841	8

A26. OVERHEADS

	1st quarter ended		Three months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonus	996,809	1,026,663	996,809	1,026,663
- Pension cost	105,603	103,998	105,603	103,998
- Overtime	6,993	8,397	6,993	8,397
- Staff incentives and other staff payments	63,207	54,974	63,207	54,974
- Medical expenses	26,834	26,315	26,834	26,315
- Others	46,113	56,836	46,113	56,836
	1,245,559	1,277,183	1,245,559	1,277,183
Establishment costs				
- Depreciation of property, plant and equipment	76,296	88,880	76,296	88,880
- Amortisation of intangible assets	94,662	89,918	94,662	89,918
- Amortisation of prepaid lease payments	2,541	2,833	2,541	2,833
- Rental	120,736	141,304	120,736	141,304
- Repair and maintenance	120,563	157,532	120,563	157,532
- Outsourced services	13,557	21,202	13,557	21,202
- Security expenses	24,033	30,991	24,033	30,991
- Others	32,744	47,120	32,744	47,120
	485,132	579,780	485,132	579,780
Marketing expenses				
- Sales commission	994	1,501	994	1,501
- Advertisement	42,072	47,235	42,072	47,235
- Others	15,240	17,462	15,240	17,462
	58,306	66,198	58,306	66,198
Administration and general expenses				
- Legal and professional fees	29,138	48,113	29,138	48,113
- Stationery	10,296	15,485	10,296	15,485
- Communication	23,323	31,840	23,323	31,840
- Incidental expenses on banking operations	12,650	9,463	12,650	9,463
- Insurance	43,680	75,018	43,680	75,018
- Others	233,037	192,652	233,037	192,652
	352,124	372,571	352,124	372,571
	2,141,121	2,295,732	2,141,121	2,295,732

A26. OVERHEADS (CONTINUED)

	1st quarter ended		Three months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
The Company				
Personnel costs				
- Staff incentives and other staff payments	-	32	-	32
- Others	19	-	19	-
	19	32	19	32
Establishment costs				
- Depreciation of property, plant and equipment	53	55	53	55
- Depreciation of investment properties	5	5	5	5
- Rental	2	-	2	-
- Repair and maintenance	3	3	3	3
- Others	56	18	56	18
	119	81	119	81
Administration and general expenses				
- Legal and professional fees	3,043	1,720	3,043	1,720
- Communication	29	-	29	-
- Insurance	1,252	-	1,252	-
- Others	1,683	2,357	1,683	2,357
	6,007	4,077	6,007	4,077
	6,145	4,190	6,145	4,190

A27(a). EXPECTED CREDIT LOSSES/ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING

	1st quarter ended		Three months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses/Allowance for impairment losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	566,457	-	566,457	-
- Individual impairment allowance	-	167,254	-	167,254
- Portfolio impairment allowance	-	368,979	-	368,979
Credit impaired/impaired loans, advances and financing:				
- recovered	(169,542)	(117,523)	(169,542)	(117,523)
- written off	4,373	5,807	4,373	5,807
	401,288	424,517	401,288	424,517

A27(b). OTHER EXPECTED CREDIT LOSSES / ALLOWANCES MADE/(WRITTEN BACK) FOR OTHER IMPAIRMENT LOSSES

	1st quarter ended		Three months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses on:				
- Debt instrument at fair value through other comprehensive income	16,167	-	16,167	-
- Debt instrument at amortised cost	9,507	-	9,507	-
- Money at call and deposits and placements with banks and other financial institutions	(735)	-	(735)	-
- Other receivables	(915)	-	(915)	-
Allowance made/(written back) on:				
- Financial investments available-for-sale	-	(57)	-	(57)
- Financial investments held-to-maturity	-	(8)	-	(8)
- Other receivables	-	26,037	-	26,037
	24,024	25,972	24,024	25,972
	-	-	-	-
The Company				
Expected credit losses on:				
- Debt instrument at fair value through other comprehensive income	563	-	563	-
- Debt instrument at amortised cost	6,863	-	6,863	-
	7,426	-	7,426	-

A28. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 31 March 2018	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	29,933,950	517,578	(880,205)
- Less than 1 year	24,211,564	367,254	(635,873)
- 1 year to 3 years	4,578,957	141,874	(146,481)
- More than 3 years	1,143,429	8,450	(97,851)
	243,075,352	2,412,899	(2,445,721)
Currency swaps			
- Less than 1 year	240,257,540	2,319,318	(2,432,891)
- 1 year to 3 years	2,333,496	50,322	(5,976)
- More than 3 years	484,316	43,259	(6,854)
Currency spot	4,716,020	6,708	(4,503)
- Less than 1 year	4,716,020	6,708	(4,503)
Currency options	25,263,510	305,516	(316,083)
- Less than 1 year	22,072,969	140,757	(132,311)
- 1 year to 3 years	1,657,371	51,259	(47,311)
- More than 3 years	1,533,170	113,500	(136,461)
Cross currency interest rate swaps	62,350,298	2,878,264	(2,793,685)
- Less than 1 year	15,875,768	369,715	(600,640)
- 1 year to 3 years	18,836,122	1,097,474	(811,094)
- More than 3 years	27,638,408	1,411,075	(1,381,951)
	365,339,130	6,120,965	(6,440,197)
<u>Interest rate derivative</u>			
Interest rate swaps	413,307,482	2,584,237	(1,791,328)
- Less than 1 year	137,537,077	310,243	(284,813)
- 1 year to 3 years	145,485,649	881,117	(625,179)
- More than 3 years	130,284,756	1,392,877	(881,336)
Interest rate futures	11,721,373	20,804	(28,227)
- Less than 1 year	10,582,026	20,544	(27,584)
- 1 year to 3 years	1,139,347	260	(643)
Interest rate options	433,466	1	(6,506)
- Less than 1 year	433,348	1	(5,733)
	425,462,321	2,605,042	(1,826,061)
<u>Equity related derivatives</u>			
Equity futures	148,706	493	(323)
- Less than 1 year	148,706	493	(323)
Equity options	12,093,310	40,289	(80,708)
- Less than 1 year	5,211,851	14,099	(55,401)
- 1 year to 3 years	6,768,798	26,053	(25,170)
- More than 3 years	112,661	137	(137)
Equity swaps	803,729	1,678	(1,569)
- Less than 1 year	6,481	-	(137)
- More than 3 years	797,248	1,678	(1,432)
	13,045,745	42,460	(82,600)

A28. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 March 2018	The Group		
	Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Commodity related derivatives</u>			
Commodity swaps	2,071,841	195,939	(273,455)
- Less than 1 year	1,785,827	184,939	(212,380)
- 1 year to 3 years	284,894	11,000	(61,026)
- More than 3 years	1,120	-	(49)
Commodity futures	1,293,763	87,253	(19,333)
- Less than 1 year	1,293,763	87,253	(19,333)
Commodity options	3,093,160	156,782	(162,753)
- Less than 1 year	3,009,066	156,747	(162,718)
- 1 year to 3 years	84,094	35	(35)
	6,458,764	439,974	(455,541)
<u>Credit related contract</u>			
Credit default swaps	3,014,656	31,932	(15,997)
- Less than 1 year	38,618	94	-
- 1 year to 3 years	266,843	1,129	(562)
- More than 3 years	2,709,195	30,709	(15,435)
Total return swaps	823,436	5,553	(3,913)
- Less than 1 year	521,336	3,525	(878)
- More than 3 years	302,100	2,028	(3,035)
Credit Spread Option	15,447	-	(663)
- Less than 1 year	15,447	-	(663)
	3,853,539	37,485	(20,573)
Bond contract			
Bond Forward	1,545,520	16,622	(7,530)
- Less than 1 year	264,520	2,599	(109)
- 1 year to 3 years	600,304	4,000	(4,135)
- More than 3 years	680,696	10,023	(3,286)
	1,545,520	16,622	(7,530)
Hedging derivatives			
Interest rate swaps	26,049,144	135,050	(387,159)
- Less than 1 year	1,557,541	758	(17,026)
- 1 year to 3 years	6,922,073	35,063	(102,014)
- More than 3 years	17,569,530	99,229	(268,119)
Currency swaps	6,370,854	98,396	(232,591)
- Less than 1 year	3,176,095	73,869	(18,620)
- 1 year to 3 years	880,746	-	(107,461)
- More than 3 years	2,314,013	24,527	(106,510)
Cross currency interest rate swaps	1,480,905	15,041	(53,159)
- Less than 1 year	135,579	2,050	-
- 1 year to 3 years	915,259	12,991	(48,818)
- More than 3 years	430,067	-	(4,341)
	33,900,903	248,487	(672,909)
Total derivative assets/(liabilities)	849,605,922	9,511,035	(9,505,411)

A28. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2017	The Group		
	Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	30,650,864	447,022	(847,056)
- Less than 1 year	25,589,202	374,435	(577,935)
- 1 year to 3 years	4,258,040	70,555	(134,093)
- More than 3 years	803,622	2,032	(135,028)
Currency swaps	191,607,681	1,573,517	(1,912,692)
- Less than 1 year	190,540,762	1,521,788	(1,900,228)
- 1 year to 3 years	669,086	27,302	(8,730)
- More than 3 years	397,833	24,427	(3,734)
Currency spot	3,721,198	4,093	(4,116)
- Less than 1 year	3,721,198	4,093	(4,116)
Currency options	20,909,231	288,249	(317,387)
- Less than 1 year	18,055,237	142,115	(156,045)
- 1 year to 3 years	1,368,848	40,130	(42,368)
- More than 3 years	1,485,146	106,004	(118,974)
Cross currency interest rate swaps	62,981,380	2,624,011	(2,639,922)
- Less than 1 year	14,969,608	310,704	(615,139)
- 1 year to 3 years	20,683,076	1,049,313	(887,072)
- More than 3 years	27,328,696	1,263,994	(1,137,711)
	309,870,354	4,936,892	(5,721,173)
<u>Interest rate derivative</u>			
Interest rate swaps	388,905,122	2,522,630	(1,716,361)
- Less than 1 year	124,703,031	305,799	(281,144)
- 1 year to 3 years	129,982,397	755,858	(510,184)
- More than 3 years	134,219,694	1,460,973	(925,033)
Interest rate futures	11,984,251	8,834	(7,682)
- Less than 1 year	9,311,645	8,289	(6,953)
- 1 year to 3 years	2,165,607	545	(616)
- More than 3 years	506,999	-	(113)
Interest rate options	559,753	3,162	(2,896)
- Less than 1 year	373,126	2,896	(2,896)
- More than 3 years	186,627	266	-
	401,449,126	2,534,626	(1,726,939)
<u>Equity related derivatives</u>			
Equity futures	343,155	782	(3,362)
- Less than 1 year	343,155	782	(3,362)
Equity options	10,164,147	57,553	(117,163)
- Less than 1 year	4,177,734	6,472	(68,004)
- 1 year to 3 years	5,840,125	47,509	(46,139)
- More than 3 years	146,288	3,572	(3,020)
Equity swaps	921,931	39,245	(1,618)
- Less than 1 year	5,312	-	(662)
- 1 year to 3 years	89,002	38,106	-
- More than 3 years	827,617	1,139	(956)
	11,429,233	97,580	(122,143)

