

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	The Group		The Bank	
		30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Assets					
Cash and short term funds	A6	35,202,540	37,156,527	22,472,772	21,749,413
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah		4,868,968	9,607,095	3,233,475	8,370,639
Deposits and placements with banks and other financial institutions	A6	4,107,184	2,655,745	6,305,474	7,069,270
Investment account placement		-	-	3,500,944	3,576,590
Financial investments at fair value through profit or loss	A7	36,861,689	30,611,899	29,472,678	25,704,819
Debt instruments at fair value through other comprehensive income	A8	51,574,457	48,472,288	39,384,523	34,706,107
Equity instruments at fair value through other comprehensive income	A9	274,248	274,621	267,759	267,757
Debt instruments at amortised cost	A10	70,091,741	58,339,507	53,830,280	46,772,580
Derivative financial instruments	A25	23,390,055	17,793,200	12,847,821	8,160,302
Loans, advances and financing	A11	353,115,763	340,829,961	204,642,787	198,109,269
Other assets	A12	13,079,272	8,809,159	8,770,718	5,491,325
Amounts due from holding company and ultimate holding company		1,878	13,555	1,812	13,544
Amount due from subsidiaries		-	-	15,728	7,031
Amount due from related companies		3,445,452	2,949,125	3,442,298	2,946,427
Tax recoverable		42,365	82,508	-	52,473
Deferred taxation		1,398,227	1,363,733	878,993	934,271
Statutory deposits with central banks		7,768,322	8,371,731	4,680,098	5,948,817
Investment in subsidiaries		-	-	6,814,156	6,793,718
Investment in joint venture		162,063	162,906	125,000	125,000
Property, plant and equipment		922,650	898,969	644,427	622,654
Right-of-use assets		547,470	466,076	469,635	382,229
Investment properties		2,756	-	-	-
Goodwill		3,946,440	3,938,393	3,555,075	3,555,075
Intangible assets		1,233,903	1,171,260	1,058,866	1,006,495
		612,037,443	573,968,258	406,415,319	382,365,805
Non-current assets held for sale		5,584	7,471	5,584	7,471
Total Assets		612,043,027	573,975,729	406,420,903	382,373,276
Liabilities					
Deposits from customers	A13	388,622,874	375,557,348	245,224,329	239,701,016
Investment accounts of customers	A14	17,721,366	13,684,632	-	-
Deposits and placements of banks and other financial institutions	A15	39,188,777	33,651,841	34,539,499	29,449,368
Repurchase agreements/Collateralised Commodity Murabahah		42,055,797	34,456,301	36,084,044	30,033,769
Financial liabilities designated at fair value through profit or loss	A16	6,681,582	6,668,894	1,226,592	1,119,964
Derivative financial instruments	A25	21,157,087	17,267,265	10,784,230	7,803,618
Bills and acceptances payable		1,295,652	1,408,497	471,490	664,513
Other liabilities	A17	18,477,721	18,442,588	14,180,038	12,312,537
Lease liabilities		560,133	485,678	477,923	397,838
Recourse obligation on loans and financing sold to Cagamas		1,163,791	650,667	1,163,791	650,667
Amount due to subsidiaries		-	-	269,914	456,615
Amount due to related companies		8,078	17,757	2,254	8,548
Provision for taxation and zakat		105,332	23,189	77,271	-
Bonds, Sukuk and debentures		10,076,886	9,436,209	9,058,836	8,629,698
Other borrowings		3,534,661	3,340,333	3,450,508	3,244,898
Subordinated obligations		9,762,160	9,969,400	9,253,912	9,517,776
Total Liabilities		560,411,897	525,060,599	366,264,631	343,990,825
Equity					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital		22,979,762	22,979,762	22,979,762	22,979,762
Reserves		28,100,945	25,403,623	16,946,770	15,172,949
		51,080,707	48,383,385	39,926,532	38,152,711
Perpetual preference shares		200,000	200,000	200,000	200,000
Redeemable preference shares		29,740	29,740	29,740	29,740
Non-controlling interests		320,683	302,005	-	-
Total Equity		51,631,130	48,915,130	40,156,272	38,382,451
Total Equity and Liabilities		612,043,027	573,975,729	406,420,903	382,373,276
Commitments and contingencies	A26	1,916,133,467	1,328,521,371	1,043,549,441	625,137,662
Net assets per ordinary share attributable to owners of the Parent (RM)		7.88	7.46	6.16	5.89

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2022.

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

The Group	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Interest income	A18	4,501,755	2,912,804	8,650,579	5,640,833
Interest income from financial assets at fair value through profit or loss	A19	250,000	137,277	481,135	257,118
Interest expense	A20	(2,862,504)	(1,068,171)	(5,388,290)	(1,969,218)
Net interest income (before modification loss)		1,889,251	1,981,910	3,743,424	3,928,733
Modification gain/(loss)	A21	(572)	8,558	(266)	6,794
Net interest income (after modification loss)		1,888,679	1,990,468	3,743,158	3,935,527
Income from Islamic Banking operations	A30(b)	843,574	765,172	1,680,712	1,513,495
Net non-interest income	A22	1,054,476	751,801	1,963,508	1,435,591
Net income		3,786,729	3,507,441	7,387,378	6,884,613
Overheads	A23	(1,735,818)	(1,589,620)	(3,402,255)	(3,174,298)
Profit before expected credit losses		2,050,911	1,917,821	3,985,123	3,710,315
Expected credit losses on loans, advances and financing	A24(a)	(311,699)	(272,057)	(453,885)	(346,232)
Expected credit losses for commitments and contingencies written back/(made)		111,420	(3,362)	41,682	(13,300)
Other expected credit losses and impairment allowances (made)/written back	A24(b)	(36,208)	26,202	(81,179)	(70,784)
		1,814,424	1,668,604	3,491,741	3,279,999
Share of results of joint venture		2,276	8,904	(842)	15,143
Profit before taxation and zakat		1,816,700	1,677,508	3,490,899	3,295,142
Taxation and zakat		(420,981)	(607,869)	(844,272)	(1,090,367)
Profit for the financial period		1,395,719	1,069,639	2,646,627	2,204,775
Profit for the financial period attributable to:					
Owners of the Parent		1,391,637	1,062,043	2,636,818	2,190,348
Non-controlling interests		4,082	7,596	9,809	14,427
		1,395,719	1,069,639	2,646,627	2,204,775
Earnings per share attributable to ordinary equity holders of the Parent - basic (sen)	B3	21.47	16.87	40.67	34.81

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2022.

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

The Group	2nd Quarter Ended		Six Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	1,395,719	1,069,639	2,646,627	2,204,775
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefits obligations	51	117	141	35
- Actuarial loss	(54)	-	(54)	-
- Income tax effects	11	-	11	-
- Currency translation difference	94	117	184	35
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(8,883)	(1,245)	15,536	(3,394)
- Net (loss)/gain from change in fair value	(6,017)	(1,899)	2,018	(3,625)
- Income tax effects	(1,664)	-	16,018	-
- Currency translation difference	(1,202)	654	(2,500)	231
Equity instruments at fair value through other comprehensive income	(6,580)	(3,769)	(7,256)	(12,778)
- Net loss from change in fair value	(871)	(79)	(599)	(8,304)
- Income tax effects	(64)	(33)	(44)	55
- Currency translation difference	(5,645)	(3,657)	(6,613)	(4,529)
	(15,412)	(4,897)	8,421	(16,137)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	162,489	(614,491)	553,291	(1,041,436)
- Net gain/(loss) from change in fair value	262,516	(860,354)	779,998	(1,387,826)
- Realised (gain)/loss transferred to statement of income on disposal	(63,393)	133,973	(113,844)	130,943
- Changes in expected credit losses	4,946	(34,470)	17,338	(33,651)
- Income tax effects	(31,228)	145,920	(117,689)	248,670
- Currency translation difference	(10,352)	440	(12,512)	428
Net investment hedge	(298,007)	(190,797)	(360,898)	(238,824)
Cash flow hedge	995	(8,531)	(654)	(8,930)
- Net gain/(loss) from change in fair value	2,401	(6,542)	359	(9,638)
- Income tax effects	(1,406)	(1,989)	(1,013)	708
Exchange fluctuation reserve	603,429	247,552	821,652	374,757
Deferred hedging cost	18,518	15,006	8,484	32,211
- Net gain from change in fair value	18,289	8,828	7,431	30,206
- Income tax effects	229	6,178	1,053	2,005
	487,424	(551,261)	1,021,875	(882,222)
Other comprehensive income/(expense) for the financial period, net of tax	472,012	(556,158)	1,030,296	(898,359)
Total comprehensive income for the financial period	1,867,731	513,481	3,676,923	1,306,416
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	1,858,611	512,257	3,655,500	1,303,362
Non-controlling interests	9,120	1,224	21,423	3,054
	1,867,731	513,481	3,676,923	1,306,416

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CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

<u>The Bank</u>	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
		RM'000	RM'000	RM'000	RM'000
Interest income	A18	3,959,700	2,502,934	7,632,007	4,845,469
Interest income for financial assets at fair value through profit or loss	A19	222,170	111,129	428,646	206,568
Interest expense	A20	(2,625,420)	(971,442)	(4,944,187)	(1,785,067)
Net interest income (before modification loss)		1,556,450	1,642,621	3,116,466	3,266,970
Modification loss	A21	(14)	(37)	(14)	(1,260)
Net interest income (after modification loss)		1,556,436	1,642,584	3,116,452	3,265,710
Income from Islamic Banking operations	A30(b)	60,187	26,089	116,384	42,270
Net non-interest income	A22	1,230,466	859,783	2,391,023	1,784,388
Net income		2,847,089	2,528,456	5,623,859	5,092,368
Overheads	A23	(1,450,861)	(1,254,209)	(2,838,004)	(2,551,847)
Profit before expected credit losses		1,396,228	1,274,247	2,785,855	2,540,521
Expected credit losses on loans, advances and financing	A24(a)	(162,431)	(64,591)	(177,441)	(87,537)
Expected credit losses for commitments and contingencies written back/(made)		102,971	(1,090)	79,328	(68,643)
Other expected credit losses and impairment allowances written back/(made)	A24(b)	3,245	64,109	(9,822)	(19,029)
Profit before taxation		1,340,013	1,272,675	2,677,920	2,365,312
Taxation		(308,606)	(483,505)	(624,331)	(796,816)
Profit for the financial period		1,031,407	789,170	2,053,589	1,568,496
Earnings per share - basic (sen)	B3	15.91	12.53	31.68	24.92

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CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

	Individual Quarter		Cumulative Quarters	
	2nd Quarter Ended	2nd Quarter Ended	Six Months Ended	Six Months Ended
<u>The Bank</u>	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	1,031,407	789,170	2,053,589	1,568,496
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk				
- Net loss from change in fair value	(2,921)	(5)	(482)	(5)
Equity instruments at fair value through other comprehensive income	(5,281)	(4,280)	(5,841)	(12,184)
- Net loss from change in fair value	(4)	(360)	(7)	(7,572)
- Income tax effects	(64)	8	(59)	8
- Currency translation difference	(5,213)	(3,928)	(5,775)	(4,620)
	(8,202)	(4,285)	(6,323)	(12,189)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	172,069	(473,097)	485,428	(802,357)
- Net gain/(loss) from change in fair value	267,430	(555,315)	654,799	(938,331)
- Realised (gain)/loss transferred to statement of income on disposal	(57,819)	20,511	(77,469)	4,665
- Changes in expected credit losses	4,805	(34,253)	16,455	(31,811)
- Income tax effects	(31,995)	95,520	(95,845)	162,692
- Currency translation difference	(10,352)	440	(12,512)	428
Net investment hedge	(251,884)	(157,182)	(309,941)	(199,571)
Cash flow hedge	(269)	(6,912)	3,593	(4,103)
- Net gain/(loss) from change in fair value	844	(4,531)	5,741	(3,619)
- Income tax effects	(1,113)	(2,381)	(2,148)	(484)
Exchange fluctuation reserve	393,043	242,037	499,984	312,715
Deferred hedging cost	20,503	14,685	9,554	29,338
- Net gain from change in fair value	20,274	8,507	8,501	27,334
- Income tax effects	229	6,178	1,053	2,004
	333,462	(380,469)	688,618	(663,978)
Other comprehensive income/(expense) for the financial period, net of tax	325,260	(384,754)	682,295	(676,167)
Total comprehensive income for the financial period	1,356,667	404,416	2,735,884	892,329

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CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

The Group	Attributable to owners of the Parent																			Total Equity RM'000
	Fair value reserve												Capital contribution by ultimate				Perpetual preference shares		Non-controlling interests	
	Ordinary share capital	Redeemable Preference Shares	Statutory reserve	Exchange fluctuation reserve	debt instruments at fair value comprehensive income	equity instruments at fair value comprehensive income							Defined benefits reserve	Retained earnings						
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	22,979,762	29,740	87,141	2,536,858	(1,256,086)	2,268	(1,085,928)	840,979	(1,608,029)	185,980	417,996	(76,689)	10,421	73,192	5,393	25,270,127	48,413,125	200,000	302,005	48,915,130
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,636,818	2,636,818	-	9,809	2,646,627
Other comprehensive income/ (expenses) (net of tax)	-	-	-	810,577	553,555	(7,183)	-	-	(362,660)	8,484	-	14,669	76	1,030	134	-	1,018,682	-	11,614	1,030,296
- debt instruments at fair value through other comprehensive income	-	-	-	-	553,555	-	-	-	-	-	-	-	-	-	-	-	553,555	-	(264)	553,291
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	(7,183)	-	-	-	-	-	-	-	-	-	-	(7,183)	-	(73)	(7,256)
- net investment hedge	-	-	-	-	-	-	-	(360,898)	-	-	-	-	-	-	-	-	(360,898)	-	-	(360,898)
- cash flow hedge	-	-	-	-	-	-	-	-	(1,762)	-	-	-	-	-	-	-	(1,762)	-	1,108	(654)
- currency translation difference	-	-	-	810,577	-	-	-	-	-	-	-	-	76	1,030	-	-	811,683	-	9,969	821,652
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	134	-	134	-	7	141
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	14,669	-	-	-	-	-	14,669	-	867	15,536
- deferred hedging cost	-	-	-	-	-	-	-	-	8,484	-	-	-	-	-	-	-	8,484	-	-	8,484
Total comprehensive income/ (expenses) for the financial period	-	-	-	810,577	553,555	(7,183)	-	-	(362,660)	8,484	-	14,669	76	1,030	134	2,636,818	3,655,500	-	21,423	3,676,923
Second interim dividend for the financial year ending 31 December 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(980,868)	(980,868)	-	-	(980,868)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,736)	(2,736)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	5,804	24,058	-	-	29,862	-	-	29,862
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(7,172)	-	-	-	(7,172)	-	(9)	(7,181)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	(1,368)	24,058	-	(980,868)	(958,178)	-	(2,745)	(960,923)
Transfer to statutory reserve	-	-	5,214	-	-	-	-	-	-	-	-	-	-	-	-	(5,214)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	492,596	-	-	-	-	-	(492,596)	-	-	-	-
Transfer to capital reserve	-	-	-	-	-	-	73,565	-	-	-	-	-	-	-	-	(73,565)	-	-	-	-
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	309	-	-	-	-	-	-	-	-	-	(309)	-	-	-	-
At 30 June 2023	22,979,762	29,740	92,355	3,347,435	(702,531)	(4,606)	(1,085,928)	914,544	(1,970,689)	194,464	910,592	(62,020)	9,129	98,280	5,527	26,354,393	51,110,447	200,000	320,683	51,631,130

*The regulatory reserve is maintained by the Bank and the banking subsidiaries in Malaysia to meet the local regulatory requirement.

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Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

The Group	Attributable to owners of the Parent																		Perpetual preference shares	Non-controlling interests	Total Equity
	Fair value reserve						Merger deficit	Capital reserve	Hedging reserve	Costs of hedging reserve	Regulatory reserve*	Own credit risk reserve	Share-based payment reserve	Capital contribution by ultimate holding company	Defined benefits reserve	Retained earnings	Total				
	Ordinary share capital	Redeemable Preference Shares	Statutory reserve	Exchange fluctuation reserve	debt instruments at fair value through other comprehensive income	equity instruments at fair value through other comprehensive income															
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
At 1 January 2022	21,855,078	29,740	73,305	1,988,726	(700,853)	15,892	(1,085,928)	805,772	(1,312,045)	164,628	129,196	(52,491)	32,253	27,136	(10,093)	23,367,930	45,328,246	200,000	285,401	45,813,647	
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,190,348	2,190,348	-	14,427	2,204,775	
Other comprehensive income/ (expenses) (net of tax)	-	-	-	380,211	(1,035,684)	(12,942)	-	-	(247,834)	32,211	-	(3,219)	87	151	33	-	(886,986)	-	(11,373)	(898,359)	
- debt instruments at fair value through other comprehensive income	-	-	-	-	(1,035,684)	-	-	-	-	-	-	-	-	-	-	-	(1,035,684)	-	(5,752)	(1,041,436)	
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	(12,942)	-	-	-	-	-	-	-	-	-	-	(12,942)	-	164	(12,778)	
- net investment hedge	-	-	-	-	-	-	-	-	(238,824)	-	-	-	-	-	-	-	(238,824)	-	-	(238,824)	
- cash flow hedge	-	-	-	-	-	-	-	-	(9,010)	-	-	-	-	-	-	-	(9,010)	-	80	(8,930)	
- currency translation difference	-	-	-	380,211	-	-	-	-	-	-	-	-	87	151	-	-	380,449	-	(5,692)	374,757	
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33	-	33	-	2	35	
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	-	(3,219)	-	-	-	-	(3,219)	-	(175)	(3,394)	
- deferred hedging cost	-	-	-	-	-	-	-	-	-	32,211	-	-	-	-	-	-	32,211	-	-	32,211	
Total comprehensive income/ (expenses) for the financial period	-	-	-	380,211	(1,035,684)	(12,942)	-	-	(247,834)	32,211	-	(3,219)	87	151	33	2,190,348	1,303,362	-	3,054	1,306,416	
Second interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(651,012)	(651,012)	-	-	(651,012)	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,282)	(2,282)	
Issue of shares from rights issue	322,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	322,732	-	-	322,732	
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	9,885	21,066	-	-	30,951	-	-	30,951	
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(21,948)	-	-	-	(21,948)	-	(47)	(21,995)	
Total transactions with owners recognised directly in equity	322,732	-	-	-	-	-	-	-	-	-	-	-	(21,948)	21,066	-	(651,012)	(319,277)	-	(2,329)	(321,606)	
Transfer to statutory reserve	-	-	4,289	-	-	-	-	-	-	-	-	-	-	-	-	(4,289)	-	-	-	-	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	212,218	-	-	-	-	-	(212,218)	-	-	-	-	
Transfer to capital reserve	-	-	-	-	-	-	34,184	-	-	-	-	-	-	-	-	(34,184)	-	-	-	-	
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	(282)	-	-	-	-	-	-	-	-	-	282	-	-	-	-	
At 30 June 2022	22,177,810	29,740	77,594	2,368,937	(1,736,537)	2,668	(1,085,928)	839,956	(1,559,879)	196,839	341,414	(55,710)	20,277	48,353	(10,060)	24,656,857	46,312,331	200,000	286,126	46,798,457	

*The regulatory reserve is maintained by the Bank and the banking subsidiaries in Malaysia to meet the local regulatory requirement.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2022.