A28. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2017	The Group		
	Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Commodity related derivatives</u>			
Commodity swaps	2,542,518	297,788	(350,028)
- Less than 1 year	2,247,712	282,310	(232,654)
- 1 year to 3 years	294,806	15,478	(117,374)
Commodity futures	1,147,390	111,671	(53,468)
- Less than 1 year	1,147,390	111,671	(53,468)
Commodity options	3,784,702	214,223	(217,139)
- Less than 1 year	3,671,685	214,223	(217,139)
- 1 year to 3 years	113,017	-	-
	7,474,610	623,682	(620,635)
<u>Credit related contract</u>			
Credit default swaps	2,826,699	4,249	(947)
- Less than 1 year	271,116	339	(94)
- 1 year to 3 years	279,788	1,384	(220)
- More than 3 years	2,275,795	2,526	(633)
Total return swaps	362,918	5,130	(5,820)
- Less than 1 year	60,818	554	-
- More than 3 years	302,100	4,576	(5,820)
Credit Spread Option	16,218	-	(310)
- Less than 1 year	16,218	-	(310)
	3,205,835	9,379	(7,077)
Bond contract			
Bond forward	1,170,651	5,674	(15,830)
- Less than 1 year	198,940	455	(2,681)
- 1 year to 3 years	335,711	495	(6,124)
- More than 3 years	636,000	4,724	(7,025)
Hedging derivatives			
Interest rate swaps	25,444,828	87,581	(280,685)
- Less than 1 year	1,755,945	1,567	(10,871)
- 1 year to 3 years	6,335,536	17,253	(95,027)
- More than 3 years	17,353,347	68,761	(174,787)
Currency swaps	4,149,117	147,419	(18,633)
- Less than 1 year	4,149,117	147,419	(18,633)
Cross currency interest rate swaps	4,158,467	5,124	(238,268)
- Less than 1 year	225,545	-	(5,800)
- 1 year to 3 years	1,865,418	5,124	(159,755)
- More than 3 years	2,067,504	-	(72,713)
	33,752,412	240,124	(537,586)
Total derivative assets/(liabilities)	768,352,221	8,447,957	(8,751,383)

A28. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2018, the amount of credit risk in the Group and the Company, measured in terms of the cost to replace the profitable contracts, was RM9,511,035,000 and Nil respectively (2017: RM8,447,957,000 and Nil respectively). 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 2018, the Group has posted cash collateral of RM2,119,988,000 (31 December 2017: RM2,232,436,000) on their derivative contracts.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group are disclosed in the audited annual financial statements for the financial year ended 31 December 2017 and the Risk Management section of the 2017 Annual Report.

A29. COMMITMENTS AND CONTINGENCIES

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

	31 March 2018	31 December 2017
	Principal Amount RM'000	Principal Amount RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	7,226,060	7,515,388
Certain transaction-related contingent items	9,340,436	7,579,091
Short-term self-liquidating trade-related contingencies	2,058,182	3,767,991
Irrevocable commitments to extend credit		
- maturity not exceeding one year	59,392,261	57,735,266
- maturity exceeding one year	29,916,833	29,785,979
Miscellaneous commitments and contingencies	2,254,867	1,143,380
Total credit-related commitments and contingencies	110,188,639	107,527,095
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	310,445,535	257,250,669
- one year to five years	48,525,096	46,084,413
- more than five years	14,220,258	14,842,856
	373,190,889	318,177,938
<u>Interest rate related contracts</u>		
- less than one year	150,109,992	136,143,747
- one year to five years	240,941,386	232,259,484
- more than five years	60,460,087	58,490,723
	451,511,465	426,893,954
<u>Equity related contracts</u>		
- less than one year	5,367,038	4,526,201
- one year to five years	6,885,298	6,026,265
- more than five years	793,409	876,767
	13,045,745	11,429,233
<u>Credit related contracts</u>		
- less than one year	575,401	348,152
- one year to five years	1,721,371	1,616,354
- more than five years	1,556,767	1,241,329
	3,853,539	3,205,835
<u>Commodity related contracts</u>		
- less than one year	6,088,656	7,066,787
- one year to five years	370,108	407,823
	6,458,764	7,474,610
<u>Bond contracts</u>		
- less than one year	264,520	198,940
- one year to five years	1,161,000	851,711
- more than five years	120,000	120,000
	1,545,520	1,170,651
Total treasury-related commitments and contingencies	849,605,922	768,352,221
	959,794,561	875,879,316

- (b) The Company has on 24 February 2017 filed a notice of appeal (Form Q) according to Section 99 (1) of the Income Tax Act, 1967 against the Notices of Assessment (Notices) for the years of assessment 2009 to 2012 dated 8 February 2017 from Inland Revenue Board ("IRB"), and obtained a stand over of taxes from IRB on 13 April 2017. No provision has been made in the financial statements for any potential contingent liabilities up to the reporting date, based on independent legal advice.

A30. CAPITAL ADEQUACY

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

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia (“BNM”) Capital Adequacy Framework (Capital Components), of which the latest revision was issued on 2 February 2018. The revised guideline sets out the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III. The risk-weighted assets of the Bank Group and the Bank are computed in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets), of which the latest revision was issued on 2 February 2018.

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

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

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

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

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

A30. CAPITAL ADEQUACY (Continued)

31 March 2018

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

	CIMB Bank **	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	10.703% ^	13.291%	11.998%	11.500% ^	30.509%	17.189%	N/A	N/A
Tier 1 ratio	12.089% ^	13.885%	11.998%	12.588% ^	30.509%	17.189%	N/A	N/A
Total capital ratio	16.711% ^	16.552%	17.278%	16.719% ^	31.043%	18.365%	17.919%	318.649%

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

	CIMB Bank ** RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000	CIMB Bank (Vietnam) Ltd RM'000
Credit risk	139,183,877	26,923,142	23,018,820	198,529,115	1,115,621	48,191,329	2,031,089	169,160
Market risk	11,042,836	603,385	5,625,709	14,891,113	57,546	794,932	-	-
Operational risk	14,508,884	2,448,688	2,137,179	20,101,910	628,277	7,410,350	-	-
Large exposure risk	744,594	-	-	744,594	-	-	-	-
	165,480,191	29,975,215	30,781,708	234,266,732	1,801,444	56,396,611	2,031,089	169,160

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

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000	CIMB Bank (Vietnam) Ltd RM'000
Common Equity Tier I capital								
Ordinary share capital	17,610,939	1,000,000	1,873,953	17,610,938	100,000	378,848	289,631	542,685
Other reserves	11,420,956 #	3,512,929	2,001,035	17,364,279 #	493,794 ##	9,533,872 @	30,538	241
Qualifying non-controlling interests	-	-	-	175,999	-	-	-	-
Less: Proposed dividends	-	-	-	-	-	-	-	-
Common Equity Tier I capital before regulatory adjustments	29,031,895	4,512,929	3,874,988	35,151,216	593,794	9,912,720	320,169	542,926
<u>Less: Regulatory adjustments</u>								
Goodwill	(3,555,075)	(136,000)	-	(5,170,914)	(964)	-	-	-
Intangible assets	(792,510)	(75,651)	(48,459)	(911,518)	-	-	(1,355)	-
Deferred tax assets	(364,576)	(16,309)	(118,713)	(558,399)	(24,025)	-	-	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(5,339,114)	-	-	-	(8,540)	(218,497)	-	-
Regulatory reserve	(1,273,069)	(301,036)	-	(1,574,105)	(10,657)	-	-	-
Others	3,668	-	(14,482)	3,668	-	-	(4,203)	(4,053)
Common Equity Tier I capital after regulatory adjustments	17,711,219	3,983,933	3,693,334	26,939,948	549,608	9,694,223	314,611	538,873
Additional Tier I capital								
Perpetual preference shares	200,000	178,000	-	200,000	-	-	-	-
Innovative Tier I Capital	924,720	-	-	924,720	-	-	-	-
Perpetual subordinated capital securities	1,400,000	-	-	1,400,000	-	-	-	-
Qualifying capital instruments held by third parties	-	-	-	36,075	-	-	-	-
Additional Tier I capital before regulatory adjustments	2,524,720	178,000	-	2,560,795	-	-	-	-
<u>Less: Regulatory adjustments</u>								
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(230,303)	-	-	(10,303)	-	-	-	-
Additional Tier I capital after regulatory adjustments	2,294,417	178,000	-	2,550,492	-	-	-	-
Total Tier I Capital	20,005,636	4,161,933	3,693,334	29,490,440	549,608	9,694,223	314,611	538,873
Tier II capital								
Subordinated notes	7,750,000	610,000	1,515,518	7,750,000	-	167,489	27,032	-
Redeemable preference shares	29,740	-	-	29,740	4	-	-	-
Surplus of eligible provision over expected loss	712,002	135,545	-	777,305	-	-	-	-
Qualifying capital instruments held by third parties	-	-	-	457,714	-	-	-	-
General provision ✓	256,460	54,155	109,512	662,817	10,887	495,361	22,310	155
Tier II capital before regulatory adjustments	8,748,202	799,700	1,625,030	9,677,576	10,891	662,850	49,342	155
<u>Less: Regulatory adjustments</u>								
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,099,620)	-	-	-	(1,283)	-	-	-
Total Tier II capital	7,648,582	799,700	1,625,030	9,677,576	9,608	662,850	49,342	155
Total capital base	27,654,218	4,961,633	5,318,364	39,168,016	559,216	10,357,073	363,953	539,028

✓ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 March 2018 have excluded general provisions restricted from Tier II capital of RM219million, RM200 million and RM19 million respectively.

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

^ CIMB Group Holdings Berhad ("CIMB Group"), the ultimate holding company of CIMB Bank, implemented a DRS for the second interim dividend in respect of the financial year ended 2017. Pursuant to the DRS, CIMB Group intends to reinvest the excess cash dividend into CIMB Bank, which would increase the capital adequacy ratios of CIMB Bank Group and CIMB Bank above those stated above.

Includes the proposed single tier second interim dividend of RM92 million in respect of the financial year ended 31 December 2017 which was paid on 22 March 2018.

Includes the proposed single tier second interim dividend of RM1,628 million in respect of the financial year ended 31 December 2017 which was paid on 22 March 2018.

@ Includes the proposed cash dividend of IDR596 billion in respect of the financial year ended 31 December 2017 which was paid on 24 May 2018.

A30. CAPITAL ADEQUACY (Continued)

31 December 2017

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

	CIMB Bank **	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Before deducting proposed dividend								
Common equity tier 1 ratio	12.866% ^	13.286%	12.471%	12.942% ^	35.950%	17.010%	N/A	N/A
Tier 1 ratio	14.333% ^	13.892%	12.471%	14.095% ^	35.950%	17.010%	N/A	N/A
Total capital ratio	17.784% ^	16.291%	16.631%	17.700% ^	35.950%	18.225%	16.622%	332.242%
After deducting proposed dividend								
Common equity tier 1 ratio	11.879% ^	13.286%	12.471%	12.227% ^	30.867%	17.010%	N/A	N/A
Tier 1 ratio	13.347% ^	13.892%	12.471%	13.381% ^	30.867%	17.010%	N/A	N/A
Total capital ratio	16.797% ^	16.291%	16.631%	16.986% ^	30.867%	18.225%	16.622%	332.242%

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

	CIMB Bank **	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Credit risk	138,811,146	27,492,260	23,081,198	193,146,506	1,110,035	52,021,720	1,912,198	172,160
Market risk	11,050,726	629,312	4,560,714	14,125,733	56,342	807,243	-	-
Operational risk	14,330,500	2,371,944	2,146,905	19,782,736	643,358	7,428,716	-	-
Large exposure risk	768,600	-	-	768,600	-	-	-	-
	164,960,972	30,493,516	29,788,817	227,823,575	1,809,735	60,257,679	1,912,198	172,160