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

The Bank	Non-distributable														Distributable		
	Fair value reserve					Non-distributable					Distributable				Total		
	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Exchange fluctuation reserve RM'000	debt instruments at fair value through other comprehensive income RM'000	equity instruments at fair value through other comprehensive income RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Costs of hedging reserve RM'000	Regulatory reserve ^a RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Retained earnings RM'000	Perpetual preference shares RM'000	Equity RM'000	
At 1 January 2023	22,979,762	29,740	1,259,253	(1,065,726)	26,621	(1,047,872)	746,852	(1,100,949)	178,251	233,281	327	9,301	59,925	15,873,685	200,000	38,382,451	
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	2,053,589	-	-	2,053,589	
Other comprehensive income/ (expenses) (net of tax)	-	-	499,389	485,428	(5,841)	-	(306,348)	9,554	-	(482)	40	555	-	-	-	682,295	
- debt instruments at fair value through other comprehensive income	-	-	-	485,428	-	-	-	-	-	-	-	-	-	-	-	485,428	
- equity instruments at fair value through other comprehensive income	-	-	-	-	(5,841)	-	-	-	-	-	-	-	-	-	-	(5,841)	
- net investment hedge	-	-	-	-	-	-	(309,941)	-	-	-	-	-	-	-	-	(309,941)	
- cash flow hedge	-	-	-	-	-	-	3,593	-	-	-	-	-	-	-	-	3,593	
- currency translation difference	-	-	499,389	-	-	-	-	-	-	-	40	555	-	-	-	499,984	
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	(482)	-	-	-	-	-	(482)	
- deferred hedging cost	-	-	-	-	-	-	-	9,554	-	-	-	-	-	-	-	9,554	
Total comprehensive income/ (expenses) for the financial period	-	-	499,389	485,428	(5,841)	-	(306,348)	9,554	-	(482)	40	555	2,053,589	-	-	2,735,884	
Second interim dividend for the financial year ending 31 December 2022	-	-	-	-	-	-	-	-	-	-	-	-	(980,868)	-	-	(980,868)	
Issue of shares from rights issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	5,192	19,942	-	-	-	25,134	
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(6,329)	-	-	-	-	(6,329)	
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	(1,137)	19,942	(980,868)	-	-	(962,063)	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	423,238	-	-	-	(423,238)	-	-	-	
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	309	-	-	-	-	-	-	-	(309)	-	-	-	
At 30 June 2023	22,979,762	29,740	1,758,642	(580,298)	21,089	(1,047,872)	746,852	(1,407,297)	187,805	656,519	(155)	8,204	80,422	16,522,859	200,000	40,156,272	

^aThe regulatory reserve is maintained by the Bank to meet the local regulatory requirement.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2022.

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Non-distributable										Distributable					
	Ordinary share capital	Redeemable Preference Shares	Exchange fluctuation reserve	Fair value reserve debt instruments at fair value through other comprehensive income	Fair value reserve equity instruments at fair value through other comprehensive income	Merger deficit	Capital reserve	Hedging reserve	Costs of hedging reserve	Regulatory reserve*	Own credit risk reserve	Share-based payment reserve	Capital contribution by ultimate holding company	Retained earnings	Perpetual preference shares	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	21,855,078	29,740	866,352	(586,984)	38,228	(1,047,872)	746,852	(841,173)	155,962	129,196	(1)	29,255	22,401	15,089,329	200,000	36,686,363
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	1,568,496	-	1,568,496
Other comprehensive income/ (expenses) (net of tax)	-	-	312,515	(802,357)	(12,184)	-	-	(203,674)	29,338	-	(5)	83	117	-	-	(676,167)
- debt instruments at fair value through other comprehensive income	-	-	-	(802,357)	-	-	-	-	-	-	-	-	-	-	-	(802,357)
- equity instruments at fair value through other comprehensive income	-	-	-	-	(12,184)	-	-	-	-	-	-	-	-	-	-	(12,184)
- net investment hedge	-	-	-	-	-	-	-	(199,571)	-	-	-	-	-	-	-	(199,571)
- cash flow hedge	-	-	-	-	-	-	-	(4,103)	-	-	-	-	-	-	-	(4,103)
- currency translation difference	-	-	312,515	-	-	-	-	-	-	-	-	83	117	-	-	312,715
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	(5)	-	-	-	-	(5)
- deferred hedging cost	-	-	-	-	-	-	-	-	29,338	-	-	-	-	-	-	29,338
Total comprehensive income/ (expenses) for the financial period	-	-	312,515	(802,357)	(12,184)	-	-	(203,674)	29,338	-	(5)	83	117	1,568,496	-	892,329
Second interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	(651,012)	-	(651,012)
Issue of shares from rights issue	322,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	322,732
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	8,923	17,076	-	-	25,999
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	(19,848)	-	-	-	(19,848)
Total transactions with owners recognised directly in equity	322,732	-	-	-	-	-	-	-	-	-	-	(10,925)	17,076	(651,012)	-	(322,129)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	211,599	-	-	-	-	(211,599)	-	-
At 30 June 2022	22,177,810	29,740	1,178,867	(1,389,341)	26,044	(1,047,872)	746,852	(1,044,847)	185,300	340,795	(6)	18,413	39,594	15,795,214	200,000	37,256,563

*The regulatory reserve is maintained by the Bank to meet the local regulatory requirement.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2022.

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

	The Group		The Bank	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Profit before taxation and zakat	3,490,899	3,295,142	2,677,920	2,365,312
Adjustments for non-operating and non-cash items	<u>(1,478,345)</u>	(456,304)	<u>(1,854,868)</u>	(703,838)
Operating profit before changes in working capital	2,012,554	2,838,838	823,052	1,661,474
Net changes in operating assets	<u>(21,179,829)</u>	(17,557,701)	<u>(10,889,310)</u>	(9,882,844)
Net changes in operating liabilities	<u>30,736,027</u>	26,045,098	<u>18,965,427</u>	16,188,442
	9,556,198	8,487,397	8,076,117	6,305,598
Cash flows generated from operations	<u>11,568,752</u>	11,326,235	<u>8,899,169</u>	7,967,072
Taxation paid	<u>(864,765)</u>	(810,662)	<u>(531,630)</u>	(536,202)
Net cash flows generated from operating activities	10,703,987	10,515,573	8,367,539	7,430,870
Cash flows from investing activities				
Dividend income	36,658	32,074	165,198	157,030
Investment in subsidiary	-	-	-	27,377
Interest income received from financial investments	1,922,953	1,582,509	1,503,665	1,212,900
Net purchase of financial investments	<u>(14,272,985)</u>	(6,666,575)	<u>(10,922,344)</u>	(2,236,360)
Net purchase of property, plant and equipment	<u>(95,079)</u>	(113,181)	<u>(80,260)</u>	(103,515)
Net purchase from disposal of intangible assets	<u>(230,338)</u>	(123,907)	<u>(193,973)</u>	(100,792)
Other investing activities	<u>(61,965)</u>	(7,529)	<u>(62,102)</u>	(6,567)
Net cash flows used in investing activities	<u>(12,700,756)</u>	(5,296,609)	<u>(9,589,816)</u>	(1,049,927)
Cash flows from financing activities				
Dividend paid	<u>(983,604)</u>	(653,294)	<u>(980,868)</u>	(651,012)
Interest expense paid on bonds and debentures	<u>(216,729)</u>	(85,438)	<u>(215,869)</u>	(90,552)
Interest expense paid on other borrowings	<u>(97,565)</u>	(15,027)	<u>(94,401)</u>	(13,533)
Interest expense paid on subordinated obligations	<u>(224,427)</u>	(151,272)	<u>(222,824)</u>	(151,344)
Proceeds from issuance of bonds and debentures	2,227,736	4,885,728	-	2,099,572
Proceeds from issuance of other borrowings	-	29,779	-	-
Proceeds from issuance of subordinated obligations	815,000	-	400,000	-
Proceeds from issuance of recourse obligation on loans and financing sold to Cagamas	512,000	-	512,000	-
Repayment of bonds and debentures	<u>(2,055,418)</u>	(4,997,303)	-	(3,166,628)
Repayment of other borrowings	<u>(15,121)</u>	(1,273,823)	-	(1,175,216)
Repayment of subordinated obligations	<u>(1,090,000)</u>	-	<u>(700,000)</u>	-
Other financing activities	<u>(49,504)</u>	235,148	<u>(34,021)</u>	249,365
Net cash flows used in financing activities	<u>(1,177,632)</u>	(2,025,502)	<u>(1,335,983)</u>	(2,899,348)
Net increase in cash and cash equivalents	<u>(3,174,401)</u>	3,193,462	<u>(2,558,260)</u>	3,481,595
Effects of exchange rate changes	877,845	311,226	822,927	268,330
Cash and cash equivalents at the beginning of financial period	36,939,857	34,198,752	29,361,500	25,179,356
Cash and cash equivalents at end of financial period	<u>34,643,301</u>	37,703,440	<u>27,626,167</u>	28,929,281
Cash and cash equivalents comprise:				
Cash and short-term funds	35,202,540	37,369,538	22,472,772	24,780,991
Deposits and placements with banks and other financial institutions	4,107,184	2,560,645	6,305,474	2,834,487
Investment account placement	-	-	3,500,944	3,652,002
	<u>39,309,724</u>	39,930,183	<u>32,279,190</u>	31,267,480
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	<u>(4,666,423)</u>	(2,226,743)	<u>(4,653,023)</u>	(2,338,199)
Cash and cash equivalents at end of financial period	<u>34,643,301</u>	37,703,440	<u>27,626,167</u>	28,929,281

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2022.

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 30 June 2023 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, derivative financial instruments and non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2022.

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 2022, and modified for the adoption of the following accounting standards and amendments to published standards applicable for financial periods beginning on/after 1 January 2023:

- Amendments to MFRS 112 ‘Deferred Tax related to Assets and Liabilities arising from a Single Transaction’
- Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on disclosure of accounting policies and definition of accounting estimates

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

The unaudited condensed interim financial statements incorporate those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business 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 Bank’s accounting policies. Although these estimates and assumptions are based on the Directors’ best knowledge of current events and actions, actual results may differ from 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.

PART A - EXPLANATORY NOTES (CONTINUED)

A3 ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

a) During the financial period, Merdeka Kapital Berhad ("MKB"), a special purpose vehicle consolidated by the Bank, undertook a partial redemption of the Medium Term Note amounting to RM37.2 million.

b) During the financial period, CIMB Thai Bank issued various unsecured structured debentures amounted to THB387.8 million with tenures ranges between 1 month to three years from respective issuance dates. The Bank will pay interest according to the conditions of agreements.

During the financial period, CIMB Thai Bank has redeemed structured debentures amounted to THB516.8 million.

c) During the financial period, CIMB Thai Bank issued various unsecured short term debentures amounted to THB16.8 billion with tenures ranges between 6 to 9 months from respective issuance dates. The short term debentures carry fixed interest rates of 2.05%, payable at respective maturity dates.

During the financial period, CIMB Thai Bank has redeemed unsecured short term debentures amounted to THB15.0 billion.

d) On 8 March 2023, the Bank issued RM400 million 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah to CIMB Group bearing a periodic distribution rate of 4.30% per annum, payable on a semi-annual basis. The said Sustainability Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme.

e) On 29 March 2023, the Bank redeemed its existing RM700 million Tier 2 Subordinated Debt issued under RM10.0 billion Tier 2 Subordinated Debt Programme on the first call date.

f) On 29 March 2023, CIMB Thai redeemed its existing RM390 million Tier 2 subordinated notes.

g) On 29 March 2023, CIMB Thai issued RM415 million Basel III compliant Tier 2 subordinated notes. The subordinated notes carry fixed interest rate of 4.70% per annum payable every six months. The subordinated notes will mature on 29 March 2033. CIMB Thai may exercise its right to early redeem the subordinated notes 5 years after issue date, and on each coupon payment date thereafter, subject to approval by the Bank of Thailand.

h) On 17 July 2023, the Bank redeemed its existing 2,974,009,486 Redeemable Preference Shares, equivalent to RM29.7 million.

A4. DIVIDENDS PAID

A single-tier second interim dividend of approximately 15.13 sen per ordinary share, on 6,482,931,878 ordinary shares amounting to RM981 million in respect of the financial year ended 31 December 2022 which was approved by the Board of Directors on 30 January 2023, was paid on 16 March 2023.

The Board of Directors has proposed a single-tier first interim dividend of 25.30 sen per ordinary share, on 6,482,931,878 ordinary shares amounting to RM1,640 million in respect of the financial year ending 31 December 2023.

A5. EVENTS DURING THE REPORTING PERIOD/SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There is no significant events that had occurred between 30 June 2023 and the date of this announcement other than those disclosed under issuance and repayment of debts and equity securities.

PART A - EXPLANATORY NOTES (CONTINUED)

A6. CASH AND SHORT-TERM FUNDS AND DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

As at 30 June 2023, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM177,000 and RM2,077,000 (2022: RM45,000 and RM2,361,000) for the Group respectively and RMNil and RM81,000 (2022: RMNil and RM599,000) for the Bank respectively. The 12-month expected credit losses written back in the income statements of the Group and the Bank during the financial period amounting to RM168,000 and RM524,000 respectively (30 June 2022: RM87,000 and RM1,113,000 respectively).

A7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	2,774,182	3,141,965	2,774,182	3,141,965
Cagamas bonds	942,174	1,021,901	565,973	616,782
Malaysian Government treasury bills	874,444	1,265,864	507,277	820,856
Bank Negara Malaysia Monetary Notes	1,980,429	1,094,640	1,937,110	1,094,640
Negotiable instruments of deposit	3,508,161	193,586	1,267,422	93,797
Other Government securities	5,272,734	3,022,373	2,385,489	762,446
Government Investment Issues	2,286,201	3,080,842	1,806,880	2,371,546
Other Government treasury bills	10,170,623	10,370,577	10,170,623	10,370,577
Promissory Notes	313,871	295,529	313,871	295,529
Commercial papers	129,888	24,753	90,092	24,753
	28,252,707	23,512,030	21,818,919	19,592,891
Quoted securities:				
<u>In Malaysia</u>				
Shares	1,133,317	988,048	1,133,317	988,048
	1,133,317	988,048	1,133,317	988,048
<u>Outside Malaysia</u>				
Shares	411,358	352,026	411,358	352,026
	1,544,675	1,340,074	1,544,675	1,340,074
Unquoted securities:				
<u>In Malaysia</u>				
Shares	1,007,736	1,010,510	994,206	996,980
Corporate bond and Sukuk	3,254,716	3,103,138	3,166,429	2,720,173
	4,262,452	4,113,648	4,160,635	3,717,153
<u>Outside Malaysia</u>				
Corporate bond	2,701,680	1,506,648	1,848,274	915,202
Private equity funds	100,175	139,499	100,175	139,499
	2,801,855	1,646,147	1,948,449	1,054,701
	36,861,689	30,611,899	29,472,678	25,704,819

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	5,787,835	5,107,076	5,787,835	5,107,076
Cagamas bonds	267,751	396,349	222,201	361,111
Other government treasury bills	148,476	140,102	148,476	140,102
Other government securities	5,086,752	7,618,253	1,308,034	1,190,662
Negotiable instruments of deposit	-	232,584	-	232,584
Government investment issues	7,417,950	6,427,540	5,721,186	4,912,597
Commercial papers	54,930	-	54,930	-
	18,763,694	19,921,904	13,242,662	11,944,132
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	22,389,658	20,139,108	18,678,508	16,685,374
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	10,421,105	8,411,276	7,463,353	6,076,601
	51,574,457	48,472,288	39,384,523	34,706,107

PART A - EXPLANATORY NOTES (CONTINUED)

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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

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

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	39,831	1,229	-	41,060
Changes in expected credit losses due to transferred within stages:	(32)	32	-	-
Transferred to Stage 2	(32)	32	-	-
Total charge to Statement of Income:	17,598	(260)	-	17,338
New financial assets purchased	40,169	-	-	40,169
Financial assets that have been derecognised	(9,297)	(33)	-	(9,330)
Change in credit risk	(13,274)	(227)	-	(13,501)
Exchange fluctuation	2,056	1	-	2,057
At 30 June 2023	59,453	1,002	-	60,455

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 2022	41,101	1,748	20,849	63,698
Changes in expected credit losses due to transferred within stages:	(54)	54	-	-
Transferred to Stage 1	116	(116)	-	-
Transferred to Stage 2	(170)	170	-	-
Total charge to Statement of Income:	(3,077)	(574)	(20,849)	(24,500)
New financial assets purchased	29,656	-	-	29,656
Financial assets that have been derecognised	(5,516)	(7)	-	(5,523)
Writeback in respect of full recoveries	-	-	(20,849)	(20,849)
Change in credit risk	(27,217)	(567)	-	(27,784)
Exchange fluctuation	1,861	1	-	1,862
At 31 December 2022	39,831	1,229	-	41,060

PART A - EXPLANATORY NOTES (CONTINUED)

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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

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

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	38,370	1,226	-	39,596
Changes in expected credit losses due to transferred within stages:	(32)	32	-	-
Transferred to Stage 2	(32)	32	-	-
Total charge to Statement of Income:	16,715	(260)	-	16,455
New financial assets purchased	36,728	-	-	36,728
Financial assets that have been derecognised	(9,046)	(33)	-	(9,079)
Change in credit risk	(10,967)	(227)	-	(11,194)
Exchange fluctuation	2,041	-	-	2,041
At 30 June 2023	57,094	998	-	58,092

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	37,733	1,747	20,849	60,329
Changes in expected credit losses due to transferred within stages:	(54)	54	-	-
Transferred to Stage 1	116	(116)	-	-
Transferred to Stage 2	(170)	170	-	-
Total charge to Statement of Income:	(1,165)	(574)	(20,849)	(22,588)
New financial assets purchased	27,971	-	-	27,971
Financial assets that have been derecognised	(5,363)	(7)	-	(5,370)
Writeback in respect of full recoveries	-	-	(20,849)	(20,849)
Change in credit risk	(23,773)	(567)	-	(24,340)
Exchange fluctuation	1,856	(1)	-	1,855
At 31 December 2022	38,370	1,226	-	39,596

PART A - EXPLANATORY NOTES (CONTINUED)

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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

The Group and The Bank	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
	At 1 January/30 June 2023	-

The Group and The Bank	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
	At 1 January 2022	20,849
Amount recovered	(20,849)	(20,849)
At 31 December 2022	-	-

PART A - EXPLANATORY NOTES (CONTINUED)

A9. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Quoted securities:				
<u>Outside Malaysia</u>				
Shares	1,836	1,860	69	72
	<u>1,836</u>	<u>1,860</u>	<u>69</u>	<u>72</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	265,579	265,579	265,229	265,229
	<u>265,579</u>	<u>265,579</u>	<u>265,229</u>	<u>265,229</u>
<u>Outside Malaysia</u>				
Shares	6,755	7,109	2,383	2,383
Private equity funds	78	73	78	73
	<u>6,833</u>	<u>7,182</u>	<u>2,461</u>	<u>2,456</u>
	<u>274,248</u>	<u>274,621</u>	<u>267,759</u>	<u>267,757</u>

A10. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Money market instruments				
Unquoted:				
Malaysian Government securities	10,828,129	9,262,963	10,726,788	9,161,622
Cagamas bonds	489,267	503,023	469,196	472,910
Other Government treasury bills	8,923,580	5,144,798	8,923,580	5,144,798
Other Government's securities	4,820,401	3,535,311	1,378,778	747,755
Malaysian Government Investment Issue	19,152,688	16,652,622	12,891,368	13,143,827
Khazanah bonds	202,027	202,027	112,980	112,980
	<u>44,416,092</u>	<u>35,300,744</u>	<u>34,502,690</u>	<u>28,783,892</u>
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	22,175,661	19,812,585	16,014,359	15,279,916
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	4,164,969	3,835,386	3,971,972	3,324,770
	<u>26,340,630</u>	<u>23,647,971</u>	<u>19,986,331</u>	<u>18,604,686</u>
Amortisation of premium net of accretion of discount	(67,385)	(28,788)	(54,252)	(26,760)
Less : Expected credit losses	(597,596)	(580,420)	(604,489)	(589,238)
	<u>70,091,741</u>	<u>58,339,507</u>	<u>53,830,280</u>	<u>46,772,580</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

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 2023	5,416	3,847	571,157	580,420
Changes in expected credit losses due to transfer within stages:	3,397	(3,397)	-	-
Transferred to Stage 1	3,537	(3,537)	-	-
Transferred to Stage 2	(140)	140	-	-
Total charge to Statement of Income:	553	(312)	(779)	(538)
New financial assets purchased	13,330	-	-	13,330
Financial assets that have been derecognised	(2,853)	-	-	(2,853)
Change in credit risk	(9,924)	(312)	(779)	(11,015)
Exchange fluctuation	301	-	6	307
Other movements	-	-	17,407	17,407
At 30 June 2023	9,667	138	587,791	597,596

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 2022	1,592	31,266	609,717	642,575
Changes in expected credit losses due to transferred within stages:	1,041	(1,041)	-	-
Transferred to Stage 1	1,275	(1,275)	-	-
Transferred to Stage 2	(234)	234	-	-
Total charge to Statement of Income:	2,457	(26,378)	(78,158)	(102,079)
New financial assets purchased	12,829	-	-	12,829
Financial assets that have been derecognised	(1,283)	(7)	-	(1,290)
Change in credit risk	(9,089)	(26,371)	(78,158)	(113,618)
Exchange fluctuation	326	-	2	328
Other movements	-	-	39,596	39,596
At 31 December 2022	5,416	3,847	571,157	580,420

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 2023	1,314,639	1,314,639
Other changes in debts instruments	30,246	30,246
Exchange fluctuation	29,026	29,026
At 30 June 2023	1,373,911	1,373,911

The Group	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	1,226,759	1,226,759
Other changes in debts instruments	63,737	63,737
Exchange fluctuation	24,143	24,143
At 31 December 2022	1,314,639	1,314,639

PART A - EXPLANATORY NOTES (CONTINUED)

A10. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost:

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	21,408	3,846	563,984	589,238
Changes in expected credit losses due to transfer within stages:	3,397	(3,397)	-	-
Transferred to Stage 1	3,537	(3,537)	-	-
Transferred to Stage 2	(140)	140	-	-
Total charge to Statement of Income:	(1,366)	(312)	(779)	(2,457)
New financial assets purchased	11,115	-	-	11,115
Financial assets that have been derecognised	(2,853)	-	-	(2,853)
Change in credit risk	(9,628)	(312)	(779)	(10,719)
Exchange fluctuation	301	-	-	301
Other movements	-	-	17,407	17,407
At 30 June 2023	23,740	137	580,612	604,489

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	20,650	31,266	609,566	661,482
Changes in expected credit losses due to transfer within stages:	1,041	(1,041)	-	-
Transferred to Stage 1	1,275	(1,275)	-	-
Transferred to Stage 2	(234)	234	-	-
Total charge to Statement of Income:	(609)	(26,379)	(78,158)	(105,146)
New financial assets purchased	10,700	-	-	10,700
Financial assets that have been derecognised	(1,283)	(7)	-	(1,290)
Change in credit risk	(10,026)	(26,372)	(78,158)	(114,556)
Exchange fluctuation	326	-	-	326
Other movements	-	-	32,576	32,576
At 31 December 2022	21,408	3,846	563,984	589,238

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

The Bank	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	805,694	805,694
Other changes in debts instruments	23,755	23,755
At 30 June 2023	829,449	829,449

The Bank	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	764,210	764,210
Other changes in debts instruments	41,484	41,484
At 31 December 2022	805,694	805,694

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
(i) By type of financing				
<i>At amortised cost</i>				
Overdrafts	5,103,658	4,932,750	2,602,089	2,541,516
Term loans/financing				
- Housing loan/financing	125,226,746	119,482,023	67,147,870	66,546,814
- Syndicated term loan	22,093,292	21,904,930	19,932,951	19,663,602
- Other term loans/financing	127,304,331	122,124,094	72,770,187	66,915,531
- Factoring receivables	187	1,685	-	-
- Lease receivables	2,664	391	-	-
- Hire purchase receivables	23,692,099	22,744,369	2,161,091	2,719,192
Bills receivable	7,082,734	6,699,962	4,104,904	4,160,881
Trust receipts	2,339,439	2,660,658	1,203,675	1,261,574
Claim on customers under acceptance credit	2,987,237	3,511,101	1,966,592	2,509,088
Staff loans *	1,475,986	1,444,636	1,043,835	1,038,323
Credit card receivables	7,077,283	6,786,867	6,839,981	6,578,324
Revolving credit	36,569,493	36,198,094	30,048,697	29,368,856
Share margin financing	47,678	50,346	47,678	50,346
Gross loans, advances and financing, at amortised cost	361,002,827	348,541,906	209,869,550	203,354,047
Fair value changes arising from fair value hedges	(83,998)	(99,907)	(82,275)	(98,075)
	<u>360,918,829</u>	<u>348,441,999</u>	<u>209,787,275</u>	<u>203,255,972</u>
Less: Expected credit losses	(7,892,909)	(7,719,590)	(5,234,331)	(5,254,255)
Net loans, advances and financing at amortised cost	<u>353,025,920</u>	<u>340,722,409</u>	<u>204,552,944</u>	<u>198,001,717</u>
<i>At fair value through profit or loss</i>				
Term loans/financing				
- Syndicated term loan	89,843	107,552	89,843	107,552
	<u>89,843</u>	<u>107,552</u>	<u>89,843</u>	<u>107,552</u>
Total net loans, advances and financing	<u>353,115,763</u>	<u>340,829,961</u>	<u>204,642,787</u>	<u>198,109,269</u>
Total gross loans, advances and financing				
- At amortised cost	361,002,827	348,541,906	209,869,550	203,354,047
- At fair value through profit or loss	89,843	107,552	89,843	107,552
	<u>361,092,670</u>	<u>348,649,458</u>	<u>209,959,393</u>	<u>203,461,599</u>

* Loans to Directors of the Group and the Bank (including Directors of subsidiary) amounting to RM4,976,285 (2022: RM2,868,964) and RM2,719,739 (2022: RM592,635) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

(a) Included in the Group's and the Bank's loans, advances and financing balances are RM18,775,000 (2022: RM21,919,000) 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 and the Bank have undertaken fair value hedge on the interest rate risk of loans, advances and financing of RM1,770,551,000 (2022: RM1,786,866,000) and RM1,724,213,000 (2022: RM1,734,256,000) respectively, using interest rate swaps.

(c) As part of an arrangement with CIMB Islamic in relation to the Restricted Profit Sharing Investment Accounts ("RPSIA"), the Bank records as Investment account placement, its exposure in the arrangement, whereas CIMB Islamic records its exposure as loans, advances and financing. The RPSIA arrangement exposes the Bank to the risks and rewards on the financing and accordingly, the Bank accounts for expected credit losses for financing arising thereon.

As at 30 June 2023, the gross exposure and expected credit losses relating to RPSIA financing are RM3,502,178,000 (2022: RM3,577,694,000) and RM515,000 (2022: RM748,000) respectively.

(d) Included in the loans, advances and financing of the Group and the Bank are financing which are disclosed as "Restricted Agency Investment Account" in the financial statements of CIMB Islamic. These details are as follows:

	The Group		The Bank	
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Syndicated term loan	1,531,545	1,532,275	1,531,545	1,532,275
Other term loan	10,147,356	9,046,800	10,147,356	9,046,800
Revolving credit	702,086	701,354	702,086	701,354
	12,380,987	11,280,429	12,380,987	11,280,429

Restricted Agency Investment Account ("RAIA") arrangement is with the Bank's wholly owned subsidiary, CIMB Islamic, and the contract is based on the Wakalah principle where the Bank, solely provide the funds, whilst the assets are managed by CIMB Islamic (as the Wakeel or agent). In the arrangement, CIMB Islamic has transferred substantially all the risk and rewards of ownership of the Investment (i.e the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and expected credit losses arising thereon, if any, are recognised and accounted for by the Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
(ii) By type of customers				
Domestic banking institutions	227,331	323,738	-	125,235
Domestic non-bank financial institutions				
- stockbroking companies	243,285	390,700	243,285	371,188
- others	6,090,357	5,375,300	3,037,948	2,168,446
Domestic business enterprises				
- small medium enterprises	40,715,646	39,113,607	21,075,336	20,996,212
- others	46,943,885	46,168,237	25,453,775	25,039,723
Government and statutory bodies	11,768,946	11,813,303	9,980,395	10,017,429
Individuals	207,080,466	201,702,926	105,100,599	103,788,567
Other domestic entities	2,271,586	2,293,741	38,042	32,195
Foreign entities	45,751,168	41,467,906	45,030,013	40,922,604
Gross loans, advances and financing	361,092,670	348,649,458	209,959,393	203,461,599
(iii) By interest rate sensitivity				
Fixed rate				
- Housing loans/ financing	6,461,052	6,301,450	4,345,821	3,576,709
- Hire purchase receivables	20,367,655	19,711,850	1,478,764	1,749,598
- Other fixed rate loans	39,112,705	39,551,245	28,396,670	28,645,249
Variable rate				
- BLR plus/BFR plus	75,406,015	75,712,095	49,112,658	50,963,275
- Cost-plus	60,310,643	57,474,041	43,573,740	40,733,430
- Other variable rates	159,434,600	149,898,777	83,051,740	77,793,338
Gross loans, advances and financing	361,092,670	348,649,458	209,959,393	203,461,599
(iv) By economic purpose				
Personal use	19,673,129	18,548,708	15,448,685	14,687,769
Credit cards	7,077,283	6,786,867	6,839,981	6,578,324
Purchase of consumer durables	381,020	671,165	38,339	41,745
Construction	10,446,570	9,872,593	6,704,496	6,629,645
Residential property (housing)	126,844,326	121,096,546	67,079,917	66,493,663
Non-residential property	36,807,483	34,487,063	24,946,984	23,557,834
Purchase of fixed assets other than land and buildings	3,514,859	3,695,917	2,454,438	2,709,414
Mergers and acquisitions	2,363,824	2,301,167	2,057,349	1,977,057
Purchase of securities	22,041,629	22,653,271	9,786,501	7,496,836
Purchase of transport vehicles	23,898,188	22,941,545	2,212,492	2,778,259
Working capital	77,325,100	75,048,333	52,725,902	50,713,728
Other purposes	30,719,259	30,546,283	19,664,309	19,797,325
Gross loans, advances and financing	361,092,670	348,649,458	209,959,393	203,461,599

PART A - EXPLANATORY NOTES (CONTINUED)**A11. LOANS, ADVANCES AND FINANCING (CONTINUED)**

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
(v) By geographical distribution				
Malaysia	257,674,173	253,286,293	144,466,185	143,892,489
Indonesia	2,295,894	2,172,831	2,295,894	2,172,831
Thailand	34,926,092	32,833,151	2,423,292	2,295,570
Singapore	40,998,413	37,002,402	40,998,413	37,002,402
United Kingdom	7,206,037	4,667,221	7,206,037	4,667,221
Hong Kong	709,485	1,494,957	709,485	1,494,957
China	3,350,395	3,272,678	3,350,395	3,272,678
Other countries	13,932,181	13,919,925	8,509,692	8,663,451
Gross loans, advances and financing	361,092,670	348,649,458	209,959,393	203,461,599
(vi) By economic sector				
Primary agriculture	8,998,069	8,315,725	4,643,086	4,211,079
Mining and quarrying	3,809,591	4,007,421	2,732,381	2,870,175
Manufacturing	18,926,354	18,448,598	11,727,219	11,486,842
Electricity, gas and water supply	5,824,832	4,508,901	3,131,921	2,318,763
Construction	10,483,245	10,180,218	7,149,766	7,340,313
Transport, storage and communications	8,881,858	10,405,432	5,126,435	5,954,895
Education, health and others	19,189,921	19,128,367	15,723,697	15,582,155
Wholesale and retail trade, and restaurants and hotels	27,418,712	24,753,638	16,816,030	14,564,956
Finance, insurance/takaful, real estate and business activities	49,939,686	46,136,546	35,473,885	32,326,415
Household	203,384,286	198,639,063	103,285,481	102,753,487
Others	4,236,116	4,125,549	4,149,492	4,052,519
	361,092,670	348,649,458	209,959,393	203,461,599
(vii) By residual contractual maturity				
Within one year	66,969,350	65,784,616	50,161,894	48,928,114
One year to less than three years	26,849,691	23,438,254	20,427,739	17,572,879
Three years to less than five years	35,439,129	33,263,122	23,193,792	21,083,280
Five years and more	231,834,500	226,163,466	116,175,968	115,877,326
Gross loans, advances and financing	361,092,670	348,649,458	209,959,393	203,461,599

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
(viii) Credit impaired loans, advances and financing by economic purpose				
Personal use	317,925	350,326	203,931	245,517
Credit cards	141,697	121,301	137,004	118,221
Purchase of consumer durables	967	1,997	483	895
Construction	321,097	292,140	145,099	125,172
Residential property (housing)	3,463,242	2,737,980	1,613,267	1,372,607
Non-residential property	744,871	705,929	561,653	544,389
Purchase of fixed assets other than land and buildings	32,145	30,136	3,711	3,559
Purchase of securities	45,799	53,934	43,031	44,785
Purchase of transport vehicles	320,284	300,204	70,580	76,631
Working capital	3,003,570	2,820,564	2,755,888	2,634,220
Merger and acquisition	38,721	-	38,721	-
Other purposes	779,750	738,460	429,578	380,284
Gross credit impaired loans, advances and financing	<u>9,210,068</u>	<u>8,152,971</u>	<u>6,002,946</u>	<u>5,546,280</u>
(ix) Credit impaired loans, advances and financing by geographical distribution				
Malaysia	6,139,453	5,302,975	4,203,525	3,868,657
Indonesia	30,924	28,531	30,924	28,531
Thailand	1,186,754	1,137,178	-	-
Singapore	740,516	736,184	740,516	736,184
United Kingdom	6,531	8,700	6,531	8,700
Hong Kong	156,406	142,284	156,406	142,284
China	2,821	4,546	2,821	4,546
Other countries	946,663	792,573	862,223	757,378
Gross credit impaired loans, advances and financing	<u>9,210,068</u>	<u>8,152,971</u>	<u>6,002,946</u>	<u>5,546,280</u>
(x) Credit impaired loans, advances and financing by economic sector				
Primary agriculture	86,674	84,888	27,402	29,704
Mining and quarrying	1,041,897	994,091	1,041,399	992,953
Manufacturing	274,961	251,464	205,929	195,539
Electricity, gas and water supply	450	111	449	111
Construction	186,807	155,479	108,789	95,993
Transport, storage and communications	311,748	389,202	302,836	382,302
Education, health and others	113,205	156,934	31,052	28,375
Wholesale and retail trade, and restaurants and hotels	1,116,070	1,053,898	752,349	746,613
Finance, insurance/takaful, real estate and business activities	758,025	575,361	510,657	353,225
Household	4,516,076	3,755,456	2,219,801	1,986,583
Others	804,155	736,087	802,283	734,882
Gross credit impaired loans, advances and financing	<u>9,210,068</u>	<u>8,152,971</u>	<u>6,002,946</u>	<u>5,546,280</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

The Group	12-month expected	Lifetime expected credit	Lifetime expected	Purchased credit	Total
	credit losses	losses - not credit	credit losses		
	(Stage 1)	impaired	- Credit impaired	impaired	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	1,112,032	2,940,456	3,665,331	1,771	7,719,590
Changes in expected credit losses due to transferred within stages:	1,602,628	(1,669,780)	67,152	-	-
Transferred to Stage 1	1,831,941	(1,759,056)	(72,885)	-	-
Transferred to Stage 2	(219,675)	637,864	(418,189)	-	-
Transferred to Stage 3	(9,638)	(548,588)	558,226	-	-
Total charge to Statement of Income:	(298,884)	50,440	907,134	-	658,690
New financial assets originated	413,453	146,206	58,599	-	618,258
Financial assets that have been derecognised	(229,517)	(214,943)	-	-	(444,460)
Writeback in respect of full recoveries	-	-	(83,510)	-	(83,510)
Change in credit risk	(482,820)	119,177	932,045	-	568,402
Write-offs	(17)	(254)	(716,571)	-	(716,842)
Exchange fluctuation	26,501	14,287	100,035	58	140,881
Other movements	(20,186)	(2,409)	113,185	-	90,590
At 30 June 2023	2,422,074	1,332,740	4,136,266	1,829	7,892,909

The Group	12-month expected	Lifetime expected credit	Lifetime expected	Purchased credit	Total
	credit losses	losses - not credit	credit losses		
	(Stage 1)	impaired	- Credit impaired	impaired	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	1,267,136	2,602,869	4,773,996	3,046	8,647,047
Changes in expected credit losses due to transferred within stages:	474,381	(806,238)	331,857	-	-
Transferred to Stage 1	910,708	(826,928)	(83,780)	-	-
Transferred to Stage 2	(429,421)	894,578	(465,157)	-	-
Transferred to Stage 3	(6,906)	(873,888)	880,794	-	-
Total charge to Statement of Income:	(643,184)	1,135,497	1,050,032	-	1,542,345
New financial assets originated	929,878	98,028	68,220	-	1,096,126
Financial assets that have been derecognised	(456,150)	(255,873)	-	-	(712,023)
Writeback in respect of full recoveries	-	-	(185,805)	-	(185,805)
Change in credit risk	(1,116,912)	1,293,342	1,167,617	-	1,344,047
Write-offs	(923)	(3,763)	(2,891,293)	(1,320)	(2,897,299)
Disposal of loans, advances and financing	-	-	(112,327)	-	(112,327)
Exchange fluctuation	13,832	10,572	95,149	45	119,598
Other movements	790	1,519	417,917	-	420,226
At 31 December 2022	1,112,032	2,940,456	3,665,331	1,771	7,719,590