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

	CIMB Bank **	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Common Equity Tier I capital								
Ordinary share capital	17,610,939 *	1,000,000	1,882,481	17,610,939 *	100,000	409,368	253,406	571,904
Other reserves	13,904,088 *	3,575,715	2,010,652	20,007,741 *	583,317	10,118,418	25,858	42
Qualifying non-controlling interests	-	-	-	152,698	-	-	-	-
Less: Proposed dividends	(1,627,553)	-	-	(1,627,553)	(92,000)	-	-	-
Common Equity Tier I capital before regulatory adjustments	29,887,474	4,575,715	3,893,133	36,143,825	591,317	10,527,786	279,264	571,946
Less: Regulatory adjustments								
Goodwill	(3,555,075)	(136,000)	-	(5,177,536)	(964)	-	-	-
Intangible assets	(832,713)	(78,777)	(36,301)	(951,237)	-	-	(1,705)	-
Deferred tax assets	(157,309)	(18,110)	(127,240)	(382,224)	(21,344)	(45,207)	-	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(4,260,702)	-	-	-	(6,859)	(232,828)	-	-
Deduction in excess of Tier 1 & Tier 2 capital	-	-	-	-	(1,417)	-	-	-
Shortfall of eligible provisions to expected losses	-	-	-	-	-	-	-	-
Regulatory reserve	(1,208,956)	(291,600)	-	(1,500,556)	(1,952)	-	-	-
Others	(276,973)	-	(14,548)	(275,149)	(174)	-	(4,414)	-
Common Equity Tier I capital after regulatory adjustments	19,595,746	4,051,228	3,715,044	27,857,123	558,607	10,249,751	273,145	571,946
Additional Tier I capital								
Perpetual preference shares	200,000	185,000	-	200,000	-	-	-	-
Innovative Tier I Capital	1,000,000	-	-	1,000,000	-	-	-	-
Perpetual subordinated capital securities	1,400,000	-	-	1,400,000	-	-	-	-
Qualifying capital instruments held by third parties	-	-	-	30,301	-	-	-	-
Additional Tier I capital before regulatory adjustments	2,600,000	185,000	-	2,630,301	-	-	-	-
Less: Regulatory adjustments								
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(178,641)	-	-	(2,641)	-	-	-	-
Additional Tier I capital after regulatory adjustments	2,421,359	185,000	-	2,627,660	-	-	-	-
Total Tier I Capital	22,017,105	4,236,228	3,715,044	30,484,783	558,607	10,249,751	273,145	571,946
Tier II capital								
Subordinated notes	7,050,000	610,000	1,129,779	7,050,000	-	190,362	28,382	-
Redeemable preference shares	29,740	-	-	29,740	5	-	-	-
Surplus of eligible provision over expected loss	267,987	40,691	-	118,446	-	-	-	39
Qualifying capital instruments held by third parties	-	-	-	363,627	-	-	-	-
Portfolio impairment allowance & Regulatory reserve [√]	254,766	80,754	109,306	651,277	2,037	541,685	16,321	4
Tier II capital before regulatory adjustments	7,602,493	731,445	1,239,085	8,213,090	2,042	732,047	44,703	43
Less: Regulatory adjustments								
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1,911,008)	-	-	(660)	(3,459)	-	-	-
Total Tier II capital	5,691,485	731,445	1,239,085	8,212,430	-	732,047	44,703	43
Total capital base	27,708,590	4,967,673	4,954,129	38,697,213	558,607	10,981,798	317,848	571,989

[√] The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 December 2017 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM1165 million, RM151 million and RM14 million respectively.

* The new Companies Act, 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, any amount standing to the credit of the share premium account of RM10,910,056,000 becomes part of CIMB Bank's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition. Prior to 31 January 2017, the application of the share premium account was governed by Sections 60 and 61 of the Companies Act, 1965. In accordance with the transitional provisions set out in Section 618 (2) of the new Companies Act, 2016 (the "Act"), on 31 January 2017 any amount standing to the credit of CIMB Bank's share premium account has become part of its share capital. Notwithstanding this provision, CIMB Bank may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account for purposes as set out in Section 618 (3) of the Act.

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

[^] CIMB Group Holdings Berhad ("CIMB Group"), the ultimate holding company of CIMB Bank, successfully completed its ninth Dividend Reinvestment Scheme ("DRS") of which RM871 million was reinvested into new CIMB Group shares. Pursuant to the completion of DRS, CIMB Group reinvested cash dividend surplus of RM490 million into CIMB Bank via rights issue which was completed on 21 June 2017.

CIMB Group successfully completed its tenth DRS of which RM968 million was reinvested into new CIMB Group shares. Pursuant to the completion of DRS, CIMB Group reinvested cash dividend surplus of RM934 million into CIMB Bank via rights issue which was completed on 22 December 2017.

CIMB Group implemented a DRS for the second interim dividend in respect of the financial year ended 2017. Pursuant to the DRS, CIMB Group intends to reinvest the excess cash dividend into CIMB Bank, which would increase the capital adequacy ratios of CIMB Bank Group and CIMB Bank above those stated above.

A31. LEVERAGE RATIO

The leverage ratio framework applicable to the Malaysian banking entities is based on BNM Leverage Ratio issued on 8 December 2017, which comes into effect on 1 January 2018.

31 March 2018

	CIMB Bank Group	CIMB Bank*	CIMB Islamic Bank	CIMB Investment Bank Group
Leverage ratio	6.35%	5.89%	4.85%	16.79%

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

A32. SEGMENTAL REPORT

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

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

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

Consumer Banking provides everyday banking solutions to individual customers covering both conventional and Islamic financial products and services such as residential property loans, non-residential property loans, secured personal loans, motor vehicle financing, credit cards, unsecured personal financing, wealth management, bancassurance, remittance and foreign exchange, deposits and internet banking services. It also offers products and services through Enterprise Banking to micro and small enterprises, which are businesses under sole proprietorship, partnership and private limited.

Commercial Banking

Commercial Banking is responsible for offering products and services for customer segments comprising small and medium-scale enterprises ("SMEs") and mid-sized corporations. Their products and services include core banking credit facilities, trade financing, remittance and foreign exchange, as well as general deposit products.

Commercial Banking also secured several cash management mandates from SMEs in various sectors by leveraging on CIMB Bank's online business banking platform, which allows customers to conduct their commercial banking transactions over the internet.

Wholesale Banking

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

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

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

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

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

A32. SEGMENTAL REPORT (Continued)

Wholesale Banking (Continued)

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

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

Group Asset Management and Investments

Group Asset Management and Investments consists of the Group's public and private asset management portfolios.

Public Markets consists of CIMB Principal Assets Management Group. Private Marktes consists of other private equity investments and strategic investments.

Group Funding and Others

Group Funding and Others consists of the Group's assets and liabilities management, capital's investment in fixed income investments and investment in the Group's proprietary capital and funding.

A32. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Asset Management and Investments RM'000	Group Funding and Others RM'000	Total RM'000
31 March 2018						
Net interest income						
- external income	1,338,257	351,123	518,850	7,736	203,817	2,419,783
- inter-segment (expense)/income	(61,803)	13,087	148,296	(53)	(99,527)	-
	<u>1,276,454</u>	<u>364,210</u>	<u>667,146</u>	<u>7,683</u>	<u>104,290</u>	<u>2,419,783</u>
Income from Islamic Banking operations	262,645	60,702	195,600	1,390	70,562	590,899
Net non-interest income	536,597	90,584	373,437	115,145	23,572	1,139,335
Gain on deemed disposal/disposal of joint venture and associate	-	-	-	725	152,569	153,294
	<u>2,075,696</u>	<u>515,496</u>	<u>1,236,183</u>	<u>124,943</u>	<u>350,993</u>	<u>4,303,311</u>
Overheads	(1,094,520)	(285,151)	(574,866)	(78,702)	(107,882)	(2,141,121)
of which:						
- Depreciation of property, plant and equipment	(33,791)	(1,223)	(4,915)	(1,794)	(34,573)	(76,296)
- Amortisation of prepaid lease payments	-	(11)	-	-	(2,530)	(2,541)
- Amortisation of intangible assets	(16,797)	(701)	(7,469)	(4,270)	(65,425)	(94,662)
Profit before allowances	981,176	230,345	661,317	46,241	243,111	2,162,190
Expected credit losses on loans, advances and financing	(123,397)	(113,414)	(162,461)	-	(2,016)	(401,288)
Expected credit losses on commitments and contingencies (made)/written back	(13,558)	9,030	4,628	-	122	222
Other expected credit losses/allowance for other impairment losses written back/(made)	3,067	(3,860)	(15,022)	11,049	(19,258)	(24,024)
	<u>847,288</u>	<u>122,101</u>	<u>488,462</u>	<u>57,290</u>	<u>221,959</u>	<u>1,737,100</u>
Segment results	847,288	122,101	488,462	57,290	221,959	1,737,100
Share of results of joint ventures	1,183	-	1,513	625	-	3,321
Share of results of associates	-	-	-	2,472	-	2,472
	<u>848,471</u>	<u>122,101</u>	<u>489,975</u>	<u>60,387</u>	<u>221,959</u>	<u>1,742,893</u>
Profit before taxation and zakat	48.7	7.0	28.1	3.5	12.7	100.0
% of profit before taxation and zakat						(403,421)
Taxation and zakat						<u>(403,421)</u>
Profit for the financial period						<u><u>1,339,472</u></u>

A32. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	Group Asset Management and Investments RM'000	Group Funding and Others RM'000	Total RM'000
31 March 2017						
Net interest income						
- external income	1,393,425	385,107	691,756	7,013	168,244	2,645,545
- inter-segment (expense)/income	(137,124)	18,813	107,062	(52)	11,301	-
	1,256,301	403,920	798,818	6,961	179,545	2,645,545
Income from Islamic Banking operations	229,392	47,215	130,352	(6)	67,003	473,956
Net non-interest income	441,453	120,076	554,891	96,055	25,867	1,238,342
Gain on deemed disposal/disposal of joint venture and associate	-	-	-	2,654	-	2,654
Net income	1,927,146	571,211	1,484,061	105,664	272,415	4,360,497
Overheads	(1,087,796)	(302,848)	(712,282)	(71,346)	(121,460)	(2,295,732)
of which:						
- Depreciation of property, plant and equipment	(35,717)	(1,837)	(13,624)	(4,782)	(32,920)	(88,880)
- Amortisation of prepaid lease payments	186	(13)	(46)	-	(2,960)	(2,833)
- Amortisation of intangible assets	(15,944)	(1,176)	(6,242)	(3,362)	(63,194)	(89,918)
Profit before allowances	839,350	268,363	771,779	34,318	150,955	2,064,765
Expected credit losses on loans, advances and financing	(277,847)	(121,294)	(22,964)	-	(2,412)	(424,517)
Expected credit losses on commitments and contingencies	-	(2,738)	(2,222)	-	-	(4,960)
Other expected credit losses/allowance for other impairment losses	(2,529)	(2,299)	(19,574)	(207)	(1,363)	(25,972)
Segment results	558,974	142,032	727,019	34,111	147,180	1,609,316
Share of results of joint ventures	2,245	-	-	849	-	3,094
Share of results of associates	-	-	-	1,188	-	1,188
Profit before taxation and zakat	561,219	142,032	727,019	36,148	147,180	1,613,598
% of profit before taxation and zakat	34.8	8.8	45.1	2.2	9.1	100.0
Taxation and zakat						(402,597)
Profit for the financial period						1,211,001

A33. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

Valuation Model Review and Approval

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

A33. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and the Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 March 2018 and 31 December 2017.

The Group 31 March 2018	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial assets at fair value through profit or loss					
- Money market instruments	17,284,678	-	17,284,678	-	17,284,678
- Quoted securities	2,065,716	1,718,731	346,985	-	2,065,716
- Unquoted securities	6,661,332	-	5,467,874	1,193,458	6,661,332
Debt instruments at fair value through other comprehensive income					
- Money market instruments	3,339,376	-	3,339,376	-	3,339,376
- Quoted securities	7,578,164	4,268,318	3,309,846	-	7,578,164
- Unquoted securities	20,249,548	-	20,249,548	-	20,249,548
Equity instruments at fair value through other comprehensive income					
- Quoted securities	65,904	65,904	-	-	65,904
- Unquoted securities	632,239	-	319,122	313,117	632,239
Derivative financial instruments					
- Trading derivatives	9,262,548	108,948	9,119,271	34,329	9,262,548
- Hedging derivatives	248,487	-	248,487	-	248,487
Total	67,387,992	6,161,901	59,685,187	1,540,904	67,387,992
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	8,832,502	123,201	8,706,115	3,186	8,832,502
- Hedging derivatives	672,909	-	672,909	-	672,909
Financial liabilities designated at fair value through profit or loss					
	5,006,406	-	4,609,942	396,464	5,006,406
Total	14,511,817	123,201	13,988,966	399,650	14,511,817
The Group 31 December 2017	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial assets held for trading					
- Money market instruments	13,885,908	-	13,885,908	-	13,885,908
- Quoted securities	2,580,218	2,290,879	289,339	-	2,580,218
- Unquoted securities	5,191,086	-	5,026,843	164,243	5,191,086
Financial investments available-for-sale					
- Money market instruments	2,401,517	-	2,401,517	-	2,401,517
- Quoted securities	7,733,589	4,367,944	3,365,645	-	7,733,589
- Unquoted securities	22,268,880	-	20,914,524	1,354,356	22,268,880
Derivative financial instruments					
- Trading derivatives	8,207,833	122,342	8,029,095	56,396	8,207,833
- Hedging derivatives	240,124	-	240,124	-	240,124
Total	62,509,155	6,781,165	54,152,995	1,574,995	62,509,155
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	8,213,797	157,099	8,032,594	24,104	8,213,797
- Hedging derivatives	537,586	-	537,586	-	537,586
Financial liabilities designated at fair value through profit or loss					
	4,773,440	-	4,378,382	395,058	4,773,440
Total	13,524,823	157,099	12,948,562	419,162	13,524,823

A33. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 March 2018 and 31 December 2017.