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	746,781	1,774,325	2,733,149	5,254,255
Changes in expected credit losses due to transferred within stages:	1,036,335	(1,047,424)	11,089	-
Transferred to Stage 1	1,152,558	(1,097,079)	(55,479)	-
Transferred to Stage 2	(110,838)	353,684	(242,846)	-
Transferred to Stage 3	(5,385)	(304,029)	309,414	-
Total charge to Statement of Income:	(278,737)	(65,268)	629,033	285,028
New financial assets originated	332,278	136,722	45,808	514,808
Financial assets that have been derecognised	(191,070)	(159,316)	-	(350,386)
Writeback in respect of full recoveries	-	-	(29,996)	(29,996)
Change in credit risk	(419,945)	(42,674)	613,221	150,602
Write-offs	-	(36)	(479,367)	(479,403)
Exchange fluctuation	19,210	4,478	83,717	107,405
Other movements	(20,203)	(2,309)	89,558	67,046
At 30 June 2023	1,503,386	663,766	3,067,179	5,234,331

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	817,845	1,636,641	4,094,538	6,549,024
Changes in expected credit losses due to transferred within stages:	289,745	(475,399)	185,654	-
Transferred to Stage 1	544,767	(492,733)	(52,034)	-
Transferred to Stage 2	(251,356)	510,194	(258,838)	-
Transferred to Stage 3	(3,666)	(492,860)	496,526	-
Total charge to Statement of Income:	(371,393)	609,017	561,712	799,336
New financial assets originated	761,907	88,763	38,476	889,146
Financial assets that have been derecognised	(396,604)	(175,251)	-	(571,855)
Writeback in respect of full recoveries	-	-	(91,971)	(91,971)
Change in credit risk	(736,696)	695,505	615,207	574,016
Write-offs	(900)	(3,091)	(2,505,445)	(2,509,436)
Exchange fluctuation	10,711	5,412	86,021	102,144
Other movements	773	1,745	310,669	313,187
At 31 December 2022	746,781	1,774,325	2,733,149	5,254,255

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

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

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
At 1 January 2023	8,147,023	5,948	8,152,971
Transfer within stages	1,672,251	-	1,672,251
New financial assets originated	86,796	-	86,796
Write-offs	(716,571)	-	(716,571)
Amount fully recovered	(201,766)	-	(201,766)
Other changes in loans, advances and financing	81,708	(49)	81,659
Exchange fluctuation	134,534	194	134,728
At 30 June 2023	9,203,975	6,093	9,210,068

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
At 1 January 2022	8,545,671	7,257	8,552,928
Transfer within stages	3,006,592	-	3,006,592
New financial assets originated	145,216	-	145,216
Write-offs	(2,899,217)	(1,320)	(2,900,537)
Amount fully recovered	(518,309)	-	(518,309)
Other changes in loans, advances and financing	(135,405)	(96)	(135,501)
Disposal of loans, advances and financing	(162,684)	-	(162,684)
Exchange fluctuation	165,159	107	165,266
At 31 December 2022	8,147,023	5,948	8,152,971

	The Group	
	30 June 2023	31 Dec 2022
Ratio of credit impaired loans to total loans, advances and financing	2.55%	2.34%

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

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

	The Bank	
	Lifetime expected credit losses	Total
	- Credit impaired (Stage 3)	
	RM'000	RM'000
At 1 January 2023	5,546,280	5,546,280
Transfer within stages	808,257	808,257
New financial assets originated	66,917	66,917
Write-offs	(479,367)	(479,367)
Amount fully recovered	(60,169)	(60,169)
Other changes in loans, advances and financing	25,489	25,489
Exchange fluctuation	95,539	95,539
At 30 June 2023	6,002,946	6,002,946

	The Bank	
	Lifetime expected credit losses	Total
	- Credit impaired (Stage 3)	
	RM'000	RM'000
At 1 January 2022	6,792,406	6,792,406
Transfer within stages	1,391,876	1,391,876
New financial assets originated	121,549	121,549
Write-offs	(2,513,369)	(2,513,369)
Amount fully recovered	(299,727)	(299,727)
Other changes in loans, advances and financing	(93,892)	(93,892)
Exchange fluctuation	147,437	147,437
At 31 December 2022	5,546,280	5,546,280

	The Bank	
	30 June 2023	31 Dec 2022
Ratio of credit impaired loans to total loans, advances and financing	2.86%	2.73%

PART A - EXPLANATORY NOTES (CONTINUED)

A12. OTHER ASSETS

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Foreclosed assets net of allowance for impairment losses of RM43,028,000 (2022: RM32,672,000)	162,728	140,969	-	-
Due from brokers	1,208	10,377	1,208	10,377
Structured financing	554,885	553,415	554,885	553,415
Collateral pledged for derivative transactions	5,370,443	3,309,311	2,727,414	1,470,405
Treasury related receivables	3,471,787	1,744,362	2,222,067	622,847
Settlement accounts	902,505	1,242,400	862,148	1,181,106
Other debtors net of expected credit losses *, deposits and prepayments	2,615,716	1,808,325	2,402,996	1,653,175
	13,079,272	8,809,159	8,770,718	5,491,325

* net of expected credit losses of RM551,777,000 (2022: RM557,878,000) for the Group and RM534,368,000 (2022: RM537,996,000) for the Bank.

A13. DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
(i) By type of deposit				
Demand deposits	86,902,281	89,000,516	66,055,847	69,787,834
Saving deposits	52,226,532	52,895,105	29,577,066	30,588,641
Fixed deposits	167,548,837	147,960,404	117,495,768	99,885,949
Negotiable instruments of deposit	1,330,543	648,944	-	-
Others	80,614,681	85,052,379	32,095,648	39,438,592
	388,622,874	375,557,348	245,224,329	239,701,016

(ii) By type of customer

Government and statutory bodies	14,080,356	15,005,285	6,356,963	7,950,192
Business enterprises	160,204,204	150,396,466	100,747,151	99,966,848
Individuals	153,645,188	141,861,718	102,267,258	92,466,307
Others	60,693,126	68,293,879	35,852,957	39,317,669
	388,622,874	375,557,348	245,224,329	239,701,016

(iii) Maturity structure of fixed deposits and negotiable instruments of deposit

Due within six months	123,300,800	111,143,210	91,248,557	77,052,645
Six months to less than one year	39,321,984	29,986,777	24,373,881	19,282,631
One year to less than three years	5,343,467	6,547,603	1,849,135	3,506,834
Three years to less than five years	913,125	931,758	24,195	43,839
More than five years	4	-	-	-
	168,879,380	148,609,348	117,495,768	99,885,949

A14. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Unrestricted investment accounts	17,721,366	13,684,632	-	-

PART A - EXPLANATORY NOTES (CONTINUED)

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Licensed banks	27,898,115	26,143,964	27,465,393	26,259,072
Licensed finance companies	2,658,563	2,619,660	106,656	13,140
Licensed investment banks	635,825	834,313	417,608	261,338
Bank Negara Malaysia	1,339,505	1,270,997	1,334,505	1,265,997
Other financial institutions	6,656,769	2,782,907	5,215,337	1,649,821
	39,188,777	33,651,841	34,539,499	29,449,368

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

	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
Due within six months	34,847,103	30,671,097	30,893,145	26,956,542
Six months to less than one year	1,744,761	984,599	1,362,763	739,052
One year to less than three years	1,251,480	695,664	979,288	493,125
Three years to less than five years	663,453	652,571	622,323	612,739
Five years and more	681,980	647,910	681,980	647,910
	39,188,777	33,651,841	34,539,499	29,449,368

A16. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Deposits from customers - structured investments	4,089,861	3,976,968	1,226,592	1,119,964
Debentures	664,493	655,323	-	-
Bills payable	1,927,228	2,036,603	-	-
	6,681,582	6,668,894	1,226,592	1,119,964

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

The carrying amount of financial liabilities designated at fair value of the Group and the Bank at 30 June 2023 were RM110,429,000 (2022: RM235,893,000) lower and RM17,737,000 higher (2022: RM13,215,000 lower) respectively than the contractual amount at maturity for the structured investments, RM1,792,000 lower (2022: RM9,259,000 higher) than the contractual amount at maturity for the debentures and RM198,472,000 (2022: RM280,465,000) higher than the contractual amount at maturity for bills payable.

A17. OTHER LIABILITIES

	Note	The Group		The Bank	
		30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Due to brokers and clients		25,588	6,172	25,588	6,172
Post employment benefit obligations		245,550	238,191	42,789	45,131
Sundry creditors		754,572	750,301	608,902	663,297
Expenditure payable		1,640,369	2,028,944	1,399,039	1,713,853
Expected credit losses for loan commitments and financial guarantee contracts	A17(a)	595,643	623,302	414,602	483,101
Provision for legal claims		50,784	51,355	32,826	34,516
Credit card expenditure payable		93,880	59,599	92,918	58,793
Collateral received for derivative transactions		5,230,493	6,186,788	2,854,163	2,664,253
Structured deposits		5,048,648	4,918,778	5,024,527	4,897,678
Treasury related payables		3,104,239	1,726,015	2,273,246	492,296
Settlement accounts		844,670	794,621	775,514	553,294
Others		843,285	1,058,522	635,924	700,153
		18,477,721	18,442,588	14,180,038	12,312,537

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OTHER LIABILITIES (CONTINUED)

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

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	202,871	123,687	296,744	623,302
Changes in expected credit losses due to transferred within stages:	96,506	(90,180)	(6,326)	-
Transferred to Stage 1	109,001	(101,529)	(7,472)	-
Transferred to Stage 2	(12,280)	32,167	(19,887)	-
Transferred to Stage 3	(215)	(20,818)	21,033	-
Total charge to Statement of Income:	21,461	14,042	(77,185)	(41,682)
New exposures	96,669	1,840	-	98,509
Exposures derecognised or matured	(87,488)	(8,430)	(3,520)	(99,438)
Change in credit risk	12,280	20,632	(73,665)	(40,753)
Exchange fluctuation	4,535	326	2,386	7,247
Other movements	884	1,068	4,824	6,776
At 30 June 2023	326,257	48,943	220,443	595,643

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 2022	308,877	144,995	187,177	641,049
Changes in expected credit losses due to transferred within stages:	79,820	(94,718)	14,898	-
Transferred to Stage 1	99,222	(92,892)	(6,330)	-
Transferred to Stage 2	(19,215)	39,376	(20,161)	-
Transferred to Stage 3	(187)	(41,202)	41,389	-
Total charge to Statement of Income:	(190,444)	72,952	87,832	(29,660)
New exposures	250,049	4,138	2,255	256,442
Exposures derecognised or matured	(134,939)	(28,064)	(38,978)	(201,981)
Change in credit risk	(305,554)	96,878	124,555	(84,121)
Exchange fluctuation	4,212	363	1,115	5,690
Other movements	406	95	5,722	6,223
At 31 December 2022	202,871	123,687	296,744	623,302

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OTHER LIABILITIES (CONTINUED)

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

	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
The Bank				
At 1 January 2023	159,550	108,111	215,440	483,101
Changes in expected credit losses due to transferred within stages:	85,069	(81,622)	(3,447)	-
Transferred to Stage 1	94,308	(91,727)	(2,581)	-
Transferred to Stage 2	(9,047)	26,140	(17,093)	-
Transferred to Stage 3	(192)	(16,035)	16,227	-
Total charge to Statement of Income:	(7,693)	9,524	(81,159)	(79,328)
New exposures	75,419	1,636	-	77,055
Exposures derecognised or matured	(70,469)	(6,065)	-	(76,534)
Change in credit risk	(12,643)	13,953	(81,159)	(79,849)
Exchange fluctuation	3,868	186	-	4,054
Other movements	913	1,046	4,816	6,775
At 30 June 2023	241,707	37,245	135,650	414,602

	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
The Bank				
At 1 January 2022	229,474	102,855	81,141	413,470
Changes in expected credit losses due to transferred within stages:	65,046	(74,646)	9,600	-
Transferred to Stage 1	81,433	(75,706)	(5,727)	-
Transferred to Stage 2	(16,259)	34,576	(18,317)	-
Transferred to Stage 3	(128)	(33,516)	33,644	-
Total charge to Statement of Income:	(139,302)	79,763	118,983	59,444
New exposures	168,199	3,962	180	172,341
Exposures derecognised or matured	(98,326)	(16,519)	-	(114,845)
Change in credit risk	(209,175)	92,320	118,803	1,948
Exchange fluctuation	3,889	167	-	4,056
Other movements	443	(28)	5,716	6,131
At 31 December 2022	159,550	108,111	215,440	483,101

As at 30 June 2023, the gross carrying amount of loan commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM459,501,000 (2022: RM481,043,000) and RM374,349,000 (2022: RM408,635,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A18. INTEREST INCOME

	2nd Quarter Ended		Six Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
The Group				
Loans and advances				
- interest income	3,232,056	2,164,982	6,180,427	4,214,283
- unwinding income [^]	35,865	28,142	67,873	51,486
Money at call and deposits with financial institutions	234,591	73,205	460,040	127,892
Reverse repurchase agreements	58,653	18,640	145,622	28,793
Debt instruments at fair value through other comprehensive income	444,674	314,822	850,475	628,050
Debt instruments at amortised cost	426,447	355,874	832,109	684,161
Others	27,270	10,677	52,485	19,888
	<u>4,459,556</u>	<u>2,966,342</u>	<u>8,589,031</u>	<u>5,754,553</u>
Net accretion of discount less amortisation of premium	42,199	(53,538)	61,548	(113,720)
	<u>4,501,755</u>	<u>2,912,804</u>	<u>8,650,579</u>	<u>5,640,833</u>
The Bank				
Loans and advances				
- interest income	2,700,175	1,766,546	5,166,215	3,431,585
- unwinding income [^]	30,522	23,960	58,483	43,826
Money at call and deposits with financial institutions	267,965	90,182	541,208	162,821
Reverse repurchase agreements	53,352	17,374	135,122	26,872
Debt instruments at fair value through other comprehensive income	412,677	279,045	788,123	558,471
Debt instruments at amortised cost	423,489	359,933	827,607	695,501
Others	27,270	10,677	52,484	19,887
	<u>3,915,450</u>	<u>2,547,717</u>	<u>7,569,242</u>	<u>4,938,963</u>
Net accretion of discount less amortisation of premium	44,250	(44,783)	62,765	(93,494)
	<u>3,959,700</u>	<u>2,502,934</u>	<u>7,632,007</u>	<u>4,845,469</u>

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

A19. INTEREST INCOME FOR FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2nd Quarter Ended		Six Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
The Group				
Loans and advances at fair value through profit or loss	1,236	1,801	2,539	4,449
Financial investments at fair value through profit or loss	143,743	121,077	283,120	242,939
	<u>144,979</u>	<u>122,878</u>	<u>285,659</u>	<u>247,388</u>
Net accretion of discount less amortisation of premium	105,021	14,399	195,476	9,730
	<u>250,000</u>	<u>137,277</u>	<u>481,135</u>	<u>257,118</u>
The Bank				
Loans and advances at fair value through profit or loss	1,236	1,801	2,539	4,449
Financial investments at fair value through profit or loss	113,974	92,379	226,627	186,403
	<u>115,210</u>	<u>94,180</u>	<u>229,166</u>	<u>190,852</u>
Net accretion of discount less amortisation of premium	106,960	16,949	199,480	15,716
	<u>222,170</u>	<u>111,129</u>	<u>428,646</u>	<u>206,568</u>

PART A - EXPLANATORY NOTES (CONTINUED)**A20. INTEREST EXPENSE**

	2nd Quarter Ended		Six Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
The Group				
Deposits and placements of banks and other financial institutions	318,526	86,524	613,662	131,818
Deposits from other customers	1,778,018	705,538	3,361,351	1,304,613
Repurchase agreements	364,205	101,406	633,766	184,441
Financial liabilities designated at fair value through profit or loss	23,345	8,109	44,770	14,520
Negotiable certificates of deposits	30,316	3,712	55,748	15,260
Recourse obligation on loan and financing sold to Cagamas	7,485	6,237	13,912	12,171
Bonds, Sukuk and debentures	132,046	57,263	250,300	112,336
Subordinated obligations	109,615	78,258	223,117	154,320
Other borrowings	50,194	6,829	96,882	12,957
Structured deposits	40,024	8,448	78,465	15,027
Lease liabilities	4,394	3,747	8,339	7,794
Others	4,336	2,100	7,978	3,961
	2,862,504	1,068,171	5,388,290	1,969,218
The Bank				
Deposits and placements of banks and other financial institutions	289,759	78,480	556,997	118,135
Deposits from other customers	1,609,179	632,391	3,044,850	1,166,065
Repurchase agreements	351,446	99,032	614,152	178,191
Financial liabilities designated at fair value through profit or loss	9,496	3,686	19,503	5,434
Negotiable certificates of deposits	30,181	3,471	55,474	14,831
Recourse obligation on loan and financing sold to Cagamas	7,485	6,237	13,912	12,171
Bonds and debentures	123,296	48,672	232,399	96,040
Subordinated obligations	107,679	76,578	219,282	150,944
Other borrowings	52,719	11,257	102,002	21,530
Structured deposits	40,024	8,448	78,465	15,027
Lease liabilities	4,127	3,181	7,094	6,681
Others	29	9	57	18
	2,625,420	971,442	4,944,187	1,785,067

A21. MODIFICATION LOSS

In light of the Covid-19 outbreak, the Central Bank and Ministry of Finance of respective countries have introduced several relief measures to assist customers/borrowers affected by the pandemic. . These measures aim to ensure that the financial intermediation function of the financial sector remains intact, accessibility to financial continues to be available, and banking institutions remain focused on supporting the economy during these exceptional circumstances.

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

PART A - EXPLANATORY NOTES (CONTINUED)

A22. NET NON-INTEREST INCOME

	2nd Quarter Ended		Six Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
The Group				
Net fee and commission income				
Commissions	165,386	178,615	327,508	371,254
Fee on loans and advances	131,450	166,117	240,174	270,199
Service charges and fees	155,980	142,456	329,965	283,548
Guarantee fees	14,445	13,569	36,633	37,552
Other fee income	47,683	48,569	98,752	86,471
Fee and commission income	514,944	549,326	1,033,032	1,049,024
Fee and commission expense	(148,344)	(101,341)	(296,272)	(181,832)
Net fee and commission income	366,600	447,985	736,760	867,192
Gross dividend income from:				
Financial investments at fair value through profit or loss	28,158	18,624	34,083	29,846
Equity instruments at fair value through other comprehensive income	1,576	2,040	2,576	2,228
	29,734	20,664	36,659	32,074
Net loss arising from financial investments at fair value through profit or loss				
- realised	(138,462)	(216,403)	(171,105)	(524,667)
- unrealised	(105,544)	(396,601)	64,464	(623,526)
	(244,006)	(613,004)	(106,641)	(1,148,193)
Net gain arising from derivative financial instrument				
- realised	1,485,200	1,571,620	941,360	2,251,163
- unrealised	811,899	1,233,855	1,538,732	1,782,182
	2,297,099	2,805,475	2,480,092	4,033,345
Net gain/(loss) arising from loans, advances and financing at fair value through profit or loss				
- unrealised	28	(197)	10	(1,050)
	28	(197)	10	(1,050)
Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss				
- realised	(72,095)	(14,428)	(80,451)	(27,520)
- unrealised	105,156	101,426	69,788	157,796
	33,061	86,998	(10,663)	130,276
Net gain/(loss) arising from hedging activities				
	16,340	24,518	(13,676)	48,792
Net gain/(loss) from sale of investment in debt instruments at fair value through other comprehensive income				
	62,018	(119,324)	112,323	(115,299)
Net gain from redemption of debt instruments at amortised cost				
	591	-	564	12,740
Other non-interest income				
Foreign exchange loss	(1,533,567)	(1,925,477)	(1,352,166)	(2,475,176)
Rental income	1,991	1,933	4,177	3,676
Gain on disposal of property, plant and equipment/ assets held for sale	5,454	5,630	8,824	17,586
(Loss)/gain on disposal of foreclosed assets	(648)	2,749	(421)	7,116
Gain/(loss) on disposal of loans, advances and financing	8,188	2,528	43,380	(1,739)
Others	11,593	11,323	24,286	24,251
	(1,506,989)	(1,901,314)	(1,271,920)	(2,424,286)
	1,054,476	751,801	1,963,508	1,435,591

PART A - EXPLANATORY NOTES (CONTINUED)

A22. NET NON-INTEREST INCOME (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
The Bank				
Net fee and commission income				
Commissions	108,035	107,395	220,496	232,313
Fee on loans and advances	127,898	161,762	232,685	262,392
Service charges and fees	445,322	375,916	949,261	799,890
Guarantee fees	12,219	11,354	32,184	32,930
Other fee income	44,736	47,098	94,951	82,721
Fee and commission income	738,210	703,525	1,529,577	1,410,246
Fee and commission expense	(149,918)	(98,931)	(302,341)	(177,123)
Net fee and commission income	588,292	604,594	1,227,236	1,233,123
Gross dividend income from:				
Financial investments at fair value through profit or loss	28,090	18,556	34,015	29,778
Equity instruments at fair value through other comprehensive income	-	1,000	1,000	1,000
Subsidiary	50,183	41,852	130,183	121,252
Joint venture	-	-	-	5,000
	78,273	61,408	165,198	157,030
Net loss arising from financial investments at fair value through profit or loss				
- realised	(142,739)	(172,114)	(263,855)	(435,463)
- unrealised	(47,518)	(230,826)	(29,821)	(268,407)
	(190,257)	(402,940)	(293,676)	(703,870)
Net gain arising from derivative financial instrument				
- realised	833,619	1,405,435	683,346	2,151,206
- unrealised	1,352,428	984,044	1,944,112	1,192,625
	2,186,047	2,389,479	2,627,458	3,343,831
Net gain/(loss) arising from loans, advances and financing at fair value through profit or loss				
- unrealised	28	(197)	10	(1,050)
	28	(197)	10	(1,050)
Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss				
- realised	1,810	815	1,358	(837)
- unrealised	6,245	9,934	(30,470)	2,637
	8,055	10,749	(29,112)	1,800
Net gain arising from hedging activities	13,135	14,882	21,532	34,952
Net gain/(loss) from sale of investment in debt instruments at fair value through other comprehensive income	57,819	(20,511)	77,469	(4,665)
Net (loss)/gain from redemption of debt instruments at amortised cost	-	-	(27)	12,740
Other non-interest income				
Foreign exchange loss	(1,519,892)	(1,805,243)	(1,428,774)	(2,305,454)
Rental income	1,703	1,717	3,500	3,169
Gain on disposal of property, plant and equipment/ assets held for sale	315	446	3,491	6,818
Loss on disposal of loans, advances and financing	-	(81)	-	(4,348)
Others	6,948	5,480	16,718	10,312
	(1,510,926)	(1,797,681)	(1,405,065)	(2,289,503)
	1,230,466	859,783	2,391,023	1,784,388

PART A - EXPLANATORY NOTES (CONTINUED)**A23. OVERHEADS**

	2nd Quarter Ended		Six Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonuses	869,227	749,619	1,688,669	1,530,577
- Pension cost	79,077	91,480	174,070	177,395
- Share-based expense ¹	12,278	10,427	24,058	21,066
- Overtime	7,506	2,824	12,427	5,664
- Staff incentives and other staff payments	22,613	50,798	40,621	83,250
- Medical expenses	16,490	16,365	38,956	35,356
- Others	31,499	22,063	50,188	43,306
	1,038,690	943,576	2,028,989	1,896,614
Establishment costs				
- Depreciation of property, plant and equipment	44,262	41,204	87,757	83,352
- Depreciation of right-of-use assets	47,759	44,850	88,161	89,607
- Rental	25,101	23,975	53,666	41,554
- Amortisation of intangible assets	85,639	137,861	172,673	273,303
- Repair and maintenance	178,961	148,327	332,686	258,641
- Outsourced services	18,355	14,990	29,651	29,375
- Security expenses	20,764	18,352	39,705	39,149
- Intangible assets written off	5	229	262	1,267
- Others	36,810	20,410	79,302	61,481
	457,656	450,198	883,863	877,729
Marketing expenses				
- Advertisement	19,690	20,078	40,096	32,136
- Others	35,109	13,028	59,287	21,546
	54,799	33,106	99,383	53,682
Administration and general expenses				
- Communication	14,877	17,247	34,904	35,589
- Consultancy and professional fees	24,039	58,807	54,514	77,762
- Legal expenses	6,512	31,872	9,592	32,039
- Stationery	4,308	3,911	9,108	7,676
- Postages	7,092	5,985	13,991	11,339
- Administrative travelling and vehicle expenses	5,599	3,327	10,122	6,285
- Incidental expenses on banking operations	11,968	11,805	23,218	20,590
- Others	110,278	29,786	234,571	154,993
	184,673	162,740	390,020	346,273
	1,735,818	1,589,620	3,402,255	3,174,298

PART A - EXPLANATORY NOTES (CONTINUED)

A23. OVERHEADS (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
The Bank				
Personnel costs				
- Salaries, allowances and bonuses	700,950	585,516	1,357,045	1,203,151
- Pension cost	65,615	79,119	146,340	152,734
- Share-based expense ¹	10,089	8,455	19,942	17,076
- Overtime	5,606	1,411	8,883	2,910
- Staff incentives and other staff payments	47,772	(11,474)	71,601	9,968
- Medical expenses	14,961	14,932	35,409	31,943
- Others	24,355	17,262	36,767	33,638
	869,348	695,221	1,675,987	1,451,420
Establishment costs				
- Depreciation of property, plant and equipment	31,148	30,706	64,300	62,156
- Depreciation of right-of-use assets	40,540	37,460	73,679	74,924
- Rental	13,685	15,188	30,916	26,217
- Amortisation of intangible assets	69,915	116,105	142,019	230,532
- Repair and maintenance	166,104	137,472	306,941	237,734
- Outsourced services	12,585	8,616	21,748	18,743
- Security expenses	19,572	17,142	37,414	36,873
- Intangible assets written off	-	229	-	1,220
- Others	30,334	15,428	67,638	51,837
	383,883	378,346	744,655	740,236
Marketing expenses				
- Advertisement	14,454	12,334	31,199	21,722
- Others	33,377	11,231	55,537	18,572
	47,831	23,565	86,736	40,294
Administration and general expenses				
- Communication	13,370	15,993	31,940	33,143
- Consultancy and professional fees	19,694	55,776	46,350	72,215
- Legal expenses	(388)	28,607	293	27,405
- Stationery	2,339	2,802	5,656	5,582
- Postages	5,186	4,679	10,354	8,626
- Administrative travelling and vehicle expenses	3,682	1,636	6,283	3,212
- Incidental expenses on banking operations	7,122	5,709	12,814	10,373
- Others	98,794	41,875	216,936	159,341
	149,799	157,077	330,626	319,897
	1,450,861	1,254,209	2,838,004	2,551,847

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

PART A - EXPLANATORY NOTES (CONTINUED)

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

	2nd Quarter Ended		Six Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	445,390	383,474	658,690	579,430
Credit impaired:				
- recovered	(139,497)	(114,073)	(263,362)	(240,532)
- written off	5,806	2,656	58,557	7,334
	<u>311,699</u>	<u>272,057</u>	<u>453,885</u>	<u>346,232</u>
The Bank				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	249,930	126,999	285,028	219,176
Credit impaired:				
- recovered	(92,562)	(64,526)	(164,509)	(138,106)
- written off	5,063	2,118	56,922	6,467
	<u>162,431</u>	<u>64,591</u>	<u>177,441</u>	<u>87,537</u>

A24(b). OTHER EXPECTED CREDIT LOSSES AND IMPAIRMENT ALLOWANCES

	2nd Quarter Ended		Six Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	4,946	(34,470)	17,338	(33,651)
- Debt instrument at amortised cost	(1,729)	(18,902)	(538)	(102,024)
- Money at call and deposits and placements with banks and other financial institutions	22	(34)	(168)	(87)
- Other assets	32,969	27,921	64,547	207,263
- Right-of-use assets	-	(717)	-	(717)
	<u>36,208</u>	<u>(26,202)</u>	<u>81,179</u>	<u>70,784</u>
The Bank				
Expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	4,805	(34,253)	16,455	(31,811)
- Debt instrument at amortised cost	(3,657)	(32,577)	(2,457)	(114,136)
- Money at call and deposits and placements with banks and other financial institutions	(46)	(1,513)	(524)	(1,113)
- Other assets	(4,347)	(13,534)	(3,652)	148,321
- Right-of-use assets	-	(717)	-	(717)
- Subsidiaries	-	18,485	-	18,485
	<u>(3,245)</u>	<u>(64,109)</u>	<u>9,822</u>	<u>19,029</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 30 June 2023	The Group			The Bank		
	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	45,915,386	1,335,809	(389,810)	32,022,922	963,605	(195,657)
- less than one year	42,935,870	1,279,058	(282,814)	30,178,256	929,133	(120,469)
- one year to three years	2,626,214	54,052	(76,247)	1,570,166	33,021	(40,472)
- more than three years	353,302	2,699	(30,749)	274,500	1,451	(34,716)
	787,288,047	10,824,784	(10,252,721)	570,218,844	6,826,815	(6,017,285)
Currency swaps						
- less than one year	780,409,198	10,790,127	(10,107,321)	568,470,666	6,816,195	(5,989,275)
- one year to three years	3,125,953	14,581	(49,155)	1,093,901	8,769	(15,799)
- more than three years	3,752,896	20,076	(96,245)	654,277	1,851	(12,211)
Currency spots	6,117,482	10,316	(6,365)	4,758,641	9,321	(4,846)
- less than one year	6,117,482	10,316	(6,365)	4,758,641	9,321	(4,846)
Currency options	12,619,653	111,042	(91,538)	12,558,689	110,360	(91,296)
- less than one year	11,251,345	91,887	(65,773)	11,190,381	91,205	(65,531)
- one year to three years	1,368,308	19,155	(25,765)	1,368,308	19,155	(25,765)
Cross currency interest rate swaps	111,714,452	3,803,795	(4,396,870)	30,585,799	1,233,075	(1,339,749)
- less than one year	39,949,490	1,123,229	(1,326,097)	8,868,683	147,804	(352,083)
- one year to three years	36,616,601	1,276,174	(1,530,935)	14,111,332	648,527	(697,768)
- more than three years	35,148,361	1,404,392	(1,539,838)	7,605,784	436,744	(289,898)
	963,655,020	16,085,746	(15,137,304)	650,144,895	9,143,176	(7,648,833)
<u>Interest rate derivatives</u>						
Interest rate swaps	745,364,783	5,666,935	(4,968,510)	229,395,541	2,536,404	(2,201,249)
- less than one year	437,790,239	1,288,358	(1,260,722)	106,958,706	490,293	(476,846)
- one year to three years	151,682,431	1,244,007	(1,099,458)	53,101,508	572,746	(485,445)
- more than three years	155,892,113	3,134,570	(2,608,330)	69,335,327	1,473,365	(1,238,958)
Interest rate futures	4,792,792	23,009	(3,973)	4,792,792	23,009	(3,973)
- less than one year	4,792,792	23,009	(3,973)	4,792,792	23,009	(3,973)
Interest rate options	445,684	5,779	(1,510)	274,931	1,510	(1,510)
- one year to three years	445,684	5,779	(1,510)	274,931	1,510	(1,510)
	750,603,259	5,695,723	(4,973,993)	234,463,264	2,560,923	(2,206,732)
<u>Equity related derivatives</u>						
Equity swaps	522,811	23,507	(8,940)	522,811	23,507	(8,940)
- less than one year	166,834	14,605	(2,592)	166,834	14,605	(2,592)
- one year to three years	355,977	8,902	(6,348)	355,977	8,902	(6,348)
Equity options	3,173,953	101,452	(229,296)	2,912,189	100,459	(228,804)
- less than one year	2,631,638	83,965	(222,685)	2,517,313	83,790	(223,011)
- one year to three years	443,120	16,854	(5,978)	394,876	16,669	(5,793)
- more than three years	99,195	633	(633)	-	-	-
Equity futures	10,316	-	(78)	10,316	-	(78)
- less than one year	10,316	-	(78)	10,316	-	(78)
	3,707,080	124,959	(238,314)	3,445,316	123,966	(237,822)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 30 June 2023	The Group			The Bank		
	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	1,543,726	35,783	(28,248)	1,543,632	35,783	(28,259)
- less than one year	1,523,171	35,698	(27,963)	1,523,077	35,698	(27,974)
- one year to three years	20,555	85	(285)	20,555	85	(285)
Commodity futures	116,076	507	(3,273)	116,076	507	(3,273)
- less than one year	114,379	480	(3,273)	114,379	480	(3,273)
- one year to three years	1,697	27	-	1,697	27	-
Commodity options	2,049,751	45,641	(43,486)	2,049,751	45,641	(43,486)
- less than one year	2,049,751	45,641	(43,486)	2,049,751	45,641	(43,486)
	3,709,553	81,931	(75,007)	3,709,459	81,931	(75,018)
<u>Credit related derivatives</u>						
Credit default swaps	3,493,563	26,093	(16,968)	3,491,035	26,092	(16,961)
- less than one year	58,185	222	(88)	58,185	222	(88)
- one year to three years	1,549,016	12,461	(7,037)	1,549,016	12,197	(7,035)
- more than three years	1,886,362	13,410	(9,843)	1,883,834	13,673	(9,838)
Total return swaps	19,900	-	(629)	19,900	-	(629)
- one year to three years	19,900	-	(629)	19,900	-	(629)
	3,513,463	26,093	(17,597)	3,510,935	26,092	(17,590)
<u>Bond contract</u>						
Bond forward	3,072,818	152,712	(75,142)	30,000	-	(517)
- less than one year	1,119,220	53,266	(30,578)	-	-	-
- one year to three years	1,156,523	86,387	(29,306)	-	-	-
- more than three years	797,075	13,059	(15,258)	30,000	-	(517)
<u>Hedging derivatives</u>						
Currency swaps	5,919,385	72,407	(93,019)	5,723,880	72,407	(84,002)
- less than one year	5,919,385	72,407	(93,019)	5,723,880	72,407	(84,002)
Cross currency interest rate swaps	3,537,363	284,621	(101,708)	939,057	-	(73,189)
- less than one year	363,007	-	(19,600)	363,007	-	(19,600)
- one year to three years	1,166,184	110,435	(33,669)	119,019	-	(3,541)
- more than three years	2,008,172	174,186	(48,439)	457,031	-	(50,048)
Interest rate swaps	39,399,556	865,863	(445,003)	38,167,276	839,326	(440,527)
- less than one year	10,333,250	50,041	(36,589)	10,225,155	51,002	(37,502)
- one year to three years	9,506,402	154,451	(81,467)	9,183,265	152,444	(84,714)
- more than three years	19,559,904	661,371	(326,947)	18,758,856	635,880	(318,311)
	48,856,304	1,222,891	(639,730)	44,830,213	911,733	(597,718)
Total derivatives assets/(liabilities)	1,777,117,497	23,390,055	(21,157,087)	940,134,082	12,847,821	(10,784,230)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 December 2022	The Group			The Bank		
	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	44,723,205	352,383	(1,009,774)	29,821,108	162,404	(709,288)
- less than one year	40,810,715	266,914	(913,359)	27,211,915	134,181	(629,175)
- one year to three years	3,037,626	54,034	(60,457)	2,281,803	26,914	(39,731)
- more than three years	874,864	31,435	(35,958)	327,390	1,309	(40,382)
Currency swaps	427,322,160	7,512,861	(7,519,868)	220,828,400	3,363,299	(3,348,217)
- less than one year	421,006,810	7,479,472	(7,246,717)	219,254,411	3,351,354	(3,309,318)
- one year to three years	3,259,077	27,446	(103,433)	979,038	8,172	(19,697)
- more than three years	3,056,273	5,943	(169,718)	594,951	3,773	(19,202)
Currency spots	3,864,885	11,901	(10,856)	3,438,069	11,627	(10,393)
- less than one year	3,864,885	11,901	(10,856)	3,438,069	11,627	(10,393)
Currency options	6,445,197	96,268	(88,255)	6,410,813	95,996	(88,030)
- less than one year	3,719,737	54,853	(50,228)	3,685,353	54,581	(50,003)
- one year to three years	1,981,790	36,261	(32,873)	1,981,790	36,261	(32,873)
- more than three years	743,670	5,154	(5,154)	743,670	5,154	(5,154)
Cross currency interest rate swaps	97,404,501	3,071,463	(3,458,764)	30,038,156	1,028,018	(928,068)
- less than one year	27,046,672	662,459	(857,717)	7,354,571	146,821	(228,609)
- one year to three years	36,754,425	1,192,633	(1,313,100)	13,521,820	535,527	(430,929)
- more than three years	33,603,404	1,216,371	(1,287,947)	9,161,765	345,670	(268,530)
	579,759,948	11,044,876	(12,087,517)	290,536,546	4,661,344	(5,083,996)
<u>Interest rate derivatives</u>						
Interest rate swaps	557,621,571	5,044,934	(4,276,928)	189,118,051	2,359,373	(1,875,702)
- less than one year	275,317,401	537,366	(529,655)	71,564,554	205,313	(196,712)
- one year to three years	144,266,696	1,347,027	(1,072,229)	58,293,821	668,621	(501,613)
- more than three years	138,037,474	3,160,541	(2,675,044)	59,259,676	1,485,439	(1,177,377)
Interest rate futures	1,111,236	9,004	(1,709)	1,111,236	9,004	(1,709)
- less than one year	1,111,236	9,004	(1,709)	1,111,236	9,004	(1,709)
Interest rate options	363,623	6,617	(1,621)	261,856	1,621	(1,621)
- one year to three years	363,623	6,617	(1,621)	261,856	1,621	(1,621)
	559,096,430	5,060,555	(4,280,258)	190,491,143	2,369,998	(1,879,032)
<u>Equity related derivatives</u>						
Equity swaps	446,653	16,891	(21,206)	446,653	16,885	(21,206)
- less than one year	161,018	7,775	(1,476)	161,018	7,769	(1,476)
- one year to three years	285,635	9,116	(19,730)	285,635	9,116	(19,730)
Equity options	2,330,690	113,091	(160,164)	1,969,349	112,237	(159,514)
- less than one year	1,877,008	101,450	(156,602)	1,711,179	101,399	(156,400)
- one year to three years	360,385	11,072	(3,348)	258,170	10,838	(3,114)
- more than three years	93,297	569	(214)	-	-	-
Equity futures	2,986	2	(20)	2,986	2	(20)
- less than one year	2,986	2	(20)	2,986	2	(20)
	2,780,329	129,984	(181,390)	2,418,988	129,124	(180,740)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 December 2022	The Group			The Bank		
	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	822,386	24,374	(23,182)	822,386	24,374	(23,182)
- less than one year	822,386	24,374	(23,182)	822,386	24,374	(23,182)
Commodity futures	93,052	2,477	(1,006)	93,052	2,477	(1,006)
- less than one year	93,052	2,477	(1,006)	93,052	2,477	(1,006)
Commodity options	330,903	2,956	(4,174)	330,903	2,956	(4,174)
- less than one year	330,903	2,956	(4,174)	330,903	2,956	(4,174)
	1,246,341	29,807	(28,362)	1,246,341	29,807	(28,362)
<u>Credit related derivatives</u>						
Credit default swaps	2,493,237	20,571	(15,135)	2,491,895	20,567	(15,075)
- less than one year	12,642	246	-	12,642	246	-
- one year to three years	1,011,983	9,128	(2,229)	1,011,983	9,128	(1,987)
- more than three years	1,468,612	11,197	(12,906)	1,467,270	11,193	(13,088)
Total return swaps	20,200	-	(477)	20,200	-	(477)
- more than three years	20,200	-	(477)	20,200	-	(477)
	2,513,437	20,571	(15,612)	2,512,095	20,567	(15,552)
<u>Bond Forward</u>						
	2,781,813	299,346	(30,676)	-	-	-
- Up to 1 year	882,451	71,035	(15,526)	-	-	-
- More than 1 year to 3 years	1,529,310	198,034	(11,690)	-	-	-
- More than 3 years	370,052	30,277	(3,460)	-	-	-
<u>Hedging derivatives</u>						
Currency swaps	7,358,750	101,806	(158,669)	6,942,978	94,909	(158,669)
- less than one year	7,358,750	101,806	(158,669)	6,942,978	94,909	(158,669)
Cross currency interest rate swaps	3,405,249	215,887	(99,579)	888,494	-	(75,601)
- less than one year	441,209	45,650	(2,188)	-	-	-
- one year to three years	1,487,628	77,912	(51,846)	456,071	-	(25,687)
- more than three years	1,476,412	92,325	(45,545)	432,423	-	(49,914)
Interest rate swaps	35,291,417	890,368	(385,202)	31,038,316	854,553	(381,666)
- less than one year	4,087,929	12,909	(18,138)	3,121,139	9,760	(18,138)
- one year to three years	11,104,638	123,473	(95,732)	9,422,090	116,625	(98,844)
- more than three years	20,098,850	753,986	(271,332)	18,495,087	728,168	(264,684)
	46,055,416	1,208,061	(643,450)	38,869,788	949,462	(615,936)
Total derivatives assets/(liabilities)	1,194,233,714	17,793,200	(17,267,265)	526,074,901	8,160,302	(7,803,618)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risks, 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 fulfill their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 June 2023, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM23,390,055,000 and RM12,847,821,000 respectively (2022: RM17,793,200,000 and RM8,160,302,000 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 30 June 2023, the Group and the Bank has posted cash collateral of RM5,370,443,000 and RM2,727,414,000 respectively (2022: RM3,309,311,000 and RM1,470,405,000 respectively) on their derivative contracts.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group and the Bank are disclosed in the audited financial statements for the financial year ended 31 December 2022.