The Company 31 March 2018	Carrying amount RM'000	Level 1 RM'000	Fair Value		Total RM'000
			Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Debt instruments at fair value through other comprehensive income					
- Unquoted securities	1,451,148	-	1,451,148	-	1,451,148
Total	1,451,148	-	1,451,148	-	1,451,148

The Company 31 December 2017	Carrying amount RM'000	Level 1 RM'000	Fair Value		Total RM'000
			Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>					
<u>Financial assets</u>					
Financial investments available-for-sale					
- Unquoted securities	1,433,024	-	1,433,024	-	1,433,024
Total	1,433,024	-	1,433,024	-	1,433,024

A33. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial year ended 31 March 2018 and 31 December 2017 for the Group.

	Financial Assets					Derivative financial instruments Trading derivatives	Total	Financial Liabilities		
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial assets held for trading	Financial investments available- for-sale			Financial liabilities designated at fair value through profit or loss	Derivative financial instruments Trading derivatives	Total
	Unquoted securities	Unquoted securities	Unquoted securities	Unquoted securities	Unquoted securities					
2018	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	-	-	-	164,243	1,354,356	56,396	1,574,995	(395,058)	(24,104)	(419,162)
Effect of adopting MFRS 9	1,211,452	(10,096)	317,243	(164,243)	(1,354,356)	-	-	-	-	-
Adjusted 1 January	1,211,452	(10,096)	317,243	-	-	56,396	1,574,995	(395,058)	(24,104)	(419,162)
Total gains/(losses) recognised in Statement of Income	7,491	-	-	-	-	44,935	52,426	(7,485)	(9,624)	(17,109)
Total gains recognised in Other Comprehensive Income	-	-	843	-	-	-	843	-	-	-
Purchases	275	-	290	-	-	(13,732)	(13,167)	-	(25,602)	(25,602)
Sales and redemptions	(6,257)	(1,503)	-	-	-	-	(7,760)	-	-	-
Settlements	-	-	-	-	-	(52,479)	(52,479)	6,079	55,421	61,500
Exchange fluctuation	(19,503)	11,599	(5,259)	-	-	(791)	(13,954)	-	723	723
At 31 March	1,193,458	-	313,117	-	-	34,329	1,540,904	(396,464)	(3,186)	(399,650)
Total gains recognised in Statement of Income for financial period ended 31 March 2018 under:										
- net non-interest income	7,491	-	-	-	-	44,935	52,426	(2,838)	(9,624)	(12,462)
- interest expense	-	-	-	-	-	-	-	(4,647)	-	(4,647)
Total gains recognised in Other Comprehensive Income for the financial period ended 31 March 2018 under "revaluation reserves"	-	-	843	-	-	-	843	-	-	-
Change in unrealised gains recognised in Statement of Income relating to assets held on 31 March 2018 under "net non-interest income"	7,778	-	-	-	-	39,441	47,219	(4,647)	8,530	3,883

A33. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial year ended 31 March 2018 and 31 December 2017 for the Group. (Continued)

	Financial Assets			Total	Financial Liabilities		
	Financial assets held for trading	Financial investments available-for-sale	Derivative financial instruments		Financial liabilities designated at fair value through profit or loss	Derivative financial instruments	Total
	Unquoted securities	Unquoted securities	Trading derivatives			Trading derivatives	
2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	178,451	1,328,539	96,182	1,603,172	(386,462)	(140,510)	(526,972)
Total gains/(losses) recognised in Statement of Income	3,136	(6,572)	(38,693)	(42,129)	(32,607)	64,662	32,055
Total gains recognised in Other Comprehensive Income	-	76,463	-	76,463	-	-	-
Purchases	-	27,412	36,054	63,466	-	(44,016)	(44,016)
Sales and redemptions	-	(38,358)	-	(38,358)	-	-	-
Settlements	-	-	(36,621)	(36,621)	24,011	95,329	119,340
Exchange fluctuation	(17,344)	(33,128)	(526)	(50,998)	-	431	431
At 31 December	164,243	1,354,356	56,396	1,574,995	(395,058)	(24,104)	(419,162)
Total gains/(losses) recognised in Statement of Income for financial year ended 31 December 2017 under:							
- net non-interest income	3,136	(6,094)	(38,693)	(41,651)	(15,465)	64,662	49,197
- interest expense	-	-	-	-	(17,142)	-	(17,142)
- allowances for other impairment losses	-	(478)	-	(478)	-	-	-
Total gains recognised in Other Comprehensive Income for the financial year ended 31 December 2017 under "revaluation reserves"	-	76,463	-	76,463	-	-	-
Change in unrealised gains/(losses) recognised in Statement of Income relating to assets held on 31 December 2017 under "net non-interest income"	3,136	-	2,577	5,713	(15,465)	18,127	2,662

A33. FAIR VALUE ESTIMATION (Continued)

The following represents the Group's and the Company's non-financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 March 2018 and 31 December 2017.

Investment properties (Recurring)

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

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

In accordance with MFRS5, the non-current assets held for sales were stated at the lower of carrying amount and fair value less cost to sell. As at 31 March 2018, the property plant and equipment and investment properties held for sales of the Group that were stated at fair value less cost to sell was RM4,199,000 (2017: RM4,612,000). This is a non-recurring fair value which has been measured using observable inputs under sales comparison approach performed by independent valuers. Sales prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. Therefore, it is within level 2 of the fair value hierarchy.

A34. OPERATIONS OF ISLAMIC BANKING**A34a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018**

	Note	The Group	
		31 March 2018 RM'000	31 December 2017 RM'000
ASSETS			
Cash and short-term funds		16,777,866	14,672,304
Deposits and placements with banks and other financial institutions		852,147	2,456,177
Financial assets at fair value through profit or loss		3,370,871	-
Debt instruments at fair value through other comprehensive income		2,962,070	-
Equity instruments at fair value through other comprehensive income		690	-
Debt instruments at amortised cost		5,402,033	
Financial assets held for trading		-	3,547,420
Islamic derivative financial instruments		732,549	662,899
Financial investments available-for-sale		-	2,707,721
Financial investments held-to-maturity		-	5,241,403
Financing, advances and other financing/loans	A34d(i)	74,193,486	67,914,990
Other assets		1,382,745	1,417,469
Deferred tax assets		16,136	17,917
Amount due from conventional operations		1,822,104	2,506,840
Statutory deposits with Bank Negara Malaysia		1,882,409	1,554,286
Property, plant and equipment		7,293	8,790
Goodwill		136,000	136,000
Intangible assets		76,304	79,584
TOTAL ASSETS		109,614,703	102,923,800
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS			
Deposits from customers	A34(e)	79,589,713	74,879,644
Investment accounts of customers	A34(f)	1,967,292	907,763
Deposits and placements of banks and other financial institutions		2,760,130	1,897,975
Investment accounts due to designated financial institutions	A34(g)	9,242,374	8,145,684
Financial liabilities designated at fair value through profit or loss	A34(h)	-	2,233
Islamic derivative financial instruments		807,314	707,081
Other liabilities		4,345,356	4,443,630
Recourse obligation on loans and financing sold to Cagamas		1,916,438	2,072,300
Amount due to conventional operations		461,654	1,208,445
Provision for taxation		2,640	56,012
Deferred tax liabilities		504	-
Sukuk		436,373	463,257
Other borrowings		227,244	246,633
Subordinated Sukuk		613,932	615,006
TOTAL LIABILITIES		102,370,964	95,645,663
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,696	55,696
Perpetual preference shares		220,000	220,000
Reserves		5,940,288	5,976,274
		7,215,984	7,251,970
Non-controlling interests		27,755	26,167
TOTAL ISLAMIC BANKING CAPITAL FUNDS		7,243,739	7,278,137
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		109,614,703	102,923,800

A34b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	The Group			
	1st quarter ended		Three months ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Income derived from investment of depositors' funds and others	984,878	812,607	984,878	812,607
Income derived from investment of investment account	109,053	52,029	109,053	52,029
Net income derived from investment of shareholders' funds	102,262	88,815	102,262	88,815
Expected credit loss/allowance on on financing, advances and other financing/loans	(93,268)	(14,230)	(93,268)	(14,230)
Expected credit losses for commitments and contingencies	(147)	-	(147)	-
Other expected credit losses/allowances for other impairment losses (made)/written back	(552)	47	(552)	47
Total distributable income	1,102,226	939,268	1,102,226	939,268
Income attributable to depositors and others	(604,636)	(483,408)	(604,636)	(483,408)
Profit distributed to investment account holder	(86,786)	(36,439)	(86,786)	(36,439)
Total net income	410,804	419,421	410,804	419,421
Other operating expenses	(166,009)	(148,093)	(166,009)	(148,093)
Profit before taxation and zakat	244,795	271,328	244,795	271,328
Taxation and zakat	(53,226)	(47,786)	(53,226)	(47,786)
Profit for the financial period	191,569	223,542	191,569	223,542
Profit for the financial period attributable to:				
Owners of the Parent	190,084	221,035	190,084	221,035
Non-controlling interests	1,485	2,507	1,485	2,507
	191,569	223,542	191,569	223,542

A34c. UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	The Group			
	1st quarter ended		Three months ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Profit for the financial period	191,569	223,542	191,569	223,542
Other comprehensive (expense)/income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	-	9,767	-	9,767
- Net gain from change in fair value	-	11,896	-	11,896
- Realised gain transferred to statement of income on disposal	-	(704)	-	(704)
- Income tax effects	-	(1,425)	-	(1,425)
Debt instruments at fair value through other comprehensive income	6,909	-	6,909	-
- Net gain from change in fair value	7,947	-	7,947	-
- Realised gain transferred to statement of income on disposal	(1,975)	-	(1,975)	-
- Changes in expected credit losses	762	-	762	-
- Income tax effects	175	-	175	-
Exchange fluctuation reserve	3,446	(3,371)	3,446	(3,371)
Other comprehensive income for the financial period/year, net of tax	10,355	6,396	10,355	6,396
Total comprehensive income for the financial period/year	201,924	229,938	201,924	229,938
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	203,210	230,442	203,210	230,442
Non-controlling interests	(1,286)	(504)	(1,286)	(504)
	201,924	229,938	201,924	229,938
<u>Income from Islamic operations (per page 2)</u>				
Total net income	410,804	419,421	410,804	419,421
Add: Expected credit losses/allowance on on financing, advances and other financing/loans	93,268	14,230	93,268	14,230
Add: Expected credit losses for commitments and contingencies	147	-	147	-
Add: Other expected credit losses/allowances for other impairment losses made/(written back)	552	(47)	552	(47)
	504,771	433,604	504,771	433,604
Elimination for transaction with conventional operations	86,128	40,352	86,128	40,352
	590,899	473,956	590,899	473,956