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank enters into various commitments and incur certain contingent liabilities with legal recourse to their customers. These commitments and contingencies are not secured over the assets of the Group and the Bank, except for certain financial assets at fair value through profit or loss being pledged as credit support assets for certain over-the-counter derivative contracts. Treasury related derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in “Derivative Financial Instruments” Assets and Liabilities respectively.

The notional/principal amount of the commitments and contingencies constitute the following:

	30 June 2023	31 Dec 2022
	Principal RM'000	Principal RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	3,714,336	3,543,077
Transaction-related contingent items	5,873,107	5,770,401
Short-term self-liquidating trade-related contingencies	3,982,741	4,151,626
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	87,620,447	82,013,088
- maturity exceeding one year	37,021,190	38,062,217
Miscellaneous commitments and contingencies	804,149	747,248
Total credit-related commitments and contingencies	139,015,970	134,287,657
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	886,945,777	504,248,778
- one year to five years	71,793,176	69,657,718
- more than five years	14,372,815	16,617,451
	973,111,768	590,523,947
Interest rate related contracts :		
- less than one year	452,916,281	280,516,566
- one year to five years	272,941,074	252,278,345
- more than five years	64,145,460	61,592,936
	790,002,815	594,387,847
Equity related contracts:		
- less than one year	2,808,788	2,041,012
- one year to five years	799,097	646,020
- more than five years	99,195	93,297
	3,707,080	2,780,329
Credit related contracts:		
- less than one year	58,185	12,642
- one year to five years	3,282,218	2,258,816
- more than five years	173,060	241,979
	3,513,463	2,513,437
Commodity related contracts:		
- less than one year	3,687,301	1,246,341
- one year to five years	22,252	-
	3,709,553	1,246,341
Bond contracts:		
- less than one year	1,119,220	882,451
- one year to five years	1,923,598	1,899,362
- more than five years	30,000	-
	3,072,818	2,781,813
Total treasury-related commitments and contingencies	1,777,117,497	1,194,233,714
	1,916,133,467	1,328,521,371

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES (CONTINUED)

	30 June 2023 Principal RM'000	31 Dec 2022 Principal RM'000
The Bank		
<u>Credit-related</u>		
Direct credit substitutes	3,295,693	3,168,439
Transaction-related contingent items	3,857,987	3,905,844
Short-term self-liquidating trade-related contingencies	2,528,847	2,801,354
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	70,480,851	63,548,084
- maturity exceeding one year	22,500,118	24,951,899
Miscellaneous commitments and contingencies	751,863	687,141
Total credit-related commitments and contingencies	<u>103,415,359</u>	<u>99,062,761</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	629,553,514	267,887,297
- one year to five years	24,206,970	26,831,791
- more than five years	3,047,348	3,648,930
	<u>656,807,832</u>	<u>298,368,018</u>
Interest rate related contracts :		
- less than one year	121,976,653	75,796,929
- one year to five years	125,963,152	123,266,786
- more than five years	24,690,735	22,465,744
	<u>272,630,540</u>	<u>221,529,459</u>
Equity related contracts:		
- less than one year	2,694,463	1,875,183
- one year to five years	750,853	543,805
	<u>3,445,316</u>	<u>2,418,988</u>
Credit related contracts:		
- less than one year	58,185	12,642
- one year to five years	3,280,270	2,257,819
- more than five years	172,480	241,634
	<u>3,510,935</u>	<u>2,512,095</u>
Commodity related contracts:		
- less than one year	3,687,207	1,246,341
- one year to five years	22,252	-
	<u>3,709,459</u>	<u>1,246,341</u>
Bond contracts:		
- more than five years	30,000	-
	<u>30,000</u>	<u>-</u>
Total treasury-related commitments and contingencies	<u>940,134,082</u>	<u>526,074,901</u>
	<u>1,043,549,441</u>	<u>625,137,662</u>

Included under irrevocable commitments to extend credit are the amount related to the Restricted Agency Investment Account (refer to Note A11(d) for more details) as follows:

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Irrevocable commitments to extend credit :				
- maturity not exceeding one year	3,100,000	3,000,000	3,100,000	3,000,000
	<u>3,100,000</u>	<u>3,000,000</u>	<u>3,100,000</u>	<u>3,000,000</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY

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

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

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

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

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

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

30 June 2023 - Basel III

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

	The Group	The Bank*
Before deducting proposed dividend		
Common equity tier 1 ratio	14.981%	15.239%
Tier 1 ratio	15.592%	16.004%
Total capital ratio	<u>18.927%</u>	<u>19.367%</u>
After deducting proposed dividend		
Common equity tier 1 ratio	14.420%	14.343%
Tier 1 ratio	15.031%	15.108%
Total capital ratio	<u>18.366%</u>	<u>18.471%</u>

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

	The Group	The Bank*
	RM'000	RM'000
Credit risk ⁽¹⁾	249,965,208	152,354,976
Market risk	15,687,963	10,588,274
Large exposure risk requirements	1,212,672	1,212,672
Operational risk	25,824,148	18,905,905
Total risk-weighted assets	<u>292,689,991</u>	<u>183,061,827</u>

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

	The Group	The Bank*
	RM'000	RM'000
Under Restricted Agency Investment Account arrangement	1,043,158	1,043,158
	<u>1,043,158</u>	<u>1,043,158</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

30 June 2023 - Basel III (Continued)

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

	The Group RM'000	The Bank* RM'000
Common Equity Tier 1 capital		
Ordinary share capital	22,979,762	22,979,762
Other reserves	28,100,941	17,074,717
Qualifying non-controlling interests	189,556	-
Less: Proposed dividends	(1,640,182)	(1,640,182)
Common Equity Tier 1 capital before regulatory adjustments	<u>49,630,077</u>	<u>38,414,297</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,946,440)	(3,555,075)
Intangible assets	(1,211,611)	(1,040,369)
Deferred tax assets	(1,420,520)	(897,490)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(6,011,710)
Regulatory reserve	(910,592)	(656,519)
Others	65,539	3,674
Common Equity Tier 1 capital after regulatory adjustments	<u>42,206,453</u>	<u>26,256,808</u>
Additional Tier 1 capital		
Perpetual subordinated capital securities	1,750,000	1,750,000
Qualifying capital instruments held by third parties	38,613	-
	<u>1,788,613</u>	<u>1,750,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(350,000)
Additional Tier I capital after regulatory adjustments	<u>1,788,613</u>	<u>1,400,000</u>
Total Tier 1 capital	<u>43,995,066</u>	<u>27,656,808</u>
Tier 2 capital		
Subordinated obligations	7,500,000	7,500,000
Qualifying capital instruments held by third parties	317,095	-
Surplus of eligible provisions over expected loss	1,089,429	742,370
General provisions ^	854,922	357,833
Tier 2 capital before regulatory adjustments	<u>9,761,446</u>	<u>8,600,203</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,444,312)
Total Tier 2 capital	<u>9,761,446</u>	<u>6,155,891</u>
Total capital	<u>53,756,512</u>	<u>33,812,699</u>

The capital adequacy of the banking subsidiary companies of the Bank are as follows:

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	13.272%	14.616%	N/A	N/A
Tier 1 ratio	13.843%	14.616%	N/A	N/A
Total capital ratio	<u>16.096%</u>	<u>20.178%</u>	<u>20.568%</u>	<u>46.699%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2022 - Basel III

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

	The Group	The Bank*
Before deducting proposed dividend		
Common equity tier 1 ratio	15.504%	15.491%
Tier 1 ratio	16.166%	16.308%
Total capital ratio	<u>19.822%</u>	<u>20.031%</u>
After deducting proposed dividend		
Common equity tier 1 ratio	15.139%	14.918%
Tier I ratio	15.802%	15.736%
Total capital ratio	<u>19.458%</u>	<u>19.458%</u>

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

	The Group	The Bank*
	RM'000	RM'000
Credit risk ⁽¹⁾	230,486,378	143,843,475
Market risk	12,840,883	8,344,271
Large exposure risk requirements	1,194,330	1,194,330
Operational risk	24,673,585	17,903,220
Total risk-weighted assets	<u>269,195,176</u>	<u>171,285,296</u>

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

	The Group	The Bank*
	RM'000	RM'000
Under Restricted Agency Investment Account arrangement	<u>857,557</u>	<u>857,557</u>
	<u>857,557</u>	<u>857,557</u>

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

	The Group	The Bank*
	RM'000	RM'000
Common Equity Tier 1 capital		
Ordinary share capital	22,979,762	22,979,762
Other reserves	25,403,623	15,271,997
Qualifying non-controlling interests	163,682	-
Less: Proposed dividends	<u>(980,868)</u>	<u>(980,868)</u>
Common Equity Tier 1 capital before regulatory adjustments	47,566,199	37,270,891
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,938,393)	(3,555,075)
Intangible assets	(1,155,311)	(992,230)
Deferred tax assets	(1,379,682)	(948,536)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(5,991,273)
Regulatory reserve	(417,996)	(233,281)
Others	79,367	2,350
Common Equity Tier 1 capital after regulatory adjustments	<u>40,754,184</u>	<u>25,552,846</u>
Additional Tier 1 capital		
Perpetual subordinated capital securities	1,750,000	1,750,000
Qualifying capital instruments held by third parties	33,305	-
Additional Tier 1 capital before and after regulatory adjustments	<u>1,783,305</u>	<u>1,750,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(350,000)
Additional Tier 1 capital after regulatory adjustments	<u>1,783,305</u>	<u>1,400,000</u>
Total Tier 1 capital	<u>42,537,489</u>	<u>26,952,846</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2022 - Basel III (Continued)

	The Group	The Bank*
	RM'000	RM'000
Tier 2 capital		
Subordinated obligations	7,800,000	7,800,000
Qualifying capital instruments held by third parties	256,863	-
Surplus of eligible provisions over expected loss	1,011,769	706,686
General provisions ^	773,228	325,780
Tier 2 capital before regulatory adjustments	<u>9,841,860</u>	<u>8,832,466</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,456,402)
Total Tier 2 capital	<u>9,841,860</u>	<u>6,376,064</u>
Total capital	<u>52,379,349</u>	<u>33,328,910</u>

The capital adequacy of the banking subsidiary companies of the Bank are as follows:

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	14.040%	15.068%	N/A	N/A
Tier 1 ratio	14.670%	15.068%	N/A	N/A
Total capital ratio	<u>17.078%</u>	<u>20.780%</u>	<u>18.615%</u>	<u>56.979%</u>

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

^ Total capital of the Group and the Bank has excluded general provisions/portfolio impairment allowance from Tier 2 capital of RM454 million (2022: RM368 million) and RM203 million (2022: RM212 million) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT

Definition of segments

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

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

Commercial Banking

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

Wholesale Banking

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

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

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

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

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

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

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

CIMB Digital Assets & Group Funding

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

PART A - EXPLANATORY NOTES (CONTINUED)**A28. SEGMENTAL REPORT (CONTINUED)**

The Group
30 June 2023

	Consumer Banking	Commercial Banking	Wholesale Banking	CIMB Digital Assets & Group Funding	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense) - after modification loss					
- external income	1,881,442	345,701	734,498	781,517	3,743,158
- inter-segment	(79,954)	478,219	(91,514)	(306,751)	-
	1,801,488	823,920	642,984	474,766	3,743,158
Income from Islamic Banking operations	883,332	467,482	421,102	(91,204)	1,680,712
Net non-interest income	603,547	233,582	896,960	229,419	1,963,508
Net income	3,288,367	1,524,984	1,961,046	612,981	7,387,378
Overheads	(1,722,580)	(591,054)	(839,372)	(249,249)	(3,402,255)
of which:					
Depreciation of property, plant and equipment	(31,014)	(1,538)	(5,139)	(50,066)	(87,757)
Amortisation of intangible assets	(44,010)	(6,167)	(28,533)	(93,963)	(172,673)
Profit before expected credit losses	1,565,787	933,930	1,121,674	363,732	3,985,123
Expected credit losses on loans, advances and financing (made)/written back	(168,191)	43,452	(228,507)	(100,639)	(453,885)
Expected credit losses for commitments and contingencies (made)/written back	(41,354)	1,450	81,586	-	41,682
Other expected credit losses and impairment allowances	(68,091)	(232)	(7,848)	(5,008)	(81,179)
Segment results	1,288,151	978,600	966,905	258,085	3,491,741
Share of results of joint venture	(842)	-	-	-	(842)
Taxation					(844,272)
Profit for the financial period					2,646,627

PART A - EXPLANATORY NOTES (CONTINUED)**A28. SEGMENTAL REPORT (CONTINUED)**

The Group
30 June 2022

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Net interest income/(expense) - after modification loss					
- external income	1,977,466	437,041	787,531	733,489	3,935,527
- inter-segment	(155,107)	279,797	248,332	(373,022)	-
	<u>1,822,359</u>	<u>716,838</u>	<u>1,035,863</u>	<u>360,467</u>	<u>3,935,527</u>
Income from Islamic Banking operations	811,155	354,332	256,521	91,487	1,513,495
Net non-interest income	<u>657,381</u>	<u>242,134</u>	<u>356,963</u>	<u>179,113</u>	<u>1,435,591</u>
Net income	3,290,895	1,313,304	1,649,347	631,067	6,884,613
Overheads	(1,540,862)	(526,137)	(751,228)	(356,071)	(3,174,298)
of which:					
Depreciation of property, plant and equipment	(31,085)	(1,472)	(5,759)	(45,036)	(83,352)
Amortisation of intangible assets	(46,259)	(4,311)	(28,079)	(194,654)	(273,303)
Profit before expected credit losses	<u>1,750,033</u>	<u>787,167</u>	<u>898,119</u>	<u>274,996</u>	<u>3,710,315</u>
Expected credit losses on loans, advances and financing (made)/written back	(292,571)	52,725	(64,904)	(41,482)	(346,232)
Expected credit losses for commitments and contingencies written back/(made)	104,642	(4,014)	(113,933)	5	(13,300)
Other expected credit losses and impairment allowances (made)/written back	(288,047)	(4,159)	223,106	(1,684)	(70,784)
Segment results	<u>1,274,057</u>	<u>831,719</u>	<u>942,388</u>	<u>231,835</u>	<u>3,279,999</u>
Share of results of joint venture	15,143	-	-	-	15,143
Taxation					<u>(1,090,367)</u>
Profit for the financial period					<u><u>2,204,775</u></u>