A34d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS

(i) By type and Shariah contract

31 March 2018

	The Group											Total
	Sale-based contracts					Lease-based contracts		Profit sharing contracts		Loan contract	Others	
	Murabahah	Bai' Bithaman Ajil	Bai' al-'inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi al-Tamlik	Al-Ijarah Thumma al-Bai'	Mudharabah	Musharakah	Qard	Ujrah	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost												
Cash line [^]	-	13,132	4,764	-	778,555	-	-	-	-	2,162	-	798,613
Term financing												
House Financing	303,451	6,193,497	-	-	7,829,771	1,415,978	-	-	1,226,720	-	-	16,969,417
Syndicated Financing	464,640	-	174,955	-	1,649,661	36,488	-	685	-	-	-	2,326,429
Hire purchase receivables	254,674	-	-	-	-	-	6,207,404	-	-	-	-	6,462,078
Other term financing	1,556,036	1,660,968	9,288,608	-	22,556,602	194,623	-	40,618	-	-	-	35,297,455
Bills receivable	-	-	-	14,434	-	-	-	-	-	353	-	14,787
Islamic Trust receipts	59,188	-	-	-	-	-	-	-	-	-	-	59,188
Claims on customers under acceptance credits	690,708	-	-	90,707	-	-	-	-	-	-	-	781,415
Staff financing	-	-	-	-	75,985	-	-	-	1,662	-	-	77,647
Revolving credits	-	-	-	-	6,531,132	-	-	-	-	-	-	6,531,132
Credit card receivables	-	-	-	-	-	-	-	-	-	173,999	127,918	301,917
Share purchase financing	1,387	-	-	-	-	-	-	6,609	2,238,727	-	-	2,246,723
Other financing	-	-	-	2,465,879	-	-	-	-	-	-	-	2,465,879
Gross financing, advances and other financing/loans, at amortised cost	3,330,084	7,867,597	9,468,327	2,571,020	39,421,706	1,647,089	6,207,404	47,912	3,467,109	176,514	127,918	74,332,680
At fair value through profit or loss												
Term financing												
Syndicated Financing	-	-	50,897	-	430,050	10,615	-	-	-	-	-	491,562
Gross financing, advances and other financing/loans, at fair value through profit or loss	-	-	50,897	-	430,050	10,615	-	-	-	-	-	491,562
Total Gross loans, advances and financing/loans	3,330,084	7,867,597	9,519,224	2,571,020	39,851,756	1,657,704	6,207,404	47,912	3,467,109	176,514	127,918	74,824,242
Fair value changes arising from fair value hedge												55,840
												74,880,082
Less: Expected credit losses												
At amortised cost:												
- Expected credit losses on financing, advances and other financing/loans												(686,596)
Net financing, advances and other financing/loans												74,193,486

[^] Includes current account in excess

A34d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

(i) By type and Shariah contract (Continued)

31 December 2017

	Sale-based contracts					The Group Lease-based contracts		Profit sharing contracts		contract	Others	Total
	Murabahah	Bai' Bithaman Ajil	Bai' al-'inah	Bai' al-Dayn	Tawarruq	Ijarah Muntabiah Bi al- Tamlik	Al-Ijarah Thumma al- Bai'	Mudharabah	Musharakah	Qard	Ujrah	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At amortised cost												
Cash line [^]	-	14,452	4,221	-	777,355	-	-	-	-	2,064	-	798,092
Term financing												
House Financing	341,350	6,329,300	-	-	6,775,695	1,433,334	-	-	1,098,957	-	-	15,978,636
Syndicated Financing	496,721	-	228,506	-	2,092,012	59,738	-	739	-	-	-	2,877,716
Hire purchase receivables	344,084	-	-	-	-	-	5,709,622	-	-	-	-	6,053,706
Other term financing	1,703,832	1,720,870	9,305,762	-	19,486,424	206,666	-	39,271	508,663	-	-	32,971,488
Bills receivable	-	-	-	1,567,399	-	-	-	-	-	292	-	1,567,691
Islamic Trust receipts	153,508	-	-	-	-	-	-	-	-	-	-	153,508
Claims on customers under acceptance credits	699,677	-	-	152,731	-	-	-	-	-	-	-	852,408
Staff financing	-	-	-	-	57,729	-	-	-	1,466	-	-	59,195
Revolving credits	-	-	-	-	4,929,326	-	-	-	-	-	-	4,929,326
Credit card receivables	-	-	-	-	-	-	-	-	-	194,741	128,947	323,688
Share purchase financing	3,737	-	-	-	-	-	-	5,246	1,698,569	-	-	1,707,552
Gross financing, advances and other financing/loans	3,742,909	8,064,622	9,538,489	1,720,130	34,118,541	1,699,738	5,709,622	45,256	3,307,655	197,097	128,947	68,273,006
Fair value changes arising from fair value hedge												69,873
												68,342,879
Less: Allowance for impairment losses												
- Individual impairment allowance												(134,937)
- Portfolio impairment allowance												(292,952)
												(427,889)
Net financing, advances and other financing/loans												67,914,990

[^] Includes current account in excess

A34d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**(i) By type and Shariah contract (Continued)**

(a) During the financial year, the Group has undertaken fair value hedges on RM3,689,346,000 (2017: RM3,695,054,000) financing using profit rate swaps.

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

As at 31 March 2018, the gross carrying amount to RPSIA financing is RM6,856,534,000 (2017: RM6,123,712,000) and 12-month expected credit losses relating to this RPSIA amounting to RM11,443,000 (2017: portfolio impairment allowance RM10,248,000) is recognised in the Financial Statements of CIMB Bank Berhad.

c) Movement of Qard financing

	The Group	
	31 March 2018 RM'000	31 December 2017 RM'000
At 1 January	197,097	177,965
New disbursement	43,660	126,993
Repayment	(52,525)	(86,859)
Exchange fluctuation	(11,718)	(21,002)
At 31 December	176,514	197,097
Sources of Qard fund:		
Depositors' fund	176,400	196,961
Shareholders' fund	114	136
	176,514	197,097
Uses of Qard fund:		
Personal use	174,216	194,903
Business use	2,298	2,194
	176,514	197,097

(ii) By geographical distribution

	The Group	
	31 March 2018 RM'000	31 December 2017 RM'000
Malaysia	63,786,514	57,877,095
Indonesia	4,976,272	5,071,479
Singapore	4,775,770	4,150,641
Hong Kong	376,955	283,246
Other countries	908,731	890,545
Gross financing, advances and other financing/loans	74,824,242	68,273,006

(iii) By economic sector

	The Group	
	2018 RM'000	2017 RM'000
Primary agriculture	2,536,738	2,456,261
Mining and quarrying	2,329,260	2,509,756
Manufacturing	2,389,357	2,180,160
Electricity, gas and water supply	274,484	284,083
Construction	2,994,559	2,201,982
Transport, storage and communications	3,964,991	2,667,465
Education, health and others	7,887,394	7,603,019
Wholesale and retail trade, and restaurants and hotels	3,315,400	2,508,492
Finance, insurance/takaful, real estate and business activities	10,681,027	10,029,754
Household	36,201,182	33,495,144
Others	2,249,850	2,336,890
	74,824,242	68,273,006

A34d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**(iv) Credit impaired/impaired financing, advances and other financing/loans by geographical distribution**

	The Group	
	31 March	31 December
	2018	2017
	RM'000	RM'000
Malaysia	470,485	456,100
Indonesia	60,494	64,525
Singapore	63,573	66,950
Other countries	118,870	126,222
Gross impaired financing, advances and other financing/loans	713,422	713,797

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

	The Group	
	31 March	31 December
	2018	2017
	RM'000	RM'000
Primary agriculture	19,336	16,097
Mining and quarrying	180,907	189,653
Manufacturing	18,480	19,693
Construction	31,107	8,167
Transport, storage and communications	124,501	160,257
Education, health and others	11,085	11,097
Wholesale and retail trade, and restaurants and hotels	9,143	1,814
Finance, insurance/takaful, real estate and business activities	44,312	25,228
Household	241,520	247,226
Others	33,031	34,565
	713,422	713,797

A34d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

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

	The Group					Total RM'000
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Individual impairment provision under MFRS 139 RM'000	Portfolio impairment provision under MFRS 139 RM'000	
Financing, advances and other financing/loans at amortised cost						
At 1 January 2018	-	-	-	134,937	292,952	427,889
Effect of adopting MFRS 9	224,233	132,504	268,102	(134,937)	(292,952)	196,950
Adjusted 1 January 2018	224,233	132,504	268,102	-	-	624,839
Changes in expected credit losses due to transferred within stages:	57,100	(42,286)	(14,814)	-	-	-
Transferred to stage 1	72,799	(59,048)	(13,751)	-	-	-
Transferred to stage 2	(15,601)	42,192	(26,591)	-	-	-
Transferred to stage 3	(98)	(25,430)	25,528	-	-	-
Total charge to Income Statement:	(16,363)	58,210	66,899	-	-	108,746
New financial assets originated	66,207	22,186	(7,232)	-	-	81,161
Financial assets that have been derecognised (Writeback) in respect of full recoveries	(32,623)	(1,128)	-	-	-	(33,751)
Change in credit risk	(49,947)	37,152	74,879	-	-	62,084
Changes in model/risk parameters	-	-	-	-	-	-
Write-offs	-	-	(34,803)	-	-	(34,803)
Exchange fluctuation	1,729	1,359	(16,466)	-	-	(13,378)
Other movements	(58)	-	1,250	-	-	1,192
At 31 March 2018	266,641	149,787	270,168	-	-	686,596

CIMB Islamic Bank
31 Mar 2018
1.0%

Loss allowance for non-credit-impaired exposures and regulatory reserve

	The Group 31 December 2017	
	Individual impairment allowance RM'000	Portfolio impairment allowance RM'000
At 1 January	87,298	304,252
Net allowance made during the financial year	62,718	164,727
Amount written off	(9,800)	(175,934)
Allowance transferred to conventional operations	-	(73)
Exchange fluctuation	(5,279)	(20)
	134,937	292,952

Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loan
(excluding RPSIA financing) less individual impairment allowance

1.06%

A34d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

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

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

	The Group		Total RM'000
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Impaired financing, advances and other financing/loans under MFRS 139 RM'000	
At 1 January 2018	-	713,797	713,797
Effect of adoption of MFRS 9	713,797	(713,797)	-
Adjusted 1 January 2018	713,797	-	713,797
Transfer within stages	75,895	-	75,895
New financial assets originated	12,637	-	12,637
Write-offs	(34,803)	-	(34,803)
Amount recovered	(3,633)	-	(3,633)
Other changes in financing, advances and other financing/loans	(32,582)	-	(32,582)
Exchange fluctuation	(17,889)	-	(17,889)
At 31 March 2018	713,422	-	713,422
			The Group 31 March 2018
Ratio of credit impaired financing to total financing, advances and other financing			0.95%

Impaired loans under MFRS 139

	The Group 31 December 2017 RM'000
At 1 January	609,908
Classified as impaired during the financial year	687,077
Reclassified as not impaired during the financial year	(310,749)
Amount recovered	(107,680)
Amount written off	(185,734)
Exchange fluctuation	20,975
	713,797
Ratio of gross impaired financing, advances and other financing/loans to gross financing, advances and other financing/loans	1.05%

A34e. DEPOSITS FROM CUSTOMERS

(i) By type of deposits

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Savings deposit		
Wadiah	3,659,043	3,999,138
Qard	1,244	610
Mudharabah	1,453,722	743,600
Commodity Murabahah (via Tawarruq arrangement)	28,107	10,451
	5,142,116	4,753,799
Demand deposit		
Wadiah	14,713,875	11,725,297
Qard	196,434	210,386
Mudharabah	89,001	105,832
	14,999,310	12,041,515
Term deposit		
Commodity Murabahah (via Tawarruq arrangement) *	56,383,505	53,531,392
Islamic negotiable instruments	-	398,199
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	-	398,199
Short term money market deposit-i	18,093	21,477
Wakalah	10,866	11,961
Wadiah	7,227	9,516
Fixed Deposit-i	1,272	8,981
Wadiah	1,272	8,981
General investment account	2,917,029	3,993,941
Mudharabah	2,917,029	3,993,941
Specific investment account	110,596	113,014
Mudharabah	110,596	113,014
	59,430,495	58,067,004
Others - Qard	17,792	17,326
	79,589,713	74,879,644

* included Qard contract of RM377,564,000 (2017: RM297,971,000)

(ii) By maturity structures of term deposit

Due within six months	53,077,450	51,988,978
Six months to one year	6,111,084	5,850,344
One year to three years	129,255	112,556
Three years to five years	2,110	2,114
More than five years	110,596	113,012
	59,430,495	58,067,004

A34e. DEPOSITS FROM CUSTOMERS (Continued)

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
(iii) By type of customer		
Government and statutory bodies	6,466,902	3,745,450
Business enterprises	32,227,389	31,504,977
Individuals	19,138,046	19,805,459
Others	21,757,376	19,823,758
	79,589,713	74,879,644

A34f. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Unrestricted investment accounts (Mudharabah)		
- without maturity		
Special Mudharabah Investment Account	317,277	289,203
- with maturity		
Term Investment Account-i	1,650,015	618,560
	1,967,292	907,763

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

A34g. INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Restricted investment accounts		
Mudharabah	9,242,374	8,145,684
By type of counterparty		
Licensed banks	9,242,374	8,145,684

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

A34h. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Deposits from customers - structured investments	-	2,233

The Group has issued structured investments, and have designated them at fair value in accordance with MFRS139. The Group has the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of the Group as at 31 March 2018 of financial liabilities designated at fair value was RMNil (2017: RM10,000) 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 did not issue any new structured investments in 2018 and 2017.

A35. CHANGE IN ACCOUNTING POLICIES

With the effect from the financial year beginning on/after 1 January 2018, the Group and the Company apply MFRS 9 “Financial Instruments”, replacing MFRS 139 “Financial Instruments: Recognition and Measurement”, and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

- (i) The following table analyses the impact of transition on the Statements of Financial Position of the Group and the Company from MFRS 139 to MFRS 9 as at 1 January 2018:

	Impact of adoption of MFRS 9 as at 1 January 2018	
	The Group RM'000	The Company RM'000
Cash and short-term funds		
Closing balance under MFRS 139 as at 31 December 2017	41,667,884	182,809
- recognition of expected credit losses under MFRS 9	(41)	-
Opening balance under MFRS 9 as at 1 January 2018	<u>41,667,843</u>	<u>182,809</u>
Reverse repurchase agreements		
Closing balance under MFRS 139 as at 31 December 2017	6,484,687	-
- unrealised loss on reverse repurchase agreements at fair value through profit or loss	(13,680)	-
Opening balance under MFRS 9 as at 1 January 2018	<u>6,471,007</u>	<u>-</u>
Deposits and placements with banks and other financial institutions		
Closing balance under MFRS 139 as at 31 December 2017	4,055,330	-
- recognition of expected credit losses under MFRS 9	(1,607)	-
Opening balance under MFRS 9 as at 1 January 2018	<u>4,053,723</u>	<u>-</u>
Financial assets at fair value through profit or loss		
Closing balance under MFRS 139 as at 31 December 2017	-	-
- reclassification from financial assets held for trading	21,650,153	-
- reclassification from financial investments available-for-sale	1,558,115	-
- reclassification from financial investments held-to-maturity	540,110	-
- unrealised loss on financial assets at fair value through profit or loss	(13,786)	-
Opening balance under MFRS 9 as at 1 January 2018	<u>23,734,592</u>	<u>-</u>
Debt instruments at fair value through other comprehensive income		
Closing balance under MFRS 139 as at 31 December 2017	-	-
- reclassification from financial investments available-for-sale	29,201,994	1,433,024
- reclassification from financial investments held-to-maturity	803,095	-
- unrealised loss on debt instruments at fair value through other comprehensive income	9,455	-
Opening balance under MFRS 9 as at 1 January 2018	<u>30,014,544</u>	<u>1,433,024</u>
Equity instruments at fair value through other comprehensive income		
Closing balance under MFRS 139 as at 31 December 2017	-	-
- reclassification from financial investments available-for-sale	725,550	-
- Reversal of MFRS 139 impairment loss for equity instruments at fair value through other comprehensive income	313,150	-
- Unrealised loss on equity instruments at fair value through other comprehensive income	(313,150)	-
Opening balance under MFRS 9 as at 1 January 2018	<u>725,550</u>	<u>-</u>
Debt instruments at amortised cost		
Closing balance under MFRS 139 as at 31 December 2017	-	-
- reclassification from financial investments held-to-maturity	35,578,010	3,518,264
- reclassification from financial investments available-for-sale	918,327	-
- reclassification from financial assets held for trading	7,059	-
- remeasurement of debt instruments at amortised cost	23,802	-
- recognition of expected credit losses under MFRS 9	(20,931)	(26,554)
Opening balance under MFRS 9 as at 1 January 2018	<u>36,506,267</u>	<u>3,491,710</u>

A35. CHANGE IN ACCOUNTING POLICIES

(i) The following table analyses the impact of transition on the Statements of Financial Position of the Group and the Company from MFRS 139 to MFRS 9 as at 1 January 2018 (Continued):

	Impact of adoption of MFRS 9 as at 1 January 2018	
	The Group RM'000	The Company RM'000
Financial assets held for trading		
Closing balance under MFRS 139 as at 31 December 2017	21,657,212	-
- reclassification to financial assets at fair value through profit or loss	(21,650,153)	-
- reclassification to debt instruments at amortised cost	(7,059)	-
Opening balance under MFRS 9 as at 1 January 2018	-	-
Financial investments available-for-sale		
Closing balance under MFRS 139 as at 31 December 2017	32,403,986	1,433,024
- reclassification to debt instruments at fair value through other comprehensive income	(29,201,994)	(1,433,024)
- reclassification to financial assets at fair value through profit or loss	(1,558,115)	-
- reclassification to debt instruments at amortised cost	(918,327)	-
- reclassification to equity instruments at fair value through other comprehensive income	(725,550)	-
Opening balance under MFRS 9 as at 1 January 2018	-	-
Financial investments held-to-maturity		
Closing balance under MFRS 139 as at 31 December 2017	36,921,215	3,518,264
- reclassification to debt instruments at amortised cost	(35,578,010)	(3,518,264)
- reclassification to debt instruments at fair value through other comprehensive income	(803,095)	-
- reclassification to financial assets at fair value through profit or loss	(540,110)	-
Opening balance under MFRS 9 as at 1 January 2018	-	-
Loans, advances and financing		
Closing balance under MFRS 139 as at 31 December 2017	316,557,012	-
- recognition of expected credit losses under MFRS 9	(2,189,109)	-
Opening balance under MFRS 9 as at 1 January 2018	314,367,903	-
Deferred tax assets		
Closing balance under MFRS 139 as at 31 December 2017	386,850	-
- in respect of recognition of change of classification and measurement under MFRS 9	155,912	-
- in respect of recognition of expected credit losses under MFRS 9	314,859	-
Opening balance under MFRS 9 as at 1 January 2018	857,621	-
Other liabilities		
Closing balance under MFRS 139 as at 31 December 2017	17,789,579	1,717
- recognition of expected credit losses under MFRS 9	453,656	-
Opening balance under MFRS 9 as at 1 January 2018	18,243,235	1,717
Provision for taxation		
Closing balance under MFRS 139 as at 31 December 2017	507,940	-
- in respect of recognition of expected credit losses under MFRS 9	(296,620)	-
Opening balance under MFRS 9 as at 1 January 2018	211,320	-

A35. CHANGE IN ACCOUNTING POLICIES

(i) The following table analyses the impact of transition on the Statements of Financial Position of the Group and the Company from MFRS 139 to MFRS 9 as at 1 January 2018 (Continued):

	Impact of adoption of MFRS 9 as at 1 January 2018	
	The Group RM'000	The Company RM'000
Retained earnings		
Closing balance under MFRS 139 as at 31 December 2017	24,683,941	656,679
- Transfer to regulatory reserve	(16,511)	-
- Reversal of MFRS 139 impairment loss for equity instruments at fair value through other comprehensive income	313,150	-
- Transfer from revaluation reserve - financial investment available-for-sale	673,562	-
- unrealised loss on financial assets at fair value through profit or loss	(13,786)	-
- Remeasurement of debt instruments at amortised cost	20	-
- unrealised loss on reverse repurchase agreements at fair value through profit or loss	(13,680)	-
- Non-controlling interests' share of impact arising from remeasurement under MFRS 9	74,538	-
- Recognition of expected credit losses under MFRS 9	(2,689,973)	(37,130)
- Tax effect arising from MFRS 9	612,157	-
- Transfer to cost of hedging reserve	(55)	-
- Transfer from own credit risk reserve	4,212	-
Opening balance under MFRS 9 as at 1 January 2018	<u>23,627,575</u>	<u>619,549</u>
Revaluation reserve - financial investment available-for-sale		
Closing balance under MFRS 139 as at 31 December 2017	499,476	26,619
- Transfer to retained profits	(673,562)	-
- Revaluation loss transfer to fair value reserve - debt instruments at fair value through other comprehensive income	147,543	(26,619)
- Transfer to fair value reserve - equity instruments at fair value through other comprehensive income	(126,129)	-
- Non-controlling interests' share of impact arising from remeasurement under MFRS 9	2,254	-
- Day 1 remeasurement of debts at amortised cost	23,782	-
- Tax effect arising from MFRS 9	126,636	-
Opening balance under MFRS 9 as at 1 January 2018	<u>-</u>	<u>-</u>
Fair value reserves - Debt instruments at fair value through other comprehensive income		
Closing balance under MFRS 139 as at 31 December 2017	-	-
- Revaluation loss transfer from revaluation reserve - financial investment available-for-sale	(147,543)	26,619
- Unrealised gain on debt instruments at fair value through other comprehensive income	9,548	-
- Recognition of expected credit losses under MFRS 9	24,536	10,576
- Non-controlling interests' share of impact arising from remeasurement under MFRS 9	(673)	-
- Tax effect arising from MFRS 9	41,218	-
Opening balance under MFRS 9 as at 1 January 2018	<u>(72,914)</u>	<u>37,195</u>
Fair value reserves - Equity instruments at fair value through other comprehensive income		
Closing balance under MFRS 139 as at 31 December 2017	-	-
- Transfer from revaluation reserve - financial investment available-for-sale	126,129	-
- Unrealised loss on equity instruments at fair value through other comprehensive income	(313,150)	-
- Non-controlling interests' share of impact arising from remeasurement under MFRS 9	1,603	-
- Tax effect arising from MFRS 9	(12,620)	-
Opening balance under MFRS 9 as at 1 January 2018	<u>(198,038)</u>	<u>-</u>

A35. CHANGE IN ACCOUNTING POLICIES

- (i) The following table analyses the impact of transition on the Statements of Financial Position of the Group and the Company from MFRS 139 to MFRS 9 as at 1 January 2018 (Continued):

	Impact of adoption of MFRS 9 as at 1 January 2018	
	The Group RM'000	The Company RM'000
Other reserves - Own credit risk reserve		
Closing balance under MFRS 139 as at 31 December 2017	-	-
- Transfer from retained earnings	(4,212)	-
Opening balance under MFRS 9 as at 1 January 2018	(4,212)	-
Other reserves - Cost of hedging reserve		
Closing balance under MFRS 139 as at 31 December 2017	-	-
- Transfer from retained earnings	55	-
Opening balance under MFRS 9 as at 1 January 2018	55	-
Regulatory reserve		
Closing balance under MFRS 139 as at 31 December 2017	1,502,520	-
- Transfer from retained earnings	16,511	-
Opening balance under MFRS 9 as at 1 January 2018	1,519,031	-
Non-controlling interests		
Closing balance under MFRS 139 as at 31 December 2017	1,360,956	-
- Non-controlling interests' share of impact arising from remeasurement under MFRS 9	(77,722)	-
Opening balance under MFRS 9 as at 1 January 2018	1,283,234	-