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT (CONTINUED)

The Group
30 June 2023

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Segment assets	197,469,546	51,345,806	248,170,630	94,745,651	591,731,633
Unallocated assets					20,311,394
Total assets					612,043,027
Segment liabilities	152,040,916	70,486,111	275,070,554	43,768,384	541,365,965
Unallocated liabilities					19,045,932
Total liabilities					560,411,897
Other segment items					
Capital expenditure	95,348	11,716	47,357	180,104	334,525
Investment in joint venture	162,063	-	-	-	162,063

The Group
31 December 2022

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Segment assets	192,742,454	49,341,666	237,325,319	79,605,014	559,014,453
Unallocated assets					14,961,276
Total assets					573,975,729
Segment liabilities	141,596,236	68,775,847	254,718,630	41,023,863	506,114,576
Unallocated liabilities					18,946,023
Total liabilities					525,060,599
Other segment items					
Capital expenditure	175,808	12,155	60,187	393,848	641,998
Investment in joint venture	162,906	-	-	-	162,906

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

Valuation Model Review and Approval

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

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

(i) The following table represents assets and liabilities measured at fair value and classified by level with the following fair value hierarchy:

The Group	Fair Value 30 June 2023			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	27,938,836	313,871	28,252,707
-Quoted securities	1,544,675	-	-	1,544,675
-Unquoted securities	-	5,956,396	1,107,911	7,064,307
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	18,763,694	-	18,763,694
-Unquoted securities	-	32,810,763	-	32,810,763
Equity instruments at fair value through other comprehensive income				
-Quoted securities	1,836	-	-	1,836
-Unquoted securities	-	-	272,412	272,412
Derivative financial instruments				
-Trading derivatives	52,452	22,011,261	103,451	22,167,164
-Hedging derivatives	-	1,222,891	-	1,222,891
Loans, advances and financing at fair value through profit or loss	-	89,843	-	89,843
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	5,584	-	5,584
Total	1,598,963	108,799,268	1,797,645	112,195,876
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	63,551	20,274,798	179,008	20,517,357
- Hedging derivatives	-	639,730	-	639,730
Financial liabilities designated at fair values through profit or loss	-	6,681,582	-	6,681,582
Total	63,551	27,596,110	179,008	27,838,669

The Group	Fair Value 31 Dec 2022			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	23,216,501	295,529	23,512,030
-Quoted securities	1,340,074	-	-	1,340,074
-Unquoted securities	-	4,609,786	1,150,009	5,759,795
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	19,921,904	-	19,921,904
-Unquoted securities	-	28,550,384	-	28,550,384
Equity instruments at fair value through other comprehensive income				
-Quoted securities	1,860	-	-	1,860
-Unquoted securities	-	-	272,761	272,761
Derivative financial instruments				
-Trading derivatives	11,558	16,457,849	115,732	16,585,139
-Hedging derivatives	-	1,208,061	-	1,208,061
Loans, advances and financing at fair value through profit or loss	-	107,552	-	107,552
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	7,471	-	7,471
Total	1,353,492	94,079,508	1,834,031	97,267,031
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	42,227	16,461,358	120,230	16,623,815
- Hedging derivatives	-	643,450	-	643,450
Financial liabilities designated at fair values through profit or loss	-	6,668,894	-	6,668,894
Total	42,227	23,773,702	120,230	23,936,159

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

(i) The following table represents assets and liabilities measured at fair value and classified by level with the following fair value hierarchy (Continued):

The Bank	The Bank Fair Value 30 June 2023			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	21,505,048	313,871	21,818,919
-Quoted securities	1,544,675	-	-	1,544,675
-Unquoted securities	-	5,014,703	1,094,381	6,109,084
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	13,242,662	-	13,242,662
-Unquoted securities	-	26,141,861	-	26,141,861
Equity instruments at fair value through other comprehensive income				
-Quoted securities	69	-	-	69
-Unquoted securities	-	-	267,690	267,690
Derivative financial instruments				
-Trading derivatives	52,452	11,780,286	103,350	11,936,088
-Hedging derivatives	-	911,733	-	911,733
Loans, advances and financing at fair value through profit or loss	-	89,843	-	89,843
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets/disposal groups held for sale	-	5,584	-	5,584
Total	1,597,196	78,691,720	1,779,292	82,068,208
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
-Trading derivatives	63,551	9,939,004	183,957	10,186,512
-Hedging derivatives	-	597,718	-	597,718
Financial liabilities designated at fair values through profit or loss	-	1,226,592	-	1,226,592
Total	63,551	11,763,314	183,957	12,010,822

The Bank	Fair Value 31 Dec 2022			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	19,297,362	295,529	19,592,891
-Quoted securities	1,340,074	-	-	1,340,074
-Unquoted securities	-	3,635,375	1,136,479	4,771,854
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	11,944,132	-	11,944,132
-Unquoted securities	-	22,761,975	-	22,761,975
Equity instruments at fair value through other comprehensive income				
-Quoted securities	72	-	-	72
-Unquoted securities	-	-	267,685	267,685
Derivative financial instruments				
-Trading derivatives	11,558	7,083,550	115,732	7,210,840
-Hedging derivatives	-	949,462	-	949,462
Loans, advances and financing at fair value through profit or loss	-	107,552	-	107,552
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	7,471	-	7,471
Total	1,351,704	65,786,879	1,815,425	68,954,008
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
-Trading derivatives	42,227	7,018,071	127,384	7,187,682
-Hedging derivatives	-	615,936	-	615,936
Financial liabilities designated at fair values through profit or loss	-	1,119,964	-	1,119,964
Total	42,227	8,753,971	127,384	8,923,582

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the changes in Level 3 instruments for the financial period/year ended 30 June 2023 and 31 December 2022 for the Group and the Bank:

	Financial Assets			Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments		Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000		RM'000	RM'000
The Group						
2023						
At 1 January	1,445,538	272,761	115,732	1,834,031	(120,230)	(120,230)
Total gains/(losses) recognised in statement of income	1,689	-	(15,878)	(14,189)	3,388	3,388
Total losses recognised in other comprehensive income	-	(504)	-	(504)	-	-
Purchases	223	-	4,954	5,177	(237,724)	(237,724)
Sales and redemptions	(50,565)	-	-	(50,565)	-	-
Settlements	-	-	(4,319)	(4,319)	178,421	178,421
Exchange fluctuation	24,897	155	2,962	28,014	(2,863)	(2,863)
At 30 June	1,421,782	272,412	103,451	1,797,645	(179,008)	(179,008)
Total gains/(losses) recognised in statement of income for financial period ended 30 June 2023 under:						
- net non-interest income	1,689	-	(15,878)	(14,189)	3,388	3,388
Total losses recognised in other comprehensive income for financial period ended 30 June 2023 under "revaluation reserves"	-	(504)	-	(504)	-	-
Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 30 June 2023 under "net non-interest income"	(11,972)	-	132,475	120,503	(62,231)	(62,231)
The Bank						
2023						
At 1 January	1,432,008	267,685	115,732	1,815,425	(127,384)	(127,384)
Total gains/(losses) recognised in statement of income	1,689	-	(15,927)	(14,238)	5,514	5,514
Purchases	223	-	4,899	5,122	(237,639)	(237,639)
Sales and redemptions	(50,565)	-	-	(50,565)	-	-
Settlements	-	-	(4,316)	(4,316)	178,415	178,415
Exchange fluctuation	24,897	5	2,962	27,864	(2,863)	(2,863)
At 30 June	1,408,252	267,690	103,350	1,779,292	(183,957)	(183,957)
Total gains/(losses) recognised in statement of income for financial period ended 30 June 2023 under:						
- net non-interest income	1,689	-	(15,927)	(14,238)	5,514	5,514
Total losses recognised in other comprehensive income for financial period ended 30 June 2023 under "revaluation reserves"	-	-	-	-	-	-
Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 30 June 2023 under "net non-interest income"	(11,972)	-	132,426	120,454	(62,209)	(62,209)

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the changes in Level 3 instruments for the financial period/year ended 30 June 2023 and 31 December 2022 for the Group and the Bank: (Continued)

	Financial Assets			Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments		Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group						
2022						
At 1 January	1,531,828	281,114	234,395	2,047,337	(39,759)	(39,759)
Total (losses)/gains recognised in statement of income	(64,470)	-	(120,127)	(184,597)	3,011	3,011
Total losses recognised in other comprehensive income	-	(8,719)	-	(8,719)	-	-
Purchases	329	-	6,889	7,218	(214,475)	(214,475)
Sales and redemptions	(52,991)	(105)	-	(53,096)	-	-
Settlements	-	-	(7,909)	(7,909)	133,316	133,316
Exchange fluctuation	30,842	471	2,484	33,797	(2,323)	(2,323)
At 31 December	1,445,538	272,761	115,732	1,834,031	(120,230)	(120,230)
Total (losses)/gains recognised in statement of income for financial year ended 31 December 2022 under:						
- net non-interest income	(64,470)	-	(120,127)	(184,597)	3,011	3,011
Total losses recognised in other comprehensive income for financial year ended 31 December 2022 under "revaluation reserves"	-	(8,719)	-	(8,719)	-	-
Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 31 December 2022 under "net non-interest income"	(69,580)	-	447,419	377,839	(92,639)	(92,639)
	Financial Assets			Total	Financial Liabilities	
Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments	Derivative financial instruments		Total	
Money market instruments and unquoted securities	Unquoted securities	Trading derivatives	Trading derivatives			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Bank						
2022						
At 1 January	1,518,581	274,644	234,395	2,027,620	(59,880)	(59,880)
Total (losses)/gains recognised in statement of income	(64,753)	-	(120,127)	(184,880)	15,978	15,978
Total losses recognised in other comprehensive income	-	(7,254)	-	(7,254)	-	-
Purchases	329	-	6,889	7,218	(214,475)	(214,475)
Sales and redemptions	(52,991)	(105)	-	(53,096)	-	-
Settlements	-	-	(7,909)	(7,909)	133,316	133,316
Exchange fluctuation	30,842	400	2,484	33,726	(2,323)	(2,323)
At 31 December	1,432,008	267,685	115,732	1,815,425	(127,384)	(127,384)
Total (losses)/gains recognised in statement of income for financial year ended 31 December 2022 under:						
- net non-interest income	(64,753)	-	(120,127)	(184,880)	15,978	15,978
Total losses recognised in other comprehensive income for financial year ended 31 December 2022 under "revaluation reserves"	-	(7,254)	-	(7,254)	-	-
Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 31 December 2022 under "net non-interest income"	(69,863)	-	447,419	377,556	(79,671)	(79,671)

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING

A30a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	The Group		The Bank	
		30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Assets					
Cash and short-term funds		13,972,088	16,980,171	2,083,167	2,401,653
Reverse Collateralised Commodity Murabahah		712,345	503,206	-	-
Deposits and placements with banks and other financial institutions		1,514,480	197,875	2,361,042	1,836,271
Financial assets at fair value through profit or loss		3,634,982	2,075,001	-	32,775
Debt instruments at fair value through other comprehensive income		5,714,277	5,274,682	264,342	274,298
Debt instruments at amortised cost		13,763,636	9,400,868	41,747	39,404
Islamic derivative financial instruments		774,185	532,332	23,302	65,436
Financing, advances and other financing/loans	A30c	114,049,715	110,310,199	2,687,710	2,717,448
Other assets		1,466,476	926,309	490,323	437,247
Deferred taxation		261,708	188,883	-	-
Tax recoverable		34,141	6,170	-	-
Amount due from conventional operations		1,544,927	1,712,185	-	-
Amount due from related companies		12,303,701	11,884,260	12,302,662	11,884,240
Statutory deposits with Bank Negara Malaysia		1,726,130	1,696,000	-	-
Goodwill		136,000	136,000	-	-
Intangible assets		2,864	1,551	52	52
Property, plant and equipment		665	812	20	34
Right-of-use assets		885	1,261	234	256
Total assets		171,613,205	161,827,765	20,254,601	19,689,114
Liabilities					
Deposits from customers	A30d	112,964,384	106,874,630	4,126,596	4,048,654
Investment accounts of customers	A30e	17,721,367	13,684,632	-	-
Deposits and placements of banks and other financial institutions		3,601,963	5,625,052	126,825	585,076
Collateralised Commodity Murabahah		2,143,511	1,927,726	-	-
Investment accounts due to designated financial institutions	A30f	3,500,944	3,576,590	-	-
Financial liabilities designated at fair value through profit or loss	A30g	2,863,269	2,857,004	-	-
Islamic derivative financial instruments		595,060	777,653	7,254	44,929
Amount due to related company		596,622	415,798	486,115	311,559
Other liabilities		15,243,790	14,343,064	14,540,415	13,893,896
Lease liabilities		1,244	1,615	399	417
Subordinated Sukuk		1,109,219	1,109,342	-	-
Total liabilities		160,341,373	151,193,106	19,287,604	18,884,531
Equity					
Ordinary share capital		1,000,000	1,000,000	-	-
Perpetual preference shares		350,000	350,000	-	-
Reserves		9,921,832	9,284,659	966,997	804,583
Total equity		11,271,832	10,634,659	966,997	804,583
Total equity and liabilities		171,613,205	161,827,765	20,254,601	19,689,114
Restricted Agency Investment Account(*)		15,480,987	14,280,429	-	-
Total Islamic Banking Assets		187,094,192	176,108,194	20,254,601	19,689,114

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A30(b) UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

Note	The Group			
	2nd Quarter Ended		Six Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	1,172,743	800,647	2,461,485	1,674,323
Income derived from investment of investment accounts	276,255	181,213	513,644	351,484
Net income derived from investment of shareholders' funds	434,793	271,719	688,827	427,120
Modification loss	A21 (66)	(136)	(73)	(2,843)
Expected credit losses made on financing, advances and other financing/loans	(133,954)	(166,182)	(167,078)	(167,934)
Expected credit losses for commitments and contingencies written back/(made)	7,863	39	(36,849)	31,148
Other expected credit losses and impairment allowances written back/(made)	1,435	(21,514)	595	(19,225)
Total distributable income	1,759,069	1,065,786	3,460,551	2,294,073
Income attributable to depositors and others	(917,675)	(432,086)	(1,782,434)	(828,883)
Profit distributed to investment account holder	(188,512)	(89,230)	(344,069)	(172,020)
Total net income	652,882	544,470	1,334,048	1,293,170
Other operating expenses	(317,060)	(260,638)	(677,653)	(583,361)
Profit before taxation and zakat	335,822	283,832	656,395	709,809
Taxation and zakat	(70,040)	(101,423)	(142,912)	(228,683)
Profit for the financial period	265,782	182,409	513,483	481,126

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	The Group			
	2nd Quarter Ended		Six Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	265,782	182,409	513,483	481,126
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(12,081)	31	(757)	31
	(12,081)	31	(757)	31
Items that may be reclassified to profit or loss				
Debt instruments at fair value through other comprehensive income	24,078	(80,060)	77,401	(127,697)
- Net gain/(loss) from change in fair value	33,014	(118,914)	101,352	(179,382)
- Realised (gain)/loss transferred to statement of income on disposal	(1,755)	14,648	(1,901)	15,643
- Changes in expected credit losses	(50)	(143)	742	(1,901)
- Income tax effects	(7,131)	24,349	(22,792)	37,943
Exchange fluctuation reserve	32,104	6,074	44,375	7,420
	56,182	(73,986)	121,776	(120,277)
Other comprehensive income/(expense) for the financial period, net of tax	44,101	(73,955)	121,019	(120,246)
Total comprehensive income for the period	309,883	108,454	634,502	360,880
Total net income	652,882	544,470	1,334,048	1,293,170
Add:				
Expected credit losses made on financing, advances and other financing/loans	133,954	166,182	167,078	167,934
Expected credit losses for commitments and contingencies (written back)/made	(7,863)	(39)	36,849	(31,148)
Other expected credit losses and impairment allowances (written back)/made	(1,435)	21,514	(595)	19,225
	777,538	732,127	1,537,380	1,449,181
Elimination for transactions with conventional operations	66,036	33,045	143,332	64,314
Income from Islamic operations (per page 2)	843,574	765,172	1,680,712	1,513,495

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A30(b) UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	The Bank			
	2nd Quarter Ended		Six Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	64,365	1,425	127,780	13,435
Net income derived from investment of shareholders' funds	13,537	25,931	20,750	31,233
Expected credit losses (made)/written back on financing, advances and other financing/loans	(7,178)	4,323	(8,877)	5,118
Expected credit losses for commitments and contingencies written back/(made)	18	84	(98)	54
Other expected credit losses and impairment allowances written back/(made)	44	(1)	299	2
	<u>70,786</u>	<u>31,762</u>	<u>139,854</u>	<u>49,842</u>
Total distributable income	70,786	31,762	139,854	49,842
Income attributable to depositors and others	(17,715)	(1,438)	(32,146)	(2,624)
	<u>53,071</u>	<u>30,324</u>	<u>107,708</u>	<u>47,218</u>
Total net income	53,071	30,324	107,708	47,218
Other operating expenses	(425)	(1,474)	(2,353)	(2,677)
	<u>52,646</u>	<u>28,850</u>	<u>105,355</u>	<u>44,541</u>
Profit for the financial period	52,646	28,850	105,355	44,541