A35. CHANGE IN ACCOUNTING POLICIES

(a). The impact of the above on the financial statements of the Group and the Company are set out as follows:

(ii) Impact on the Group's and the Company's Statement of Financial Position as at 31 December 2017 and 1 January 2018:

	The Group					The Company				
	Audited as at 31 December 2017	Effects of adopting MFRS 9			Adjusted 1 January 2018	Audited as at 31 December 2017	Effects of adopting MFRS 9			Adjusted 1 January 2018
	RM'000	Remeasurement RM'000	Reclassification RM'000	Total RM'000	RM'000	RM'000	Remeasurement RM'000	Reclassification RM'000	Total RM'000	RM'000
Assets										
Cash and short-term funds	41,667,884	(41)	-	(41)	41,667,843	182,809	-	-	-	182,809
Reverse repurchase agreements	6,484,687	(13,680)	-	(13,680)	6,471,007	-	-	-	-	-
Deposits and placements with banks and other financial institutions	4,055,330	(1,607)	-	(1,607)	4,053,723	-	-	-	-	-
Financial assets at fair value through profit or loss	-	(13,786)	23,748,378	23,734,592	23,734,592	-	-	-	-	-
Debt instruments at fair value through other comprehensive income	-	9,455	30,005,089	30,014,544	30,014,544	-	-	1,433,024	1,433,024	1,433,024
Equity instruments at fair value through other comprehensive income	-	-	725,550	725,550	725,550	-	-	-	-	-
Debt instruments at amortised cost	-	2,871	36,503,396	36,506,267	36,506,267	-	(26,554)	3,518,264	3,491,710	3,491,710
Financial assets held for trading	21,657,212	-	(21,657,212)	(21,657,212)	-	-	-	-	-	-
Derivative financial instruments	8,447,957	-	-	-	8,447,957	-	-	-	-	-
Financial investments available-for-sale	32,403,986	-	(32,403,986)	(32,403,986)	-	1,433,024	-	(1,433,024)	(1,433,024)	-
Financial investments held-to-maturity	36,921,215	-	(36,921,215)	(36,921,215)	-	3,518,264	-	(3,518,264)	(3,518,264)	-
Loans, advances and financing	316,557,012	(2,189,109)	-	(2,189,109)	314,367,903	-	-	-	-	-
Other assets	12,147,332	-	-	-	12,147,332	42,195	-	-	-	42,195
Tax recoverable	129,072	-	-	-	129,072	109,243	-	-	-	109,243
Deferred tax assets	386,850	314,860	155,911	470,771	857,621	-	-	-	-	-
Statutory deposits with central banks	8,630,454	-	-	-	8,630,454	-	-	-	-	-
Investment in subsidiaries	-	-	-	-	-	27,052,448	-	-	-	27,052,448
Investment in associates and joint ventures	259,930	-	-	-	259,930	3,834	-	-	-	3,834
Property, plant and equipment	1,991,646	-	-	-	1,991,646	1,117	-	-	-	1,117
Investment properties	-	-	-	-	-	417	-	-	-	417
Prepaid lease payments	101,913	-	-	-	101,913	-	-	-	-	-
Goodwill	8,225,745	-	-	-	8,225,745	-	-	-	-	-
Intangible assets	1,820,369	-	-	-	1,820,369	-	-	-	-	-
	501,888,594	(1,891,037)	155,911	(1,735,126)	500,153,468	32,343,351	(26,554)	-	(26,554)	32,316,797
Non-current assets held for sale	4,610,938	-	-	-	4,610,938	1,038,859	-	-	-	1,038,859
TOTAL ASSETS	506,499,532	(1,891,037)	155,911	(1,735,126)	504,764,406	33,382,210	(26,554)	-	(26,554)	33,355,656

A35. CHANGE IN ACCOUNTING POLICIES (Continued)

(a). The impact of the above on the financial statements of the Group are set out as follows (Continued):

(ii) Impact on the Group's and the Company's Statement of Financial Position as at 31 December 2017 and 1 January 2018 (Continued):

	The Group					The Company				
	Audited as at 31 December	Effects of adopting MFRS 9			Adjusted	Audited as at 31 December	Effects of adopting MFRS 9			Adjusted
	2017 RM'000	Remeasurement RM'000	Reclassification RM'000	Total RM'000	1 January 2018 RM'000	2017 RM'000	Remeasurement RM'000	Reclassification RM'000	Total RM'000	1 January 2018 RM'000
Liabilities										
Deposits from customers	348,518,277	-	-	-	348,518,277	-	-	-	-	-
Investment accounts of customers	907,763	-	-	-	907,763	-	-	-	-	-
Deposits and placements of banks and other financial institutions	19,751,576	-	-	-	19,751,576	-	-	-	-	-
Repurchase agreements	6,122,273	-	-	-	6,122,273	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss	4,773,440	-	-	-	4,773,440	-	-	-	-	-
Derivative financial instruments	8,751,383	-	-	-	8,751,383	-	-	-	-	-
Bills and acceptances payable	3,177,182	-	-	-	3,177,182	-	-	-	-	-
Other liabilities	17,789,579	453,656	-	453,656	18,243,235	1,717	-	-	-	1,717
Recourse obligation on loans and financing sold to Cagamas	5,195,248	-	-	-	5,195,248	-	-	-	-	-
Provision for taxation	507,940	(296,620)	-	(296,620)	211,320	-	-	-	-	-
Deferred tax liabilities	80,943	-	-	-	80,943	361	-	-	-	361
Bonds, sukuk and debentures	14,895,625	-	-	-	14,895,625	-	-	-	-	-
Other borrowings	10,057,295	-	-	-	10,057,295	3,553,113	-	-	-	3,553,113
Subordinated obligations	12,532,965	-	-	-	12,532,965	6,904,556	-	-	-	6,904,556
	453,061,489	157,036	-	157,036	453,218,525	10,459,747	-	-	-	10,459,747
Non-current liabilities held for sale	3,631,608	-	-	-	3,631,608	-	-	-	-	-
Total liabilities	456,693,097	157,036	-	157,036	456,850,133	10,459,747	-	-	-	10,459,747
Equity										
Ordinary share capital	22,183,226	-	-	-	22,183,226	22,183,226	-	-	-	22,183,226
Reserves	26,062,859	(1,970,351)	155,911	(1,814,440)	24,248,419	739,280	(26,554)	-	(26,554)	712,726
Less: Shares held under trust	(563)	-	-	-	(563)	-	-	-	-	-
Treasury shares, at cost	(43)	-	-	-	(43)	(43)	-	-	-	(43)
	48,245,479	(1,970,351)	155,911	(1,814,440)	46,431,039	22,922,463	(26,554)	-	(26,554)	22,895,909
Perpetual preference shares	200,000	-	-	-	200,000	-	-	-	-	-
Non-controlling interests	1,360,956	(77,722)	-	(77,722)	1,283,234	-	-	-	-	-
TOTAL EQUITY	49,806,435	(2,048,073)	155,911	(1,892,162)	47,914,273	22,922,463	(26,554)	-	(26,554)	22,895,909
TOTAL EQUITY AND LIABILITIES	506,499,532	(1,891,037)	155,911	(1,735,126)	504,764,406	33,382,210	(26,554)	-	(26,554)	33,355,656

A35. CHANGE IN ACCOUNTING POLICIES (Continued)

(b). The impact of the above on the financial statements of the Group and the Company are set out as follows (Continued):

(iii) Impact on the Group's and the Company's Statement of Changes in Equity as at 31 December 2017 and 1 January 2018:

	The Group				Adjusted 1 January 2018 RM'000
	Audited as at 31 December 2017 RM'000	Effects of adopting MFRS 9		Total RM'000	
		Remeasurement RM'000	Reclassification RM'000		
Retained earnings	24,683,941	(1,758,001)	701,635	(1,056,366)	23,627,575
Revaluation reserve					
- financial investment available-for-sale	499,476	25,060	(524,536)	(499,476)	-
Fair value reserves					
- Debt instruments at fair value through other comprehensive income	-	32,733	(105,647)	(72,914)	(72,914)
- Equity instruments at fair value through other comprehensive income	-	(282,497)	84,459	(198,038)	(198,038)
Regulatory reserve	1,502,520	16,511	-	16,511	1,519,031
Other reserves	(1,374,602)	(4,157)	-	(4,157)	(1,378,759)
Non-controlling interests	1,360,956	(77,722)	-	(77,722)	1,283,234
	26,672,291	(2,048,073)	155,911	(1,892,162)	24,780,129

	The Company				Adjusted 1 January 2018 RM'000
	Audited as at 31 December 2017 RM'000	Effects of adopting MFRS 9		Total RM'000	
		Remeasurement RM'000	Reclassification RM'000		
Retained earnings	656,679	(37,130)	-	(37,130)	619,549
Revaluation reserve					
- financial investment available-for-sale	26,619	-	(26,619)	(26,619)	-
Fair value reserve - debt instruments at fair value through other comprehensive income	-	10,576	26,619	37,195	37,195
Others	55,982	-	-	-	55,982
	739,280	(26,554)	-	(26,554)	712,726

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

B1. GROUP PERFORMANCE REVIEW COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) results

CIMB Group Holdings Berhad (“CIMB Group” or the “Group”) reported a Profit Before Tax (“PBT”) of RM1.74 billion for the first quarter of 2018 (“1Q18”) – representing a 8.0% year-on-year (“Y-o-Y”) growth on the back of lower operating expenses of 6.8% Y-o-Y and a 5.4% Y-o-Y decline in loan loss provisions. Operating income was 1.3% lower Y-o-Y from lower net-interest income and the deconsolidation of CIMB Securities International (“CSI”), partially offset by a RM152 million gain arising from the CSI sale. The Group’s 1Q18 net profit improved 10.7% Y-o-Y to RM1.31 billion, translating into a net Earnings Per Share (“EPS”) of 14.2 sen and an annualised Return On average Equity (“ROE”) of 10.2%.

The Group announced a net profit of RM1.31 billion, an increase of 10.7% Y-o-Y, on the back of sustained cost discipline, lower provisions and a RM152 million gain from the disposal of 50% of CIMB Securities International. Commercial Banking’s recalibration was progressing well, while the Wholesale Banking business tracked weaker capital markets in 1Q18. Consumer Banking, however, had a great start, posting a 51.2% Y-o-Y PBT growth.

The Group’s capital position was solid even after adoption of MFRS9, with a CET1 of 11.7%. The cost to income ratio improved to 49.8%, below its 50% year-end target, as operating expenses remained under control across all segments.

CIMB Group 1Q18 Y-o-Y Performance

	The Group			
	Three months ended		Variance	%
	31 March 2018	31 March 2017		
	RM'000	RM'000	RM'000	
Key Profit or Loss Items:				
Operating income	4,303,311	4,360,497	(57,186)	-1.3%
Profit before taxation and zakat	1,742,893	1,613,598	129,295	8.0%
Net profit for the financial period attributable to Owners of the Parent	1,305,874	1,180,258	125,616	10.6%

CIMB Group’s 1Q18 operating income was 1.3% lower Y-o-Y at RM4.30 billion mainly from a 3.5% decline in net interest income. This was offset by a 3.8% Y-o-Y improvement in non-interest income underpinned by a RM152 million gain from the sale of 50% of CSI. Continued cost management initiatives brought about the 6.8% Y-o-Y decline in operating expenses, resulting in the fourth consecutive quarter of positive JAW. The Group’s PBT was 8.0% Y-o-Y higher at RM1.74 billion, with loan provisions declining 5.4%.