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	The Bank			
	2nd Quarter Ended		Six Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	52,646	28,850	105,355	44,541
Other comprehensive income/(expense):				
<i>Items that may be reclassified to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	1,490	(2,793)	4,434	(5,626)
- Net gain/(loss) from change in fair value	1,928	(2,811)	4,865	(5,641)
- Realised gain transferred to statement of income on disposal	(380)	-	(380)	-
- Changes in expected credit losses	(58)	18	(51)	15
Exchange fluctuation reserve	37,913	10,847	50,797	12,599
Other comprehensive income for the financial period, net of tax	39,403	8,054	55,231	6,973
Total comprehensive income for the period	<u>92,049</u>	<u>36,904</u>	<u>160,586</u>	<u>51,514</u>
Total net income	53,071	30,324	107,708	47,218
Add:				
Expected credit losses made/(written back) on financing, advances and other financing/loans	7,178	(4,323)	8,877	(5,118)
Expected credit losses for commitments and contingencies (written back)/made	(18)	(84)	98	(54)
Other expected credit losses and impairment allowances (written back)/made	(44)	1	(299)	(2)
	<u>60,187</u>	<u>25,918</u>	<u>116,384</u>	<u>42,044</u>
Elimination for transactions with conventional operations	-	171	-	226
Income from Islamic operations (per page 4)	<u>60,187</u>	<u>26,089</u>	<u>116,384</u>	<u>42,270</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS

i) By type and Shariah contract

**The Group
At 30 June 2023**

	Sale-based contracts					Lease-based contracts		Equity-based	Loan contract	Other	Total RM'000
	Murabahah RM'000	Bai' Bithaman Ajil RM'000	Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Muntahiah Bi al- Tamluk * RM'000	Al-Ijarah Thumma al-Bai # RM'000	Mudharabah RM'000	Qard RM'000	Ujrah RM'000	
At amortised cost											
Cash line^	-	133	23	-	1,500,650	-	-	-	8,593	-	1,509,399
Term financing											
- House financing	-	3,833,219	-	-	38,761,130	1,032,749	-	-	-	-	43,627,098
- Syndicated financing	-	-	-	-	2,160,341	-	-	209	-	-	2,160,550
- Hire purchase receivables	-	-	-	-	-	-	16,446,456	-	-	-	16,446,456
- Other term financing	89,722	816,257	1,196,044	-	40,601,106	34,206	-	-	-	-	42,737,335
Bills receivable	980,535	-	-	271,994	11,831	-	-	-	289	-	1,264,649
Islamic trust receipts	25,949	-	-	-	-	-	-	-	-	-	25,949
Claims on customers under acceptance credits	880,786	-	-	134,947	-	-	-	-	-	-	1,015,733
Staff financing	-	-	-	-	287,505	-	-	-	-	-	287,505
Revolving credits	-	-	-	-	6,354,832	-	-	-	-	-	6,354,832
Credit card receivables	-	-	-	-	-	-	-	-	-	213,790	213,790
Gross financing, advances and other financing/loans, at amortised cost	1,976,992	4,649,609	1,196,067	406,941	89,677,395	1,066,955	16,446,456	209	8,882	213,790	115,643,296
Fair value changes arising from fair value hedge											(1,723)
Less: Expected credit losses											115,641,573
Net financing, advances and other financing/loans											(1,591,858)
											114,049,715

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

i) By type and Shariah contract (Continued)

The Group
At 31 December 2022

	Sale-based contracts					Lease-based contracts		Equity-based	Loan contract	Other	Total RM'000
	Murabahah RM'000	Bai' Bithaman Ajil RM'000	Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Muntahiah Bi al- Tamluk * RM'000	Al-Ijarah Thumma al-Bai # RM'000	Mudharabah RM'000	Qard RM'000	Ujrah RM'000	
At amortised cost											
Cash line [^]	-	165	659	-	1,364,944	-	-	-	12,917	-	1,378,685
Term financing											
- House financing	-	4,043,521	-	-	34,524,609	1,072,578	-	-	-	-	39,640,708
- Syndicated financing	-	-	-	-	2,241,328	-	-	423	-	-	2,241,751
- Hire purchase receivables	-	-	-	-	-	-	15,267,838	-	-	-	15,267,838
- Other term financing	84,358	882,650	1,342,309	-	41,220,216	36,010	-	-	-	-	43,565,543
Bills receivable	771,892	-	-	362,735	-	-	-	-	-	-	1,134,627
Islamic trust receipts	21,616	-	-	-	-	-	-	-	-	-	21,616
Claims on customers under acceptance credits	855,198	-	-	142,288	-	-	-	-	-	-	997,486
Staff financing	-	-	-	-	268,330	-	-	-	-	-	268,330
Revolving credits	-	-	-	-	7,107,893	-	-	-	-	-	7,107,893
Credit card receivables	-	-	-	-	-	-	-	-	-	190,087	190,087
Gross financing, advances and other financing/loans, at amortised cost	1,733,064	4,926,336	1,342,968	505,023	86,727,320	1,108,588	15,267,838	423	12,917	190,087	111,814,564
Fair value changes arising from fair value hedge											(1,832)
											111,812,732
Less: Expected credit losses											(1,502,533)
Net financing, advances and other financing/loans											110,310,199

[^] Includes current account in excess

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

i) By type and Shariah contract (Continued)

The Bank
At 30 June 2023

At amortised cost	Sale-based contracts			Equity-based contracts	Total RM'000
	Murabahah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Mudharabah RM'000	
Cash line [^]	-	-	278	-	278
Term financing					
- Syndicated financing	-	-	-	209	209
- Other term financing	89,722	-	2,254,214	-	2,343,936
Bills receivable	-	261,895	11,831	-	273,726
Revolving credits	-	-	92,234	-	92,234
Gross financing, advances and other financing/loans, at amortised cost	89,722	261,895	2,358,557	209	2,710,383
Fair value changes arising from fair value hedges					-
					2,710,383
Less: Expected credit losses					(22,673)
Net financing, advances and other financing/loans					2,687,710

[^] Includes current account in excess

The Bank
At 31 December 2022

At amortised cost	Sale-based contracts			Equity-based contracts	Total RM'000
	Murabahah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Mudharabah RM'000	
Cash line [^]	-	-	160	-	160
Term financing					
- Syndicated financing	-	-	-	423	423
- Other term financing	84,358	-	1,773,070	-	1,857,428
Bills receivable	-	346,390	-	-	346,390
Islamic trust receipts	2,251	-	-	-	2,251
Revolving credits	-	-	525,675	-	525,675
Gross financing, advances and other financing/loans, at amortised cost	86,609	346,390	2,298,905	423	2,732,327
Fair value changes arising from fair value hedge					-
					2,732,327
Less: Expected credit losses					(14,879)
Net financing, advances and other financing/loans					2,717,448

[^] Includes current account in excess

	The Group		The Bank	
	30 June 2023 RM'000	31 Dec 2022 RM'000	30 June 2023 RM'000	31 Dec 2022 RM'000
Gross financing, advances and other financing/loans				
- At amortised cost	115,643,296	111,814,564	2,710,383	2,732,327
	115,643,296	111,814,564	2,710,383	2,732,327

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

a) During the financial period, the Group has undertaken fair value hedges on the profit rate risk of RM46,338,000 (2022: RM52,610,000) financing using Islamic profit rate swaps.

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

As at 30 June 2023, the gross exposure and expected credit losses relating to RPSIA financing are RM3,502,178,000 (2022: RM3,577,694,000) and RM515,000 (2022: RM748,000) respectively.

c) Movement of Qard financing

	The Group	
	30 June 2023	31 Dec 2022
	RM'000	RM'000
As at 1 January	12,917	8,576
New disbursement	3,055	7,219
Repayment	(7,090)	(2,878)
As at 30 June/31 December	<u>8,882</u>	<u>12,917</u>
Sources of Qard fund:		
Depositors' fund	8,245	12,037
Shareholders' fund	637	880
	<u>8,882</u>	<u>12,917</u>
Uses of Qard fund:		
Personal use	648	748
Business purpose	8,234	12,169
	<u>8,882</u>	<u>12,917</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

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

Expected credit losses movement of financing, advances and other financing/loans 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 2023	166,945	893,360	442,228	1,502,533
Changes in expected credit losses due to transferred within stages:	560,935	(575,519)	14,584	-
Transferred to Stage 1	626,537	(615,662)	(10,875)	-
Transferred to Stage 2	(62,206)	220,425	(158,219)	-
Transferred to Stage 3	(3,396)	(180,282)	183,678	-
Total charge to Statement of Income:	(45,295)	18,134	227,006	199,845
New financial assets originated	40,414	360	7,774	48,548
Financial assets that have been derecognised	(22,980)	(15,675)	-	(38,655)
Writeback in respect of full recoveries	-	-	(10,716)	(10,716)
Change in credit risk	(62,729)	33,449	229,948	200,668
Write-offs	-	-	(122,916)	(122,916)
Exchange fluctuation	229	250	725	1,204
Other movements	18	(100)	11,274	11,192
At 30 June 2023	682,832	336,125	572,901	1,591,858

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 2022	251,884	727,804	246,088	1,225,776
Changes in expected credit losses due to transferred within stages:	169,903	(238,023)	68,120	-
Transferred to Stage 1	267,346	(245,393)	(21,953)	-
Transferred to Stage 2	(96,019)	258,525	(162,506)	-
Transferred to Stage 3	(1,424)	(251,155)	252,579	-
Total charge to Statement of Income:	(254,033)	403,849	287,665	437,481
New financial assets originated	89,424	706	17,424	107,554
Financial assets that have been derecognised	(36,923)	(33,263)	-	(70,186)
Writeback in respect of full recoveries	-	-	(38,017)	(38,017)
Change in credit risk	(306,534)	436,406	308,258	438,130
Write-offs	-	(1)	(182,565)	(182,566)
Exchange fluctuation	219	97	329	645
Transfer from conventional operations	(1,043)	(140)	(2,860)	(4,043)
Other movements	15	(226)	25,451	25,240
At 31 December 2022	166,945	893,360	442,228	1,502,533

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

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

Expected credit losses movement of financing, advances and other financing/loans at amortised cost:

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	3,698	562	10,619	14,879
Changes due to financial assets recognised in the opening balance that have:				
Transferred to Stage 2	(172)	172	-	-
Total charge to Statement of Income:	160	4,765	4,212	9,137
Change in credit risk	160	4,765	4,212	9,137
Write-offs	-	-	(2,493)	(2,493)
Exchange fluctuation	191	234	725	1,150
At 30 June 2023	3,877	5,733	13,063	22,673

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	3,185	405	14,991	18,581
Total charge to Statement of Income:	1,348	266	4,925	6,539
Financial assets that have been derecognised	(193)	-	-	(193)
Change in credit risk	1,541	266	4,925	6,732
Write-offs	-	-	(7,206)	(7,206)
Exchange fluctuation	208	31	329	568
Transfer from conventional operations	(1,043)	(140)	(2,860)	(4,043)
Other movements	-	-	440	440
At 31 December 2022	3,698	562	10,619	14,879

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

Gross carrying amount movement of financing, advances and other financing/loans 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 2023	1,428,581	1,428,581
Transfer within stages	644,727	644,727
New financial assets originated	18,141	18,141
Write-offs	(123,197)	(123,197)
Amount fully recovered	(32,038)	(32,038)
Other changes in financing, advances and other financing/loans	2,322	2,322
Exchange fluctuation	988	988
At 30 June 2023	1,939,524	1,939,524

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	660,028	660,028
Transfer within stages	1,083,460	1,083,460
New financial assets originated	21,691	21,691
Write-offs	(182,565)	(182,565)
Amount fully recovered	(147,826)	(147,826)
Other changes in financing, advances and other financing/loans	(7,423)	(7,423)
Exchange fluctuation	1,216	1,216
At 31 December 2022	1,428,581	1,428,581

	The Group	
	30 June 2023	31 Dec 2022
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	1.68%	1.28%

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

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

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2023	19,244	19,244
Transfer within stages	3,708	3,708
Write-offs	(2,775)	(2,775)
Other changes in financing, advances and other financing/loans	4,802	4,802
Exchange fluctuation	989	989
At 30 June 2023	25,968	25,968

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2022	20,530	20,530
Transfer within stages	13,832	13,832
Write-offs	(7,206)	(7,206)
Amount recovered	(8,760)	(8,760)
Other changes in financing, advances and other financing/loans	(368)	(368)
Exchange fluctuation	1,216	1,216
At 31 December 2022	19,244	19,244

	The Bank	
	30 June 2023	31 Dec 2022
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	0.96%	0.70%

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

ii) By geographical distribution

	The Group		The Bank	
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	112,933,913	109,084,773	1,000	2,536
Indonesia	407	1,469	407	1,469
Singapore	2,330,112	2,297,658	2,330,112	2,297,658
China	119,253	292,465	119,253	292,465
Other countries	259,611	138,199	259,611	138,199
	115,643,296	111,814,564	2,710,383	2,732,327

iii) By economic sector

	The Group		The Bank	
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	4,362,810	4,217,279	76,046	187,014
Mining and quarrying	527,461	565,006	-	2,251
Manufacturing	4,353,163	4,098,754	164,238	111,902
Electricity, gas and water supply	666,856	541,337	-	-
Construction	3,181,055	2,677,345	184,030	153,609
Transport, storage and communications	3,379,096	4,229,502	29,985	26,261
Education, health and others	2,681,366	2,692,984	-	-
Wholesale and retail trade, and restaurants and hotels	6,875,286	5,947,159	646,779	511,167
Finance, insurance/takaful, real estate and business activities	10,798,269	10,788,701	1,005,375	1,258,242
Household	78,650,144	75,910,981	450,352	355,024
Others	167,790	145,516	153,578	126,857
	115,643,296	111,814,564	2,710,383	2,732,327

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

	The Group		The Bank	
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,913,558	1,411,589	-	2,252
Singapore	25,966	16,992	25,968	16,992
	1,939,524	1,428,581	25,968	19,244

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

	The Group		The Bank	
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	19,063	16,917	-	-
Mining and quarrying	1	2,251	-	2,251
Manufacturing	22,411	13,313	2,493	1,390
Electricity, gas and water supply	1	-	-	-
Construction	39,873	29,701	4,480	4,223
Transport, storage and communications	7,893	5,935	-	-
Education, health and others	17,593	62,074	-	-
Wholesale and retail trade, and restaurants and hotels	200,174	132,695	2,612	356
Finance, insurance/takaful, real estate and business activities	72,259	58,651	2,908	2,761
Household	1,560,255	1,107,043	13,475	8,263
Others	1	1	-	-
	1,939,524	1,428,581	25,968	19,244

PART A - EXPLANATORY NOTES (CONTINUED)**A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)****A30d DEPOSITS FROM CUSTOMERS**

	The Group		The Bank	
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
(i) By type of deposits				
Savings deposit				
Commodity Murabahah (via Tawarruq arrangement)*	8,431,035	7,802,926	639,330	615,266
Demand deposit				
Wadiah	-	284,956	-	284,956
Qard	16,869,132	15,020,156	7,931	21,959
Commodity Murabahah (via Tawarruq arrangement)*	4,581,849	4,644,456	2,755,012	2,589,163
Term deposit				
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	49,806,033	47,017,544	395,472	363,135
Fixed Return Income Account-i (via Tawarruq arrangement)*	31,758,741	31,309,442	328,843	174,026
Negotiable Islamic Debt Certificate (NIDC)				
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	1,293,542	595,374	-	-
Fixed Deposit-i				
Wadiah	8	148	8	149
Specific investment account				
Mudharabah	101,445	100,638	-	-
Others - Qard	122,599	98,990	-	-
	112,964,384	106,874,630	4,126,596	4,048,654

*Included Qard contract of the Group and of the Bank of RM4,621,218,000 and RM3,619,036,000 (2022: RM5,066,445,000 and RM3,234,780,000) respectively

(ii) By maturity structures of term deposits and investment account

	The Group		The Bank	
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Due within six months	69,195,610	68,733,276	574,633	374,952
Six months to less than one year	12,629,119	9,035,511	149,690	162,325
One year to less than three years	256,666	376,588	-	33
Three years to less than five years	853,134	852,999	-	-
Five years and more	25,240	24,772	-	-
	82,959,769	79,023,146	724,323	537,310

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30d DEPOSITS FROM CUSTOMERS (CONTINUED)

(iii) By type of customer

	The Group		The Bank	
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	7,717,511	7,050,474	185	193
Business enterprises	47,290,939	38,298,518	2,959,204	3,004,870
Individuals	34,076,355	33,872,082	982,746	879,660
Others	23,879,579	27,653,556	184,461	163,931
	112,964,384	106,874,630	4,126,596	4,048,654

A30e INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	30 June 2023	31 Dec 2022
	RM'000	RM'000
Unrestricted investment accounts (Mudharabah)		
-without maturity		
Special Mudharabah Investment Account	1,457,580	1,252,671
Daily Investment Account-i	12	-
-with maturity		
Term Investment Account-i	15,693,485	11,902,747
Unrestricted investment accounts (Wakalah)		
-without maturity		
Daily Investment Account-i	33,085	27,548
Restricted investment accounts (Mudharabah)		
-with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	537,205	501,666
	17,721,367	13,684,632

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

A30f INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group	
	30 June 2023	31 Dec 2022
	RM'000	RM'000
Restricted investment accounts		
Mudharabah	3,500,944	3,576,590
By type of counterparty		
Licensed banks	3,500,944	3,576,590

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

A30g FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	30 June 2023	31 Dec 2022
	RM'000	RM'000
Deposits from customers - structured investments	2,863,269	2,857,004

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

The carrying amount of the financial liabilities designated at fair value of the Group as at 30 June 2023 is RM128,165,000 (2022: RM222,678,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

PART A - EXPLANATORY NOTES (CONTINUED)

A31. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	The Group		The Bank	
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Outstanding credit exposures with connected parties	17,189,947	12,533,867	13,880,139	10,915,181
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	3.0%	2.3%	3.4%	2.8%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	0.0%	0.0%	0.0%	0.0%

PART B

B1. GROUP PERFORMANCE REVIEW

The Group registered a pre-tax profit of RM3,490.9 million for the six months period ended 30 June 2023, an increase of 5.9% as compared to the pre-tax profit of RM3,295.1 million reported in the previous corresponding period. The Group's net profit (attributable to the owners of the Parent) increased by 20.4% to RM2,636.8 million, equivalent to net earnings per share (sen) of 40.67.

The Group's year-on-year increase in earnings was mainly contributed by higher net non-interest income and net income from Islamic Banking Operations by RM527.9 million and RM167.2 million respectively. The increase is also attributed by the write back of expected credit losses on commitment and contingencies of RM41.7 million, as opposed to expected credit losses made of RM13.3 million in the previous corresponding period.

This is however offset by lower net interest income, higher overhead and higher expected credit losses on loans, advances and financing by RM192.4 million, RM227.9 million and RM107.7 million respectively.

The Group's gross loans, advances and financing grew by 3.6% to RM361.1 billion while deposits from customers increased by 3.5% to RM388.6 billion, as compared to 31 December 2022.

The Group's Common Equity Tier 1 ratio stood at 14.420% as at 30 June 2023 as compared to 15.139% as at 31 December 2022.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Bank remains cautious on the outlook for the second half of the year given the tapering global economic growth prospects, sustained inflationary pressure, elevated policy rates and financial market volatility. Despite this, the economic growth in the Bank's key operating countries across the region are expected to remain moderate driven by relatively resilient domestic demand. The Bank will continue on the path laid out by the Forward23+ strategic plan as we focus on targeted loans and CASA growth, Preferred Banking and wealth management. Cost management will be prudent, while credit risk and asset quality management as well as sustained technology investments remain priorities. The Bank remains optimistic of an improved financial performance in 2023 and to achieve its financial targets for the year.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

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

	The Group			
	2nd Quarter Ended		Six Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Net profit for the financial period after non-controlling interests (RM'000)	1,391,637	1,062,043	2,636,818	2,190,348
Weighted average number of ordinary shares in issue ('000)	6,482,932	6,296,082	6,482,932	6,293,042
Basic earnings per share (expressed in sen per share)	21.47	16.87	40.67	34.81

	The Bank			
	2nd Quarter Ended		Six Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Net profit for the financial period (RM'000)	1,031,407	789,170	2,053,589	1,568,496
Weighted average number of ordinary shares in issue ('000)	6,482,932	6,296,082	6,482,932	6,293,042
Basic earnings per share (expressed in sen per share)	15.91	12.53	31.68	24.92

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 June 2023 and 30 June 2022.