The Group’s Consumer Bank PBT was 51.2% higher Y-o-Y in 1Q18 at RM848 million, making up 49% of Group PBT. Consumer revenue growth was driven by a robust non-interest income performance, with net interest income growing steadily and costs remaining well managed. The Commercial Banking PBT declined by 14.1% Y-o-Y in line with the regional business recalibration with the lower revenue partially offset by a decline in costs and provisions. PBT at the Group’s Wholesale Banking division was RM490 million or 32.6% lower Y-o-Y largely due to the comparatively weaker capital market activity in 1Q18. Group Asset Management and Investments (“GAMI”) PBT improved 66.7% Y-o-Y from better performances in the asset management and private markets businesses. Group Funding PBT increased 50.7% Y-o-Y from the gain arising from the sale of 50% of CSI.

Non-Malaysia PBT contribution to the Group declined to 31% in 1Q18 compared to 34% in 1Q17. Indonesia’s PBT decreased 6.5% Y-o-Y to RM273 million. However, excluding FX translation effects, Indonesia’s PBT expanded 7.7% Y-o-Y in line with CIMB Niaga’s improving performance. Thailand’s PBT contribution of RM108 million was a 5.9% Y-o-Y increase attributed to lower provisions. Total PBT contribution from Singapore was 10.9% lower Y-o-Y at RM122 million from weaker treasury and markets.

The Group’s total gross loans (excluding the bad bank) grew by 0.5% Y-o-Y (+5.3% excluding FX effects), while total deposits were 2.7% higher Y-o-Y. The Group’s Loan to Deposit Ratio (“LDR”) stood at 89.7% compared to 91.7% in 1Q17.

The Group’s gross impairment ratio stood at 3.2% as at end-March 2018, with an allowance coverage of 105.3%. The Group’s Cost-to-Income Ratio improved to 49.8% compared with 52.6% in 1Q17, in line with continued cost management. The Group’s Net Interest Margin (“NIM”) was lower at 2.57% attributed to the NIM contraction at CIMB Niaga.

As at 31 March 2018, CIMB Group’s total capital ratio stood at 16.4% while the Common Equity Tier 1 (“CET1”) capital ratio stood at 11.7%.

B1. GROUP PERFORMANCE REVIEW COMPARISON WITH THE PRECEDING QUARTER'S RESULTS (CONTINUED)

CIMB Group 1Q17 Q-o-Q Performance Current quarter against preceding quarter

	The Group Quarter ended		Variance	
	31 March 2018	31 December 2017	RM'000	%
	RM'000	RM'000	RM'000	%
Key Profit or Loss Items:				
Operating income	4,303,311	4,515,495	(212,184)	-4.7%
Profit before taxation and zakat	1,742,893	1,535,379	207,514	13.5%
Net profit for the financial period attributable to Owners of the Parent	1,305,874	1,060,229	245,645	23.2%

On a quarter-on-quarter ("Q-o-Q") basis, 1Q18 operating income was 4.7% lower at RM4.30 billion from the 10.3% and 1.9% respective declines in non-interest income and net interest income. Consumer Banking PBT rose 30.1% Q-o-Q from a combination of improved revenue and lower costs and provisions in 1Q18. Commercial Banking PBT was 390.5% higher Q-o-Q due to improved provisions. Wholesale Banking PBT was lower by 32.1% Q-o-Q largely attributed to the weaker capital markets during the period. GAMI PBT increased 62.2% due to better performance in the asset management and private markets businesses, while the gain from the sale of 50% of CSI brought about the 34.3% increase in Group Funding PBT. The Group's 1Q18 net profit was 23.2% higher Q-o-Q owing to lower operating expenses and provisions.

CIMB Islamic

CIMB Islamic's 1Q18 PBT increased by 6.3% Y-o-Y to RM207 million, driven by strong 25.8% operating income growth which was partially offset by increased provisions due to provision writebacks in 1Q17. CIMB Islamic's gross financing assets increased by 28.9% Y-o-Y to RM63.7 billion, accounting for 19.5% of total Group loans. Total deposits increased by 28.6% Y-o-Y to RM70.5 billion.

B2. CORPORATE DEVELOPMENTS

Capital Management

- On 29 March 2018, CIMB Bank completed an issuance of RM700 million Basel 3-compliant Tier 2 Subordinated Debt back to back with CIMB Group. The Subordinated Debt was issued as a single tranche at 4.95% per annum with a maturity of 10 years non-callable at the end of year 5.
- On 29 March 2018, CIMB Thai issued RM390 million Basel 3-compliant Tier 2 Subordinated Debt to replace THB3 billion unsecured subordinated notes, for which CIMB Thai exercised its option to early redeem on 9 November 2017.
- On 30 April 2018, CIMB Group issued and allotted 140,251,847 new CIMB Group shares pursuant to the DRS arising from the Second Interim Dividend announcement for FY17. The new shares were listed and quoted on the Main Market of Bursa Securities on 2 May 2018.

Mergers and Acquisitions

- On 6 June 2017, CIMB Group signed a conditional Share Purchase Agreement with China Galaxy International Financial Holdings Limited ("CGI") for the sale of 50% interest in CIMB Securities International Pte Ltd ("CSI"). CSI is the holding company for the cash equities business in Singapore, Indonesia, Thailand, Hong Kong, India, South Korea, United Kingdom and United States of America. On 6 September 2017, CIMB Group Sdn Bhd signed a conditional Share Purchase Agreement to acquire 100% equity interest in Jupiter Securities for RM55 million cash. The proposed acquisition is in connection with the proposed partnership with CGI, wherein Jupiter Securities shall be the platform for the partnership's Malaysia operations. On 18 January 2018, the disposal of the 50% interest in CSI was completed for approximately SGD167 million (approximately RM500 million).
- On 24 July 2017, CIMB Group's 52.22% subsidiary Touch 'n Go Sdn Bhd ("TNG") entered into an Investment Agreement with Alipay Singapore E-Commerce Pte Ltd, a subsidiary of Ant Financial Services Group, to form a JV, in which TNG will be the majority shareholder, to launch a new mobile platform for payments and other related financial services in Malaysia. On 8 November 2017, BNM approved the incorporation of the JV entity, TNG Digital Sdn Bhd. On 8 January 2018, the JV entity received BNM approval to operate and offer mobile e-wallet services in Malaysia.
- On 11 January 2018, CIMB Group Sdn Bhd entered into sale and purchase agreements to divest 20% of CIMB-Principal Asset Management Bhd ("CPAM") and 10% of CIMB-Principal Islamic Asset Management ("CPIAM") to Principal Financial Group for RM470.3 million. CIMB Group will retain 40% ownership in both entities. On 25 May 2018, CIMB Group announced the completion of the divestment.

B2. CORPORATE DEVELOPMENTS (Continued)

Others

- On 29 January 2018, Moody's reaffirmed CIMB Investment Bank's long term and short term issuer ratings at A3 and P-2 respectively. The outlook is stable.
- On 13 April 2018, Moody's upgraded CIMB Niaga's long-term and short-term foreign currency deposits rating from Baa3 and P-3 to Baa2 and P-2 respectively. The outlook is stable.
- On 4 May 2018, Moody's reaffirmed CIMB Bank's long term and short term foreign currency deposits ratings at A3 and P-2 respectively. Moody's also reaffirmed CIMB Group Holdings long-term and short-term issuer ratings at Baa1 and P-2 respectively and CIMB Islamic Bank's long term and short term foreign currency deposits ratings at A3 and P-2 respectively. The outlook for all is stable.

B3. PROSPECTS FOR THE CURRENT FINANCIAL PERIOD

The Group is optimistic for the rest of 2018, and confident of achieving its T18 targets by end-2018. The Group plans to complete its presence in all 10 ASEAN countries is well on track, with its digital banking launch in Vietnam and the opening of the first branch in the Philippines. The Group expects continued growth momentum in Malaysia with further improvement in loan growth and asset quality across Indonesia, Thailand and Singapore.

The Group is currently working on its next mid-term growth plan which will be strongly premised on, among others, digital, innovation and sustainability. These, coupled with the Group's strengthened capital position, disciplined cost management and continued focus on customer experience will ensure the Group continues to serve its stakeholders effectively, moving forward.

B4. TAXATION AND ZAKAT

	1st quarter ended		Three months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
The Group				
Major components of tax expense and zakat:				
Current tax expense	403,455	384,596	403,455	384,596
Deferred tax expense	5,340	(19,654)	5,340	(19,654)
(Over)/under provision in prior years	(6,819)	37,655	(6,819)	37,655
	401,976	402,597	401,976	402,597
Zakat	1,445	-	1,445	-
	403,421	402,597	403,421	402,597
Reconciliation				
Profit before taxation and zakat	1,742,893	1,613,598	1,742,893	1,613,598
Less: Share of results of joint venture	(3,321)	(3,094)	(3,321)	(3,094)
Share of results of associates	(2,472)	(1,188)	(2,472)	(1,188)
	1,737,100	1,609,316	1,737,100	1,609,316
Tax at statutory income tax rate of 24%	416,904	386,236	416,904	386,236
Effect of different tax rates in other countries and change in tax rates	(93,036)	(196,681)	(93,036)	(196,681)
Due to expenses not deductible for tax purposes and income not subject to income tax	84,927	175,387	84,927	175,387
(Over)/under provision in prior years	(6,819)	37,655	(6,819)	37,655
Tax expenses	401,976	402,597	401,976	402,597

The Company

Major components of tax expense:

Current tax expense	296	873	296	873
Deferred tax expense	1	1	1	1
Over provision in prior years	-	37,590	-	37,590
	297	38,464	297	38,464

Reconciliation

Profit/(loss) before taxation	1,103,745	(71,249)	1,103,745	(71,249)
Tax at statutory income tax rate of 24%	264,899	(17,100)	264,899	(17,100)
Due to expenses not deductible for tax purposes and income not subject to income tax	(264,602)	17,974	(264,602)	17,974
Under provision in prior years	-	37,590	-	37,590
Tax expenses	297	38,464	297	38,464

B5. PARTICULARS OF PURCHASE AND SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

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

B6. BORROWINGS AND DEBT SECURITIES

	The Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
(i) Bonds, sukuk and debentures		
Unsecured		
One year or less (short term)		
- IDR	608,444	648,235
- THB	1,050,192	766,947
- SGD	296,429	367,976
- HKD	-	86,056
- CNY	134,007	134,001
More than one year (medium/long term)		
- USD	5,517,801	5,882,696
- RM	4,266,911	4,282,087
- HKD	1,187,137	1,259,554
- IDR	923,402	984,005
- AUD	307,646	325,939
- CNY	158,822	158,129
	14,450,791	14,895,625

B6. BORROWINGS AND DEBT SECURITIES (Continued)

	The Group		The Company	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	RM'000	RM'000	RM'000	RM'000
(ii) Other borrowing				
Unsecured				
One year or less (short term)				
- USD	338,395	800,504	-	-
- RM	2,356,337	2,353,007	2,556,470	2,553,113
- CNY	3,651	-	-	-
- IDR	394,062	439,712	-	-
- SAR	16,409	-	-	-
More than one year (medium/long term)				
- RM	1,025,848	1,025,212	1,000,635	1,000,000
- USD	4,067,015	5,072,143	-	-
- IDR	101,545	366,717	-	-
	8,303,262	10,057,295	3,557,105	3,553,113
(iii) Subordinated obligations				
Unsecured				
One year or less (short term)				
- RM	2,089,524	2,078,031	-	-
More than one year (medium/long term)				
- RM	10,839,767	9,976,427	7,702,322	6,904,556
- IDR	449,119	478,507	-	-
	13,378,410	12,532,965	7,702,322	6,904,556

B7. MATERIAL LITIGATION

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

B8. COMPUTATION OF EARNINGS PER SHARE (EPS)**a) Basic EPS**

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

	The Group			
	1st quarter ended		Three months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period/year after non-controlling interests	1,305,874	1,180,258	1,305,874	1,180,258
Weighted average number of ordinary shares in issue ('000)	9,225,543	8,868,379	9,225,543	8,868,379
Basic earnings per share (expressed in sen per share)	14.15	13.31	14.15	13.31

b) Diluted EPS

The Group has no dilution in its earnings per ordinary share in the current period and the preceding year corresponding period as there are no dilutive potential ordinary shares.